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{ SEPTEMBER | TWO THOUSAND & SIXTEEN | VOLUME FIFTEEN | NUMBER FIVE }



Engagement Counts This Fall

This year seems to be coming to a “closing” quicker than most, but it has also been jam-packed with successful Realtor® Engagement. As you read in my August article, I have been continually impressed with the amount of support and care that we, as Michigan Realtors® contribute to our communities. It's that connection which elevates us beyond any organization to something greater. Realtors® are the pillar of our state's housing market as well as that in every community they serve. As we focus on building our strengths as industry professionals doing what we love, there's only one place left to reconvene this fall.



As we **focus on building our strengths**
as industry professionals doing what we love,
there's only one place left
to reconvene this fall.

The Convention is the epitome of Michigan Realtors® dedication to industry engagement, and will take place this year at the Soaring Eagle Casino & Resort, October 5-7. This is an excellent opportunity for Realtors® across the state to reconnect with each other in a fun and exciting way. If you have not previously attended The Convention, let this year be the first! Taking into consideration the networking, learning, and entertainment, The Convention is an event that is a guaranteed ‘win’ year after year. I promise that once you attend, you'll be looking forward to scheduling in The Convention for 2017 and beyond. Our satisfied attendees return year after year.

Choose from over twenty CE Marketplace Certified Knowledge Sessions, with big name industry speakers such as Grand Assembly keynote speaker Greg Schwem. Greg shows it is possible to laugh at work and about work. Get ready to put down your smart phones and

laugh along with Greg as he good-naturedly discusses topics such as text messaging abuse, social network overload, home buyer web sites and yes, the state of real estate. Closing Keynote Speaker Terry Watson is the “AHA guy”, who makes people, companies and organizations large and small aware of the conscious and unconscious ways they sabotage their businesses and their lives. Be there!

In addition to knowledge-packed sessions delivered by some of the country's top industry speakers, The Convention is home to a plethora of networking events as well as the Expo. The Welcome Reception in the Expo

will showcase the latest products and services our industry has to offer. While in the Expo, be sure to stop by the RPAC booths. The live and silent auctions always bring a big crowd and excitement. The Realtors® Political Action Committee (RPAC) is the best way a Michigan Realtor® can protect his or her business. RPAC is the only grassroots and issues mobilizing force that exists to protect and promote the tradition of home ownership and real estate investment in Michigan.



The Grand Assembly will recognize the first ever Leadership Academy Class of 2016, crown the 2016 State Realtor® of The Year and introduce our 2017 Michigan Realtors® President,

Jason Copeman. Jason is our first ever president from the Upper Peninsula. He's a long time board member and volunteer on various committees, and it's been a pleasure to work alongside Jason these past few years. I look forward to Jason leading our members into more engagement in 2017 and am honored to have served this role as your president. See you this October. ●

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Michigan REALTOR® (ISSN 1053-4598, USPS 942-280) is published six times per year (January, March, May, August, September, November) by the Michigan Realtors®, 720 N. Washington Ave., Lansing, MI 48906.

Address letters, address changes and inquiries to: Michigan REALTOR®, 720 N. Washington Ave., Lansing, MI 48906; 800.454.7842; Fax 517.334.5568. www.mirealtors.com; e-mail contact@mirealtors.com. Subscription rates: \$8 per year (included in dues) for members, \$25/year nonmembers. Periodicals postage-paid in Lansing, Michigan 48924 and additional mailing offices. POSTMASTER: Send address changes to the Michigan REALTOR®, 720 N. Washington Ave., Lansing, MI 48906

COMING EVENTS

October 5-7, 2016

The Convention

Soaring Eagle Casino & Resort, Mt. Pleasant

February 14-16, 2017

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Motor City Casino-Hotel, Detroit

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Talking About the Issues

With 2016 being a Presidential election year, I've heard the complaints a lot: "I'm sick of politicians." -- "Nobody is talking about the issues." If these words have passed your lips in the last year (because, yes, the major presidential candidates have been running for that long), then this is the article for you. My campaign promise to you in this article is that there will be no names of elected officials or candidates, there will only be issues. I will focus particularly on those issues having an immediate impact on your business. Below are two of the issues that will be important going into this election and beyond. Whether you're sick of politics, or not, the people seeking office will ultimately shape the laws that govern business and the real estate markets. So let's talk about the issues.

FHA Condominium Financing

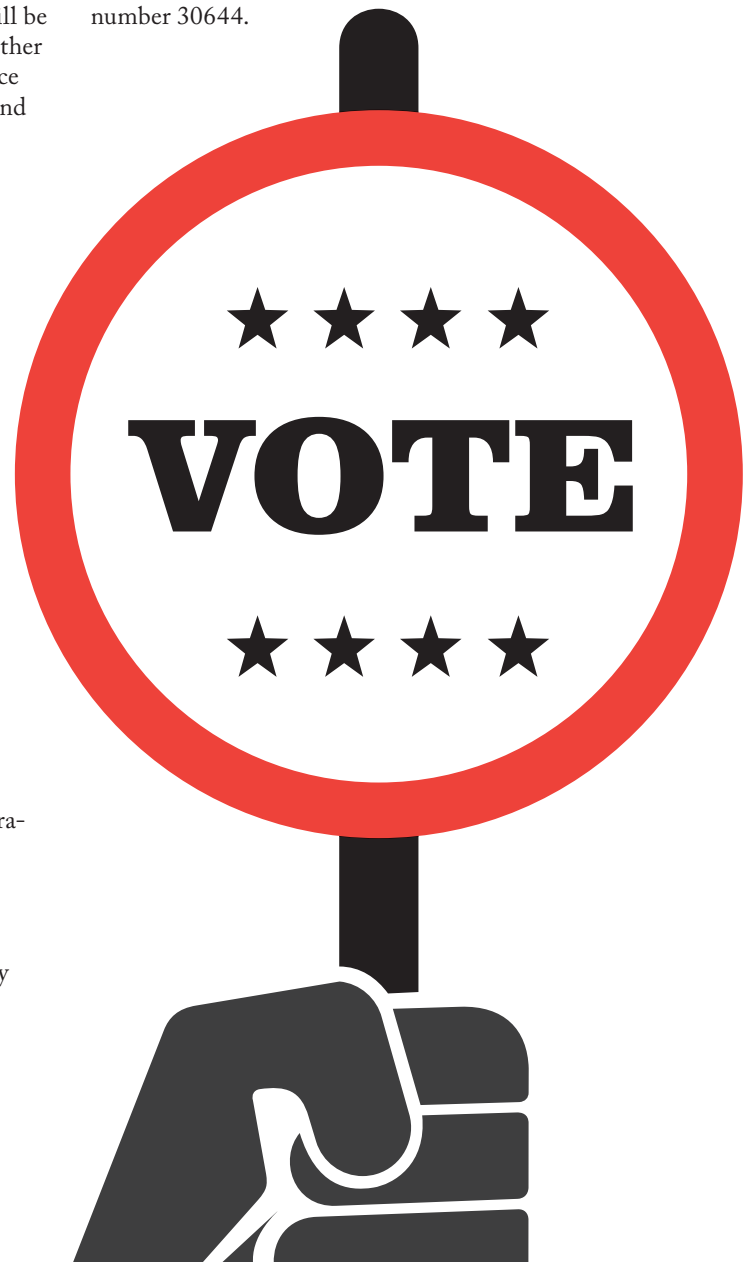
This new federal legislation is an important victory for Michigan. Anyone working with condominium buyers has more than likely been challenged with the Federal Housing Administration's (FHA) financing requirements. Michigan faced a unique challenge with regard to these requirements due to the popularity of site condominiums, rather than platting over the last several years.

For all of the talk about Congress failing to act in a bipartisan nature to solve the issues of the day, HR 3700 passed both the House and the Senate unanimously before being signed into law. These new changes will help make FHA financing more available to purchasers of condominiums, particularly by reducing current occupancy requirements to 35% and streamlining the condo recertification process. Additionally, it provides increased flexibility for mixed-use type buildings within a development, and mirrors the Federal Housing Finance Administration's (FHFA) prohibition on private transfer fees.

Realtors® worked diligently to make this legislation a reality by sharing their client's stories with members of Congress from across the United States. Our own association's grassroots were also on display with over 2,000 Michigan Realtors® responding to the NAR Call for Action, while also sending letters directly to their representatives urging them to pass these important reforms. Condominium buyers and

sellers everywhere stand to benefit from this new law.

If you did not respond to this Call for Action, I urge you to consider responding to all future NAR and Michigan Realtors® issued CFAs. These are important and timely ways to communicate on issues under immediate consideration by your elected officials. Responding to Calls for Action is easy with only a few clicks on the email in your inbox, or you can also subscribe to text alerts by texting the word "Realtor" to the number 30644.



Closing Disclosures

Another federal agency that has been playing a large role in the lives of Realtors® everywhere is the powerful Consumer Financial Protection Bureau (CFPB). Over the last several months, you may have encountered difficulty in gaining access to the new federal Closing Disclosure (CD). In the past, lenders made much of this information readily available, allowing Realtors® to counsel their clients and to fully comply with Michigan Administrative Rule 311 to "provide a complete and detailed closing statement" to their clients.

I'm pleased to report that because of the hard work of our association, the CFPB has now clarified their regulations to give lenders the all-clear to share the new Closing Disclosure. Since the implementation of the TILA-RESPA Integrated Disclosure, a fancy

The CFPB's clarification, however, makes adopting a more accessible policy more sensible. To protect Michigan Brokers relative to Rule 311, Michigan Realtors® is still pursuing legislation this fall that will clarify the state rule with regard to providing complete and detailed closing statements where the closing occurs at a Title Company. While it is very important for Realtors® and their Clients to have access to closing information and keep all lines of communication open during the transaction, addressing the potential liability for not satisfying the letter of the rule as drafted is an important measure. Michigan Realtors® will still pursue this legislation should any additional changes occur at the federal level, or in the lenders' practices, to again limit access to this information.

As promised - *issues only*. At Michigan Realtors®, we focus on the issues that impact your daily business and have significant impact on the public. In



Whether you're sick of politics, or not, **THE PEOPLE SEEKING OFFICE WILL ULTIMATELY SHAPE THE LAWS THAT GOVERN BUSINESS AND THE REAL ESTATE MARKETS.** So let's talk about the issues.



name for the "Know Before You Owe," lenders have been reluctant to share the CD out of fear of retribution from the CFPB. As the CFPB has ramped up its regulations, monitoring their enforcement actions has become the most reliable way for lenders to determine how they apply. Fortunately in this instance, the CFPB decided to clarify their current regulations rather than making an example of a lending institution.

Even with this recent clarification, it is important to note that it does not mandate that this information is shared. It will still be a policy decision for lending and closing entities to provide this important information.

this case, we can celebrate issues solved by a common sense approach from Realtors® across the country - sharing their experiences and expertise.

As the November general election draws near, we should demand commitment and discussion of the issues by all candidates. In raising our level of discourse as an association, responding to Calls for Action and talking to our elected officials, we begin to raise the level of understanding of our issues for both elected officials and candidates. ●

How Your Fingers Can Make You Rich

"The poem is a perfecting of a feeling in language - it's a way of saying more with less, just as texting is."

—Carol Ann Duffy, British poet

BY BOB CORCORAN

If you're an agent or broker seeking the next, new, sizzling marketing tool, look down at your fingers. Ladies and gentlemen, I present to you the next great device: texting.

I know this because I have personal experience. I learned a while back that when I wanted to reach my kids, calling them was pointless. When I left a message, I'd never hear back from them. But when I texted them, they responded immediately. I knew it was only a matter of time before texting would become a critical tool for Realtors®.

Today texting is as popular as a heaping scoop of vanilla ice cream on a hot summer day. Why?





IT'S PERVASIVE – Pew Research says two-thirds of Americans use a Smartphone and that text messaging is the most widely-used Smartphone feature.



IT'S EFFECTIVE – A study by Conversational Advertising says 90 percent of all text messages are read within three minutes. Plus, Tecipedia found that the open rate of texts is 98 percent compared with only 22 percent of emails.



IT'S INTERACTIVE – Texting is a two-way street that gives consumers the power to interact, and it lets you make that interaction fun and profitable. On your yard signs, for example, you can invite prospects to text key words for all the listing's details, your contact info, or even take part in contests or trivia games. Every person who texts you can be added to your database of phone numbers.



IT'S PERSONAL – Texting lets you reach prospects individually and create relationships.



IT'S IMMEDIATE – Today's consumers have come to expect speed in practically every facet of their lives and texting doesn't disappoint because it's extraordinarily fast.



IT'S DO-IT-YOURSELF EASY – You can launch a text messaging campaign yourself with some simple web-based software (there's plenty from which to choose, just Google texting software).



IT'S INEXPENSIVE – Most mobile phone plans include at least a few hundred messages per month, and additional messages cost only pennies to receive. Or, you can get an unlimited texting plan.

When you consider these bullets, there's no reason why you shouldn't have a texting strategy as part of your marketing plan.

I'll end with a few more details on mobile marketing:

- 1. Property Codes** – When you first start, you'll pick keywords for each of your listings. Property codes simply represent and describe your listing. When consumers text the code, they'll get the listing information instantly.
- 2. Sign Riders** – Add the property code on your yard signs with a simple call to action to get consumers to text. For example "Text 'A1111' to '12345' for this home's specs!"
- 3. Lead Generation** – After prospects text the property code, their mobile phone numbers are automatically placed into your contacts so you can follow up – which you should do as quickly as possible. Then you can automate your text messaging just like an e-mail drip marketing campaign to stay in front of clients and prospects.

Trust me when I tell you mobile marketing for Realtors® will only continue to grow as a vital channel. By starting a text messaging effort now, you can build on your current relationships and create many more in the future.

Shoot me an e-mail at Article@CorcoranCoaching.com and I'll send you free of charge a handout with more tips on how to start a successful texting campaign. And, let me hear from you on Facebook. Are you using texts in your marketing efforts? If so, what's been your experience so far? Share at www.facebook.com/CorcoranCoaching. ●



Bob Corcoran is the founder of Corcoran Consulting and Coaching Inc. (www.corcorancoaching.com/programs, 800-957-8353), an international Real Estate, Mortgage and Small Business coaching company committed to helping clients balance success in business, while building value in life. To find out more about Corcoran Consulting & Coaching, call 1-800-957-8353 or visit us at www.CorcoranCoaching.com.

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Mt. Pleasant

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February 14-16, 2017
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80% of Vacation Home & Investment Buyers say that Now is a Good Time to Buy^{*}



What are you doing to capitalize on this market?

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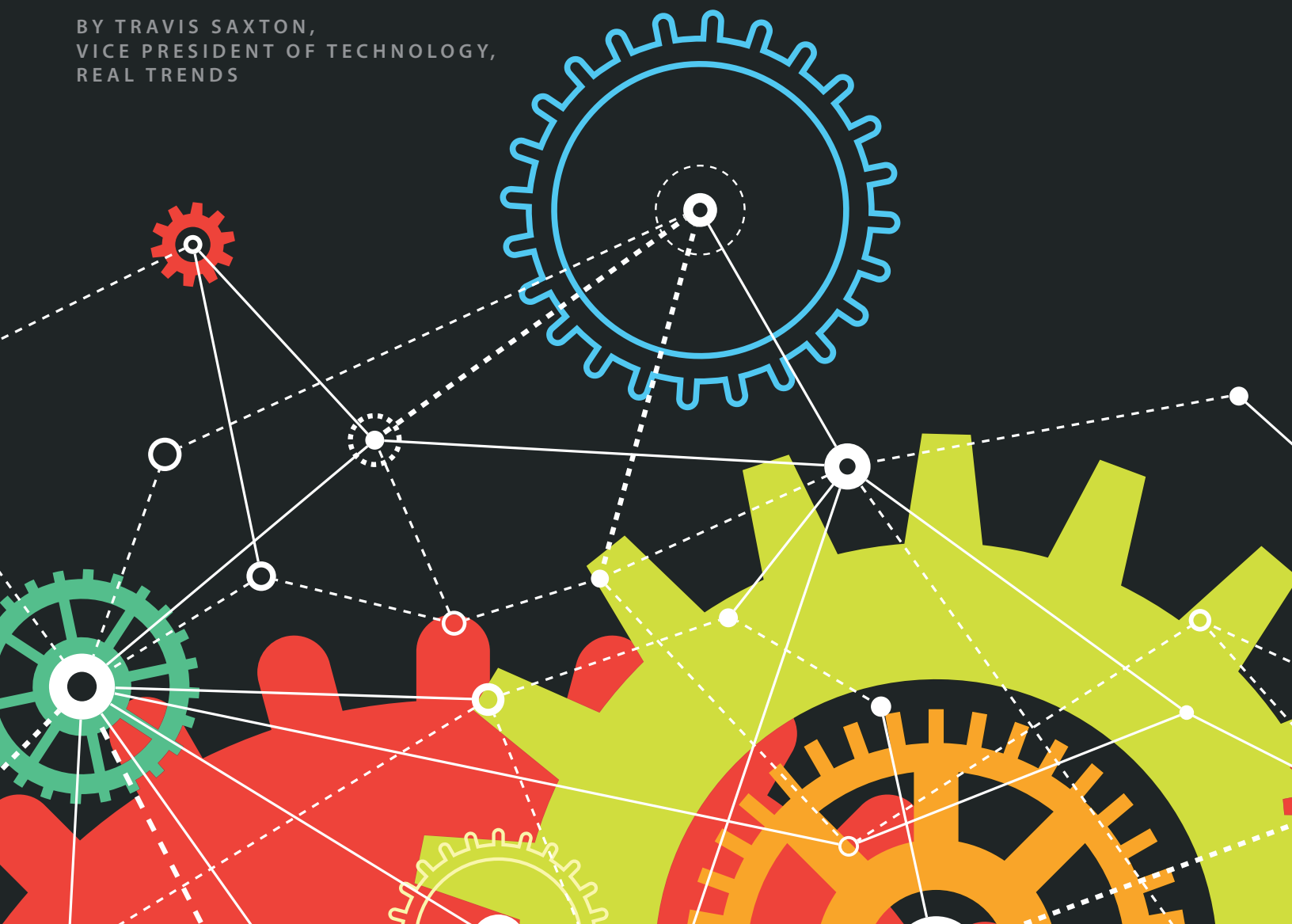
**According to the 2014 NAR Investment & Vacation Home Buyers Survey*



Developing a Technology & Marketing Plan for Your Company

Did you know that most U.S. brokers don't have a plan when it comes to their technology and marketing? Sure, they have technology and marketing, but there is no shared vision between the two. Some organizations run flat, with many people meeting and controlling everything, only bringing to the table what they find interesting. This type of brokerage is susceptible to the shiny penny syndrome. Other brokerages run in linear silos with people in charge of respective areas but not coordinating or communicating with each other.

BY TRAVIS SAXTON,
VICE PRESIDENT OF TECHNOLOGY,
REAL TRENDS



Here is a simple exercise that we recommend each brokerage complete to get a handle on what they are spending, where, what the return on investment is, how you use these efforts for recruiting, what lead sources and rules you have and ultimately, your plan.

First, organize technology and marketing into four areas:

1. Technology Initiatives
2. Marketing Initiatives
3. Leads Initiatives
4. Recruiting Initiatives

You may be asking yourself, “Why is recruiting on the list?” Recruiting today is largely a byproduct of the three areas that precede it on my list. Without clarity in the first three areas, your recruiting managers have a hard time telling your story. Without clarity, your efforts in those areas blend with every other firm in your market. This is one reason why E-edge from

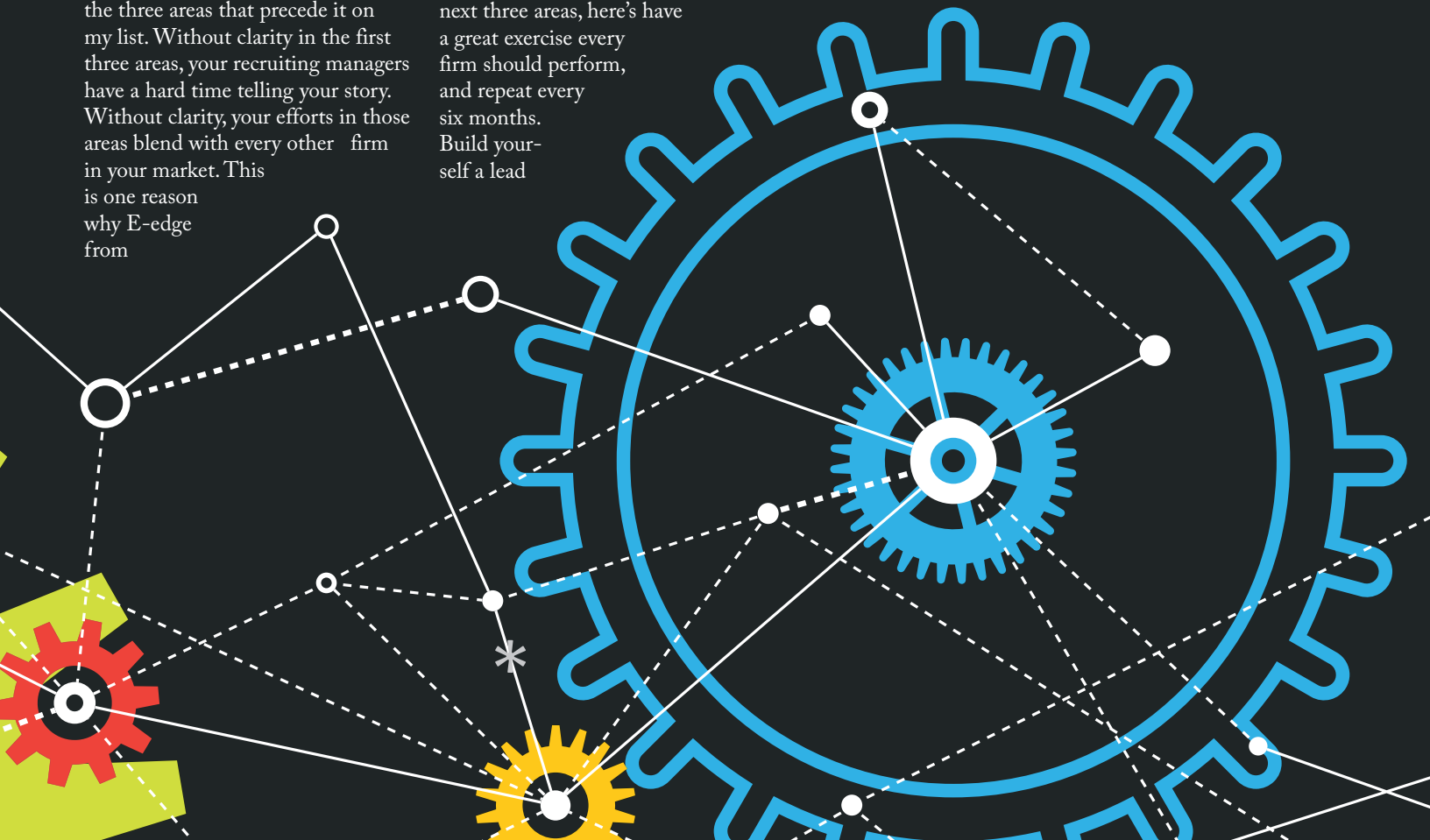
Keller Williams made such big waves. They were one of the first firms to add clarity and message around what they were doing in the first three areas on the list above. So, yes recruiting belongs here. More specifically, the person in charge of recruiting needs to communicate clearly with the other three areas to develop a concise value proposition and use those other areas to drive home your value proposition to potential recruits. The problem with most organizations is that recruiting is done in a silo, without help from the other areas.

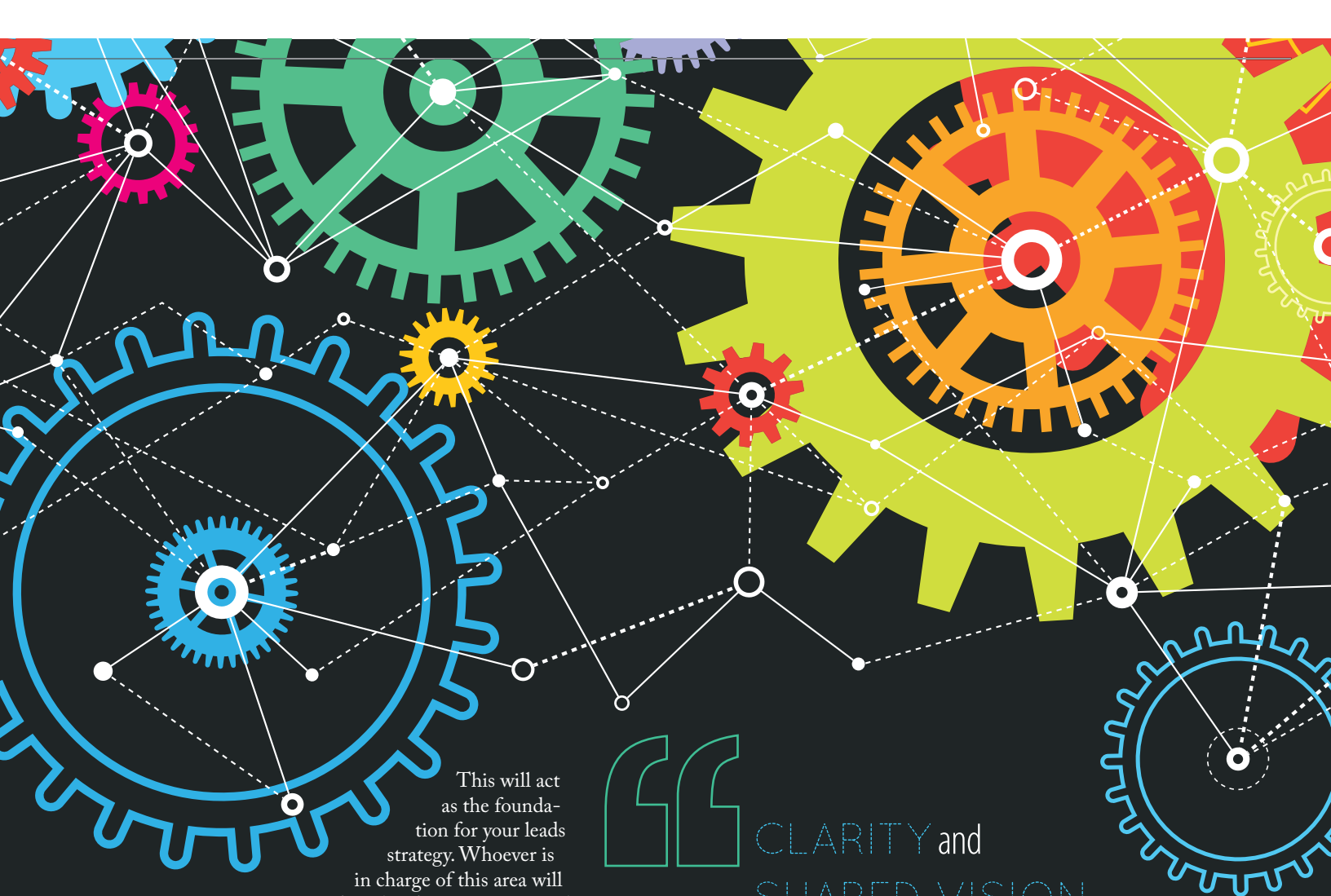
BUILD THE FOUNDATION

Let’s talk about leads. Over the next three areas, here’s have a great exercise every firm should perform, and repeat every six months. Build yourself a lead

matrix. Use a Google doc/sheet or an Excel file and make it simple. Track every lead source in your organization. If you get a name, email address or phone number, then it goes in as a lead source. Lead sources include your website, listing portals, MLS, mobile, sign riders, customer service desk, relocation, etc. Any name or opportunity is placed in this spreadsheet.

Then, add a field for estimated monthly volume, cost, comments/feedbacks and what do you currently do with the leads. If you have closing information, place it here as well.





This will act as the foundation for your leads strategy. Whoever is in charge of this area will update this doc every six months. They will then set three attainable goals every six months toward which to work (for their area). This evolving message is then relayed to Recruiting for use.

MARKETING LEADS

You may think marketing and leads are the same. In some organizations they are, but they should be separated. In the marketing section, repeat the above exercise and build a marketing matrix. This is a spreadsheet upon which you track marketing sources, number of visits, impressions, clicks, followers and other pertinent information. Start with your website, social media, digital marketing campaigns, listing syndication and more. Anything that has eyeballs on your brand or listing goes into this spreadsheet. The more detailed you are, the better. Think of this as more outbound, and leads as inbound. Tackle three goals every six months with clear, measurable success KPIs. This is then relayed to leads and recruiting.

“

CLARITY and
SHARED VISION

across your organization
are important, and this exercise
will help you achieve that.

”

TECHNOLOGY INITIATIVES

Finally, you have the technology initiatives. Create a technology matrix that lists every technology penny you spend. The slight overlap is with marketing wherein the website and agent websites should reside. This is small; however, and the goal is to see the landscape of your technology. But, in this matrix, you want fields such as cost or cost per month, agent adoption of tools, training initiatives, last training held, perception and more. Your goal is to see which technology is being used. This offers you

coaching and training ammunition and sets the foundation for the brokerage to add or subtract technology.

In the end, you have the four pillars for getting your technology and marketing under control and ultimately building the foundation for a great recruiting and retention strategy. Clarity and shared vision across your organization are important, and this exercise will help you achieve that. •

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Enough About Millennials

BY PATRICK LENCIONI,
THE TABLE GROUP

Am I the only person in the world who's tired of hearing people talk about Millennials? Whether it's a complaint about their entitlement mentality or a declaration of their brilliance, it all strikes me as shallow and simplistic.

Now, I do not deny that every generation has a few things that make it unique. Today's young people get their information differently than I did. I get that. And, they communicate with one another using different devices than I did. No doubt. I agree that they have different expectations around employment than I did. But isn't that true of every generation? Why is it that we seem to be fascinated with this new collection of human beings, as though they come from another planet?

My fascination with all this is related to my most recent book, "The Ideal Team Player," because it has ramifications on how we go about bringing Millennials into a workforce that is increasingly team focused. There seems to be a fear on the part of recruiters and hiring managers that they'll be forced to deal with hordes of self-focused, isolated and lazy geniuses who are incapable of working well with others.

As it turns out, there is a better way to think about hiring good people than focusing on a person's generational stereotype. It comes down to looking for three simple, timeless and observable virtues that are reliable predic-

tors of whether someone of any age will be a good team player. Thankfully, while generations change, the nature of teamwork does not.

The first and most important of the three virtues is humility. And yes, plenty of Millennials are humble. Humility is a timeless virtue, one that society will always yearn for, even when its celebrities and cultural icons seem to renounce it. Plenty of Millennials are just as tired of self-indulgence and narcissism as the rest of us. They're capable of caring for others more than themselves and have the ability to enjoy team success more than individual achievement.

Another critical virtue is hunger; the desire and willingness to work hard, to go above and beyond what is required for something worthwhile. While paper routes and lawn-mowing businesses for teenagers may seem like a thing of the past, hard work and sacrifice is alive and well among young people. The question is whether or not they've ever been made to work hard. I'm convinced that a large percentage of people in any demographic group, including Millennials, are capable of hard work, and a certain percentage are destined to be slackers. The key is finding the right ones to hire, and weeding out the others.

The third virtue that indicates that a potential new hire will be a good team player is what I call smarts, which is having common sense about people and knowing

how one's words and actions impact others. While it may be true that Millennials have spent a disproportionate amount of their time using abbreviations and Emojis to communicate, it doesn't take long for them to adjust when they realize that the guy or gal sitting next to them in a meeting needs a little eye-contact and emotional connection. All human beings, yes, even teenagers, yearn for interpersonal connection and are capable of embracing it.

So let's take a breath and realize that our society, and our economy, will survive the onslaught of Millennials. Companies that place a high priority on teamwork, on finding people who are humble, hungry and smart, will have no problem with them, or with any other generation for that matter.

In the spirit of this current generation, I'll close with a tweetable summary: Teamwork is not limited to any one generation. Millennials aren't so special. In fact, they'll be just fine. ●



Patrick Lencioni is founder of The Table Group and author of several books including, "The Ideal Team Player," and "The Five Dysfunctions of a Team."

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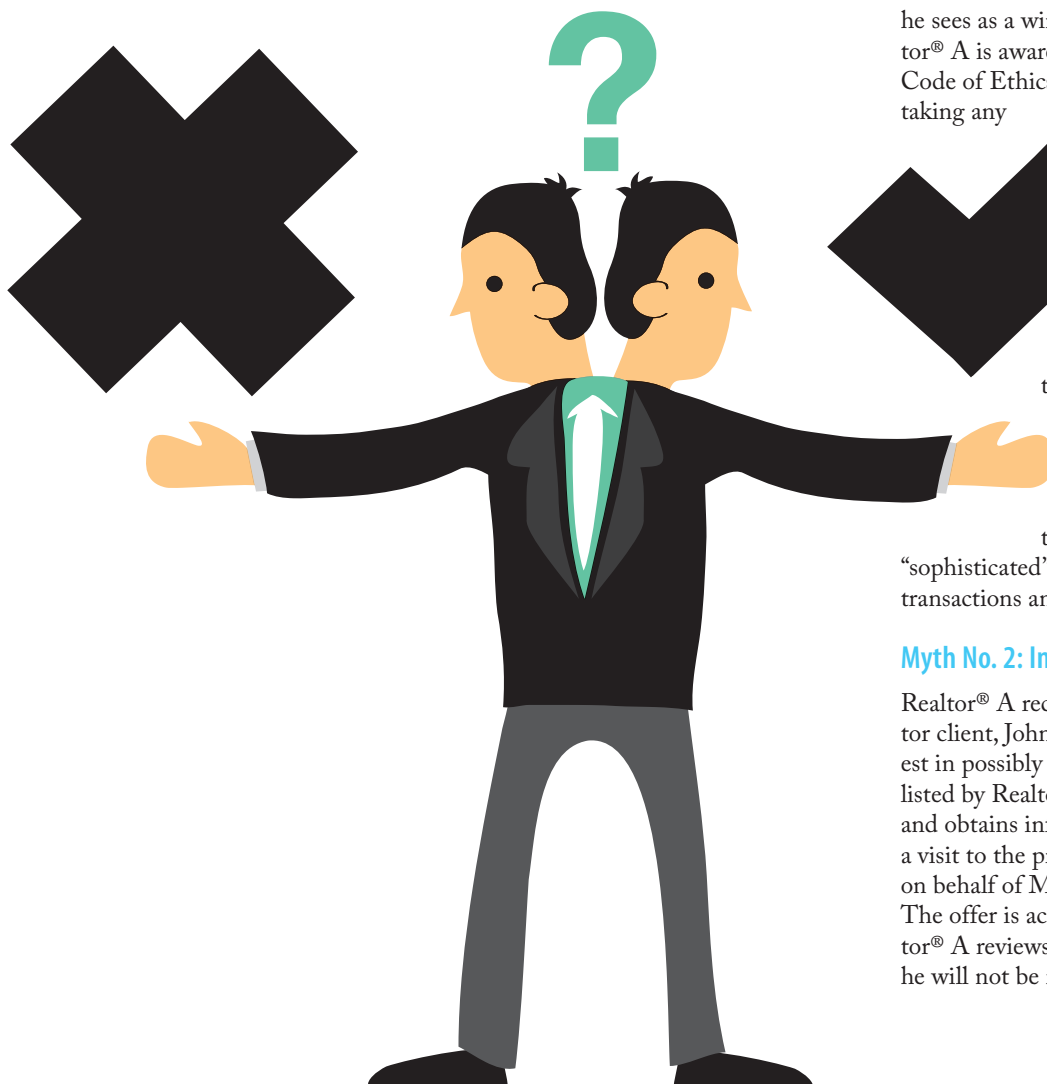
Why is it that we seem to be
fascinated with this new collection
of human beings, as though

**THEY COME FROM
ANOTHER PLANET?**”



Ethical Myths

Realtors® spend a great deal of time and effort trying to keep up with the latest technological advances and regulatory changes in the real estate industry. Unfortunately, at the same time there are a number of long-held misconceptions that have for years, and continue to, lead Realtors® into unfortunate situations. I will touch on a few of those myths in this article.



Myth No. 1: Commercial Transactions Have Different Ethical Rules.

Realtor® A has a prospective tenant for a downtown office building. Realtor® A has known the owner of the downtown office building for many years. While Realtor® A is aware of the fact that Realtor® B is the property manager and leasing agent for the downtown office building, he nevertheless contacts the owner directly to expedite what he sees as a win-win situation for all involved. While Realtor® A is aware that Article 16 of NAR's Code of Ethics prohibits a Realtor® from taking any

action inconsistent with another Realtor®'s agency relationship, he is not concerned about violating Article 16 in this case because his deal involves a commercial property and he is dealing with a sophisticated real estate owner. Unfortunately, Realtor® A is mistaken. NAR's Code of Ethics' prohibition against contacting the client of another Realtor® does not distinguish between commercial and residential real estate. Further, there is no exception to the Code of Ethics when dealing with "sophisticated" people. The Code of Ethics applies to all transactions and all Realtor® clients and customers.

Myth No. 2: Implied Offers of Compensation.

Realtor® A receives a call from his long-time investor client, John Smith, who indicates he has an interest in possibly purchasing 123 Elm Street which is listed by Realtor® B. Realtor® A contacts Realtor® B and obtains information about 123 Elm Street. After a visit to the property, Realtor® A writes up an offer on behalf of Mr. Smith and submits it to Realtor® B. The offer is accepted. The day before closing, Realtor® A reviews the closing statement which indicates he will not be receiving a commission on the sale.

Realtor® A is a member of the Smallville MLS and is a member of the same board as Realtor® B. However, he learns that Realtor® B is not a participant in the Smallville MLS. Realtor® A is outraged as he “knows” there is always a 50/50 split with a listing Realtor® who at least implicitly offers compensation to another Realtor® who finds a buyer. Further, if Realtor® B was not offering compensation, Realtor® A should have been advised of that fact.

Unfortunately for Realtor® A, this myth bears no relation to reality. If Realtor® B is not a participant in the Smallville MLS, then Realtor® B has not made a unilateral offer of compensation to Realtor® A through the Smallville MLS. Further, NAR’s Code of Ethics in Article 3 provides guidance to Realtor® A. Standard of Practice 3-1 provides:

Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation.

In other words, even though Realtor® B permitted Realtor® A to cooperate on the sale by providing him with information and access to 123 Elm Street, Realtor® A could not assume that Realtor® B was offering compensation. Furthermore, Standard of Practice 3-1 of NAR’s Code of Ethics specifically puts the onus on a cooperating broker to determine the terms of any compensation. It provides:

Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation.

In other words, Realtor® A should have established the terms of compensation being offered by Realtor® B when he initially contacted Realtor® B to obtain information about 123 Elm Street. There is no such thing as an “implied” offer of compensation or an “automatic” 50/50 split.

Myth No. 3: All Unaccompanied Buyers Are Available.

Realtor® A is holding an open house for 123 Elm Street. During the open house, the Smiths appear and express great interest in purchasing 123 Elm Street. By the end of the day, Realtor® A has written up an offer for the property on behalf of the Smiths which is accepted by the seller. As closing approaches, Realtor® A receives a call from

Realtor® B who claims a commission based upon her buyer’s agency agreement with the Smiths. Realtor® A advises Realtor® B that she will not be receiving any commission, as he did all the work in connection with the Smiths’ purchase of 123 Elm Street and he had no notion that they had previously entered into a buyer’s agency agreement with Realtor® B. He sees no obligation to pay Realtor® B anything as the Smiths had signed an agreement acknowledging his disclosed dual agency role.

While Realtor® B’s success in a procuring cause arbitration will be up to a panel of her peers, Realtor® A’s ignorance does not constitute bliss in such a proceeding. Standard of Practice 16-9 (interpreting Article 16 of NAR’s Code of Ethics) imposes an affirmative obligation on Realtor® A to make reasonable efforts to determine whether the Smiths were subject to a current, valid buyer’s agency agreement. Realtor® A was required to make these reasonable efforts prior to entering into a representation agreement with the Smiths. If Realtor® A made no inquiry of the Smiths with respect to an existing agency relationship, this fact could work against him in a procuring cause arbitration. If Realtor® A provided agency disclosure to the Smiths using MR Form K, and the Smiths indicated they did not have an agency relationship with any other real estate licensee, then Realtor® A can at least prove he made some form of inquiry of the Smiths prior to becoming their agent.

Myth No. 4: Longtime Time Clients are Exempt.

Realtor® A is an agent for Acme Real Estate. Realtor® A has made arrangements to become an agent for

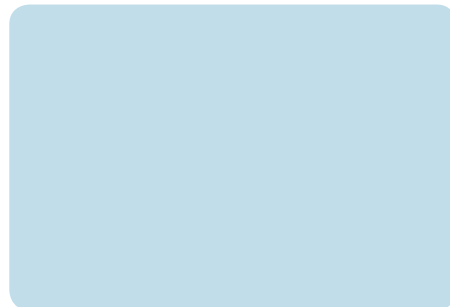
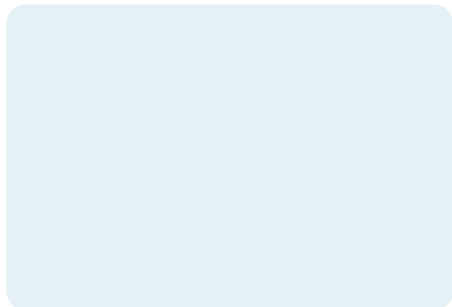
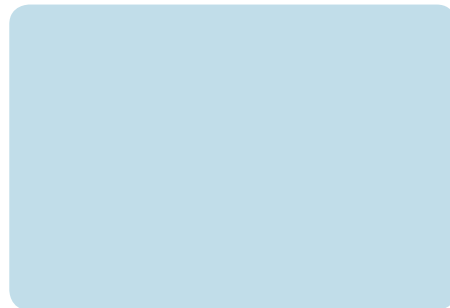
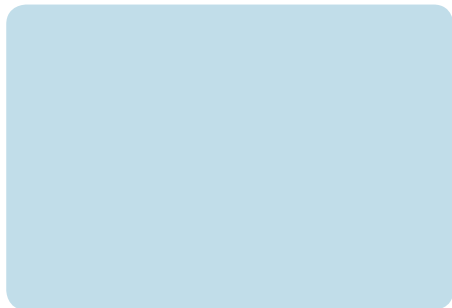
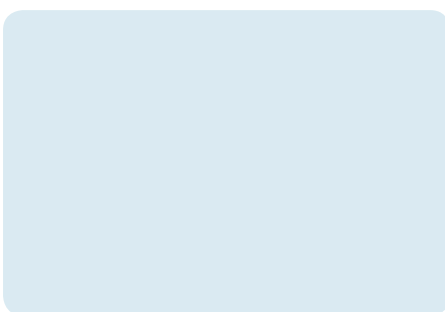
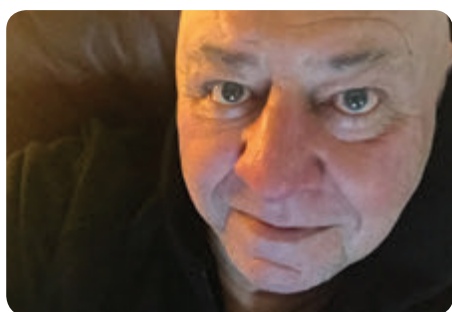
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Ace Real Estate on May 1. Realtor® A wants to make sure that he does the right thing and thus prior to May 1, he only talks to longtime clients about his move to Ace Real Estate and only encourages those clients to transfer their listings to Ace Real Estate. Realtor® A is careful not to contact sellers whom he obtained through referrals from Acme Real Estate or any other first-time clients. He is only taking “his” clients.

As a practical matter, longtime repeat clients of Realtor® A may well follow him to Ace Real Estate; however, NAR’s Code of Ethics does not draw any distinction between soliciting personal friends/longtime clients and soliciting “firm” clients. Standard of Practice 16-20 (interpreting Article 16 of NAR’s Code of Ethics) specifically provides that “prior to or after their relationship with their current firm is terminated,” Realtors® shall not induce clients of their current firm to cancel exclusive listing agreements with the firm. In other words, Realtor® A cannot contact his longtime clients prior to leaving Acme Real Estate to induce them to list with Ace Real Estate. Further, he cannot do so even after leaving Acme Real Estate.

It should be noted that Realtor® A could have approached the broker/owner of Acme Real Estate and tried to reach some agreement that would have permitted him to take his longtime clients to Ace Real Estate. The broker/owner of Acme Real Estate may have recognized that as a practical matter, these longtime clients would likely move with Realtor® A and therefore been willing to release the longtime clients in exchange for some consideration from Realtor® A.

Myth No. 5: Soon-To-Expire Listings Are Fair Game.

Realtor® A has had substantial success in obtaining new listings by regularly contacting sellers whose current listings are due to expire within a 30-day period. Realtor® A is very careful to limit cold calls to only those sellers with a short period of time left on their current listing agreement. In addition, Realtor® A only enters into listing agreements that begin the day after these sellers’ current listing expires. Realtor® A is confident that there is no problem with this practice, as he sees himself as doing nothing to interfere with the then-current exclusive agency relationship the sellers have with other Realtors®. Realtor® A is quite surprised when he draws multiple ethics complaints filed by Realtors® who are offended by his practice.

Unfortunately for Realtor® A, NAR’s Code of Ethics prohibition against contacting sellers with existing listing contracts does not distinguish between listing agreements that are expiring in six months and others that are expiring in six days. Standard of Practice 16-4 of NAR’s Code of Ethics simply states:

Realtors® shall not solicit a listing which is currently listed exclusively with another broker.

There is an exception to this prohibition, but it does not involve cold calling sellers. If, for example, Realtor® A called Realtor® B to find out when Realtor® B’s exclusive listing on 123 Elm Street expires and she refuses to give him that information, Realtor® A could, under Standard of Practice 16-4, contact the owner of 123 Elm Street to obtain that information. In making such a contact, Realtor® A could then discuss the terms upon which he might take a future listing of 123 Elm Street or enter into an exclusive listing agreement which would begin the day after Realtor® B’s current listing expires. Again, a communication with a seller currently subject to an exclusive listing agreement can only occur after the Realtor® who holds the exclusive listing agreement refuses to provide information regarding the expiration date or the nature of the listing.

These are but a few of the myths which continue to persist in the industry. Unfortunately, sometimes old rules get lost while Realtors® struggle to keep up with the increased pace of the real estate industry. ●



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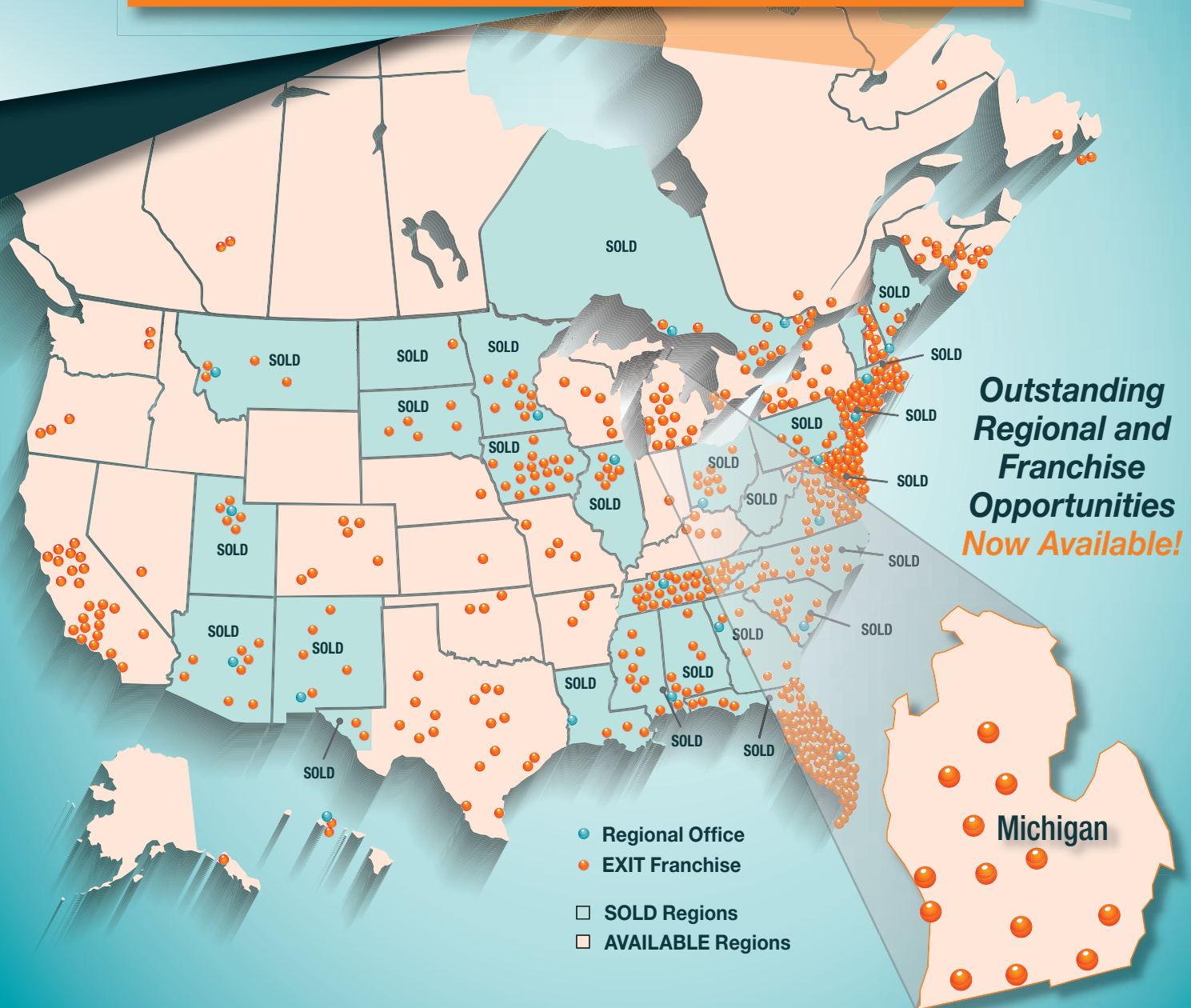


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