

RECOMMENDATION TO THE EXECUTIVE COMMITTEE

FROM:

Risk Management Committee

RECOMMENDATION:

Approval of the attached revisions to the Arizona REALTORS® Adaptations to the NAR Code of Ethics and Arbitration Manual.

BACKGROUND:

On April 24, 2019 the Professional Standards Policy Workgroup met and recommended changes to the current Arizona REALTORS® Professional Standards policies.

On May 23, 2019, the Risk Management Committee voted to approve a revised version of Arizona REALTORS® Adaptations to the NAR Code of Ethics and Arbitration Manual to reflect the changes set forth in Exhibit A.

BUDGET IMPACT:

None

MOTION:

TO APPROVE THE REVISIONS TO ARIZONA REALTORS® ADAPTATIONS TO THE NAR CODE OF ETHICS AND ARBITRATION MANUAL SET FORTH IN EXHIBIT A.

FOR MORE INFORMATION CONTACT:

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EXHIBIT A

Revise Arizona REALTORS® Adaptations to the NAR Code of Ethics and Arbitration Manual

Update Arizona REALTORS® Adaptations to the NAR Code of Ethics and Arbitration Manual (Manual) to be compliant with the National Association of REALTORS® (NAR) policies.

1. Insert the word “criminal.” Additionally, delete the portion with strikeouts to coincide with NAR’s change.

SECTION 13. Power to Take Disciplinary Action: Paragraph (e): **If AAR receives notice of criminal, civil, or regulatory complaint related to the same transaction or event after the complaint is forwarded by the Grievance Committee**, AAR shall request a copy of the pending complaint and any related documents, which shall be forwarded to the Hearing Panel Chair, or if a Chair has not been appointed to the Professional Standards Committee Chair or Vice Chair, who in consultation with Association Legal Counsel, will determine whether the complaint will be held in abeyance pending resolution of the **criminal, civil,** or regulatory proceedings. ~~If after the ethics complaint is forwarded by the Grievance Committee it is discovered that criminal proceedings related to the same transaction or event are pending, the complaint will be held in abeyance pending conclusion of the criminal proceedings.~~
(Amended 10/12) [Amended 11/18]

SECTION 19. Grievance Committee’s Review of an Ethics Complaint: Paragraph B. (5)(b):**If AAR receives notice of a criminal, civil, or regulatory complaint related to the same transaction or event after the complaint is forwarded by the Grievance Committee**, AAR shall request a copy of the pending complaint and any related documents, which shall be forwarded to the Hearing Panel Chair, or if a Chair has not been appointed to the Professional Standards Committee Chair or Vice Chair, who in consultation with Association Legal Counsel, will determine whether the complaint will be held in abeyance pending resolution of the **criminal, civil, or regulatory proceeding.** ~~If after the ethics complaint is forwarded by the Grievance Committee it is discovered that criminal proceedings related to the same transaction or event are pending, the complaint will be held in abeyance pending conclusion of the criminal proceedings.~~ (Amended 10/12) [Amended ~~1/17~~ 11/18]

Amend Manual to include new policies and procedures to address arising issues.

1. Under SECTION 3. Duty to Give Evidence include:

If a party wishes to present visual, audio, or video evidence at the hearing, it is the party’s responsibility to provide the equipment necessary to display or play the evidence for the hearing panel.

Amend the Manual's Citation Schedule to include NAR citations for Article 1, Standards of Practice 1-7 and 1-16.

1. Standard of Practice 1-7

When acting as listing brokers, Realtors[®] shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. Realtors[®] shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. Realtors[®] shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. *(Amended 1/19)*

2. Standard of Practice 1-16

Realtors[®] shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. *(Adopted 1/12)*

Update Manual (housekeeping)

1. Insert "Arizona REALTORS[®]" wherever "AAR" is found.