Course Title: SWMLS Rules Refresher: The Latest Updates to Keep You Compliant

Course Description: Brokers will gain information about general MLS entry requirements and updates regarding local MLS rule changes and industry updates that may impact local MLS business. Brokers will also gain reminders about business systems to manage property data, tips to professionally manage property showings and understand the relationship between data integrity, code of ethics and broker duties.

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

| Learning Level | Learning Objective |
|---|---|
| Knowledge | Share reasons why data integrity is important for the real estate industry |
| Understand | Discuss common MLS issues, new local rules and industry updates |
| Apply | Create a system to efficiently manage listing data. |
| Understand | Discuss methods to assist MLS users to gain a greater respect for sellers listed property. |
| Understand | Discuss relationship between MLS data, Code of Ethics and Broker Duties |
| Evaluate | Evaluate examples where inaccurate MLS data may violate Code of Ethics or Broker Duties. |

The following will be the means used in assessing whether the Learning Objectives have been met (Pre and post test, Q&A etc.)
Pretest – MLS fact match at beginning of class to identify learning gaps.
Midcourse - , quick review, share what you have learned
Posttest- end course, one minute paper, biggest takeaways

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.)
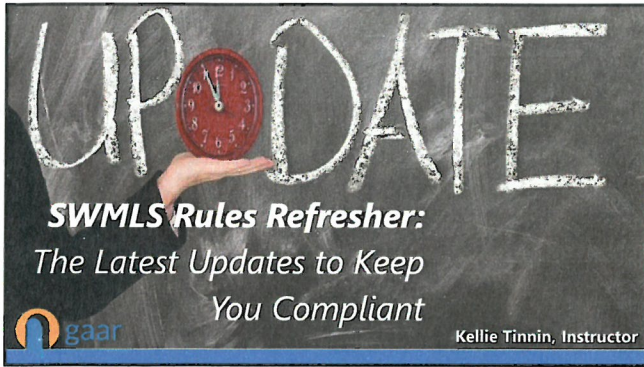
| Topic: | Time: | Materials: |
|---|---|---|
| Intro, housekeeping, sponsor | 10 minutes | N/A |
| Icebreaker | 5 minutes | |
| 1. Share reasons why data integrity is important for RE industry.<br><br>• Discuss cycle of data significance. Listing entry – buyer – contract – statistical data.<br>• Why is the data important?<br>• Sources for accurate | 10 minutes | Handout, discussion |

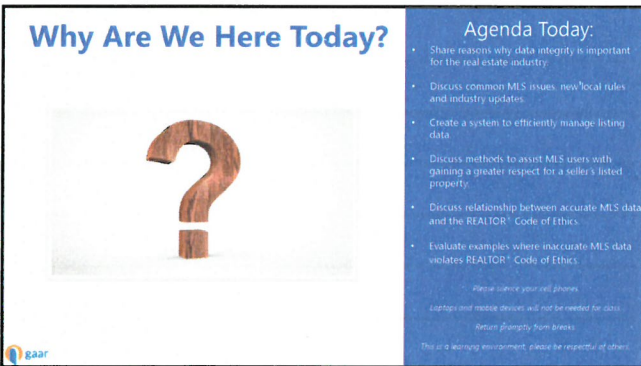| | | |
|---|---|---|
| data.<br>• Discuss rules changes | | |
| 2. Discuss common MLS issues, new local rules and industry updates.<br><br>• Share local issues<br>• Share industry updates | 25 minutes<br><br><br>(10 minutes – local issues)<br><br>(15 minutes – industry updates) | Handout, discussion |
| 3. Create a system to efficiently manage listing data.<br><br>• Discuss systems and ideas to manage data correctly.<br>• Create checklist | 10 minutes | |
| Break | 10 minutes | N/A |
| 4. Discuss methods to assist users with gaining greater respect for seller's listed property.<br><br>• Showing etiquette<br>• How to work with seller to protect their property (ST, others) | 15 minutes | Video, discussion |
| 7. Discuss relationship between accurate MLS data and the code of ethics.<br><br>• Discuss the Code of Ethics/broker duties relationship with MLS accurate information. | 10 minutes | Discussion |
| 8. Evaluate examples where inaccurate MLS data violate code of ethics.<br><br>(2) case studies about where MLS data constituted a possible code of ethics or violation of broker duties. | 20 minutes | Case studies |
| Review<br><br>Class evaluation<br><br>One-minute paper review<br><br>Post class check – have issues reduced. | 5 minutes | N/A |

# INSTRUCTIONS FOR CONTINUING EDUCATION COURSES

1. Any pre-licensing or continuing education course must have been approved by the commission before the course is offered for credit. Courses must incorporate New Mexico law and regulations when relevant. A course application form must be completed and submitted to the commission before consideration of a course for approval by the Education Advisory Committee (Committee).

2. Before course approval, the instructor teaching the course shall make a presentation before the Committee according to presentation criteria established by the Committee.

3. The Committee shall assign the number of credit hours to each course and determine whether the course is in the education or training category.

   **Please review the New Mexico Real Estate License Law and Real Estate Commission Rules Part 15, Approval of Real Estate Courses, Sponsors and Instructors for additional requirements.**

**SWMLS Rules Refresher:**
*The Latest Updates to Keep You Compliant*

Kellie Tinnin, Instructor

1



**Why Are We Here Today?**

Agenda Today:
- Share reasons why data integrity is important for the real estate industry.
- Discuss common MLS issues, new local rules and industry updates.
- Create a system to efficiently manage listing data.
- Discuss methods to assist MLS users with gaining a greater respect for a seller's listed property.
- Discuss relationship between accurate MLS data and the REALTOR® Code of Ethics.
- Evaluate examples where inaccurate MLS data violates REALTOR® Code of Ethics.

*Please silence your cell phones.*

*Laptops and mobile devices will not be needed for class.*

*Return promptly from breaks.*

*This is a learning environment, please be respectful of others.*

2



**Activity: MLS Fact Match**

3

The Cycle of MLS Data

Listing Entry
Search Output
Market Statistics

gaar

4



**Sources for Accurate Data**

Seller Records
Listing Packages

Appraisals

Municipalities
Association Tools

gaar

5



KNOW THE RULES
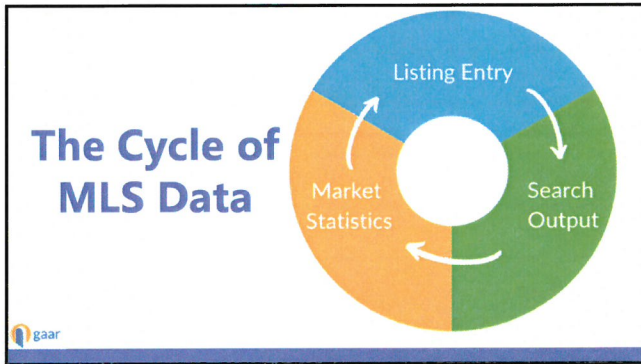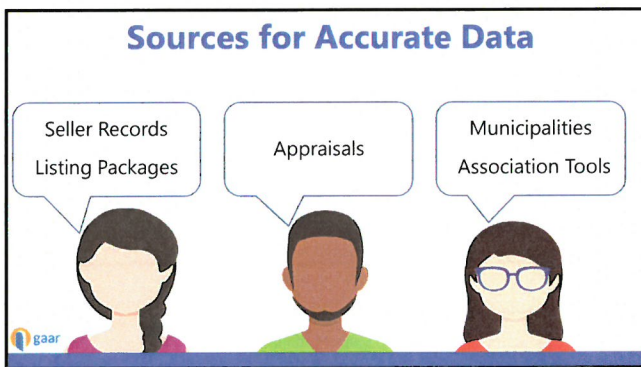
**Common Issues, New Rules and Industry Updates**

gaar

6

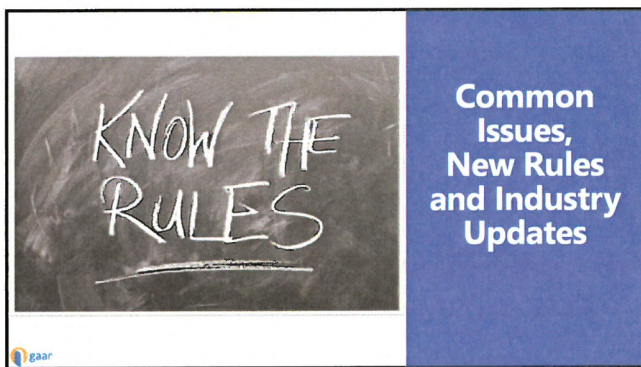## Systems to Manage Listing Data

- Systems create business consistency.

- Help reduce mistakes with systems.

- Have a means to track information and records.

*Checklist*

gaar

7

_____
_____
_____
_____
_____
_____
_____
_____

**Break**

gaar

8

_____
_____
_____
_____
_____
_____
_____
_____
_____

**Review!**

gaar

9

_____
_____
_____
_____
_____
_____
_____
_____

**Showing Etiquette**

How does your
Showing Etiquette Stack Up?
www.NorthstarMLS.com

NorthstarMLS

10

**Activity: What Would You Do?**

gaar

11

**Help Sellers Prepare for Showings**

| Remind sellers that showings must have an appointment. | Declutter and remove personal property. | Have the property cleaned prior to listing. | Store personal or non-replaceable items. | Remove personal photos personally identifiable items. |

gaar

12

**13**



**Final Review**

**14**



**Thank You!**
*Please remember to sign out!*

**15**

## Welcome to SWMLS Rules Refresher: The Latest Updates to Keep You Compliant!

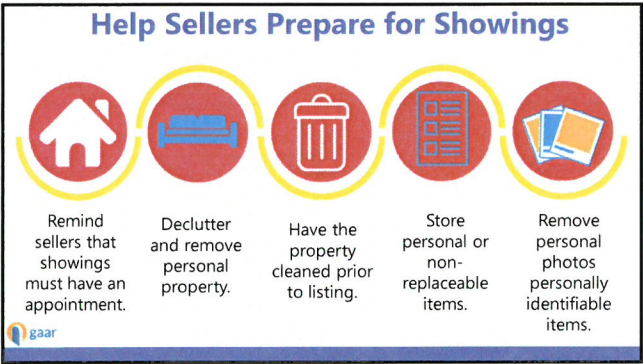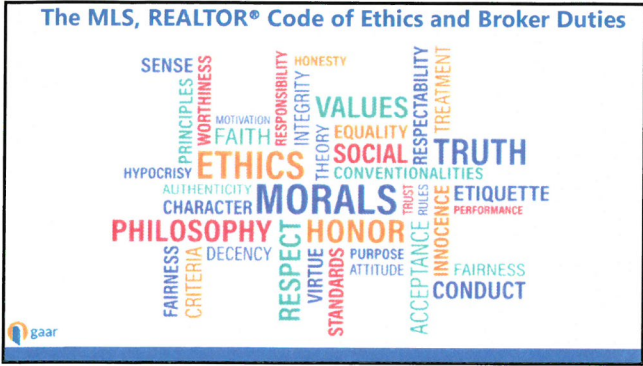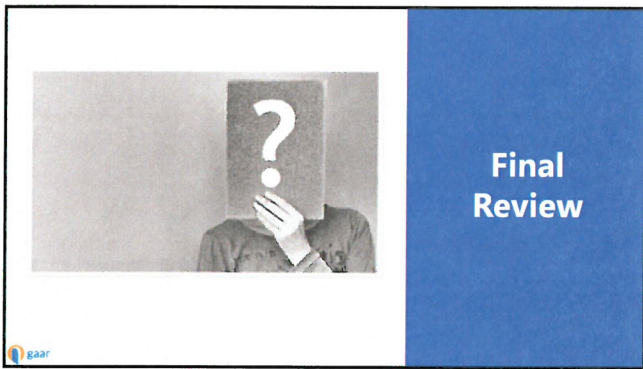The Multiple Listing Service (MLS) helps support and active and healthy real estate market. REALTORS® play an integral part in ensuring that MLS data is accurate. Accurate data makes the market function and moves transactions forward. The REALTOR® and MLS have a partnership that fosters cooperating relationships that support a healthy real estate market and data integrity.

_____

_____

_____

## What you will learn today:

- Share reasons why data integrity is important for the real estate industry.

- Discuss common MLS issues, new local rules and industry updates.

- Create a system to efficiently manage listing data.

- Discuss methods to assist MLS users with gaining a greater respect for a seller's listed property.

- Discuss relationship between accurate MLS data, REALTOR® Code of Ethics and Broker Duties.

- Evaluate examples where inaccurate MLS data may violate the REALTOR® Code of Ethics or Broker Duties.

_____

_____

_____

_____

_____

## Activity: MLS Fact Match

_____

_____

_____

## Why is Accurate Data Important?

The Cycle of MLS Data.

- Accurate MLS data starts with listing entry.

- When a listing is entered in the MLS, other brokers and consumers receive the data through syndication and search outputs.

- The MLS department uses listing and property data for market statistics.

- Many 3<sup>rd</sup> parties rely on MLS data to perform day-to-day activities.

  - Brokers
  - Appraisers
  - 3<sup>rd</sup> party search portals

- Inaccuracies in data can:

  - Increase risk of missed client opportunities,
  - Provide support for civil litigation,
  - Provide support REALTOR® Code of Ethics complaints or,
  - Provide support for New Mexico Real Estate Commission complaints.
  - Support for SWMLS Compliance Committee compliant.



_____

_____

_____

_____
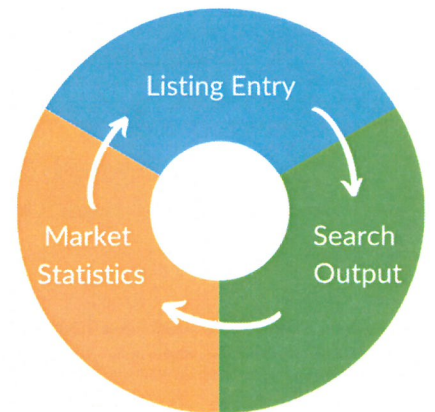
Sources for Accurate Data.

There are several sources to support your efforts to secure accurate data for your listing entry.



Seller Records

Listing Packages

Appraisals

Municipalities

Association Tools
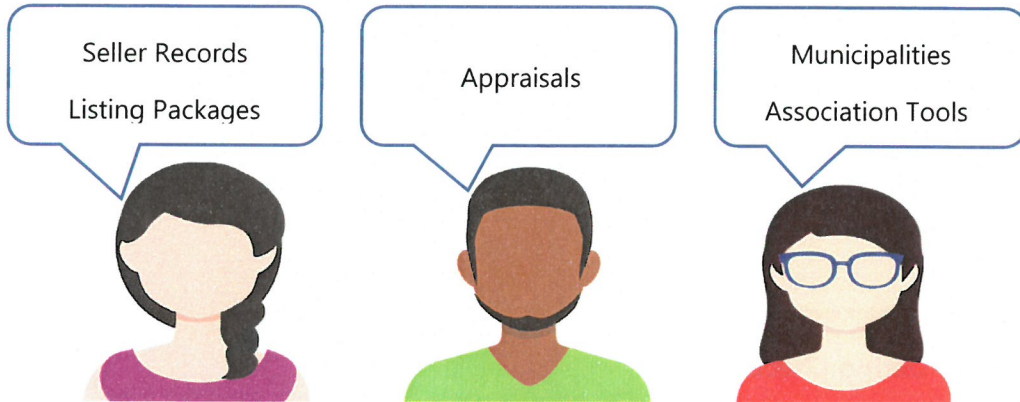
**#Note: Data integrity helps support a healthy real estate market. Report issues to**

_____

_____

_____

Common MLS Issues, new local rules, industry updates

**Discuss!**

_____

_____

_____

_____

_____

_____

Systems to Manage Listing Data.

One way for brokers to reduce their errors and increase their listing input efficiency is to create systems for collecting and entering their listing information. Systems include:



- Using or creating input forms to create a seller checklist.
- Use project management tools like Trello to manage listing and property information.
- Follow similar processes for each listing.
- Obtain a listing package when acquiring new listings.

## Reminder! MLS Listing Checklist:

- **Upload Photos** – 7 days to add a minimum of one (1) required photo for all residential resale, new construction, vacant land and multifamily.

- **Upload Lead Based Paint Disclosure** – Homes built prior to 1978. Must be uploaded within 24 hours.

- **Upload PID Documents** – Public Improvement District. Required on listings located in PID. Must be uploaded in 24 hours.



- **Advertising Remarks** – No advertising remarks or contact information in any public fields (includes directions).

- **Verify Listing Information** – Do data fields contain accurate information?

- **Map Pin** – Is property map pin correct? Alllows listing to be located in radius and map searches.

- **Input Lockbox Serial Number** – If you are using a SUPRA lockbox, the serial number must be added in the approprate listing input field.

- **Clear and accurate showing instructions** – When using ShowingTime, reflect the same MLS showing information there as well.

## Respecting a Seller's Listed Property.

<u>Showing Etiquette.</u>

*<u>Section 2 Showings and Negotiations:</u> Appointments for showings and negotiations with the seller for the purchase of listed property filed with The Service shall be conducted through the listing broker, except under the following circumstances: a. the listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or b. 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. (Amended 4/92) A Participant/Subscriber shall enter his name, company name, date and time of showing on a sign-in sheet at the property or may leave a business card. (SWMLS, 10/2019)*

*<u>Section 2.0.1 Showing Instructions:</u> Listing brokers shall provide showing procedures, instructions and restrictions within applicable fields of the MLS. Participants and Subscribers shall follow instructions as specified by the listing broker. Participants and Subscribers may communicate with the listing broker to discuss and agree upon showing methods other than what has been entered for the listing. (SWMLS, 10/2019)*

<u>Activity: What would you do?</u>

*#Remember: Pathways to Professionalism* - *https://www.nar.realtor/code-of-ethics-and-arbitration-manual/pathways-to-professionalism*

**Discuss!**

_____

_____

_____

_____

_____

Helping Sellers Prepare for Showings.

According to the 2018 NAR Profile of Home Buyers and Sellers, the average seller lives in their home **9 years** before selling. It is a broker's job to consult with their clients to help sellers transform their home to a marketable product.

Have a consultation with your sellers to help them:

- Do not let anyone in the home that has not scheduled an appointment. Use tools like ShowingTime to help manage this process.

- Declutter and remove personal property.

- Store items that are irreplaceable.

- Remove personal photos, confidential, and personally identifiable information (PII).

_____

_____

_____

**The MLS, REALTOR® Code of Ethics and Broker Duties**

<u>Relationship with The Code of Ethics and Broker Duties</u>

Inaccuracies or failure of a broker to conduct their due diligence with listing a property could result in a potential REALTOR® Code of Ethics violation. Issues can arise with:

- Multiple offers
- Honesty, reasonable care
- Disclosure
- Cooperation (compensation)
- Misrepresentation
- Confidentiality

_____

_____

_____


## Inaccurate MLS Data and Potential Violations of REALTOR® Code of Ethics and Broker Duties

### #1 - Case Study - Pleasant v. Bradford: Was the Broker Liable for Inaccurate Square Footage?
*Source: NAR: Pleasant v. Bradford, 260 S.W. 3rd 546 (Tex. App.2008)*

Jason and Ashley Bradford ("Buyers") became interested in a home owned by John and Beatrice Vasquez ("Sellers"). The Buyers had determined that the property had a lower per square foot price than other similar properties by using the property's information provided in the multiple listing service ("MLS"). Margaret Pleasant ("Salesperson") of Mark Bowles d/b/a Prudential Synergy REALTORS® ("Brokerage") was the listing representative for the Sellers' property.

The Salesperson had obtained the property's square footage information from the Bell County Appraisal District, a local government agency. The Brokerage's usual practice was to indicate in the MLS the source of the square footage information, but allegedly did not in this instance because of a clerical error.

The Buyers visited the Sellers' home, after which their real estate representative, Angela Bruce ("Buyer's Representative") asked them to sign a release ("Release") stating that they had not relied upon any statements "made by the REALTOR® and his/her associates", and only relied upon information received from the sellers, third parties, or information that the buyers had independently verified on their own. Both the Buyer's Representative and the Salesperson were members of a REALTOR® Association. Both the Buyers and Sellers also signed this form.

The Buyers made an offer for the property and the Sellers accepted it. Five days after the closing, the Buyers received a copy of the appraisal report prepared by their lender's appraiser and learned that the property was 253 feet smaller than had been listed in the MLS. The Buyers filed a lawsuit against the Salesperson and the Brokerage.

**What were some of the causes of the problem in this case?**

_____

_____

_____

**Discuss the potential consequences?**

_____

_____

_____

**What can be learned from this situation?**

_____

_____

_____

**#2 - Case Study – Briggs v. Kidd & Leavy Real Estate Co.**
*Source: NAR: Briggs v. Kidd & Leavy Real Estate Co., No. 340713, 2018 WL 4603900 (Mich. Ct. App. Sept. 25, 2018)*

A married couple ("buyers") sought to purchase a home for the wife's mother. The buyer's received a recommendation for a salesperson ("Buyer's Representative") at a particular brokerage ("firm"). The buyer's contacted the buyer's representative, who arranged for them to see a number of properties.

The buyers became interested in a property that had an adjoining garden lot ("garden lot"). The MLS listing showed three lots for sale – the two lots on which the home sat and the garden lot. The buyers also claimed that the buyer's representative made them believe that the garden lot was part of the property for sale. In fact, the owner had sold the garden lot a year earlier. However, the listing broker had failed to update the MLS listing.

The buyer's submitted an offer to purchase the property. After a series of offers, the buyer's offer was accepted to purchase lots 5 and 6 but not 7, where the garden lot was located. Following the completion

of the purchase, the buyer's discovered that they had not purchased the garden lot. The buyer's filed a lawsuit against the sellers, who then impleaded multiple parties to the lawsuit.

**What were some of the causes of the problem in this case?**

_____

_____

_____

**Discuss the potential consequences.**

_____

_____

_____

**What can be learned from this situation?**

_____

_____

_____

**Conclusion**

**Activity: One-minute paper. Write down your top 2-3 takeaways from class today.**

_____

_____

_____

_____

_____

The accuracy of MLS data starts with the listing entry and accurate data and cooperation. Cooperation fosters a healthy real estate market and accurate data ensures the market has robust property history for years to come.

## References

- NorthstarMLS, May 2018. https://youtu.be/WX5IZPrWtng

- NAR. 2019. *2018 Profile of Home Buyers and Sellers*.
  https://www.nar.realtor/sites/default/files/documents/2018%20HBS%20Highlights.pdf

- NAR. *Legal Case Summaries*. https://www.nar.realtor/legal-case-summaries

- NAR. *NAR Code of Ethics Case Interpretations*. https://www.nar.realtor/code-of-ethics-and-arbitration-manual/case-interpretations