

## When a Realtor Violates the Code of Ethics, Clients Often Suffer. Here Are Examples.

I often remind readers that only members of the National Association of Realtors can call themselves "Realtors," and only Realtors are bound by the Realtor Code of Ethics. Violation of the Code can subject a Realtor to discipline and even termination of their Realtor membership.

There are several ways that we Realtors might violate the Code without even realizing it, and since an ethics complaint can be filed not just by fellow Realtors but by clients, let me share with you some of the practices that constitute violations. If your agent is not a Realtor — and only half of all licensed agents are Realtors — he or she isn't bound by the Code but might still be violating state or federal laws as well as real estate commission rules. Ask yourself whether any of the following scenarios resemble something you may have experienced.

**Misleading a seller on the value of their home** in order to get a listing is a violation of Article 1. The agent is obligated to advise the seller of the home's true value utilizing his or her professional expertise, and to mention the pitfalls of overpricing it.

**Not presenting all offers received prior to closing** is another violation. A low-ball offer from a house flipper can be demoralizing, but you still have to present it *unless* you get in writing (as I once did) that you don't have to present offers below a certain price.

**Divulging confidential information**, especially if it disadvantages your client, also violates Article 1. A buyer's agent once told me that her buyer really loved my listing and their current home was about to close, so they really *had* to buy this home. That disclosure disadvantaged the buyer in a big way. Similarly, it would be a

violation for me to say my seller will take less than the asking price — unless I am specifically authorized to say he is "motivated." Buyers' agents know what that means.

**Not disclosing that I have an unrepresented buyer** for my listing, if asked, is a violation. If I have a variable commission (meaning that the commission paid by the seller is lower if I don't have to pay a buyer's agent), I must disclose that differential. I do not have to disclose the *price* of each offer in hand, but I advise my sellers to allow me to do that when there are multiple offers.

**Not following showing instructions**, or showing up at a time other than what was set with the showing service, is a violation.

**Showing your own listing on a day that you've said showings are not allowed** is a violation of Article 3.

**Not disclosing the status of a listing**, for example if the home is under contract, is also a violation of Article 3. A couple agents have told me they weren't going to change their listing to "Pending" on the MLS until the earnest money was received or inspection objection passed. The MLS will also discipline an agent for that.

**Not getting verbal agreements in writing** is a violation of Article 9. I always request instruction by email from my clients, and I create amend/extend documents when appropriate.

**Not explaining fully any document presented to a client** is a big no-no and a violation of Article 9. It's so easy with today's electronic documents to email them and say, "call if you have any questions," but we need to be more pro-active than that.

**Misrepresenting one's level of success** is a violation of Article 12. There's a bus shelter ad I have seen



### Solar-Powered Home With Hyatt Lake Membership

High-end improvements and Hyatt Lake membership make this home special. At the end of a cul-de-sac, a gate on the back fence draws you to Hyatt Lake for swimming and non-gas-power boating, paddleboarding, and fishing. The owned rooftop solar panels, not visible from the street, meet most or all of this home's electric needs. Although it's a 2-story home, *the primary suite is on the main floor* with its own access to the 16'x16' covered deck. There's also a main-floor study/den. Two guest bedrooms are on the top floor, and a 4th bedroom is in the walkout basement. The seller is a woodworker, and his work and attention to detailed improvements is obvious throughout, such as the hanging shelves in the great room. The 3-car garage is lighted and powered to support a workshop and is *heated and cooled* by a mini-split unit. A Tesla wall connector in the garage is included. The kitchen has special touches, including quartz countertops, undercabinet lighting, ultra-high-end Schuler cabinetry, Bosch super-quiet dishwasher, and LG refrigerator with a cold-saver door. The upgrades are so extensive that I urge you to look at the room-by-room details spelled out at [www.JeffcoSolarHomes.com](http://www.JeffcoSolarHomes.com). Open house this Saturday, 11am-1pm.



for years by an agent claiming to be our county's top agent, but I did the research, and it's not true. That's a violation not only of Article 12 but of real estate commission rules, as are many Code violations.

I once complained to the real estate commission about bus bench ads in which an agent claimed to sell a home every four days. It wasn't true, and he was ordered to change his ads.

**Knowingly giving inaccurate information about one's listing** is another violation of Article 12.

**Inducing a client to terminate if the listing agent changes brokerages** is a violation of Article 16, as is soliciting a listing currently subject to an agreement with another broker. Another broker's unhappy client can call me, but I can't call them. Also, we must always ask a person who calls us or visits our open house whether they are working with an agent before offering to work with them. Failing to do so could lead to "sign crossing."

When a listing expires without

selling, the homeowner can expect to be deluged by phone calls, texts, letters, postcards and even door knocking by agents whose business model involves soliciting expired listings. A common error by such agents is to fail to check whether that listing is already active on the MLS with another agent or brokerage. Another error is to mistake the "withdrawn" status for the "expired" status. "With-drawn" indicates that the listing is not active but still subject to a valid listing agreement. When you get such a solicitation, give your listing agent that agent's name so he can contact that agent and tell him/her of the violation. When one of my listings expires, I tell the seller to expect that deluge.

As stated above, non-Realtors don't have to abide by the Realtor Code of Ethics, but, as I also stated, many violations of the Code are also violations of law and/or real estate commission rules. *The Realtor associations and the commission count on clients and agents reporting violations.*

## This & That: Other Topics Worth Mentioning...

### Propane Is Proposed for Backup

An article on [CustomBuilderOnline.com](http://CustomBuilderOnline.com) argues that propane is the ultimate uninterrupted energy source, and it actually makes sense and will appeal to people worried about disruptions of the power grid. The article makes the point that having a tank of propane *and* a propane-powered electric generator can keep you warm or cool and able to cook even if you have an all-electric home. Because propane does not degrade and can last forever in a tank (and works even during the lowest temperatures), it's the best way to make sure life goes on for you, whatever happens to other energy sources.

### Passive-Certified Homes in Boston

An article on [www.ProBuilder.com](http://www.ProBuilder.com) described three certified passive-house homes built in Boston MA by Brucewood Homes. Architect Mike DelleFave says they achieved PHI-certified status by adhering to three passive house principles: air-tight construction, high-performance windows, super insulation of the building envelope, thermal bridge-free framing, and

heat recovery ventilation. The three 2500-square-foot homes were sold for about \$1.4 million each before they were even completed, demonstrating the appeal of such homes.

### Senior Roommates vs. Downsizing

A *Denver Post* article last week told of a non-profit which helps seniors living alone in a big house to find roommates, not just for companionship, shared expenses and mutual caregiving, but as a way to "age in place" instead of selling and finding a smaller home or apartment.

This reminds me of how I, single at the time, was able to afford my first Denver home back in 1997. I asked a male friend, Dave Garton, if he would be interested in sharing a home if I bought it. He said yes, and I bought a home with a walk-out basement. We shared the kitchen, but we each had our privacy. When I met Rita, Dave bought his own home, and Rita and I bought a new house.

Links to all 3 articles are at <http://RealEstateToday.substack.com>.

I welcome your topic suggestions!

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"Concentrate on giving, and the getting will take care of itself." —Anonymous

