

Code of Ethics New Member Orientation Test

1. The Code of Ethics is based on the “caveat emptor” concept.
2. REALTORS have an obligation to protect and promote the interests of their clients regardless of the effect on any other party or REALTOR.
3. At the time the Code of Ethics was adopted, there were no real estate licensing laws.
4. The Code of Ethics was adopted to establish standards of conduct in the industry.
5. The Golden Rule is part of the Preamble of the Code of Ethics.
6. The concept of "ethics" generally includes some reference to standards, including legal standards and personal moral standards.
7. The Code of Ethics protects the buying and selling public.
8. The Code of Ethics is divided into three major sections, "Duties to Clients and Customers," "Duties to the Public," and "Duties to REALTORS."
9. Under no circumstances may a REALTOR talk to, negotiate or discuss real estate matters with the client of another REALTOR.
10. Only members of the public may file a complaint against a REALTOR alleging a violation of the Code of Ethics.
11. Arbitration hearings are often based on a procuring cause dispute between REALTORS associated with different firms.
12. The Code requires that REALTORS respect the agency relationships that other REALTORS have with their clients.
13. The Code of Ethics prohibits exaggeration, misrepresentation and concealment of pertinent facts about the property or the transaction.
14. Generally, a licensee can rely on the statements given by the seller (such as in a Seller Disclosure Statement) unless the licensee has reason to believe that the information which the seller has given is not true.
15. The requirement to secure agreements in writing extends only to sale contracts and not to changes or amendments to the contract.
16. A listing licensee must be particularly careful not to say anything about the property or the price of the property that might harm the owner's interests.
17. Disciplinary action in an ethics hearing can include a fine up to \$5000.

18. Discipline in an ethics case may not include more than one form of discipline.
19. The ethics enforcement process includes an initial screening by the Grievance Committee.
20. If the Grievance Committee feels potentially unethical conduct may have occurred, they conduct a hearing to determine whether one or more Articles of the Code have been violated.
21. If a buyer asks you about development on property near your listing, and you have no actual knowledge of surrounding development, you should offer to get specific information or direct the buyer to a reliable source of information.
22. The requirement for accuracy in written agreements extends only to sale contracts (offers to purchase) and not to listing agreements.
23. The Preamble to the Code of Ethics establishes ideals for which all REALTORS should strive.
24. Articles of the Code of Ethics are the broadest statements of ethical principles and Standards of Practice support, interpret and amplify the Articles under which they are stated.
25. Advertising is not regulated by the Code of Ethics.