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# Regional Multiple Listing Service of Minnesota, Inc.

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## Rules and Regulations

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Check [www.NorthstarMLS.com](http://www.NorthstarMLS.com) for the most recent version of this and other policy documents.



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# Introduction and Table of Contents

## Introduction

This document contains the complete text of the rules and regulations, as well as interpretive policies established by RMLS's Board of Governors. If you wish to make a complaint against a participant, or if you have questions about this document, please contact RMLS's Rule & Regulation Administrator at 651-251-3205. Complaints may be made anonymously (but they may be dismissed if not accompanied by sufficient information to establish that a violation has occurred).

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# Rules and Regulations

## Section 1 – Definitions

### Section 1.1 MULTIPLE LISTING SERVICE

**DEFINED:** “Multiple Listing Service” is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants [acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law]; by which cooperation among participants is enhanced; 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; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so they may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale. (Amended August 4, 2006)

**Section 1.2 OTHER TERMS DEFINED:** As used in these Rules and Regulations, the following terms shall have the meanings given to them in this Section 1.2:

“Service” shall mean the REGIONAL MULTIPLE LISTING SERVICE OF MINNESOTA, INC. and/or the board or association of REALTORS® (as defined by the National Association of REALTORS®) from which a Participant receives its participatory rights.

“MLS Compilation” shall mean any format in which property-listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer database, card file, or any other format.

“Participant” shall have the meaning set forth in Section 2.1.

“Jurisdiction” shall mean the state of Minnesota and the following counties in Wisconsin: Polk, St. Croix, and Pierce. (Amended June 4, 2004.)

“Broker Reciprocity” is a means by which each Participant subscribing to the program (the “Broker

Reciprocity Subscriber” or “BRS”) permits the display of its active listings appearing in MLS on each other BRS’s Internet web site. (Adopted Oct 14, 1999)

“Broker Reciprocity Database” is the current aggregate compilation of all listings of all Broker Reciprocity Subscribers except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract. (Adopted Oct 14, 1999.)

## Section 2 – Participatory Eligibility and Rights

**Section 2.1 MLS PARTICIPANT:** Any REALTOR®, who is a principal, partner, corporate officer or trustee, of a real-estate brokerage firm, who holds a current, valid Minnesota or Wisconsin real estate broker’s license or holds a valid Minnesota or Wisconsin appraiser’s license shall be eligible to participate in the Service. Use of information developed by or published by the Service is strictly limited to the activities authorized under a Participant’s licensure(s), and unauthorized uses are prohibited. Further, none of the forgoing is intended to convey ‘Participation’ or ‘Membership’ or any right of access to information developed by or published by the Service where access to such information is prohibited by law. Under these qualifications the REALTOR® Member must comply with the following requirements and agrees to the following terms of membership:

- a. Completes the MLS application forms, as adopted by the association/board where the Participant purchases MLS services, and delivers same to the association/board office with initial membership fee;
- b. Attends a policies and procedures orientation before service commences,
- c. Provides a business address and notifies the Service of address changes as soon as practicable; and
- d. Agrees to comply with these MLS Rules and Regulations.

Participatory rights in the Service shall also be available to any REALTOR® [principal] or any firm comprised of REALTORS® [principals] irrespective of

where they hold primary membership subject only to their agreement to abide by these MLS Rules and Regulations; agreement to arbitrate disputes with other Participants; and payment of any MLS dues, fees, and charges. (Rev. October 20, 2000)

**Section 2.2 PAYMENT OF ACCOUNT:** Participants are required to pay their accounts promptly when billed. Periodic service charges must be paid according to the terms established by the association/board from which the Participant purchases its multiple listing services. The association/board may discontinue service to any Participant who fails to pay his/her account when due. If service is discontinued for late payment the association/board may assess a reinstatement charge, plus the requirement that the past due account be paid in full, before the service can be reinstated.

**Section 2.3 RESIGNATION:** Any Participant may resign from active participation by submitting a resignation on the form approved by the Service. Participants shall not be entitled to any refund of initial membership fee or any dues or charges. If request for reinstatement is made, the local association/board from which the Participant purchases multiple listing services may charge a reinstatement fee and may require that the Participant attend the MLS orientation again before service is commenced.

**Section 2.4 TRANSFER:** Whenever the Participant disassociates himself/herself from the firm for which participation in the Service is held, a new application, including initial membership fee, from the REALTOR® who is to become the Participant for that firm, must be completed. The new Participant must do this within thirty (30) days of the date of disassociation or service will be discontinued until such time as membership requirements have been met.

**Section 2.5 BOARD AUTHORITY:** The Regional Multiple Listing Service Board of Governors has the following authority: a. To adopt rules and regulations for the Service and amendments to same, b. To issue policy interpretations, c. To interpret rules and regulations in case of dispute, d. To establish fines and sanctions for violation of these rules and regulations, and e. To enforce these rules and regulations.

## Section 3 - Listing Procedures

**Section 3.1 LISTING PROCEDURES:** Listings of real or personal property in conformity with one of the following categories, which are listed subject to a real estate broker's license and located within the Jurisdiction of the Service shall be delivered to the Service or loaded directly into the Service's computer within the time specified in Section 3.2.

- a. Single family homes for sale or exchange;
- b. Condominium, Townhouse, Twinhome for sale or exchange;
- c. Two-family, three-family or four family residential buildings for sale or exchange;
- d. Hobby farm with residence thereon for sale or exchange;
- e. New construction in the appropriate category no later than when the property is ready for trimming. Builder models and floor plans, as well as structures being built but which have not reached the trimming stage, may at the Participant's option, be listed in the category designated by the Service for "models" and "to be built"; or
- f. Lots and Land for sale or exchange (effective 1-01-03). (Amended August 2, 2002.)
- g. Business Only Opportunities for sale (effective 8-08-05) (Amended August 8, 2005)

Only listings of the designated types of property located within the jurisdiction of the Service are required to be submitted to the Service. Listings of property located outside the Service's jurisdiction will be accepted if submitted voluntarily by a Participant but cannot be required by the Service. Any listing that is submitted voluntarily shall be subject to the RMLS Rules and Regulations. (Amended June 4, 2004.)

The Service may require the use of a Property Data Form as approved by the Service. The Service shall not dictate the form of the listing agreement between the Participant and the seller except that:

1. The listing agreement must adequately protect the interest of the public and the Participants.
2. The listing agreement must not establish, directly or indirectly, any contractual relationship between the Service and the client (buyer or seller).
3. The listing agreement must include the seller's written authorization to submit the agreement to the Service.

The Service shall accept listings subject to exclusive right to sell contracts and exclusive agency contracts, and other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the Service acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law. The different types of listing agreements include:

- (a) Exclusive right to sell;
- (b) Exclusive agency;
- (c) Open;
- (d) Non-agency service agreements.

The exclusive right to sell listing is the conventional form of listing submitted to the Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by the means provided by the Service since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted.

**Section 3.2 SUBMISSIONS:** Any listing taken in accordance with the above Section must be loaded into the computer or mailed/delivered to the Service by the Participant no later than the third calendar day, excluding state or federal holidays, following its execution. The date following the day of execution shall be counted as the first day. (Effective March 1, 2000.) A property photo must be loaded into the computer for any listing of a previously owned, completed new construction or model property in the single family residential, multi-family residential or commercial/mixed use property type within three days, excluding state or federal holidays, of the listings' entry on the service regardless of the listing status. The date following the day the listing is loaded into the Service shall be counted as the first day. (Amended March 3, 2006.)

**Section 3.3 JOINT LISTINGS:** In the event a Participant jointly lists a property with another Participant, only one data form shall be processed through the Service.

**Section 3.4 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE:** Any listing taken on a contract to be filed with the Service is subject to the Rules and Regulations of the Service upon signature of the seller(s).

**Section 3.5 DETAIL ON LISTINGS FILED WITH THE SERVICE:** A Listing Agreement or Property Data Form, when filed with the Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form. Listing agreements, Property Data Forms, change forms and any other forms used by the listing broker in conjunction with the Service must be retained by the Participant and be available to the Service upon request for the period of time established under state and federal statute\*. (Appended May 3, 2003.) Public Remarks and photo captions must only describe the physical traits of the property. Public Remarks may also describe incentives provided by the seller to the buyer, specifically related to the property with specific purpose and must be in compliance with HUD regulations/guidelines. Remarks of a promotional nature are strictly prohibited; incentives cannot include a third party or third party reference. (Appended April 7, 2006.) Only URLs to virtual tours may appear if:

- (a) The Web site only describes the physical traits of the property for sale and its vicinity,
- (b) The site/page does not link out to another site/page, and
- (c) The name of the listing office appears in text not to exceed 10 points.

No other URL s are allowed anywhere in the listing. (Amended December 6, 2004.)

Open House Remarks must only describe the property and/or communicate information about the open house event. Remarks of a promotional nature are strictly prohibited.

*\*Explanatory Note: The current Minnesota State statute on Broker Records Retention is available at Chapter 82.23 on the Web at: <http://www.revisor.leg.state.mn.us/stats/82/23.html> Federal SEC requirements on recordkeeping relevant to audits and reviews are available on the Web at*

<http://www.sec.gov/rules/final/33-8180.htm>  
(Appended May 3, 2003)

**Section 3.6 PARTICIPANT RESPONSIBLE FOR ACCURACY:** The information published and disseminated by the Service is communicated, without change by the Service, as filed with the Service or directly placed into the computer by the Participant. (The Service may correct the form of listing addresses to comply with applicable standards.) The Service does not verify such information and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides. Each Participant is responsible for the accuracy of listing data. In case of error, the Participant shall immediately make the correction into the computer or submit a change form to the MLS office so that the error can be corrected. A listing broker/agent/office staff person may not make changes to MLS listing data so that it is misleading to other MLS Participants.

**Section 3.7 EXEMPTED LISTINGS:** If the seller refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing and such listing shall be filed with the Service, but not disseminated to the participants. When the seller does not want the property placed on the Service, a Certification to Withhold Property Listing must be submitted to the Service along with the Property Data Form no later than three calendar days following the contracts execution date. (edited 1/06/06)

**Section 3.8 CHANGE OF STATUS OF LISTING:** Participants are required to notify the Service immediately of any change in the property status, including cancellation, pending sale contract (in accordance with sections 4.7 and 4.8), cancellation of pending sale, closed sale, change in price or terms or withdrawal from market. Changes must be loaded into the computer or reported by change form to the Service within twenty-four (24) hours (excepting weekends and state or federal holidays) after change is received by the Participant. Documentation of changes must be retained by the Participant and made available to the Service upon request.

**Section 3.9 TEMPORARILY – NOT - AVAILABLE - FOR – SHOWING / WITHDRAWAL OR**

**CANCELLATION OF LISTING PRIOR TO EXPIRATION:** Listings of property may be temporarily-not-available-for-showing/withdrawn or cancelled from the Service by the listing broker before the expiration date of the listing agreement provided notice is filed with the Service including a copy of the signed agreement between the seller and the listing broker which authorizes the withdrawal or cancellation.

Sellers do not have the unilateral right to require the Service to make a property temporarily-not-available-for-showing/withdraw a listing, without the listing broker's concurrence. However, when a seller can document that his/her exclusive relationship with the listing broker has been terminated, the Service may cancel the listing at the request of the seller.

**Section 3.10 CONTINGENCIES APPLICABLE TO LISTINGS:** Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants. The listing for a property to be auctioned must specify the type of auction (Absolute, Minimum Bid or Reserve) and the license number of the auctioneer (effective 9-17-02). (Appended 8-02-02)

**Section 3.11 LISTING PRICE SPECIFIED:** The full gross listing price stated in the listing contract will be included in the information published in the MLS Compilation of current listings, unless the property is subject to auction.

**Section 3.12 LISTING MULTIPLE UNIT PROPERTIES:** All properties which are to be sold or which may be sold separately must be indicated individually in the listing agreement and on the Property Data Form. When part of the listed property has been sold, proper notification shall be given to the Service.

**Section 3.13 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:** The Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Service shall not fix, control, recommend, suggest, or maintain the division of commission or fees between cooperating Participants or between Participants and non-participants.

**Section 3.14 EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS:** Any listing filed with the Service automatically expires on the date specified in the agreement unless renewed by the listing broker and notice of renewal or extension is filed with the Service prior to expiration.

If notice of renewal or extension is dated more than three days after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with the Service. Any extension or renewal of a listing must be signed by the seller(s) and be filed with the Service and submitted in accordance with Section 3.2. (Appended August 8, 2005)

**Section 3.15 TERMINATION DATE ON LISTINGS:** Listings filed with the Service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

**Section 3.16 LISTINGS OF SUSPENDED PARTICIPANTS:** When a Participant of the Service is suspended from the Service for failing to abide by a membership duty (e.g., violation of the Code of Ethics, association bylaws, these MLS Rules and Regulations, or other membership obligations), the Service is not obligated to provide services, including continued inclusion of the suspended Participant's listings in the MLS Compilation of current listing information. Prior to any removal of a suspended Participant's listings from the Service, the suspended Participant shall be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

**Section 3.18 LISTINGS OF EXPELLED PARTICIPANTS:** When a Participant of the Service is expelled from the Service for failing to abide by a membership duty (e.g., violation of Code of Ethics, association bylaws, these MLS Rules and Regulations, or other membership obligations) the Service is not obligated to provide services, including continued inclusion of the expelled Participant's listings in the MLS Compilation of current listing information. Prior to any removal of an expelled Participant's listings from the Service, the expelled Participant shall be advised in writing of the intended removal so that the expelled Participant may advise his/her clients.

**Section 3.19 LISTINGS OF RESIGNED PARTICIPANTS:** When a Participant resigns from the Service, the Service is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS Compilation of current listing information.

**Section 3.20 PARTICIPANT AS PRINCIPAL:** If a Participant or any licensee (including licensed or certified appraisers) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the Service, that person shall disclose that interest when the listing is filed with the Service and such information shall be disseminated to all Participants.

**Section 3.21 LISTING A BUYER'S EQUITABLE TITLE IN A PROPERTY:** The Participant listing a buyers equitable title in a property must submit the listing to the Service in accordance with 3.2 and the contingency must be noticed in accordance with 3.10. The Participant listing a buyer's equitable title in a property must have the current property owner's written permission to show the property to prospective buyers for the listing to display an active status. If the current property owner does not grant written permission, the listing must display a temporarily-not-available-for-showing status. (Appended August 2, 2002.)

## Section 4 - Selling Procedures

**Section 4.1 SHOWINGS AND NEGOTIATIONS:** 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 when the listing broker gives the cooperating broker specific authority to show and/or negotiate directly with the property owner; such authority must clearly be indicated on the Property Data Form.

No Participant shall provide to any person, except another Participant, whether intentionally or through negligence, information providing a means for that person to enter a property listed with the Service unless the listing broker has given specific permission for such access. If, upon showing a property, a Participant finds that the property's key is missing from

a lock box, or that the property is unlocked or damaged, the Participant shall notify the listing broker immediately. As used in the previous two sentences, "broker" and "Participant" include any agent or employee of a broker or Participant. (Appended August 18, 2000.)

The cooperating broker must disclose his/her agency status [or lack thereof] at first contact with the listing broker, representative and/or seller in person, by telephone, or in writing.

*(Explanatory note: The intent of the above is to assure that showing appointments are confirmed as quickly as possible during weekday business hours of 9:00 a.m. to 4:30 p.m., Monday through Friday and from 10:00 a.m. to 2:00 p.m. on Saturday and from Noon to 2:00 p.m. on Sunday. It is recommended that appointment requests to a listing agent's office or, when authorized, to the property owner, whether received through an answering/voice messaging service, pager or cellular telephone, be confirmed, or at least the call requesting an appointment be acknowledged, no later than one hour after being received during the hours stated above or at other reasonable times within one hour of the appointment requested or as soon as possible. Appointment calls to listing agents' homes are to be made at reasonable times and should not be made early in the morning or late in the evening THIS EXPLANATORY NOTE IS INTENDED AS PROFESSIONAL COURTESY GUIDELINES ONLY. FAILURE TO ADHERE TO THEM WILL NOT RESULT IN ANY SANCTION OR DISCIPLINARY ACTION OR VIOLATION OF THESE RULES AND REGULATIONS.) (Amended October 14, 1999.)*

**Section 4.2 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.

**Section 4.3 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 the seller and the 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 subsequent offer.

**Section 4.4 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER:** The cooperating broker or his/her representative has the right to participate in the presentation to the seller or lessor of any offer he/she secures to purchase or lease. He/she does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

**Section 4.5 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER:** The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

**Section 4.6 REPORTING SALES TO THE SERVICE:** Sales shall be reported immediately to the Service by the listing broker within twenty-four (24) hours after acceptance, excepting weekends and state or federal holidays. When the sale negotiations are carried on under conditions stipulated in Section 4.1 hereof, the cooperating broker shall report within twenty-four (24) hours after acceptance excepting weekends and state or federal holidays, to the listing broker. The listing broker shall report the sale to the Service within twenty-four (24) hours after receiving notification from the cooperating broker.

**Section 4.7 CONTINGENT SALES:** The existence of a contingent sale that allows the property to remain on the active market must be disclosed without revealing price or terms whenever an appointment for showing is requested, and the type of contingency must be disclosed if requested of the cooperating broker. The listing broker shall report to the Service within twenty-

four (24) hours, excepting weekends and state or federal holidays, that a contingency on file with the Service has been fulfilled or renewed, or the agreement cancelled.

**Section 4.8 REPORTING PENDING SALES:** When a purchase agreement on a listed property has been signed by all parties and the property is no longer available for showings the pending sale shall be reported to the Service or loaded into the computer by the listing broker without sale price or terms within twenty-four (24) hours, excepting weekends and state or federal holidays. The cancellation of any pending sale shall be reported to the Service immediately and the listing shall be reinstated immediately if the listing agreement has not expired.

**Section 4.9 REPORTING CLOSED SALES:** When the sale of a listed property has closed, a report of the sale, with closing sale price and terms, shall be made to the Service or directly loaded into the computer by the listing broker within twenty-four (24) hours, excepting weekends and state or federal holidays.

**Section 4.10 REPORTING CANCELLATION OF SALE:** The listing broker shall report to the Service the cancellation of any sale and the listing shall be reinstated within twenty-four (24) hours, excepting weekends and state or federal holidays, if the listing agreement has not expired.

**Section 4.11 PARTICIPANT AS PURCHASER:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker prior to the time an offer to purchase is submitted to the listing broker.

## Section 5 - Prohibitions

**Section 5.1 INFORMATION FOR PARTICIPANTS ONLY:** Any listing filed with the Service shall not be made available to any broker or firm not a Participant of the Service without the prior consent of the listing broker.

**Section 5.2 "FOR SALE" SIGNS:** Only the "For Sale" signs of the listing broker may be placed on a property.

**Section 5.3 "SOLD" SIGNS:** Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating [selling] broker to post such a sign.

**Section 5.4 PHOTOGRAPHS SUBMITTED TO THE SERVICE:** Photographs of listed property on the Service shall depict the property for sale and shall not include any added text regardless of message, or any marketing or promotional messages made on behalf of the listing broker or seller. Photographs of an inappropriate nature are prohibited. (Amended December 5, 2005.)

**Section 5.5 SOLICITATION OF LISTING FILED WITH THE SERVICE:** Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS<sup>®</sup> Code of Ethics, its Standards of Practice, and its Case Interpretations.

**Section 5.6 ADVERTISING OF LISTING FILED WITH THE SERVICE:** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

**Section 5.7 MEDIA UPLOADS TO THE SERVICE:** Any media upload to a listing on the Service shall provide information specific to the property for sale and shall not include or in the case of a URL, link out to, marketing or promotion messages made on behalf of the listing firm or seller. (Adopted Dec. 7, 2001)

**Section 5.8 REPRESENTATIONS TO THE PUBLIC:** MLS participants shall present a true picture in their advertising and representations to the public, including the URLs and domain names they use, and participants may not:

1. engage in deceptive or unauthorized framing of real estate brokerage websites;
2. manipulate (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or
3. deceptively use metatags, keywords or other devices/methods to direct, drive, or divert

Internet traffic, or to otherwise mislead consumers. (Adopted Dec. 3, 2007)

## Section 6 - Division of Commission

### **Section 6.1 COMPENSATION SPECIFIED ON EACH LISTING:**

In filing a property with the Service, the Participant is making a blanket unilateral offer of compensation to the other Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his/her compensation shall be prior to his/her endeavor to sell. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale [or lease]. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale [or lease] may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through the Service would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know [or should have known] that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

The listing broker retains the right to determine the amount of compensation offered to other Participants [whether acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law]. This shall not preclude the listing broker from offering any Participant compensation other than the compensation indicated on any listing published by

the Service provided the listing broker informs the other broker, in writing, in advance of his producing an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sale price or as a flat dollar amount.

The Service shall not require the listing broker to disclose the amount of total negotiated commission in his/her listing contract, and the Service shall not publish the total negotiated commission on a listing that has been submitted to the Service by a Participant. The Service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

The essential and appropriate requirement by the Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the Service shall be shown in one of the following forms:

- 1) As a percentage of the gross selling price.
- 2) As a definite dollar amount.

The listing broker may, from time to time, adjust the compensation offered to other Participants for their services with respect to any listing by advance published notice to the Service so that all Participants will be advised.

### **Section 6.2 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:**

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker; or one in which the seller agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of the seller) shall be disclosed by the listing broker by a key, code or symbol as required by the Service. The listing broker

shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller. If the cooperating broker is a buyer representative, the buyer representative must disclose such information to their client before the client makes an offer to purchase or lease.

## Section 7 - Compliance with Rules

**Section 7.1 COMPLIANCE WITH RULES/ AUTHORITY TO IMPOSE DISCIPLINE:** By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. Letter of warning
- b. Letter of reprimand
- c. Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location and duration
- d. Appropriate, reasonable fine not to exceed \$5,000
- e. Probation for a stated period of time not less than thirty (30) days nor more than one year
- f. Suspension of MLS rights, privileges and services for not less than thirty (30) days nor more than one year
- g. Termination of MLS rights, privileges and services with no right to reapply for a specified period not to exceed three (3) years.

The following additional actions may be taken for noncompliance with the rules:

- a. For failure to pay any service charge, fee, or fine under the terms established by the association/board from which the Participant purchases multiple listing services, services to the Participant shall be suspended until service charges, fees or fines are paid in full. The

board/association may also impose other obligations on the Participant before services are restored.

- b. For failure to comply with any other rule, the provisions of Section 8 shall apply.

**Section 7.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS:** Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof. Further, failure of any user or subscriber to abide by the Rules and/or any sanction imposed for violations thereof shall subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

## Section 8 - Enforcement of Rules and Regulations

**Section 8.1 AMENDMENTS TO RULES AND REGULATIONS:** Amendments to these Rules and Regulations shall be by a majority vote of the Regional Multiple Listing Service Board of Governors present and voting at the time action is taken.

**Section 8.2 CONSIDERATION OF ALLEGED VIOLATIONS:** All written complaints having to do with violations of these Rules and Regulations will be considered by the RMLS in accordance with the Service's Compliance Guidelines as adopted by the Board of Governors and amended from time to time.

**Section 8.3 COMPLAINTS OF UNETHICAL CONDUCT:** All complaints of unethical conduct or requests for arbitration shall be referred to the association/board with which the Participant holds REALTOR® membership. (Amended August 4, 2006)

## Section 9 - Confidentiality of MLS Information

**Section 9.1 CONFIDENTIALITY OF MLS INFORMATION:** Any information provided by the Service to the Participants shall be considered official information of the Service. Such information shall be

considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

**Section 9.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION:** Association/board members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the Service, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the Service, including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of association members and individuals affiliated with association 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.

**Section 9.3 SALE OR LEASE OF MLS DATA IN ANY FORM IS PROHIBITED WITHOUT CONSENT FROM THE SERVICE:** Except for a written appraisal report, any data derived from the Service that a Participant, or agent or employee of a Participant, downloads into his/her personal computer or other computer system, or manually assembles, may not be reproduced or transmitted in any form to any individual or entity for compensation, whether or not the intended purchaser or entity is a Participant (which includes agents or employees of the Service), without the written authorization of the Service.

## Section 10 - Ownership of MLS Compilations and Copyrights

**Section 10.1 SUBMITTED PROPERTY LISTING DATA COPYRIGHTED:** By the act of submission of any property listing data to the Service the Participant represents that he/she has been authorized to grant and also thereby does grant authority for the Service to include the property listing data in its copyrighted

MLS Compilation and also in any statistical report on "Comparables."

**Section 10.2. COPYRIGHT; WORKS MADE FOR HIRE; ASSIGNMENT OF TITLE.** All right, title, and interest in each copy of every MLS Compilation created by the Service, in all works contributed to the Service, and in the copyrights therein, shall at all times remain vested in the Service except as provided in the Participant License and Access Agreement. The copyright-protected works Participants and their affiliated subscribers (sales people or licensees) and employees create for submission to the Service's collective work are deemed works made for hire and the Service their author for purposes of copyright law. To the extent any submitted works cannot be deemed works made for hire, Participants and their affiliated subscribers hereby assign to the Service all right, title, and interest in copyrights in the text and photos Participants and their affiliated subscribers and employees submit relating to their listings. If a Participant or affiliated subscriber obtains photographs from a photographer, the Participant or subscriber must receive a written assignment from the photographer before including the photographs in the Service.

NOTE: In order to assure compliance with these rules, each Participant or subscriber who engages a third party photographer and submits photos to the Service is advised to obtain a written agreement with the photographer assigning all rights, including copyrights, in the photographs, to the Participant or subscriber. The following provision or one substantially similar to it should be included in the agreement with the photographer:

"Photographer hereby assigns all right, title, and interest, including copyrights, in photographs to [insert name of Participant] and agrees to execute any further documents which may reasonably be necessary to effect such assignment."

**Section 10.3. INFRINGEMENT INDEMNIFICATION.** Each Participant shall indemnify, defend, and hold the Service harmless against any liability arising from a claim that use by the Service of text or photos submitted by the Participant or its affiliated subscribers or employees infringes the copyright of a third party.

#### **Section 10.4 LESSEE'S RIGHT TO USE MLS**

**COMPILATION:** Each Participant shall be entitled to lease from the Service access to the MLS Compilations for the Participant and each person affiliated as a licensee with such Participant. The Participant shall pay the lease fee set by the association/board of REALTORS® from which the Participant purchases multiple listing services. Participants shall acquire by such lease only the right to use the MLS Compilation in accordance with these rules.

## Section 11 - Use of Copyrighted MLS Compilations

**Section 11.1 DISTRIBUTION:** Participants shall at all times maintain control over and responsibility for the MLS Compilation or any portion thereof leased to them by the Service, and shall not distribute any data copies to persons other than persons who are affiliated with such Participant as licensees. Use of information developed by or published by the Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and all other uses are prohibited. Further, none of the foregoing is intended to convey a "Participation" or "Membership" or any right of access to information developed or published by the Service where access to such information is prohibited by law.

**Section 11.2 DISPLAY:** Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation or portions thereof to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in the MLS Compilation.

**Section 11.3 REPRODUCTION:** Participants or their affiliated licensees shall not reproduce the MLS Compilation or any portion thereof except in the following limited circumstances:

- a. Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, a reasonable number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which prospective purchasers are or may, in the

judgement of the Participant or their affiliated licensees, be interested.

- b. Participants who are a REALTOR® actively engaged in listing properties for sale and/or assisting and negotiating on behalf of buyers of real estate, or their affiliated licensees, may reproduce from the MLS Compilation, and distribute to prospective customers, verbally or in printed or email format, a reasonable number of single copies of sold property data listings contained in the MLS Compilation which relate to any properties in which the prospective customer(s) are or may, in the judgment of the Participant or their affiliated licensees, be interested. A republication of sold listing property data under this section shall: i. display the name of the listing broker in at least 10 point font, ii. contain only those fields of data designated by RMLS for this purpose or a subset of those data fields, and iii. include the following disclosure on each page containing sold listing property data in at least 10 point font:

**Copyright [or © ] nnnn [current year] Regional Multiple Listing Service of Minnesota, Inc. All Rights Reserved. Information deemed reliable but not guaranteed. Property data presented reflects information otherwise available from public records. The REALTOR® providing this information may not have represented the buyer or seller in some or all of the transactions.**

The property data from the MLS Compilation may not be modified or manipulated. (This is not a limitation on the design of the communication but refers to the actual data.) Unless expressly contravened by the provisions of this section, all other rules and regulations remain in full force and effect. (Appended May 3, 2003)

- c. Nothing contained herein shall be construed to preclude any Participant from using, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, electronically, or in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted, or provided in any manner to any other individual, office or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables", or statistical information from using such information to support an estimate of value on a particular property for a particular client or customer. Any other use of such information is unauthorized and prohibited by these Rules and Regulations. (Amended August 1, 2003)

Note: It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable," as used herein permits only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

**Section 11.4 LIMITATIONS ON USE OF MLS INFORMATION:** Information from MLS Compilations of current listing information, from statistical reports, and from any sold or comparable report of the Service may be used by Participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass media advertising or in other public representations. This authority does not convey the right to include in any such advertising or representation information about specific properties which are listed with other Participants, or which were sold by other Participants (as either listing or cooperating broker).

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Service must clearly demonstrate the period of time over which such claims are based and must include the following,

**Based on information from the REGIONAL MULTIPLE LISTING SERVICE OF MINNESOTA, INC for the period (date) through (date).**

**Section 11.5 WEBSITES THAT DISPLAY LISTING DATA:** Any website that displays listings must be under the control of the broker. (Effective April 7, 2000)

## Section 12 – Republication of Broker Reciprocity Database on Internet Permitted

**Section 12.1 [EFFECTIVE OCTOBER 14, 1999]** A BRS may republish all or a portion of the Broker Reciprocity Database on the Internet in accordance with the following provisions and in keeping with any policies that RMLS may adopt from time to time. Unless expressly contravened by the provisions of this section, all other rules and regulations remain in full force and effect.

- a. Participants must notify the MLS of their intention to establish an IDX site and make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies. (Adopted August 4, 2006)
- b. Participants may exclude listings from display on their IDX site based only on objective criteria including, but not limited to, factors such as geography, list price, type of property, or cooperative compensation offered by listing brokers. Examples include property type ("condos", "single family", "multi-family", etc) or location ("downtown"). (Adopted August 4, 2006)
- c. An Internet republication of another BRS's listing shall contain only those fields of data designated by RMLS for this purpose. A BRS may display fewer fields if it chooses. (Amended December 1, 2000.)
- d. In order to be a BRS, a Participant must be a REALTOR® actively engaged in listing properties for sale and/or assisting and negotiating on behalf of buyers of real estate and consent to display of their listings by other

- Participants. (Amended November 5, 1999, December 6, 2002 and August 1, 2003.)
- e. The BRS shall update the information on its Internet web site at least weekly.
  - f. A BRS may not modify or manipulate the data relating to another BRS's listing. (This is not a limitation on the design of the site but refers to the actual data.)
  - g. The RMLS-approved icon and an explanation that those properties marked with the icon are provided courtesy of the Regional MLS of Minnesota, Inc., Broker Reciprocity Database must appear on the first page where any listing data is displayed.
  - h. Any search result identifying another BRS's listing in a brief or "thumbnail" format shall bear the RMLS-approved icon or the RMLS-approved thumbnail icon immediately adjacent to the property information to identify the listing as an RMLS listing. The RMLS-approved icon shall be at least 95 pixels by 35 pixels. The RMLS-approved Thumbnail icon shall be at least 35 pixels by 35 pixels. (Amended April 7, 2000)
  - i. A thumbnail display of another BRS's listing may not include any contact information or branding of the BRS who owns the web site, any of its agents, or any third party. (Appended April 7, 2000)
  - j. A thumbnail display's text must be no more than two horizontal lines and may only include the following: text data about the listing property including only the following fields (or any portion of the following list): Property Type, Address, City, State, ZIP, County, Bedrooms, Bathrooms, MLS Listing Number, Square Footage, Price, and Year Built; a photo of the listing property (no more than 150 pixels high), the logo of the listing broker or the Broker Reciprocity™ logo (no less than 95 pixels by 35 pixels), and "buttons" providing links for other information. (Amended June 4, 2004.)
  - k. A search result producing a detailed display of another BRS's listing shall bear that BRS's name, the RMLS-approved icon, and RMLS's copyright notice immediately following the property information. The BRS's name, RMLS-approved icon, and copyright notice shall be at least as large as the largest type size used to display the listing data. (Rev. August 18, 2000)
  - l. A detailed display of another BRS's listing may not include any contact information or branding of the Participant who owns the web site, any of its agents, or any third party within the "body" of the listing data. The "body" is defined as the rectangular space whose borders are delimited by the utmost extent in each direction of the listing text and photo data. (Rev. August 18, 2000)
  - m. Any result identifying another BRS's listing shall include (in at least as large as the largest type size used to display the listing data) the disclaimer "[Broker Name] is not a Multiple Listing Service (MLS), nor does it offer MLS access. This website is a service of [Broker Name], a broker Participant of the Regional Multiple Listing Service of Minnesota, Inc. Information Deemed Reliable But Not Guaranteed."
  - n. Any Internet web site used for publication of the Broker Reciprocity Database or any portion thereof must be controlled by a BRS and advertised as that BRS's Internet web site. The web site must disclose the licensee's state(s) of licensure in a reasonable and readily apparent manner.
  - o. A BRS displaying the Broker Reciprocity Database or any portion thereof shall make reasonable efforts to avoid "scraping" of the data by third parties or displaying of that data on any other web site. Reasonable efforts shall include but not be limited to:
    - a. Monitoring the web site for signs that a third party is "scraping" data and
    - b. Prominently posting notice that any use of search facilities of data on the site, other than by a consumer looking to purchase real estate, is prohibited.
  - p. If a BRS suspects "scraping" of the data has occurred, the suspicion and any evidence must be reported to the RMLS immediately for investigation and action.
  - q. A BRS must make changes to an Internet site necessary to cure a violation of RMLS's Rules within five business days of notice from RMLS of the violation.
  - r. No portion of the Broker Reciprocity Database shall be used or provided to a third party for any purpose other than those

expressly provided for in Section 11 and Section 12 of these rules.

- s. No portion of the Broker Reciprocity Database shall be co-mingled with any non-MLS listings on the BRS's Internet web site.
- t. Any BRS using a third party to develop/design its web site will have a written agreement with that third party in the form prescribed by RMLS.
- u. Any BR website must be under the control of a single BRS. (Appended April 6, 2001)
- v. A display of Open House information must include the following disclaimer: "Open House information is subject to change without notice."

#### **Section 12.2. END-USER LICENSE AGREEMENT.**

Once during each viewing session of the BRS's web site, the BRS's web site must require the visiting consumer to assent to the terms of the "End-User License Agreement for consumers accessing public MLS and broker web sites, including Broker Reciprocity sites" (the "EULA"), promulgated by the Service. The BRS's web site must obtain the consumer's assent by means of the consumer's affirmative act before the consumer views any portion of the Broker Reciprocity Database. The Service may in its sole discretion amend the EULA at any time; each BRS shall begin using the most recent version of the EULA within 30 days of the date that the Service adopts it.

Note: This rule requires that the consumer assent to the EULA on each visit. Some BRSs operate sites that assign a user ID and password to consumers so that they can return to 'Favorites' and the like. Those BRSs may prefer to have the consumer assent to the EULA only when obtaining a password. The problem: If Consumer A gets a password and gives the password to Consumer B, and Consumer B visits the site and is not required to assent to the EULA, the terms of the EULA may not be binding on Consumer B. *The rule therefore requires assent on every visit.* This can be done unobtrusively by putting a link above the 'Search' button on the search page. The link could say "I have read and agree to the terms of the license agreement" (with "license agreement" linked to the full text of the EULA). The affirmative act requirement is fulfilled when the consumer clicks the search button.

## **Section 13 - Use of MLS in Member Firm Name and Web Address**

#### **Section 13.1 [effective March 3, 2006]**

(a) Use of RMLS and NorthstarMLS Trademarks Prohibited. Members and subscribers shall not use the copyrights or trademarks of RMLS or NorthstarMLS and shall not use RMLS's or NorthstarMLS's logos (e.g., starfield/dipper/Northstar, Letter "R" contained in state of Minnesota outline), "RMLS," "Regional Multiple Listing Service," "NorthstarMLS" or derivatives thereof in member names, domain names, web addresses or uniform resource locators ("URLs").

(b) Use of Term "MLS" Prohibited. Members shall not use the term "multiple listing service," the acronym "MLS," or derivatives thereof in member names, except as provided in Section 13.1(c). In addition, members and subscribers shall not use the terms "multiple listing service," the acronym "MLS," or derivatives thereof in domain names, web addresses email addresses, or URLs and all existing uses of such terms in the previously stated manner, must cease no later than 6 months after the effective date of this Rule unless the member's name is protected by and only to the extent protected by Section 13.1 (c). No member shall indicate or imply in any manner that the member is a multiple listing service or that the public has access to or may search the multiple listing service (e.g. "Search the MLS" or "Access RMLS/NorthstarMLS") on the member's website or otherwise.

(c) Prospective Application. Section 13.1 (b) shall not apply to uses of the term "multiple listing service," the acronym "MLS," or derivatives thereof in members names which were in effect on the date this rule was adopted (3/03/06). Such prior uses shall include a disclaimer that provides that the member is not a multiple listing service but is a member of RMLS. The disclaimer shall prominently and conspicuously appear in all of the member's advertising and on the home page of the member's website, any page from which visitors to the site may search for property, and any page on which another member's listings appear.

## **Section 14 – Data Sharing Cooperative**

#### **Section 14.1 Definitions.**

14.1.1 "Data Sharing Cooperative" or "DSC" means the unincorporated association of REALTOR® associations and multiple listing services (the "DSC MLSs") providing access to the active multiple listing data of each DSC MLS to the Participants of all the DSC MLSs. "DSC" refers both to the

associations and to the DSC MLSs. The Service is a DSC MLS.

14.1.2 "Other MLS" means any DSC MLS, other than the Service, from which Participant or its salespeople wish to obtain access to active listing information.

14.1.3 "Other MLS Policies" means the Other MLS's bylaws, policies and procedures manual, and rules and regulations, as the Other MLS amends them from time to time. These policies may differ from those of the Service.

14.1.4 "Saved Information" means information that Participant and its licensees store in the DSC for their own later use that is not intended by them to be available to the DSC's other customers, including client prospect and contact information, saved searches and tagged listings.

14.2. **Purpose.** The purpose of the DSC is to make it possible for participants and subscribers of each DSC MLS to disseminate listing information to, make offers of compensation to, and receive offers of compensation from participants in all the other DSC MLSs. The objective of the DSC is to facilitate the sharing of information and compensation among participants subscribers of all DSC MLSs. Only REALTORS® are permitted to use the DSC; firms that cannot make offers of compensation and are not entitled to active listing information in the service are not entitled to use the DSC.

14.3 **Offers of Compensation.** Each participant in each DSC MLS, including Participant, is bound by its offer of compensation in its home MLS with regard to all other Participants in DSC MLSs. In other words, if a broker with authorized DSC access in another MLS finds Participant's listing in the Service and is the procuring cause of its sale, Participant is obliged to pay to that broker the compensation specified on the listing record in the Service, subject to these rules. The compensation on a listing appearing through the DSC is the same as the compensation appearing in the MLS where the listing record originates. In the event a property is listed in more than one MLS, and the compensation offered on those listing records varies, the listing broker and cooperating broker must resolve any differences through negotiation, mediation, or arbitration as provided under these rules.

14.4 **Listing brokers participating in more than one MLS.** If a Participant in the Service is also a

Participant in any other DSC MLS, and the Participant enters a listing for a property into the Service and any other DSC MLS with differing cooperating commission amounts, the following provisions shall apply:

14.4.1 **Cooperating broker chooses which offer to accept.** If a cooperating brokerage is aware of multiple offers of compensation from a listing brokerage on the same property in different DSC MLSs, the cooperating brokerage may select which offer of compensation it will accept. If the cooperating brokerage is the procuring cause of the sale of the property, it will be entitled to payment according to the offer of compensation that it accepted.

14.4.2 **Arbitration required.** In the event of a dispute regarding compensation under this Section, listing brokerage and cooperating brokerage shall submit to arbitration under Article 17 of the Code of Ethics of the National Association of REALTORS® as provided in these rules.

14.4.3 **Evidence to be considered.** In the event of an arbitration arising in a dispute under this Section, the arbitration panel may consider, in addition to all other information, testimony from the cooperating brokerage regarding its awareness of listing brokerage's multiple offers and testimony and contemporaneous records from listing brokerage regarding the cooperating brokerage's stated expectation of compensation at the time the cooperating brokerage submitted the offer that was eventually accepted by the seller.

14.5 **Commission Disputes.** Participants must mediate or arbitrate (or both) any dispute over any commission offered through the DSC between Participant and any other broker or licensee participating in any DSC MLS. All mediation and arbitration will take place as set forth in Article 17 of the National Association of REALTORS® (NAR) Code of Ethics. Participant accepts the jurisdiction and mediation and arbitration procedures of the Minnesota Association of REALTORS® (MAR).

14.6 **Access to Other MLSs.** Access to data of Other MLSs is subject to the following provisions:

14.6.1 **Access to Listing Data in Other MLSs.** Participant and its salespeople may have access to the active listings of an Other MLS through the DSC according to the terms of that Other MLS's rules and regulations. Access to active listings in other DSC MLSs is available only to those

Participants entitled to access to active listings in the Service.

**14.6.2 No Input or IDX/Broker Reciprocity<sup>SM</sup>.**

Neither Participant nor its salespeople are entitled to (i) input any listing content into an Other MLS Database or (ii) use any portion of an Other MLS Database on any IDX or Broker Reciprocity<sup>SM</sup> web site of Participant. These privileges are limited to brokers and licensees who become Participants and subscribers directly to the Other MLS.

**14.7 Application of Other MLS rules.** If the Participant accesses or allows any of its salespeople to access the listing data of an Other MLS, Participant becomes bound by the rules and regulations of that Other MLS with regard to that listing data and with regard to any transaction arising from use of that data. The following provisions also apply.

**14.7.1 Priority of Rules and Agreements.**

Access by Participant and its salespeople to the Other MLS Database is subject at all times to the limitations set out in the Other MLS Policies. In the event of an apparent conflict between the Other MLS Policies and these rules, Participant's obligations and rights shall be determined, in order of precedence, by the Other MLS Policies, by any agreement between Participant or its salespeople and the Other MLS, and by these rules.

**14.7.2 Use limited.** Participant and its salespeople may use the Other MLS Database solely for the purpose of selling, listing, leasing, and appraising real estate as provided in the Other MLS Policies. Except as expressly provided in the Other MLS Policies, Participant and its salespeople may not copy, create derivative works of, distribute, perform, or display the Other MLS Database or any part of it.

**14.7.3 Confidentiality.** Participant and its salespeople shall maintain the confidentiality of all user IDs and passwords and of the Other MLS Database; Participant, its salespeople, and its employees shall not provide IDs or passwords to any third party. To maintain the confidentiality of all user IDs, passwords, and the Other MLS Database, Participant, its salespeople, and its employees shall take the greater of reasonable care or the care Participant takes to protect its own confidential information.

**14.7.4 Consideration of alleged rule violations.** Participant must submit to the

jurisdiction of the Other MLS with regard to any alleged violation of the Other MLS Policies, whether relating to a listing record in the Other MLS Database or to another broker Participant in the Other MLS. Participant remains subject to the rules of the Service as well. As a result, it is possible that the same act or acts could constitute a violation of policy in both the Other MLS and the Service, and that Participant may be sanctioned in both MLSs if Participant is found culpable. Participant consents to Other MLSs communicating the final resolutions of disciplinary proceedings to all DSC MLSs.

**14.7.5 Fines.** The Other MLS may collect fines from Participant for violation of the Other MLS Policies. Payment terms for fines are set out in the Other MLS Policies. The Other MLS may amend its schedule of fines and terms for collecting them at its sole discretion at any time. In the event Participant fails to pay a fine levied by the Other MLS, the Other MLS may discontinue further access to the Other MLS database by Participant and its licensees.

**14.7.6 Other sanctions.** In addition to fines, Participant may be subject to other sanctions levied by the Service and by the Other MLS, including discontinued access to the DSC, the Other MLS Database, or the Service itself.

**14.8 Disclaimer of warranties.** The Other MLS provides the Other MLS data on an "as is," "as available" basis. Use of the Other MLS data and the information available through the Other MLS data are at Participant's sole risk. The Service and the Other MLS do not warrant that the Other MLS data will be uninterrupted or error-free, accurate, complete, current or reliable.

**14.9 Saved information.** Saved Information in the DSC may not always be available to Participant and its salespeople and may become available to unauthorized persons. Service and the Other MLS are not liable for unauthorized access to or loss of Saved Information.



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# Regional Multiple Listing Service of Minnesota, Inc.

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## Interpretive Policies

### Allied Participation

Definition: Primary Participation is participation by a brokerage office in an MLS where it pays all fees customarily charged by that MLS to brokerage offices without regard to their participation in other MLS'.

Any board or association reselling Regional MLS's services may offer Allied Participation to an office of a brokerage firm if that office holds Primary Participation in another MLS.

The association or board must verify at the time of the office's application and at least once per year thereafter that the office holds Primary Participation elsewhere. All licensees in the office of the Allied Participant must be registered in Regional MLS's subscriber database.

Licensees in the offices of Allied Participants will not be counted toward any per-licensee fee Regional MLS assesses against any association or board. In all other respects, Allied Participants shall have the same rights, duties, and obligations as offices holding their Primary Participation in Regional MLS.

This policy is effective October 20, 2000 and expiring December 31, 2008, unless further action is taken by the Board of Governors. (Amended December 10, 2007)

The MLS service providing Primary MLS services to a Participant must office within the jurisdiction of the RMLS for the Participant to qualify for the Allied program. Any office holding an Allied Participation status as of April 6, 2001 and not meeting this requirement was grandfathered in. (Appended April 6, 2001)

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### Reporting Closed Sales

In the event that of a closed sales where the sale price is missing or inaccurate and the Participant is not able to refuses to enter the data, the Service will input the sale price from public records unless the Participant has filed with the service, at the time of closing, a written request from the seller, stipulating sale price not be reported. This Procedure does not exempt the Participant from fines for violation of MLS Rules & Regulations. (Effective December 7, 2001)

# Property Type Definitions

[Rev. Dec. 7, 2001]

- A listing can only be entered into one property type with the following exceptions:
  1. Farms where the land and dwelling may be sold separately or together may be entered in Single Family Residential and Lots & Land.
  2. A property with multiple dwelling units maybe entered in Multiple Family Residential and in Commercial / Mixed Use IF the building has a commercial component.

When the listing is moved to "PEND" or "SOLD" the listing broker must contact the Service and request the duplicate listings(s) be killed.

- A listing must be entered into the property type consistent with the following definitions:
  - 1) **Single Family Residential**- A single dwelling including condominiums, town homes, twin homes, hobby farms, etc.
  - 2) **Multi Family Residential** - dwelling with two, three or four living units within.
  - 3) **Lots & Land** – real property without a building used for dwelling or commercial purposes.
  - 4) **Commercial / Mixed Use** – property of commercial, residential or mixed commercial and residential use.
- Single Family Residential, Multi Family Residential and Lots & Land listings, located within the RMLS service area must be entered into Northstar-MLS if taken by a participation broker. [Amended January 1, 2003]
- Commercial / Mixed-Used listings are not required to be entered into Northstar-MLS

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## Market Time

Market time is equal to the number of days between the list date and the date the listing is entered into NorthstarMLS, plus one for every day the listing shows as active on NorthstarMLS.

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## Construction Status Definitions

[Effective Dec. 7, 2001]

- 1) **Previously Owned** – The residence is currently or was previously occupied as a dwelling.
  - 2) **Completed New Construction** – The residence is ready for occupation but has not been occupied.
  - 3) **Under Construction / Spec Home** – The residence is not yet ready for occupation but construction has begun.
  - 4) **To Be Built / Floor Plan** – A drawing or blue print of a residence that may be purchased and constructed.
  - 5) **Model** – A residence constructed as part of a sales campaign to demonstrate design, structure and appearance of a development. The model may or may not be available for sale
- Previously owned and completed new construction, single and multi family residential listings, located within the RMLS service area must be entered into Northstar-MLS if taken by a participating broker. Listings for models, floor plans and properties under construction are not required to be entered into Northstar-MLS.

## Listing Status Definitions

[Rev. Aug. 2, 2002]

- An active listing is one that is available for showings.
  - No two active listings should have the same property identification number (PID) with the following exceptions:
    - Farm property can be entered into Single Family Residential and Lots and Land.
    - In a new development where PID numbers have not yet been assigned multiple properties may appear with the same PID.
    - If the property owner has granted written permission for property showing to the seller of the equity interest, both listings may appear.
  - A listing is pending when a purchase agreement has been signed by both parties and the property is no longer available for showings. If there is a purchase agreement but the property is still available for showings, it must remain active.
  - A cancelled listing is one where there is no longer a listing agreement in affect. The seller and the broker must sign a cancellation.
  - A listing that is temporarily not available for showing is one where a listing contract still exists but the listing is off the market for a time. Seller must sign a listing input change form.
  - For any status change, there must be a seller's signature on the approved RMLS change form.
  - Properties that are sold without having a listing agreement may be entered into the MLS as a comp-sold after the transaction has closed. The seller must sign a listing input form.
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## Joint or Co-listings

- In the event that a Participant jointly lists a property with another Participant, only one data form shall be processed through the Service.
- In the event that a Participant jointly lists a property with a party who is not a Participant, the Participant shall submit a copy of the contract to the Service. (Effective December 1, 2000)