

NAR Clear Cooperation Policy Training Handout: The Trickle-Down Effect

NAR Clear Cooperation Policy 8.0 adopted November 2019

Page | 1

Section 1.01 - Clear Cooperation

Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (Adopted 11/19)

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules if it is being publicly marketed, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

Section 1.3 Exempt Listings

If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service.

Posted on NAR website: Frequently Asked Questions

Does the new policy require changes to the local MLS rules?

Yes. MLSs can adopt the specific policy language under Listing Procedures. Below are the changes to the NAR model MLS Rules. These changes will be reflected in the Model MLS Governing Documents found in the 2020 Handbook on Multiple Listing Policy (updated version expected January 2020)

Why was this policy approved?

Brokers and MLSs from across the country asked NAR to consider policy that will reinforce the consumer benefits of cooperation. The MLS creates an efficient marketplace and reinforces the pro-competitive, proconsumer benefits that REALTORS® have long sought to support. After months of discussion and consideration within NAR's MLS Technology and Emerging Issues Advisory Board, this proposal was brought forth for the industry to discuss and consider, then approved by NAR's Board of Directors.

Is the new policy consistent with Article 3 of the NAR Code of Ethics?

Yes. By joining the MLS, Participants agree to be bound by the MLS Rules and Regulations. Per the policy's rationale, the public marketing of a listing indicates that the MLS participant has concluded that cooperation with other MLS participants is in their client's best interests.

Release will be on May 1, 2020

10. MARKETING.

(a) Submission to Listing Service. Firm shall submit pertinent information concerning the Property to any Page listing service of which Firm is a member, or in which any of Firm's agents participate, in accordance with the rules of any such listing service. Seller authorizes Firm (i) to furnish to the listing service notice of all changes of information concerning the Property authorized in writing by Seller, (ii) upon execution of a sales contract for the Property, to notify the listing service of the pending sale and the expiration date of any due diligence period, and (iii) upon closing of the sale, to disseminate sales information, including sales price, to the listing service, appraisers and real estate brokers.

(b) Commencement of Marketing. The Firm is authorized to commence marketing the Property as described in subparagraph (c) below on the Effective Date OR, if selected \Box on (insert date only if applicable) ("Delayed Marketing Date"). If a Delayed Marketing Date is selected, Seller understands and acknowledges (i) that listing service rules may prohibit the Property being previewed or shown by Seller or any real estate agent, including Firm's agents, prior to the Delayed Marketing Date, and (ii) that listing service rules may prohibit any Public Marketing of the Property before the Delayed Marketing Date except as may be permitted under "Coming Soon" Advertising in subparagraph (c) below. "Public Marketing" includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. Firm is obligated to present to Seller any offers on the Property that may be submitted to Firm prior to the Delayed Marketing Date.

NOTE: IT IS IN THE BEST INTEREST OF MOST SELLERS TO GET THE HIGHEST POSSIBLE PRICE ON THE BEST TERMS FOR THEIR PROPERTY, AND MAXIMIZING EXPOSURE OF THEIR PROPERTY ADVANCES THAT INTEREST. ACCEPTING AN OFFER ON THE PROPERTY BEFORE IT IS FULLY EXPOSED TO THE WIDEST GROUP OF POTENTIAL BUYERS MAY DENY SELLER THE BEST OPPORTUNITY TO ATTRACT OFFERS AT THE HIGHEST PRICE AND BEST TERMS.

(c) Marketing Authorization. Seller authorizes Firm (*Check ALL applicable sections*):

- □ Signs. To place "For Sale," "Under Contract," "Sale Pending," or other similar signs on the Property (where permitted by law and relevant covenants) and to remove other such signs.
- **Open Houses**. To conduct open houses of the Property at such times as Seller and Firm may subsequently agree.
- Advertising Other Than On The Internet. To advertise the Property in non-Internet media, and to permit other firms to advertise the Property in non-Internet media to the extent and in such manner as Firm may decide.
- "Coming Soon" Advertising. To market the Property as "Coming Soon," commencing on the Effective Date, in any media Firm may in its discretion select, provided that any "Coming Soon" advertising shall be conducted in accordance with any restrictions and requirements of any listing service in which the Property will be included, a copy of which \Box are \Box are not attached to this Agreement.
- □ Internet Advertising. To display information about the Property on the Internet either directly or through a program of any listing service of which the Firm is a member or in which any of Firm's agents participate. Seller further authorizes other firms who belong to any listing service of which the Firm is a member or in which any of Firm's agents participate to display information about the Property on the Internet in accordance with the listing service rules and regulations, and also authorizes any listing service of which the Firm is a member or in which any of Firm's agents participate to use, license or sell to others information about the Property entered into the listing

|2

service. Seller specifically authorizes the display of the address of the Property, automated estimates of the market value of the Property and third-party comments about the Property. If seller desires to limit or prohibit Internet advertising as set forth above, seller must complete an opt-out form in accordance with listing service rules.

NOTE: NCAR Form #105 may be used to limit or prohibit Internet advertising and explains how such limitations may or may not be effective.

(d) Lock/Key Boxes. The Seller □does □ does not authorize Firm to place lock/key boxes on the Property.

(e) **Seller Acknowledgement**. Seller acknowledges and understands that while the marketing services selected above will facilitate the showing and sale of the Property, there are risks associated with allowing access to and disseminating information about the Property that are not within the reasonable control of the Firm, including but not limited to:

- (i) unauthorized use of a lock/key box,
- (ii) control of visitors during or after a showing or an open house, including the taking and use of photographs and videos of the Property
- (iii) inappropriate use of information about the Property placed on the Internet or furnished to any listing service in which the Firm participates, and
- (iv) information about the Property placed on the Internet by or through any listing service in which the Firm participates which is inaccurate or dated, or information about the Property which may remain on the Internet following the Expiration Date, including but not limited to photographs.

Seller acknowledges and understands that neither Firm nor its agents have control over information about the Property that has been placed on the Internet in connection with the marketing of the Property for sale, whether by or through a listing service or otherwise, including but not limited to photographs, and that any such information will not be removed.

Seller therefore agrees to release and discharge Firm and Firm's agents from any and all claims, demands, rights and causes of action of whatsoever kind and nature not caused by Firm's negligence arising directly or indirectly out of any such marketing services.

WARNING: IT MAY BE A CRIME UNDER FEDERAL AND STATE LAWS TO LISTEN TO OR RECORD AN ORAL COMMUNICATION THROUGH THE USE OF ANY ELECTRONIC, MECHANICAL, OR OTHER DEVICE WITHOUT THE CONSENT OF A PARTY TO THAT COMMUNICATION. If there is a video/audio/surveillance device(s) on the Property, Seller is advised: (i) that no audio surveillance device may be turned on during any showings, open houses, investigations, examinations or inspections of the Property; and (ii) that the placement of any video surveillance device should not violate a visitor's reasonable expectation of privacy.

(f) **Office Exclusive**. \Box (*Check only if applicable*) Seller withholds consent for the listing to be disseminated to other participants of any listing service of which Firm is a member, or in which any of Firm's agents participate. Seller understands and acknowledges that: (i) the rules of any such listing service may require that the listing be filed with the listing service or that the listing service be notified of the listing, but that the listing will not be disseminated to the listing service's participants, and (ii) the listing service may require Firm to provide a certification signed by Seller that Seller does not desire the listing service rules may require that the listing be submitted to the listing service and disseminated to its participants within one (1) business day if any Public Marketing of the Property occurs (see subparagraph (b)).

NOTE: If Public Marketing of an office exclusive is not permitted by applicable listing service rules, the Delayed Marketing Date in subparagraph (b) should be left blank or "N/A" inserted and none of the marketing options in subparagraph (c) should be selected. Page | 3

What if the Listing Firm, Agent and/or the Seller is not ready to begin Public Marketing? Use the "Delayed Marketing" option in 10 (b) of Form 101.

(b) **Commencement of Marketing**. The Firm is authorized to commence marketing the Property as described in subparagraph (c) below on the Effective Date OR, if selected \Box on (insert date only if applicable) ______("Delayed Marketing Date"). If a Delayed Marketing Date is selected, Seller understands and acknowledges (i) that listing service rules may prohibit the Property being previewed or shown by Seller or any real estate agent, including Firm's agents, prior to the Delayed Marketing Date, and (ii) that listing service rules may prohibit any Public Marketing of the Property before the Delayed Marketing Date except as may be permitted under "Coming Soon" Advertising in subparagraph (c) below. "Public Marketing" includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. Firm is obligated to present to Seller any offers on the Property that may be submitted to Firm prior to the Delayed Marketing Date.

What is "Public Marketing"?

From NAR:

Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (Adopted 11/19)

Is Coming Soon No-Show Changing?

If "Coming Soon" Advertising has been selected on the Listing Agreement, this falls under Clear Cooperation and MUST be entered in the Listing Service commencing on the Effective Date within 1 business day.

□ "Coming Soon" Advertising. To market the Property as "Coming Soon," commencing on the Effective Date, in any media Firm may in its discretion select, provided that any "Coming Soon" advertising shall be conducted in accordance with any restrictions and requirements of any listing service in which the Property will be included, a copy of which □ are □ are not attached to this Agreement.

NEW: Office Exclusive

From NAR:

Section 1.3 Exempt Listings

If the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (**office exclusive**) and such listing shall be filed with the service but not disseminated to the participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the service.

Note 1: Section 1.3 is not required if the service does not require all (indicate type[s] of listing[s] accepted by the service) listings to be submitted by a participant to the service.

Note 2: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation.

age 4

NC REALTORS® Form 101 New Section

(f) **Office Exclusive**. \Box (*Check only if applicable*) Seller withholds consent for the listing to be disseminated to other participants of any listing service of which Firm is a member, or in which any of Firm's agents participate. Seller understands and acknowledges that: (i) the rules of any such listing service may require that the listing be filed with the listing service or that the listing service be notified of the listing, but that the listing will not be disseminated to the listing service's participants, and (ii) the listing service may require Firm to provide a certification signed by Seller that Seller does not desire the listing service rules may require that the listing be submitted to the listing service and disseminated to its participants within one (1) business day if any Public Marketing of the Property occurs (see subparagraph (b)).

Page

15

NOTE: If Public Marketing of an office exclusive is not permitted by applicable listing service rules, the Delayed Marketing Date in subparagraph (b) should be left blank or "N/A" inserted and none of the marketing options in subparagraph (c) should be selected.

Office Exclusive Addendum (See Exhibit A) must be submitted to the listing agent's local association within 1 business day of the Effective Date.

ABSOLUTELY NO PUBLIC MARKETING ALLOWED FOR OFFICE EXCLUSIVE LISTINGS.

What happens if the Seller changes their mind?



The Voice of Real Estate in North Carolina

Signatures and Changes on Listing Agreements

Release date: 1/1/2001; revised 9/26/2011

signatures in situations involving spouses, property in an estate, property held by a trust, incapacitated sellers, divorce and powers-of-attorney, see the "Listing Procedures" section of the NCAR Model Office Policy Manual. As for subsequent changes to the listing agreement, note three things, namely: (1) the North Carolina Real Estate Commission rules require listing agreements to be in writing from the time of their formation, so if you have a subsequent change in its terms, it must be in writing; (2) your MLS Rules likely specifically state that any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller; and (3) many listing agreement forms (including NCAR's standard form listing agreements) contain a general provision that all modifications must be in writing and signed by both the seller and the firm.

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Triad MLS Rule Changes Overview

- All Mandatory Property Types: Residential, Vacant Land and Multi-Family must be entered in Matrix in either the ACTIVE status or COMING SOON NO SHOW status within 1 business day of the Effective Date
- If Delayed Marketing is used...enter listing into the ACTIVE status within 1 business day of the Delayed Market date
- If the seller instructs the Listing Firm to STOP marketing the property, the listing status must be changed to TEMP Off Market within 1 business day of the notification. (if the seller instructs the listing firm to re-instate marketing the status must be changed back to ACTIVE within 1 business day)
- If the Listing Firm and the seller terminate the listing the status must be changed by the BIC to WITHDRAWN within 1 business day of the termination being signed.
- If the seller selects Office Exclusive the Office Exclusive Addendum must be submitted to the Listing Agent's local Association within 1 business day of the Effective Date.

Are there any exemptions?

• Nothing is changing for Triad MLS regarding the current Rule regarding Optional Property Types of C and I Improved, C and I Land, and Residential Rentals.

What are the repercussions to those who violate these new rules?

 Triad MLS is the process of creating violation policy that can be equitably enforced by the Associations as they currently handle the compliance for their respective members. <u>At this time, any reports of potential violations should be reported</u> <u>directly to your local association compliance department</u>. The intent is to clearly identify a policy that all associations can follow.

What are the procedures when a complaint needs to be filed?

• (See Exhibit B)

New Construction

- We are aware the difficulties surrounding New Construction and the Clear Cooperation Policy
- Triad MLS staff and leadership are currently reviewing a better way to accommodate New Construction marketing that will accommodate some of the things that have not been feasible in the past. We would like 'real' functionality based on 'real world' issues surrounding the entry of New Construction.
- This new approach to submitting New Construction in our system is under current review and will allow those working in New Construction to not only meet your Clear Cooperation Policy obligations but also enable you to better market your new products to our membership.
- Our goal is to have this up and running as close to that May 1 deadline as possible.

Page | 6 Exhibit A



"Office Exclusive" Seller Authorization Addendum

Submit to Listing Agent's Local Assocation



This <u>Office Exclusive Seller Authorization</u> is an addition to the listing agreement between the Seller(s) and the Listing Brokerage identified below. This addendum must be executed and submitted to the Listing Brokerage local Association within one (1) business day of the Effective Date of the Exclusive Right to Sell Listing Agreement.

The National Association of REALTORS® Clear Cooperation Policy 8.0:

Section 1.01 - Clear Cooperation

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Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules if it is being publicly marketed, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

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MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation.

"Office exclusive" listings are an important option for sellers concerned about privacy and wide exposure of their property being for sale. In an office exclusive listing, direct promotion of the listing between the brokers and licensees affiliated with the listing brokerage, and one-to-one promotion between these licensees and their clients, is not considered public advertising.

Common examples include divorce situations and celebrity clients. It allows the listing broker to market a property among the brokers and licensees affiliated with the listing brokerage. If office exclusive listings are displayed or advertised to the general public, however, those listings must also be submitted to the MLS for cooperation.

By signing this addendum, Seller(s) are acknowledging

1) A fully executed Listing Agreement was signed on	// MM DD Year
 Seller(s) acknowledge Listing Firm cannot offer any Public Marketing on an Office Exclusive Listing. The only marketing efforts can be within the Listing Firm. Upon any Public Marketing, Listing Firm is required to submit the listing to Triad Multiple Listing Service offering cooperation. 	Seller(s) initials

Seller acknowledges and accepts the consequences of limiting the exposure to the market withholding the property from the MLS offering cooperation.

 Property Address

 Seller Signature
 Date

 Seller Signature
 Date

 Listing Agent Signature
 Date

 Head Broker Signature, on behalf of....
 Date

Listing Brokerage (print name)

Page | 8 Exhibit B



Request to Investigate Potential Violation of NAR Clear Cooperation Policy 8.0

Page | 9



Submit to Listing Agent's Local Assocation

- (2) The above noted property is believed to be in violation of NAR Clear Cooperation Policy 8.0 because of the following Public Marketing (check all that apply)
 - □ A yard sign displaying the Listing Firm's information is on the property
 - □ An advertisment/announcement has been seen on Social Media and/or other digital marketing websites (*provide site address, link, or print of said ad*)
 - □ A flyer is displayed publically (*provide copy of flyer*)
 - □ The listing is being displayed on the Listing Firm's Brokerage website
 - □ The listing has been included in digital communications (email blasts)
 - $\hfill\square$ The listing has been included on multi-brokerage sharing networks
 - The listing has been otherwise publicly marketed _____

(describe public marketing)

Listing Firm's Name (print)		
Listing Agent's Name (print) Complaintant's name/signature and Firm's name is rea however, the complainant's name will not be disclosed.	quired for further investagation,	Page 10
Complaintant's Name (print)	date	
Complaintant's Name (signature)		
Complaintant's Firm's Name (print)		