

Course Title: SANDBOX RULES – LEARNING HOW TO PLAY NICE

Course Description: THE BASIS OF THE MULTIPLE LISTING ACTIVITY IS THE CREATION OF A FACILITY WHERE MLS MEMBERS MAY MOST EFFECTIVELY INVITE OTHER BROKERS TO ENTER INTO COOPERATIVE AGREEMENTS WITH THEM FOR THE SALE OF THEIR LISTINGS AND PROVIDE INFORMATION NECESSARY TO PERMIT SUCH COOPERATION. THIS REQUIRES A MULTIPLE OF REASONABLE RULES OF PROCEDURE AND EFFICIENT MANAGEMENT TO EXPEDITE THE SERVICE.

Learning Objectives (See attachment on Bloom’s Taxonomy and Learning Levels)

| Learning Level | Learning Objective |
|----------------|--|
| 1, 2, 3 | This course will address key definitions used within a MLS |
| 1, 2 | This course will define the standard listing procedures and selling procedures |
| 1, 2 | This course will show what happens when a seller refuses to list on the MLS |
| 1, 2 | This course will explain division of commissions |
| 1, 2 | This course will discuss services charges and fees of a MLS |
| 1, 2 | This course will describe the consequences for compliance with rules |
| 1, 2, 3 | This course will explain enforcement of rules & regulations |
| 1, 2, 3, 4 | This course will explain the do’s and don’t of dissemination of MLS info and who owns the compilations and copyrights of the MLS |

The following will be the means used in assessing whether the Learning Objectives have been met (Pre and post test, Q&A etc.)

- LECTURE
- POWER POINT PRESENTATION
- FILL-IN THE BLANKS STUDENT MATERIALS
- AUDIENCE PARTICIPATION & DISCUSSION

Timed Outline: Describe in detail the components of the course by breaking it down into subject matter areas of no greater than 15 minutes. What will be the method of instruction or teaching technique used for each area (lecture, slides, group activities, videotape etc.)

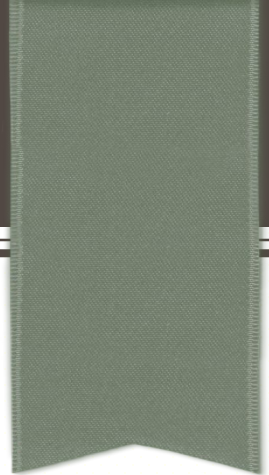
| Length in Time (15 min. increments) | Teaching Technique | Subject Matter Segment and Description |
|-------------------------------------|--------------------|--|
| 15 | LECTURE | INTRODUCTION AND DESCRIPTION OF COURSE |
| 15 | ALL OF THE ABOVE | KEY DEFINITIONS |
| 75 | ALL OF THE ABOVE | LISTING & SELLING PROCEDURES |

| | | |
|----|------------------|--|
| 15 | ALL OF THE ABOVE | REFUSAL TO SELL/PROHIBITIONS |
| 15 | | BREAK |
| 15 | ALL OF THE ABOVE | DIVISION OF COMMISSIONS & SERVICE CHARGES |
| 30 | ALL OF THE ABOVE | COMPLIANCE WITH RULES AND ENFORCEMENT OF RULES |
| 30 | ALL OF THE ABOVE | OWNERSHIP, COPYRIGHTS AND COMPILATION OF DATA |
| 15 | ALL OF THE ABOVE | NOTIFICATION & ORIENTATION |
| 15 | ALL OF THE ABOVE | RECAP OF NEW MEXICO MLSs |



SANDBOX RULES

LEARNING HOW TO PLAY NICE



KEY DEFINITIONS

SANDBOX RULES!



KEY DEFINITIONS

A Multiple Listing service is:

- A facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and customers and the public.
- A means by which authorized participant make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents or in other agency or nonagency capacities defined by law
- A means of enhancing cooperation among participants
- A means by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers
- A mean by which participants engaging in real estate appraisal contribute to common databases.

KEY DEFINITIONS

A MLS Participant is:

- The word participant, shall be construed to mean the principal or principals of a firm participating in the MLS
- Participatory rights shall be held by an individual principal broker
- Participation is dependent on holding a current, valid real estate broker's license, offering or accepting cooperation and compensation, on an on-going basis.

KEY DEFINITIONS

A MLS Subscriber or User is:

- The words Subscriber or User are used to refer to non-principal brokers, sales licensees and licensed and certified real estate appraisers affiliated with an MLS Participant.
- Subscriber or User may also refer to an unlicensed assistant or staff

KEY DEFINITIONS

Various Types of Listings:

- Exclusive Right-to-Sell Listing
 - A contractual agreement under which the listing broker acts as the agent or the legally recognized non-agency representative of the sellers(s) and the seller agrees to pay commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the seller, or anyone else, and a contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller and the seller agrees to pay a commission to the listing broker regardless of whether the property is sold through the efforts of the listing broker, the seller or anyone else, except that the seller may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the seller is not obligated to pay a commission to the listing broker.
- Exclusive Agency Listing
 - A contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller and the seller agrees to pay a commission to the listing broker if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the seller, the seller is not obligated to pay a commission to the listing broker.

KEY DEFINITIONS

Various Types of Listings:

- Open Listing
 - A contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller and the seller agrees to pay a commission to the listing broker only if the property is sold through the efforts of the listing broke

NOTE

These definitions are provided to facilitate categorization of listings in MLS Compilations. In any area of conflict or inconsistency, state law or regulation take precedence. If state law permits brokers to list property, on either an exclusive or open basis, without establishing an agency relationship, listings may not be excluded from MLS Compilations on the basis that the listing broker is not the seller's agent

KEY DEFINITIONS

Listing Content Defined:

- Listing Content as used in the NAR's Multiple Listing Policies, including the model MLS rules & regulations, includes, but is not limited to photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks narratives, pricing information, and other details or information related to listed property

LISTING PROCEDURES

SANDBOX RULES!



WILLIAM BLAKE SAID YOU CAN SEE THE WHOLE WORLD IN A GRAIN OF SAND, BUT HE DOESN'T ALWAYS MAKE A LOT OF SENSE

LISTING PROCEDURES

Listings of real or personal property of the following types:

- Single family homes for sale, exchange, or rent
- Vacant lots and acreage for sale, exchange, or rent
- Two-family, three-family, and four-family residential buildings for sale, exchange, or rent
- Commercial property for sale, exchange, or rent

LISTING PROCEDURES

Listings MUST be located within:

- NM MLS Service area
 - State of New Mexico
- Listings located outside the NM MLS service area will be accepted if submitted voluntarily by a Participant
 - Outside the State of New Mexico

LISTING PROCEDURES

Listings MUST file by

48 HOURS

- 48 hours
- After all necessary signatures of seller(s)

9 ~~X~~ hours

!!!!

7 ~~X~~ days

2 ~~X~~ weeks

LISTING PROCEDURES

EXCLUSIVE RIGHT-TO-SELL LISTINGS

- Conventional form of listings submitted to the MLS
- Seller authorizes the listing broker to cooperate and compensate other brokers within the MLS.

EXCLUSIVE AGENCY LISTINGS

- It's still an Exclusive Right-to-Sell that also authorizes the listing broker to offer cooperation and compensation but reserves the right to the seller, the right to sell the property on an unlimited or restrictive basis.
- The listing is still marketed to syndication feeds and IDX agreements within the MLS

The screenshot shows a web-based listing form interface. On the left, there is a sidebar with a 'Maintain Listing' button and a summary table:

| | |
|-------------------|-----|
| Input Fields: | 121 |
| # of Fields: | 58 |
| Remaining Fields: | 41 |

The main form area is titled 'Features' and 'Financial'. It contains several fields with red 'R' icons indicating required fields:

- (131) Seller Pays NM GRT? [R] [Dropdown]
- (132) GRT Code [R] [Text Input]
- (133) GRT Code [R] [Text Input]
- (135) List Type [R] [Dropdown] (highlighted with a red circle)
- (136) NM Real Estate Licensee [R] [Text Input]
- (105) 3rd Party Approval [R] [Dropdown]
- (106) Short Sale [R] [Dropdown]
- (107) [R] [Dropdown]
- (109) Auction [R] [Dropdown]

The 'List Type' dropdown menu is open, showing three options: 'Exclusive Agency', 'Exclusive Non Agency', and 'Exclusive Right to Sell'. The 'Exclusive Agency' option is currently selected.

LISTING PROCEDURES

EXCLUSIVE OFFICE

- The seller is waiving their right for the property to be listed in the MLS. MLS Waiver Form is signed by seller and submitted to the NMMLS Office

EXCLUSIVE NON-AGENCY

- There is no fiduciary duty from the broker



LISTING PROCEDURES

OPEN LISTING

- Contractual Agreement where the Listing broker acts as the Agent or the legally recognized non-agency representative of the Seller
- Seller agrees to pay a commission to listing broker only if the property is sold through the efforts of the listing broker

NET LISTING

- Contractual Agreement in which the Seller specifies the net amount he must receive from the sale of the property
- Listing broker retains commission on the difference between the price at which the property is sold and the specified net amount to be received by the seller

NO!



LISTING PROCEDURES

TYPES OF PROPERTY

- ALL listings submitted is entered into within the scope of the Participant's licensure as a real estate broker.
- A property only may be entered into the MLS under one property classification.
- The following are some of the types of properties that may be submitted through the MLS:
 - RESIDENTIAL
 - RESIDENTIAL INCOME
 - SUBDIVIDED VACANT LOT
 - LAND & RANCH
 - BUSINESS OPPORTUNITY
 - MOTEL / HOTEL
 - MOBILE HOMES
 - MOBILE HOME PARKS
 - COMMERCIAL INCOME
 - INDUSTRIAL



LISTING PROCEDURES

LISTINGS SUBJECT TO RULES & REGULATIONS OF THE SERVICE

- Any Listings taken on a contract to be entered into the MLS
- Subject to the Rules & Regulations of the MLS upon signature of the Seller

WHY IS THIS SO IMPORTANT?

**EVERY LISTING ENTERED INTO THE MLS MUST ABIDE BY ALL
THE RULES & REGULATIONS OF THE SERVICE**



LISTING PROCEDURES

DETAIL ON LISTINGS FILED WITH THE SERVICE

- A Listing Agreement or Property Data Form, when entered into the MLS shall be **COMPLETE** in every detail which is ascertainable by property data sheet

WHY IS THIS SO IMPORTANT?

EVERY LISTING ENTERED INTO THE MLS MUST HAVE ALL DATA RECEIVED OR REQUIRED DATA ENTERED INTO THE APPROPRIATE FIELDS



LISTING PROCEDURES

LIMITED SERVICE LISTING

Listing agreements under which the listing broker will not provide one or more of the following services:

- Arrange appointments for cooperating brokers to show listed property to potential buyer but instead gives cooperating brokers authority to make such appointment with the seller
- Accept and present to the seller offers to purchase procured by the cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly with seller
- Advise the seller as to the merits of offers to purchase
- Assist seller in developing, communicating, or presenting counter-offers
- Participate on the sellers behalf in negotiations leading to the sale of the listed property

LISTING PROCEDURES

AUCTION LISTINGS

Listings that are subject to auction MUST meet the following minimum requirements:

- A valid listing agreement must exist
- A list price must be entered (starting bid is acceptable)
- Unconditional compensation must be offered
- Some degree of brokerage relationship must be in place for the duration of time the listing is in the MLS

EXEMPTED LISTINGS

- If the seller REFUSES to permit the listing to be in the MLS, the Participant may take the listing (Office Exclusive) and such listing shall be filed with the service but not disseminated to the participants.
- Participant shall file with the MLS a Office Exclusive Listing form signed by the seller
- Office Exclusive Listing Form MUST be submitted to the MLS office within forty-eight hours after all signatures of the sellers have been obtained on the Listing Agreement.

LISTING PROCEDURES

CHANGE OF STATUS OF LISTING

48 HOURS

- Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the listing broker
- 48 hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker

9 ~~X~~ hrs

!!!
7 ~~X~~ wks

2 ~~X~~ wks

LISTING PROCEDURES

WITHDRAWAL OF LISTINGS PRIOR TO EXPIRATION

Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided:

- Notice is filed with the MLS
- Copy of the Listing Agreement authorizing the withdrawal is on file with the MLS

CONTINGENCIES APPLICABLE TO LISTINGS

Any contingency or conditions of any term in a listing shall be disclosed to the Participants

LISTING PRICE SPECIFIED

The full **GROSS** listing price stated in the Listing Agreement will be included in the information published in the MLS unless the property is subject to auction

LISTING PROCEDURES

LISTING MULTIPLE UNIT PROPERTIES

All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listing has been sold, notification shall be given to the MLS within 48 hrs (excepting weekends, holidays and postal holidays)

NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS

The MLS shall not **FIX, CONTROL, RECOMMEND, SUGGEST, or MAINTAIN** commission rates or fees for services to be rendered by Participants.

The MLS shall not **FIX, CONTROL, RECOMMEND, SUGGEST, or MAINTAIN** the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

EXPIRATION OF LISTINGS

Listings filed with the MLS shall bear a definite and final termination date as stated in the Listing Agreement.



LISTING PROCEDURES

LISTINGS OF SUSPENDED and/or EXPELLED PARTICIPANTS

Why would a Participant be suspended and/or expelled?

- Violation of Code of Ethics
- Association Bylaws
- MLS Bylaws
- MLS Rules & Regulations
- Other membership obligation failure (doesn't include failure to pay fees, dues or charges)

What happens to the Suspended and/or Expelled Participant's listings?

- May be retained in the MLS until sold, withdrawn or expired
- May not be renewed or extended in the MLS beyond the expiration date of the LA

What happens to the Suspended and/or Expelled Participant if suspended/expelled from the New Mexico Association of REALTORS?

- If due to failure to pay dues, fees, or charges, an association MLS is not OBLIGATED to provide MLS services, including continued inclusion of the suspended/expelled participant's listings in the MLS – Participant shall be advised in writing



LISTING PROCEDURES

LISTINGS OF RESIGNED PARTICIPANTS

What happens when a Participant resigns?

- MLS is NOT obligated to provide services, including continued inclusion of the resigned participant's listings
- Prior to removal of listings, the resigned participant shall be advised in writing of the intended removal

How does a Participant resign?

- A Participant resigns in writing and brings current all financial obligations
- Resignation is effective 48 hours from receipt of written notification and payment of any outstanding balance due to the MLS

What happens to the resigned Participant's Listings?

- Active and Pending listings of the resigned Participant shall have their status changed to Withdrawn

LISTING PROCEDURES

PROPERTY SPECIFIC REMARKS

Only verbiage allowed is property specific information.

- NO internet links
- NO advertisements
- NO personal/company promotions
- NO contact information
 - Includes telephone numbers, email addresses and website

LEAD BASED PAINT DISCLOURE

LBP Disclosure MUST be uploaded to the MLS on any listing that indicates Lead Based Paint Disclosure is required.

- EXCEPTION: where seller expressly directs that such disclosure documents not be disseminated through the MLS

VIRTUAL MEDIA

Virtual Media field shall only contain a URL link directly to the Virtual Media for that specific property listing -

LISTING PROCEDURES

VIRTUAL MEDIA - continued

Virtual Media is defined as:

- 360-degree tour of a property
- Video of the property
- Slide show of static pictures

Virtual Media shall not contain:

- Internet links
- Advertisements
- Personal/company promotions
- Contact information

LISTING PROCEDURES

PHOTOS

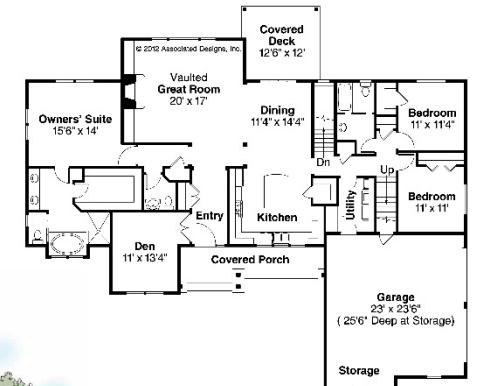
Listing Participant or Subscriber shall load at least one digital image of each property within 48 hrs after all necessary signatures of seller(s):

- Single Family - detached or attached
- Manufactured
- Farm & Ranch
- Vacant Land
- Residential Income homes

Digital images submitted to the MLS shall only contain photos pertinent to the listing property:

- Floor plans
- Rendering of the listed property
- Plat maps

If listed property has a dwelling, at least ONE image must be of the front of the dwelling. Proposed construction or under are exempt.



LISTING PROCEDURES

PHOTOS - continued

If the listed property is vacant land, at least one image must be of the street view of the lot

The required image for vacant land (if not accessible by roadway) may be:

- Satellite image
- Bird's eye view

Digital images should not contain contact information such as :

- Names
- Phone numbers
- Email addresses
- Website addresses
- Embedded, overlaid, digitally stamped information (except for the MLS logo)

ALL photos submitted to the MLS is subject to rejection based on the above criteria

Should seller expressly direct that NO photographs appear in the MLS, the Participant shall submit a MLS Photo Waiver Form, signed by the seller and listing broker within 48 hrs after all signatures have been obtained. MLS administrator will provide a digital image of the MLS logo for photo placement



LISTING PROCEDURES

PARTIAL LISTINGS

All properties entered as a Partial Listing will remain a partial listing for _____ days

Partial Listing are NOT considered filed with the MLS but are subject to all Rules & Regulations of the service.

SELLING PROCEDURES

SANDBOX RULES!



HIS CAREER OF BEING A GREAT
REALTOR HAD BEGUN IN THE SANDBOX

SELLING PROCEDURES

SHOWINGS AND NEGOTIATIONS

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the MLS shall be conducted through the listing broker except under the following circumstances:

- The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or:
- After reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

PRESENTATION OF OFFERS

The listing broker **MUST** make arrangements to present the offer:

- as soon as possible, or:
- give the cooperating broker a satisfactory reason for not doing so

SELLING PROCEDURES

SUBMISSION OF WRITTEN OFFERS

The listing broker shall submit to the seller ALL written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between seller and listing broker.
Unless:

- The subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the offer

Participant representing buyers to tenants shall submit to the buyer or tenant:

- all offers and counter-offers until acceptance
- And, shall recommend to obtain legal advice when there is a question whether a pre-existing contract has been terminated.

SELLING PROCEDURES

RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER

The cooperating broker has the right:

- To be participate in the presentation to the seller of any offer they secure to purchase/lease

The Cooperating Broker **DOES NOT** have the right to be present at any discussion or evaluation of a counter-offer made by Seller.

However, if the seller gives written instructions to the Listing broker that the cooperating broker not be present when an offer is presented, the cooperating broker has the right to a copy of the sellers' written instructions.

NONE OF THE ABOVE DIMISHES THE LISTING BROKERS' RIGHT TO CONTROL THE ESTABLISHMENT OF APPOINTMENTS FOR SUCH PRESENTATIONS.

SELLING PROCEDURES

RIGHT OF LISTING BROKER IN PRESENTATION OF OFFER

The Listing broker has the right:

- To be participate in the presentation of any counter-offer made by the seller.

The Listing Broker **DOES NOT** have the right to be present at any discussion or evaluation of a counter-offer made by Buyer.

However, if the buyer gives written instructions to the cooperating broker that the listingng broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the buyers written instructions.

SELLING PROCEDURES

REPORTING STATUS CHANGES TO THE MLS

- Status changes which include:

48 HOURS

- 48 hours – cooperating broker shall report accepted offers and prices to listing brokers
- 48 hours – listing broker to report them to the MLS after receiving notice from the cooperating broker

~~90 days~~

~~72 hours~~ !!!!!!

~~2 weeks~~



SELLING PROCEDURES

REPORTING RESOLUTIONS OF CONTINGENCIES

- Listing broker has _____ hrs to report a contingency on file has been:
 - fulfilled
 - renewed
 - Agreement canceled
- Reporting to the MLS is accomplished by the Listing broker when? _____

ADVERTISING OF LISTING FILED WITH THE MLS

Prior to closing, a listing shall not be advertised by any participant other than the listing broker without the prior consent of the listing broker. After closing the cooperating broker may advertise that he participated in the sale of the property



SELLING PROCEDURES

REPORTING CANCELLATION OF PENDING SALE

- Listing broker has _____ hrs to report a cancellation of any pending sale
- What happens to the listing?

REPORTING SALES OF LISTING REQUIRED TO BE SUBMITTED TO THE MLS

The Listing Participant shall provide to the MLS:

- sales price
- Closing date

The Listing broker has _____ hrs to file the sold information, even if listing was withdrawn prior to the closing date?

This requirement shall terminate upon the termination of a listing agreement, unless the Listing Participant received _____ for the sale of the listing.



SELLING PROCEDURES

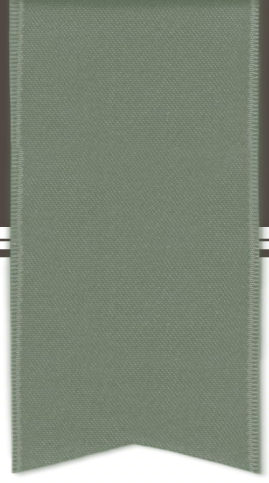
REPORTING SALE OF LISTING NOT REQUIRED TO BE SUBMITTED TO THE SERVICE

A Selling Participant is encouraged to report the sale of listings that are not required to be submitted to the MLS.

What needs to happen to do so? _____

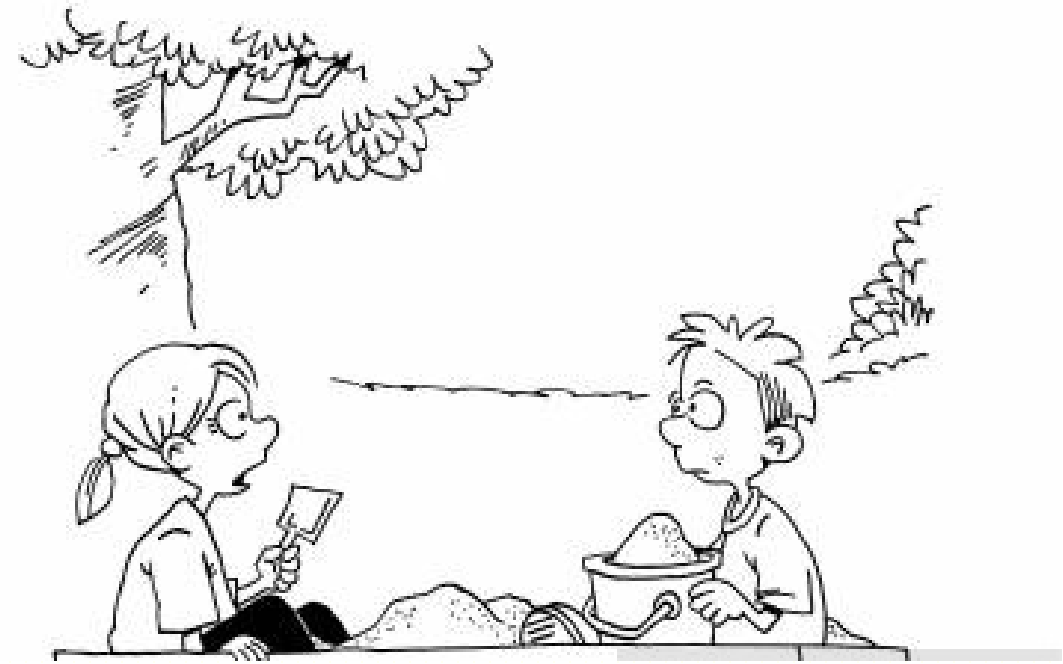
AVAILABILITY OF LISTED PROPERTY

The Listing Broker **SHALL NOT** misrepresent the availability of access to show or inspect the listed property



REFUSAL TO SELL

SANDBOX RULES!



I REALLY ENJOY OUR SANDBOX TIME TOGETHER,
BUT I DON'T THINK I'M READY TO COMMIT TO A
LONG-TERM RELATIONSHIP

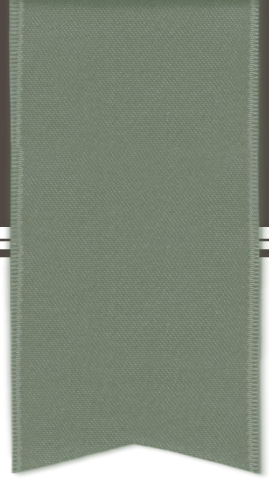


REFUSAL TO SELL

REFUSAL TO SELL

If the seller of any listed property entered into the MLS refused to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and all Participants.

How is this communicated?



PROHIBITIONS

SANDBOX RULES!



SURE, I TOOK YOUR SHOVEL, ETHICS DOESN'T KICK IN FOR A YEAR OR TWO!



PROHIBITIONS

INFORMATION FOR PARTICIPANTS ONLY

Any listing filed with the MLS shall not be made available to any broker or firm not a member of the MLS without the prior consent of the listing broker

“FOR SALE” SIGNS

Only the “FOR SALE” signs of the listing broker may be placed on the property

Who regulates signage of a broker/brokerage? _____

“SOLD” SIGNS

Prior to closing, only the “SOLD” sign of the _____ may be placed on a property unless the _____ authorizes the _____ to post such a sign

PROHIBITIONS

SOLICITATION OF LISTING FILED WITH THE MLS

Participants shall not solicit a listing on property entered into the MLS unless such solicitation is consistent with ARTICLE 16 of the REALTORS Code of Ethics, its Standards of Practice and its Case Interpretations.

WHY?

This is to encourage sellers to permit their properties to be filed with the MLS by protecting them from being solicited, prior to expiration of the listing, by broker and salespersons seeking the listing upon its expiration.

WHY ELSE?

This is to encourage brokers to participate in the MLS by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property

PROHIBITIONS

USE OF THE TERMS MLS & MULTIPLE LISTING SERVICE

No MLS Participant, Subscriber, or affiliated with any Participant, shall through the name of their firm, their URLs, their email addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS.

No MLS Participant, Subscriber, or affiliated with any Participant, shall through the name of their firm, their URLs, their email addresses, their website addresses, or in any other way represent, suggest, or imply that consumers or others are able to search MLS databases available only to Participants and subscribers.

This does not prohibit Participants and subscribers from representing that any information they are authorized under MLS Rules & Regulations to provide clients or customers is available on their website or otherwise.



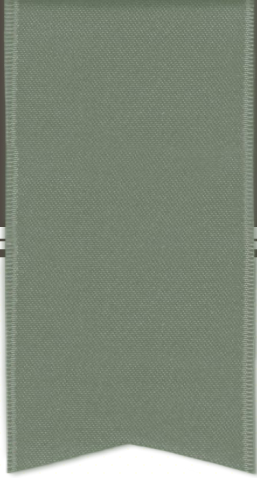
PROHIBITIONS

HOTSHEET REMARKS

A Hotsheet is a report that reflects _____ and shall include but not limited to:

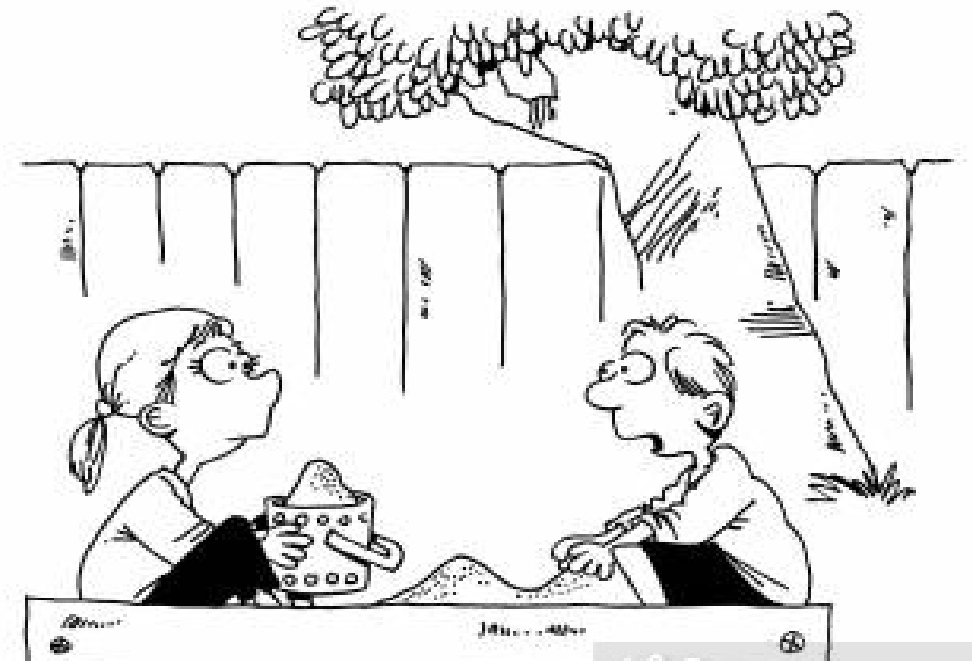
1. _____
2. _____

All remarks on the Hotsheet should be limited to comments related to the property. NO personal messages shall be permitted.



DIVISION OF COMMISSIONS

SANDBOX RULES!



MY MOM'S PREGNANT. AT FIRST I WAS WORRIED ABOUT THE COMPETITION UNTIL I REMEMBERED I AM THE INCUMBENT



DIVISION OF COMMISSIONS

COMPENSATION SPECIFIED ON EACH LISTING

The listing broker shall specify on each listing entered into the MLS, the compensation offered to other MLS Participants for their MLSs in the sale of such listing.

Offers are _____, except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale or as otherwise provided for in this rule.

Filing a property with the MLS, the Participant of the MLS is making a _____ of compensation to the other MLS Participant and shall specify on each listing filed with the MLS the compensation to be offered to the other MLS Participants.

WHY IS SPECIFYING THE COMPENSATION SO IMPORTANT?



DIVISION OF COMMISSIONS

COMPENSATION SPECIFIED ON EACH LISTING - Continuing

WHO DETERMINES THE AMOUNT OF COMPENSATION?

ARE THE AMOUNTS FOR LISTING BROKER AND COOPERATING BROKER THE SAME?

MAY THE LISTING BROKER ADJUST THE COMPENSATION?

ARE THERE ANY RULES ON THE DIVISION OF THE COMMISSION?

DOES THE LISTING BROKER HAVE TO DISCLOSE THE AMOUNT OF TOTAL NEGOTIATED COMMISSION? HOW ABOUT THE MLS?



DIVISION OF COMMISSIONS

COMPENSATION SPECIFIED ON EACH LISTING - Continuing

CAN THE LISTING PARTICIPANT AND THE COOPERATING BROKER MODIFY THE COMPENSATION?



DIVISION OF COMMISSIONS

DISCLOSING POTENTIAL SHORT SALES

Are Participants required to disclose potential short sales?

What happens with the gross commission?

When disclosed, Participants may at their discretion, advise other Participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between Listing and Cooperating Participants.

When disclosed, Listing Participants shall do so in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating broker will be reduced within _____ hours of receipt of certification from the lender.



DIVISION OF COMMISSIONS

DISCLOSURE WHEN NEW MEXICO GROSS RECEIPT TAX IS NOT BEING PAID BY SELLER

Do Participants need to disclose when NM GRT is not being paid by seller?

PARTICIPANT AS PRINCIPAL

If a Participant or a licensed or certified appraiser affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the MLS, that person shall _____ when the listing is filed with the MLS.

HOW?

PARTICIPANT AS PURCHASER

If a Participant or a licensed and certified appraiser affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed when and how?

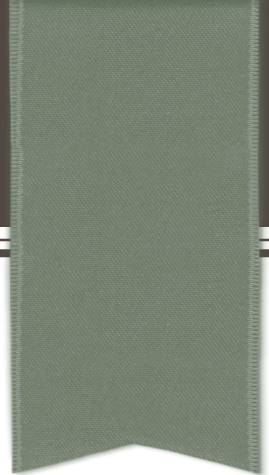


DIVISION OF COMMISSIONS

DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS

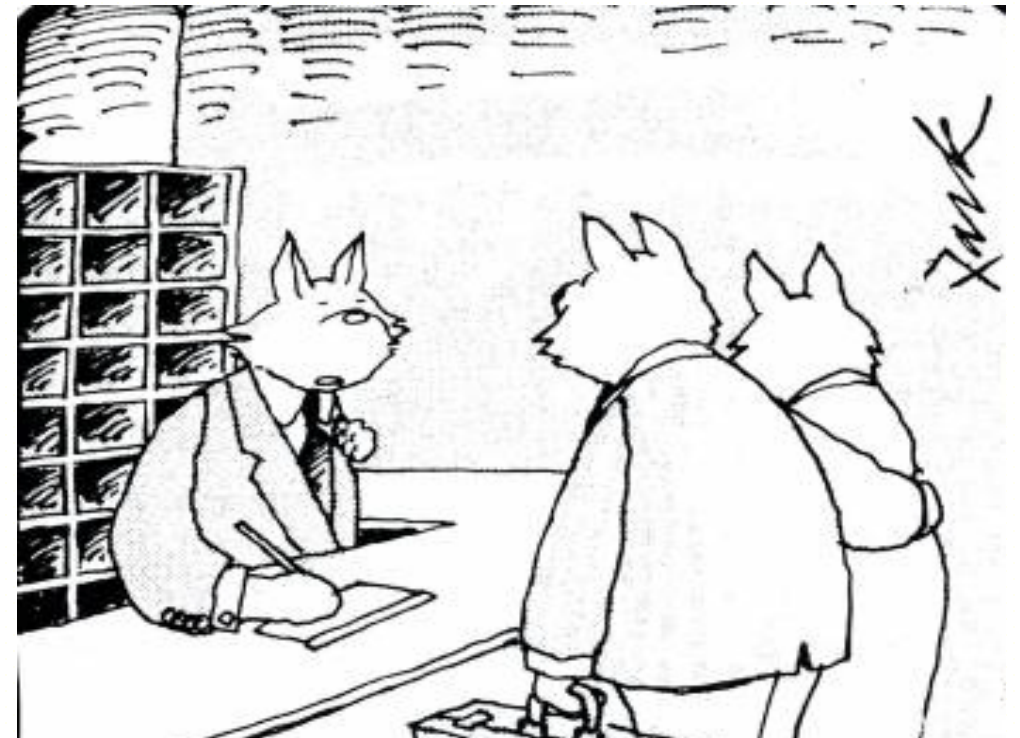
What is a Variable Rate Commission?

Does the Listing Broker has to disclose there is a variable rate commission?



SERVICE CHARGES/FEEES &
NON-PAYING ASSISTANTS

SANDBOX RULES!



WITH OR WITHOUT PRIVATE SANDBOX?



SERVICE CHARGES/FEEES & NON-PAYING ASSISTANTS

SERVICE FEES AND CHARGES

An annual fee will be charged to all Participants in an amount determined by _____ to finance the activities of the NM MLS. For new Participants the fee is _____. All fees are paid prior to activation of service.

What is the annual dues year?

INITIAL PARTICIPATION FEE

An applicant for Participant in the service pays an application fee called: _____

INITIAL SUBSCRIBER FEE

An applicant for subscribing in the service shall pay a _____.



SERVICE CHARGES/FEEES & NON-PAYING ASSISTANTS

RECURRING PARTICIPANT FEE

Recurring fees, dues and charges shall be charged. The fees shall be the current dues rate times the total number of licensed real estate brokers and/or licensed or certified appraiser employed by, or affiliated as an independent contractor with such Participant.

All fees are non refundable and are paid on an annual basis.

When does this not apply?



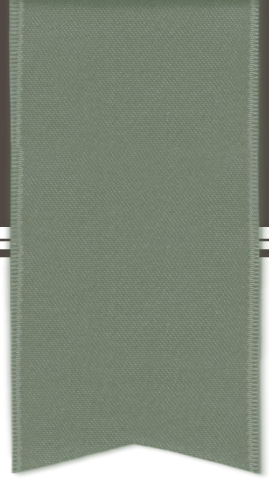
SERVICE CHARGES/FEEES & NON-PAYING ASSISTANTS

SECRETARY/ASSISTANT FEE

Each Subscriber or Office is permitted up to _____ non-paying secretaries and/or assistants. There is a one-time Secretary/Assistant fee.

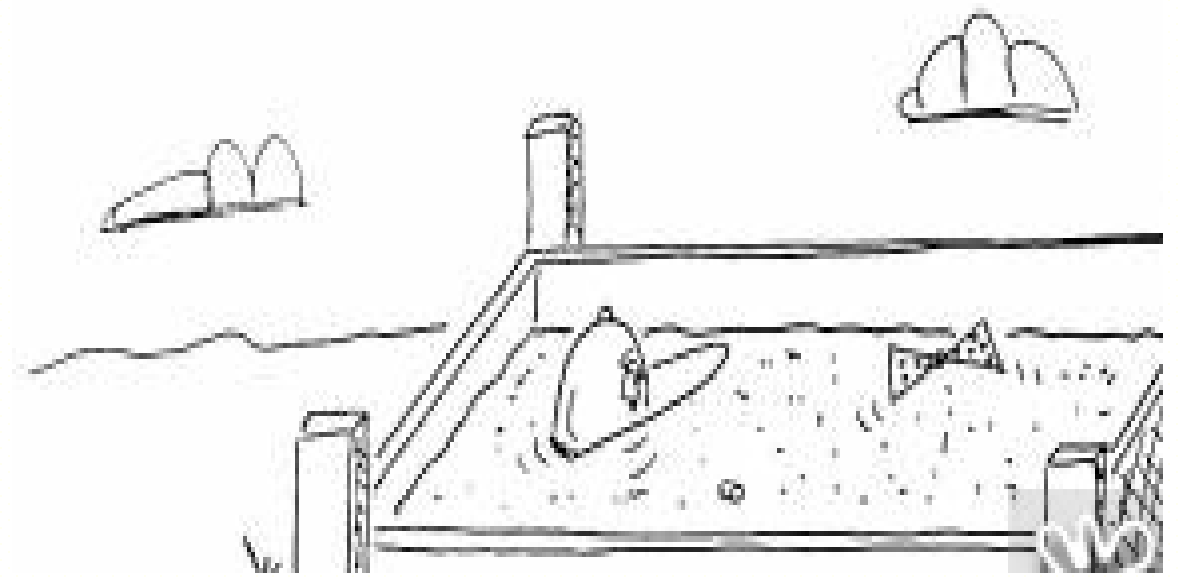
ONE TIME LISTING FEES

The service charges a one-time listing fee for non-Participants and non-Subscribers to list one listing in the MLS. The non-member MUST hold a current _____.



COMPLIANCE WITH RULES & REGULATIONS

SANDBOX RULES!



QUICKSANDBOX

COMPLIANCE WITH RULES & REGULATIONS

COMPLIANCE WITH RULES & REGULATIONS – AUTHORITY TO IMPOSE DISCIPLINE

Each Participant and Subscriber agrees to be subject to Rules & Regulations and ANY other MLS governance provision.

Through administrative and hearing procedures established in the Rules & Regulations, the service may impose discipline for violations of the Rules & Regulations and other governance provisions. Discipline may be imposed only if one or more of the following happen:

1. Letter of Warning
2. Letter of Reprimand
3. Attendance at MLS orientation or other appropriate courses/seminars that the Participant/Subscriber can reasonably attend taking into consideration of cost, location, and duration.
4. Appropriate fine not to exceed \$5,000
5. Suspension of MLS rights, privileges and MLSs for not less than thirty days nor more than one year
6. Termination of MLS rights, privileges, and MLSs with no right to reapply for a specified period not to exceed three years.



COMPLIANCE WITH RULES & REGULATIONS

COMPLIANCE WITH RULES & REGULATIONS – AUTHORITY TO IMPOSE DISCIPLINE - Continued

Can a Participant or Subscriber be placed on probation?

Any subsequent finding of a violation of the MLS Rules & Regulations during the probationary period may at the discretion of the MLS Board of Directors result in the imposition of the suspended discipline.

Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment.

COMPLIANCE WITH RULES & REGULATIONS

COMPLIANCE WITH RULES & REGULATIONS

What constitutes actions that are noncompliant with the Rules & Regulations?

1. Failure to pay any service charge, fee or dues set forth within one month of the date due, and provided at least ten days notice has been given the service shall be suspended until service charges and/or fees are paid in full
2. Failure to comply with any rule not pertaining to payment of MLS charges or fees

COMPLIANCE WITH RULES & REGULATIONS

APPLICABILITY OF RULES & REGULATIONS TO SUBSCRIBERS/USERS

Who are subject to the Rules and Regulations?

1. Anyone who have been granted authorization to have access to information published by the MLS are subject to these Rules & Regulations

Who are subject discipline measures for violation of the Rules & Regulations?

1. Anyone who have been granted authorization to have access to information published by the MLS are subject to discipline measures for violation of the Rules & Regulations

Who is ultimately responsible and subject to discipline measures?

1. Participant

ACCURACY OF DATA

SANDBOX RULES!



I SAID SAND WEDGE

ACCURACY OF DATA

DISCREPANCIES IN INFORMATION IN THE MLS

All information filed in the MLS MUST BE as accurate as possible and any discrepancies shall be reviewed by the:

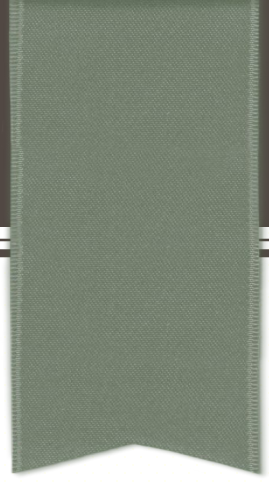
1. MLS Board of Directors;
2. MLS's Compliance Committee; or
3. Their designee

As a possible violations of the Rules & Regulations.

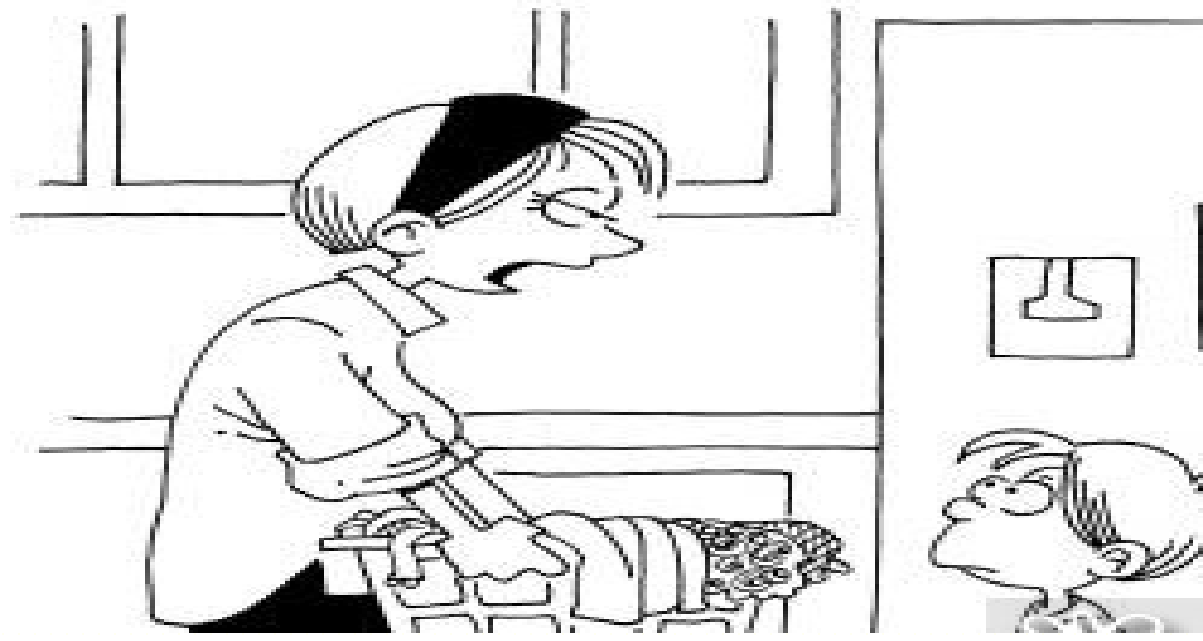
The Listing Participant has the affirmative obligation to verify that all information filed with the MLS is accurate.

The Listing Participant shall provide written documentation to verify data upon request of the MLS

The MLS may correct inaccurate data with written authorization of the Listing Participant.



ENFORCEMENT OF RULES &
REGULATIONS OR DISPUTES
SANDBOX RULES!



GO OUTSIDE AND PLAY BUT STAY OUT
OF THE SANDBOX, YOU KNOW WHAT THAT
DOES TO YOUR CELL PHONE

ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

CONSIDERATIONS OF ALLEGED VIOLATIONS

The MLS Board of Directors, MLS Compliance Committee, or, their designee shall give consideration to all written complaints having to do with violations of the Rules & Regulations.

VIOLATIONS OF RULES & REGULATIONS

If the alleged offense is a violation of the Rules & Regulations of the MLS and does NOT involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined in accordance with these Rules & Regulations.

Alleged violations involving unethical conduct shall be referred to the Professional Standards Committee of RANM for processing in accordance with the policies and procedures of RANM.

If the charge alleges a refusal to arbitrate, such charge shall be referred to the Board of Directors of RANM.



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

COMPLIANCE COMMITTEE

The Compliance Committee shall be comprised of _____ Participants, _____ from each member board

There are _____ term limits for membership on the Compliance Committee, but the MLS Board of Directors may fill vacancies and elect to replace Compliance Committee at any time

A panel of _____ members of the Compliance Committee shall be appointed by the MLS Administrator to review alleged violations of those MLS Rules & Regulations enumerated in Section 9. The MLS Administrator shall apply the following criteria when appointing members to the Compliance Committee panel:

1. No two members of the panel shall be from the same member board
2. No member of the Compliance Committee panel shall be from the same Member Board as the participant whose alleged violation is being considered by the Compliance Committee Panel

If a member of the Compliance committee Panel has a conflict of interest he shall excuse himself



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

SERVICES PROCEDURE TO IMPOSE SANCTIONS

Upon receipt of a possible violation of the MLS's Rules & Regulations, or when violations are discovered through monitoring, the MLS Administrator shall request that a Participant/Subscriber comply within _____.

If the violation is incapable of being cured, or the Participant/Subscriber does not comply with the Rules & Regulations within _____ after a notice of violation, Participant/Subscriber will be subject to the appropriate fine as set forth.

The MLS Administrator shall not have the authority to waive or modify fines but the MLS Board of Directors may grant time extensions, provide the Participant/Subscriber requests such extension within the _____ period after receipt of a notice of violation



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

SERVICES PROCEDURE TO IMPOSE SANCTIONS

Upon written receipt of a possible violation of the MLS Rules & Regulations or when violations are discovered through monitoring, the Participant/Subscriber must comply with the MLS Rules & Regulations with _____ time frame.

What happens if the Participant/Subscriber does NOT comply?

Can the time frame be modified?

Can the fines be modified?

What happens if the violation CANNOT be cured or satisfied?

What type of violation CANNOT be fixed?

What happens if the Participant/Subscriber DOES NOT correct the violation within the time frame?



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

SERVICES PROCEDURE TO IMPOSE SANCTIONS

What else may happen?

RIGHT TO REQUEST HEARING

The Participant or Subscriber may request a hearing to challenge any fine or sanction they are assessed.

All requests for a hearing must be filed in _____ within _____ days of receiving notice of fine or sanction.

What MUST accompany the hearing request?

What happens to the request?

Notice of _____ days is given for the Participant/Subscriber



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

RIGHT TO REQUEST HEARING

What are the choices for the Participant/Subscriber following the initial hearing decision?

- ACCEPT THE DECISION OF THE COMPLIANCE COMMITTEE
- REQUEST A RE-HEARING BASED ON NEW EVIDENCE
 - SUMMARY OF NEW EVIDENCE
 - STATEMENT OF WHAT THE NEW EVIDENCE IS INTENDED TO SHOW AND HOW IT MIGHT AFFECT THE COMPLIANCE COMMITTEE PANEL'S DECISION
 - EXPLANATION OF WHY THE PETITIONER COULD NOT HAVE DISCOVERED AND/OR PRODUCED THE EVIDENCE AT THE TIME OF THE ORIGINAL HEARING.
 - COMPLIANCE COMMITTEE CHAIR WILL FORWARD WITHIN 5 BUSINESS DAYS IF GRANTED OR DENIED
 - ONLY ONE PETITION FOR REHEARING IS PERMITTED IN REFERENCE TO ANY ONE ALLEGED VIOLATION



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

RIGHT TO REQUEST HEARING

- PARTICIPANT/SUBSCRIBER MAY APPEAL DECISIONS OF THE PANEL TO THE MLS BOARD OF DIRECTORS WITHIN 10 DAYS AFTER RE-HEARING REQUEST IS DENIED AND ACCOMPANIED BY A \$250 FEE.
 - THE APPEAL SHALL BE HEARD BY A TRIBUNAL OF AT LEAST THREE MEMBERS OF THE MLS BOARD WITHIN 30 DAYS FROM RECEIPT OF REQUEST FOR APPEAL.

APPEAL TO MLS BOARD OF DIRECTORS

Who MUST attend?

Who MAY attend?

Who selects the tribunal of MLS board members?



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

ACTION ON HEARING

The Compliance Committee Panel or the MLS Board of Directors sitting as a hearing panel, may:

- Affirm the violation as issued, including the fine and discipline
- Modify the fine and/or discipline
- Remand to the Compliance Committee Panel or staff as applicable, for further consideration of fine and/or discipline
- Dismiss the matter

RATIFICATION OF COMPLIANCE COMMITTEE DECISIONS

After all re-hearing and appeal deadlines have passed, the MLS Board shall take action to ratify each decision of the Compliance Committee Panels.

What happens if the MLS Board does not ratify the decisions?



ENFORCEMENT OF RULES & REGULATIONS OR DISPUTES

CONFIDENTIALITY

All matters and discussions held by the Compliance committee Panels, MLS Board or staff in relation to alleged violations of the MLS Rules & Regulations are confidential and shall not be discussed except with who?

1. ?
2. ?
3. ?
4. ?

COMPLIANTS OF UNETHICAL CONDUCT

The MLS Board shall refer all other complaints of unethical conduct to NMAR for appropriate action in accordance with the professional standards procedures established in the NMAR Bylaws

CONFIDENTIALITY AND DISSEMINATION OF MLS INFORMATION

SANDBOX RULES!

I SEE OUR BROKERS
ARE NETWORKING





CONFIDENTIALITY AND DISSEMINATION OF MLS INFORMATION

CONFIDENTIALITY OF MLS INFORMATION

Any information provide by the MLS to the Participant shall be considered official information of the MLS. Such information shall be considered _____ & _____ for the use of Participants and those Subscribers/Users affiliated with such Participants.

THE SERVICE'S RESPONSIBILITY FOR ACCURACY OF INFORMATION

The information published and disseminated by the MLS is communicated verbatim, without change by the MLS as filed with the MLS BY THE _____. The MLS does not verify such information provided and disclaims any responsibility for its accuracy.

Each Participant agrees to:

1. NDEMNIFY
2. DEFEND
3. HOLD THE MLS HARMLESS

Against any liability from any inaccuracy or inadequacy of the information the Participant provides.

CONFIDENTIALITY AND DISSEMINATION OF MLS INFORMATION

ACCESS TO COMPARABLE AND STATISTICAL INFORMATION

NMAR Members, who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, and who do NOT participate in the MLS, are entitled to receive all information other than current listing information that is generated wholly or in part by the MLS including “comparable” information, “sold” and statistical reports.

This information is provided for the exclusive use of NMAR members and individuals affiliated with NMAR members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules & Regulations.

DISSEMINATION OF DATA

Use of information developed by or published by the MLS is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. If use of a Compilation is authorized by the MLS, a custom data format may be provided.



CONFIDENTIALITY AND DISSEMINATION OF MLS INFORMATION

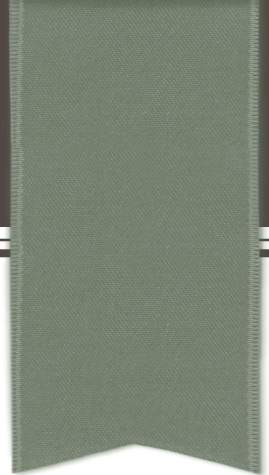
TRANSMITTAL OF PARTICIPANTS LISTINGS TO AGGREGATORS

MLS's are are not required to transmit Participants' listings to third-party aggregators or to operate a public website displaying listing information.

If an MLS transmits Participants listings to third-party aggregators and/or operates a public website displaying listing information, All, Some or Only the Participants listings regardless of type will be included in the data feed.

Except when:

- 1) The listed property's street address and graphic display of the property's specific location will be displayed to the public; and
- 2) The seller displays on the property a "FOR SALE BY OWNER" sign or another sign or notice indicating that the seller is soliciting direct contact from the buyers.



OWNERSHIP OF MLS COMPILATIONS & COPYRIGHTS

SANDBOX RULES!





OWNERSHIP OF MLS COMPILATIONS & COPYRIGHTS

REPRESENTATION AND GRANT OF AUTHORITY

By the act of submitting any property listing content to the MLS, the Participant represents that he/she has been authorized to license and also thereby does license authority for the MLS to include the property listing content in its copyrighted MLS compilation.

AND

Any statistical report or comparables.

WHAT DOES LISTING CONTENT INCLUDE?

| | | |
|---------------|-------------------------|--------------------------|
| PHOTOGRAPHS | IMAGES | AUDIO & VIDEO RECORDINGS |
| VIRTUAL TOURS | DRAWINGS | DESCRIPTIONS |
| REMARKS | NARRATIVES | PRICING INFORMATION |
| OTHER DETAILS | INFO RELATED TO LISTING | |



OWNERSHIP OF MLS COMPILATIONS & COPYRIGHTS

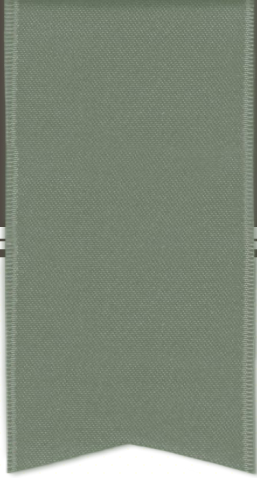
OWNERSHIP OF MULTIPLE LISTING COMPILATION

All _____, _____, and _____ in each COPY of EVERY MLS Compilation created and copyrighted by its owner (board or association) and in the copyrights therein, shall at all time remain vested in its owner (board or association).

The MLS Compilation and data contained within the MLS compilation may be provided to third parties by the MLS upon approval of the Board for purposes of supporting the buying, selling, leasing or appraising of Real Estate.

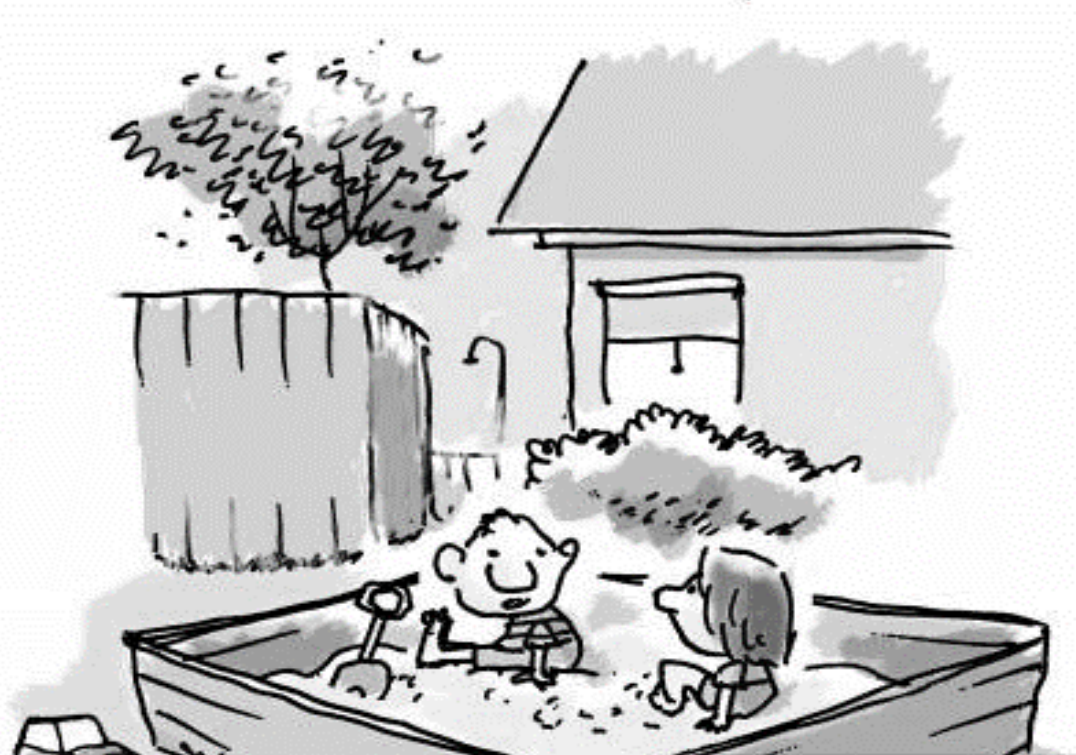
DISPLAY

Each Participant shall be entitled to lease from the owner of the MLS a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated with such Participant with _____ copy of compilation. The Participant shall pay for each such copy the rental fee set by the owners.



USE OF COPYRIGHTED
MLS COMPILATIONS

SANDBOX RULES!



WHY THINK OUTSIDE THE BOX WHEN
MOM WON'T LET YOU CROSS THE STREET



USE OF COPYRIGHTED MLS COMPILATIONS

DISTRIBUTION

1. Participant shall maintain control over and responsibility for each copy of any MLS compilation.
2. Participant shall not distribute any copies to persons other than subscribers who are affiliated with the Participant
3. Use of information is strictly limited to the activities authorized under a Participant's licensure.
4. None of the foregoing is intended to convey "Participation" or "Membership" or "any right of access" where access to such information is prohibited by law.

DISPLAY

When can Participants be permitted to display the MLS Compilations?

1. Locate ready, willing and able buyers for the properties described in the MLS Compilation



USE OF COPYRIGHTED MLS COMPILATIONS

REPRODUCTION

Participants shall shall not reproduce any MLS compilation

EXCEPT:

1. Participants may distribute to prospective buyers a reasonable number of single copies of property listing data
2. Reproductions made in accordance with this rule shall be prepared in a way that the property listing data of properties other than that in which they prospective purchaser has expressed interest or in which the Participant are seeking to promote interest, does not appear on such reproduction
3. Nothing shall be construed to preclude any Participant/Subscriber from utilizing displaying, distributing or reproducing property listing sheets or other data pertaining exclusively to properties currently listed for sale with the Participant.
4. Any MLS Information is provided for the exclusive use of the Participant/Subscriber. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual



USE OF COPYRIGHTED MLS COMPILATIONS

REPRODUCTION

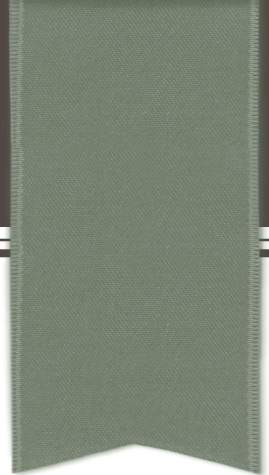
Any MLS content in data feeds available to Participants for real estate brokerage purposes must must not be available for valuation purposes including _____ valuations.

MLSs MUST:

1. Either permit use of existing data feeds; or
2. Create a separate data fee

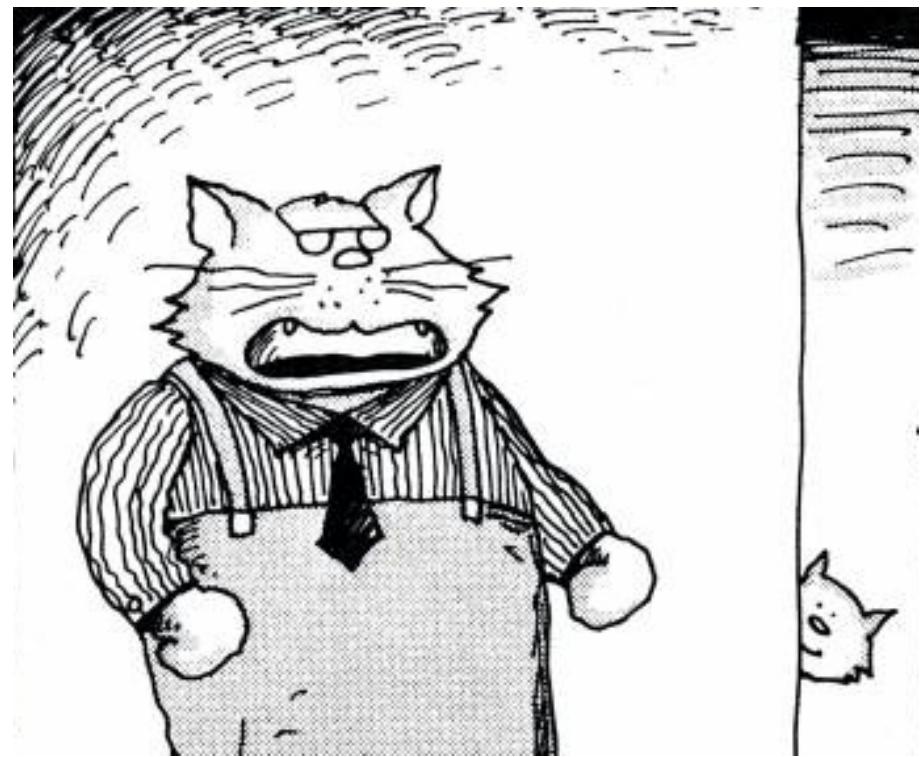
MLSs MAY:

1. Require execution of a third party license agreement
2. Require Participants to pay a reasonably estimated costs incurred by the MLS by adding or enhancing its downloading capacity for this purpose



USE OF THE SERVICES' INFORMATION

SANDBOX RULES!



ALL RIGHT, WHO HID THE SANDBOX?



USE OF THE SERVICES' INFORMATION

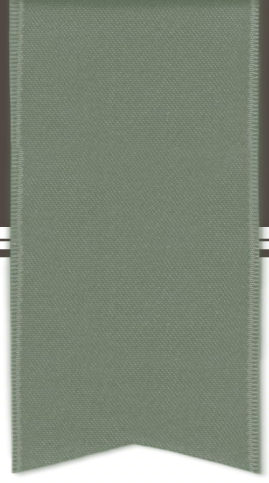
CHANGES IN RULES & REGULATIONS

How do changes to the Rules & Regulations happen?

1. MLS Board must approve by majority
2. Subject to final approval by shareholders

What MUST happen first?

1. Written notice to MLS Board of proposed changes at least 14 days in advance of meeting at which it will be considered.
2. Final approval of changes by the shareholders shall be conducted in accordance to their Operating and Fiscal Policies
3. Upon approval by shareholders, the changes become effective _____ days following notification to Participant



NOTICE OF PROPOSED CHANGES
IN RULES & REGULATIONS
SANDBOX RULES!

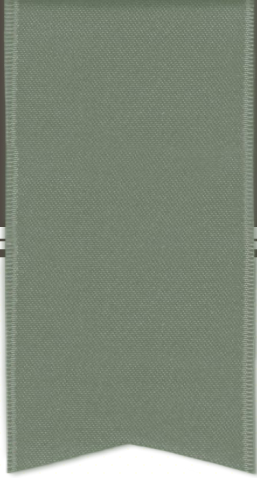


SANDBOX. ONE MORE TO CROSS OFF MY BUCKET LIST



NOTICE OF PROPOSED CHANGES IN RULES & REGULATIONS

ALL Participants shall be notified in writing of the proposed changes a minimum _____ days prior to the MLS Board of Directors Meeting at which the amendments are to be considered



SANDBOX RULES!



LET ME GUESS: STEP TWO, ADD SAND



ORIENTATION

ANY APPLICANT who has access to the use of the MLS shall complete an orientation program of not more than _____ classroom hours devoted to the Rules & Regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within _____ days after access has been provided.

The MLS MAY deem necessary to have Participant and Subscribers complete additional training of not more than _____ hours in a _____ month period.

Participants and Subscribers are given the opportunity to complete any and/or all mandated orientation and additional training by _____



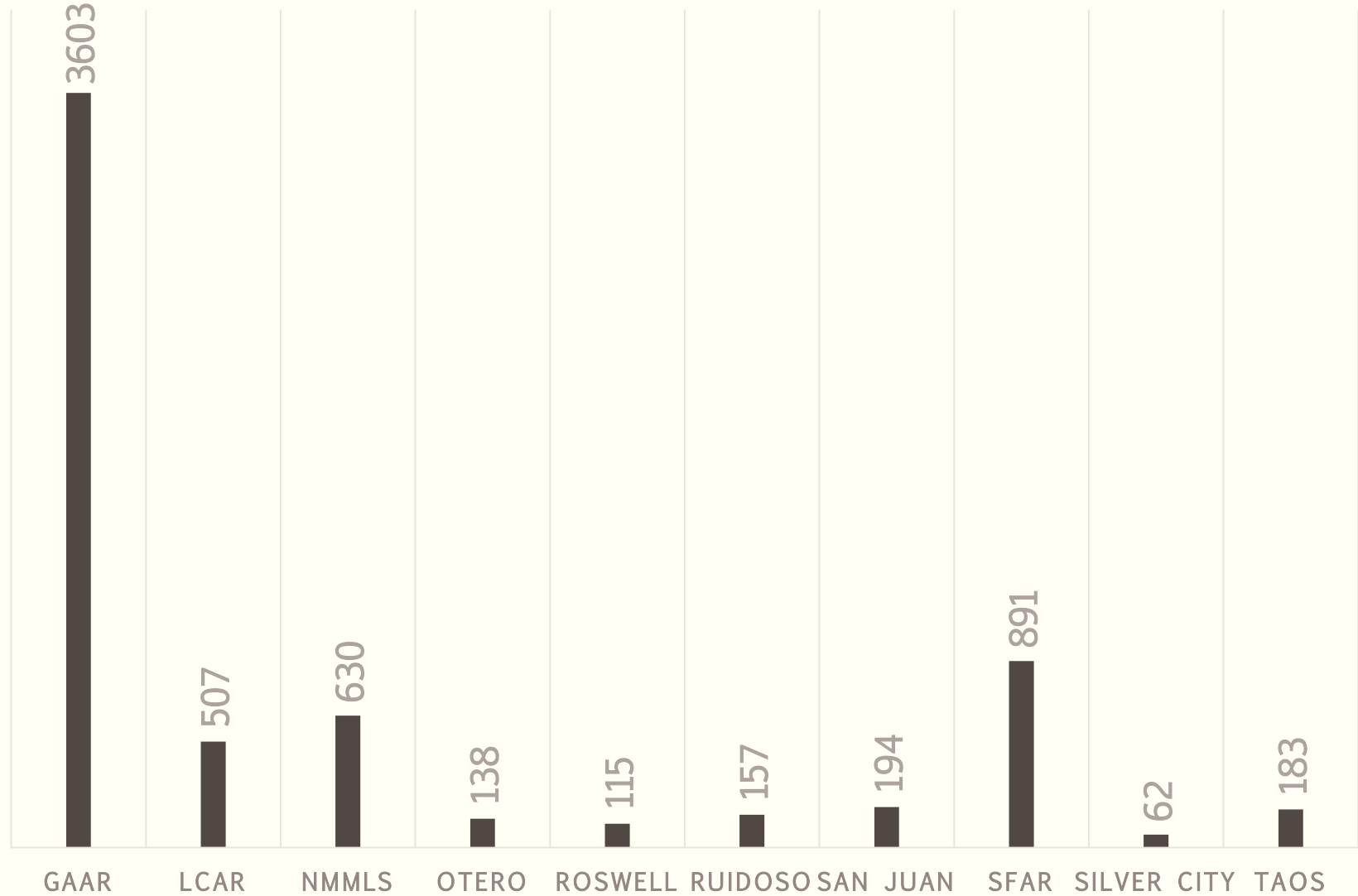
ORIENTATION

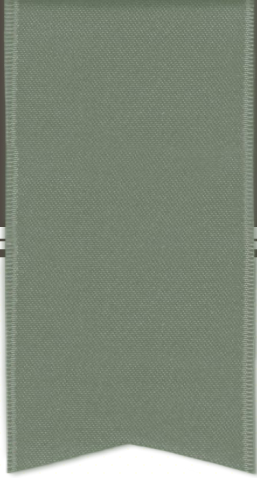
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Participants and Subscribers are given the opportunity to complete any and/or all mandated orientation and additional training by _____

NEW MEXICO'S TEN MLSSs





SANDBOX RULES!



SOMETIMES, SITTING IN THE SANDBOX LIKE THIS, I REALIZE I'VE BEEN A DISAPPOINTMENT TO MY REALTOR FAMILY