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**Code of
Ethics**

Prepared by

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Code of Ethics Quiz

Q.#1. Which of the following are unethical behaviors by real estate licensees:

1. Soliciting grieving widowers to sell their property.
2. Having sex with their lover in an open house they have listed.
3. Writing a past client and telling him how much of a “Royal Jerk” he is for not listing current properties with them.
4. Falling asleep at an open house in the children’s bedroom.
5. All of the above.
6. None of the above.

Q.#2 Which of the following may a REALTOR® advertise:

1. Iowa’s Number One REALTOR®.
2. XYZ brokerage has the majority of the local market in sales.
3. The only REALTOR® who can put your property on REALTOR.com.
4. Iowa’s best REALTOR®.
5. All the above.
6. None of the above.

Q.#3. The code of Ethics does **NOT** require:

1. All ethics complaints to be in writing.
2. Honesty to all parties to a real estate contract.
3. Fairness to all parties to a real estate contract.
4. A neutral and impartial hearing panel.
5. All the above.
6. None of the above.

Q.#4 Ethical Complaints:

1. Must refer to a standard of practice.
2. Must refer to one of the 17 articles of the code.
3. Must refer to one of the case interpretations of the code.
4. Must refer to a real estate licensee.
5. All the above.
6. None of the above.

Q.#5 What is **NOT** true re: the preamble to the Code of Ethics:

1. States, when in need of a guide, REALTORS®, should refer to golden rule.
2. Is enforceable as it relates to ethical charges.
3. Is aspirational in nature and may not be relied upon to cite as an ethical violation.
4. Was originally written in 1913.
5. All of the above.
6. None of the above.

Q. #6 A real estate licensee does **NOT** owe which of the following duties to a client:

1. Honesty to all.
2. Safeguarding entrusted funds.
3. Cooperation when cooperation is in the clients interests.
4. Disclosure of actual and contemplated interests.
5. All the above.
6. None of the above.

Q. #7 A real estate licensee does **NOT** owe the public or other REALTORS®:

1. To provide a “True Picture” in advertising and other representations.
2. To avoid the unauthorized practice of law.
3. To participate in professional standards investigations and proceedings.
4. To obey the lawful instructions of a customer.
5. All the above.
6. None of the above.

Q. #8 Which of the following is **NOT** true regarding NAR Case Interpretations:

1. May be cited in an ethic’s hearing to support an issue.
2. May be cited in a court of law to support of an alleged violation of a particular article of the Code of Ethics.
3. Illustrate specific duties mandated by particular Standards of Practice.
4. Illustrate conduct expressly prohibited by particular Standards of Practice.
5. All the above.
6. None of the above.

Q. #9 A REALTOR® may only appeal an arbitration claim:

1. For a violation of due process.
2. For the amount of money received by the prevailing party.
3. For the reasons provided by the hearing panel for withholding money.
4. For the legal complexity of the case, which a hearing panel is not competent or qualified to hear.
5. All the above.
6. None of the above.

Q. #1. Which of the following are unethical behaviors by real estate licensees:

1. Soliciting grieving widowers to sell their property.
2. Having sex with their lover in an open house they have listed.
3. Writing a past client and telling him how much of a “Royal Jerk” he is for not listing current properties with them.
4. Falling asleep at an open house in the children’s bedroom.
5. All of the above.
6. None of the above.

Answer Q #1. 6 – None of the above. All answers were developed from recent ethics charges against Iowa licensees. Although these antics seem to be unethical, the National Association of REALTORS® code of ethics is narrowly limited in scope to 17 articles. The above examples are unprofessional and may border on criminal actions, but they do not fall within an article of the code, therefore should be dismissed by a grievance committee.

Q. #2 Which of the following may a REALTOR® advertise?

1. Iowa’s Number One REALTOR®.
2. XYZ brokerage has the majority of the local market in sales.
3. The only REALTOR® who can put your property on REALTOR.com.
4. Iowa’s best REALTOR®
5. All the above
6. None of the above

Answer Q #2 – 6. None of the above. Article 12 of the Code of Ethics requires all REALTORS® to present a “True Picture” in advertising. The Iowa Association of REALTORS® does not have criteria established who would be the “number one” Realtor® and even an opinion of being the “best” realtor would be inappropriate due to the fact the word REALTOR® is governed by the National, State and Local Associations of REALTORS®. Again, no objective criteria has been created by the association. According to Multiple Listing Service rules, any reference to market share comparisons of firms in public mass-media advertising must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice: “Based on information from the Board/Association of REALTORS® (alternatively, from the _____ MLS) for the period (date) through (date).”

Q. # 3. The Code of Ethics does **NOT** require:

1. All ethics complaints to be in writing
2. Honesty to all parties to a real estate contract
3. Fairness to all parties to a real estate contract
4. A neutral and impartial hearing panel
5. All the above
6. None of the above

Q. # 3 Answer – 3 fairness to all parties. “Fairness” is a subjective standard with differing sides of a dispute many times having differing opinions on what, particularly the end result of a decision, is “fair”. What the Code of Ethics demands is due process where each party is provided the opportunity to present their case to a neutral third party. The in-writing requirement is for the assurance of all parties the issues which will be heard and deliberated. Honesty to all parties is a fiduciary duty all licensees owe to not only clients, but customers as well.

Q. #4 – Ethical Complaints:

1. Must refer to a standard of practice
2. Must refer to one of the 17 articles of the code
3. Must refer to one of the case interpretations of the code
4. Must refer to a real estate licensee
5. All the above
6. None of the above

Answer – Q #4 = 2 – Must refer to one of the 17 articles of the Code. Any alleged ethical violation must cite to an article of the Code and all charges must derive from the parameters within the article. Standards of Practice and Case Interpretations may be used in support of an ethical charge, however they would be incomplete if not accompanied by a citation to the Articles. National Association of REALTORS® (NAR) ethical rules are only applicable to REALTOR® members, so ethical charges against non-members should be dismissed and returned to the complaining person. The complainant may file a complaint with the Iowa Real Estate Commission who has governing jurisdiction over all Iowa licensees.

Q. #5 – What is **NOT** true re: the preamble to the Code of Ethics:

1. States, when in need of a guide, REALTORS®, should refer to golden rule.
2. Is enforceable as it relates to ethical charges.
3. Is aspirational in nature and may not be relied upon to cite as an ethical violation.
4. Was originally written in 1913.
5. All of the above.
6. None of the above.

Q. #5 Answer – 2 is enforceable as it relates to ethics charges. The Code of Ethics, originally written in 1913, contains a preamble which is only aspirational in nature and may not be cited as a source of unethical behavior. It does advise REALTORS® in search for further guidance follow the golden rule “Whatsoever ye would that others should do to you, do ye even so to them.”

Q. #6 – A real estate licensee does **NOT** owe which of the following duties to a client:

1. Honesty to all parties.
2. Safeguarding entrusted funds.
3. Cooperation when cooperation is in the clients interests.
4. Disclosure of actual and contemplated interests
5. All the above.
6. None of the above.

Q. # 6 Answer – 6 none of the above. ALL these are examples of fiduciary duties which are found in the Iowa Code, Iowa Administrative Rules, and the Code of Ethics.

Q. #7 – A real estate licensee does **NOT** owe the public or other REALTORS®:

1. To provide a “True Picture” in advertising and other representations
2. To avoid the unauthorized practice of law
3. To participate in professional standards investigations and proceedings
4. To obey the lawful instructions of a customer
5. All the above
6. None of the above

Q. #7 Answer – 4 –to obeying the lawful instructions of a customer. A “customer” by definition does not receive any special legal right or entitlement to service by a real estate licensee. The public has a right to expect honesty, good-faith, reasonable skill and care, disclosure of material adverse facts, and accounting for all property coming into possession of the licensee. A licensee needs only obey the lawful instruction of their “client”.

Q. #8 – Which of the following is **NOT** true regarding NAR Case Interpretations

1. May be cited in an ethic’s hearing to support an issue
2. May be cited in a court of law to support of an alleged violation of a particular article
3. Illustrate specific duties mandated by particular Standards of Practice
4. Illustrate conduct expressly prohibited by particular Standards of Practice
5. All the above
6. None of the above

Q. #8 Answer – 6 none of the above. All the answers are true. Case interpretations found at the end to the Code of Ethics and Arbitration Manual are very helpful for any person in the analysis of the how the code relates to the facts of a particular case.

Q. #9 – A REALTOR® may only appeal an arbitration claim:

1. For a violation of due process
2. For the amount of money received by the prevailing party
3. For the reasons provided by the hearing panel for withholding money
4. For the legal complexity of the case, which a hearing panel is not competent or qualified to hear.
5. All the above
6. None of the above

Q. #9 Answer -1. for a violation of due process. The only issue arbitration rules provide for an appeal of an arbitration hearing is for a violation of due process (biased hearing panel, not able to cross examine witness, not given enough notice of a hearing, etc.) Ethics panel decisions may be appealed for not only due process reasons, but any legitimate concern with any aspect of the hearing.

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