

MLS Schedule of Fines for Administrative Sanctions

Violation	MLS Rules	Fine	Training or other sanction in lieu of or in addition to a fine
Listing Procedures			
Failure to submit a required listing to the MLS	Section 1 – Listing Procedures, Section 1.01 – Clear Cooperation, Section 1.3 – Exempted Listings, Section 1.12 – Service Area	(\$1000 Clear Cooperation)	
Failure to submit accurate and complete listing information	Section 1.2 – Detail on Listings Filed with the Service, Section 1.11 – Termination Date	\$100	
Failure to report and update listing information	Section 1.4 – Change of Status of Listing, Section 1.5 – Withdrawal of Listing Prior to, 1.6 – Contingencies Applicable to Listings, Section 1.7 – Listing Price Specified, Section 2.5 – Reporting Sales to the Service, Reporting Resolutions of Contingencies, Reporting Cancellation of Pending Sale	\$250	
Failure to list properties separately	Section 1.8 – Listing Multiple Unit Properties	\$100	
Selling Procedures			

Failure to follow showing instructions	Section 2 – Showings and Negotiations	\$100	
Failure to present an offer or provide written confirmation of an offer being submitted	Section 2.1 – Presentation of Offers, Section 2.2 – Submission of Written Offers and Counter-Offers, Section 2.3 – Right of Cooperating Broker in Presentation of Offer, Section 2.4 – Right of Listing Broker in Presentation of Counter-offer,	\$100	
Advertising a listing without authority	Section 2,7 – Advertising of Listings Filed with the Service	\$100	
Failure to disclose existence of an offer	Section 2.9 – Disclosing the Existence of Offers	\$100	
To misrepresent access to, and the ability to show, a property	Section 2.10 – Availability of Listed Property	\$100	
Failure to inform participants of a rejected offer satisfying the terms of the listing contract	Section 3 – Refusal to Sell	\$100	
Providing MLS information to brokers or firms that do not participate in MLS	Section 4 – Information for Participants Only	\$100	
Violation of for sale and sold sign rules	Section 4.1 – For Sale Signs, Section 4.2 – Sold Signs	\$100	
Unauthorized solicitation of seller	Section 4.3 – Solicitation of Listing Filed with the Service	\$100	
Misuse of terms MLS and multiple listing service	Section 4.4 – Use of Terms MLS and Multiple Listing Service	\$100	

No Compensation Specified on MLS Listing	Section 5: No Compensation remarks are to be mentioned in MLS Listings (to include Bonus, Commissions, Concessions in Public or Confidential Remarks, or Showing Time)	\$1,000	
Failure to provide a Written Buyer Rep Agreement	Section 5.0.1- Written Buyer Agreement Required	\$1,000	
Failure to disclose status as a principal or purchaser	Section 5.1 – Participant as Principal, Section 5.2 – Participant as Purchaser	\$100	
Service Charges			
Failure to pay MLS Dues, Fees and Changes	Section 6 – Service Fees and Charges	\$100	
Confidentiality of MLS Information			
Misuse or unauthorized distribution of MLS content	Section 10 – Confidentiality of MLS Information, Section 12 – Distribution, Section 12.1 – Display, Section 12.2 – Reproduction, Section 13 – Limitations on Use of MLS Information	\$500	
Internet Data Exchange (IDX)			
Failure to notify and provide access to an IDX display	Section 18.2.1	\$100	
Misuse of IDX content	Section 18.2.2	\$100	
Failure to withhold listing or property address per seller's instructions	Section 18.2.3	\$100	

Failure to refresh download within 12 hours	Section 18.2.5	\$100	
Unauthorized distribution of MLS database	Section 18.2.6	\$100	
Failure to disclose the name of the brokerage firm	Section 18.2.7	\$100	
Failure to disable third-party comments and AVMs	Section 18.2.8	\$100	
Failure to include email address or telephone number for displaying broker, or to correct false data	Section 18.2.9	\$100	
Modifying or manipulating other participants listings	Section 18.2.11	\$100	
Failure to identify the listing firm	Section 18.2.12	\$100	
Display of prohibited fields	Section 18.3.1	\$100	
Failure to identify the listing agent	Section 18.3.4	\$100	
Subscriber's display of IDX content without participant's consent	Section 18.3.5	\$100	
Failure to include the MLS as the source of the information	Section 18.3.7	\$100	
Failure to include required disclaimers	Section 18.3.8	\$100	
Exceeding the number of listings to consumer inquiries	Section 18.3.9	\$100	
Failure to separate displays from other sources	Section 18.3.11	\$100	
Displaying prohibited statuses and sellers/occupant information	Section 18.3.12, Section 18.3.13	\$100	
Failure to employ required security protection	Section 18.3.14	\$100	
Failure to maintain an audit trail of consumer activity	Section 18.3.15	\$100	

Failure to comply with the MLS's advertising rule on pages with IDX listings	Section 18.3.16	\$100	
Virtual Office Websites			
Failure to establish a broker-consumer relationship, or to receive participant consent for non-principal display	Section 19.1a, Section 19.3 a. i.	\$100	
Failure to obtain a name, email address, user name, and password for registrants	Section 19.3 a. ii. and iii.	\$100	
Failure to expire passwords for registrants or to keep records for not less than 180 days after expiration	Section 19.3 b.	\$100	
Failure to provide the name, email address, user name and current password for alleged breach of MLS listing information or violation of MLS rules	Section 19.3 c.	\$100	
Failure to require registrant to agreement to required terms of use	Section 19.3 d.	\$100	
Failure to display broker's contact information or the respond to registrant inquiries.	Section 19.4	\$100	
Failure to monitor or prevent misappropriation, scraping, or other unauthorized uses of MLS information	Section 19.5	\$100	
Displaying seller address when unauthorized	Section 19.6 a.	\$100	

Failure to execute a seller opt-out form when required, or retain the form for 1 year	Section 19.6 b. and c.	\$100	
Failure to disable third-party comments and AVMs	Section 19.7 a. and b.	\$100	
Failure to include email address or telephone number for displaying broker, or to correct false data within 48 hours	Section 19.8	\$100	
Failure to refresh VOW data feed within 3 days	Section 19.9	\$100	
Unauthorized access to VOW content	Section 19.10	\$100	
Failure to display participant's privacy policy	Section 19.11	\$100	
Failure to notify and provide access to an IDX display	Section 19.13	\$100	
Displaying prohibited information	Section 19.15	\$100	
Unauthorized change to VOW content, or failure to identify the source of augmented content	Section 19.16	\$100	
Failure to include required disclosures	Section 19.17	\$100	
Failure to identify the name of the listing firm, broker, or agent	Section 19.18	\$100	
Exceeding the number of listings to consumer inquiries	Section 19.19	\$100	
Failure to require registrant's passwords to be changed	Section 19.20	\$100	
Violating the MLS's advertising rules for pages with VOW content	Section 19.21	\$100	
Failure to identify other sources of property information, or to display search results separately.	Section 19.22, Section 19.23	\$100	

Failure to execute a license agreement	Section 19.24	\$100	
Failure to file written instructions from the seller to withhold a listing and address	Section 19.25	\$100	

NOTE: MLSs may adopt all or some of the above for administrative sanctions. Fines for each offense, as well as any possible training requirements, must be established in advance and should be followed consistently.

MLSs, at their discretion, may adopt an escalating fine schedule for repeat violations and also may impose a training requirement in addition to or as an alternative to payment of a fine for any of the offenses listed. If an escalating fine schedule is adopted, it may only be used in circumstances where sanctions are issued by the same MLS.

The amount of a fine for any offense is at the option of the MLS. MLSs are encouraged to review the MLS Disciplinary Guidelines found in Part Two: Policies, F. Enforcement of Rules, Section 5 of the NAR Handbook on Multiple Listing Policy for guidance on applicable and appropriate sanctions.



Enforcement of Rules, Section 7 and 9: MLS Disciplinary Guidelines

Associations of REALTORS® and their multiple listing services have the responsibility of fostering awareness, understanding, and appreciation for the duties and responsibilities of MLS participants and subscribers, and of receiving and resolving complaints alleging violations of the rules and regulations. The REALTOR® organization is firmly committed to vigorous, fair, and uniform enforcement. Enforcement achieves a number of goals. Where participants or subscribers are wrongly or mistakenly charged with violations, the hearing process provides personal and professional vindication. Where violations are determined, enforcement process educates participants and subscribers about their duties and obligations and serves as a meaningful deterrent of future violations.

Allegations of conduct inconsistent with the rules are often viewed by respondents as threats to their professional and personal reputations. This can result not only in their mounting vigorous defenses but also, at times, to threats of legal challenge should a violation be determined, and discipline imposed. Given that MLS participation can have significant economic value, associations and their MLSs need to strictly adhere to their established procedures when considering potential violations. This caution ensures that the rights of the parties will be observed, and legal exposure of associations and their MLSs will be minimized.

At the same time, well-founded caution should not be confused with reservation, reluctance, or hesitancy. Rules become aspirations at best, and potentially meaningless, if not enforced with vigor and determination.

Fundamental to fair and consistent enforcement is reasonable and judicious use of discipline, as both an educational device and as punishment. Associations and their MLSs have a wide variety of sanctions available to them that may be imposed for violations. These range from simple letters of warning to termination of MLS rights and privileges. Between these extremes are mandatory attendance at remedial education sessions, financial penalties, probation, and suspension.

The National Association does not recommend specific penalties for certain offenses or for violations of particular rules. This is in deference to the wisdom and autonomy of the hearing panel privy to the details of complaints coming before them; in recognition of the fact that no two complaints are identical; and in view of the facts that the details of each hearing, including the experience of respondents, their history of prior violations, and mitigating or extenuating circumstances, may all come into play in determining an appropriate penalty. At the same time, there are key points to be considered with respect to imposition of discipline.

- Discipline that can be imposed is strictly limited to those forms authorized in the National Association of REALTORS® *Code of Ethics and Arbitration Manual* and to any additional form authorized by the National Association's board of directors.

- Discipline should be commensurate with the offense. Unintentional or inadvertent violations should result in penalties designed to educate respondents about the conduct expected of them. Only authorized forms of discipline may be utilized.
- Discipline should be progressive. The disciplinary emphasis on violations by new members or by long-standing members with no history of prior violations should be primarily educational. Repeated or subsequent violations should be addressed with more serious forms of discipline, including substantial fines, suspension, and termination of MLS rights and privileges.
- A gray area can exist with respect to “first time violations” that are clearly not the result of ignorance or mistake **but rather demonstrate flagrant disregard for the rules**. While the educational aspect of enforcement cannot be disregarded, the fact that the rules exist to protect clients and customers, the public, and to ensure effective, efficient functioning of the MLS, must also be considered in determining commensurate discipline.
- Mitigating or extenuating circumstances should be considered in determining appropriate discipline. The fact that a respondent recognizes or acknowledges inappropriate conduct or took steps to remediate or minimize harm or injury, should be considered in determining appropriate discipline.
- Respondent’s records of earlier violations or, conversely, the fact that they have not violated the rules in the past, can be considered in determining appropriate discipline. Hearing panels cannot consider past violations in deciding whether the conduct currently complained of violates the rules.

Crafting appropriate, meaningful discipline can challenge panels that have concluded the rules have been violated. This discussion is offered as guidance, rather than as a hard and fast template, to assist panels in meeting their responsibility in ensuring the rules’ viability and vitality through vigorous and evenhanded enforcement.

Progressive Discipline

Discipline imposed for violation of the rules should be progressive. The severity of discipline should increase incrementally for subsequent violations. The disciplinary emphasis where first-time violations occur should be primarily educational. Repeated or subsequent violations should result in more serious forms of discipline being utilized, including substantial fines, suspension, and termination of MLS rights and privileges. At the same time, a gray area can exist where a first-time violation is not attributable to ignorance or oversight, but rather to blatant disregard for the rules. While the educational emphasis of enforcement cannot be disregarded, the fact the rules exist to protect clients and customers, the public, and to ensure the effective, efficient functioning of the MLS must be carefully considered in determining appropriate discipline.

Factors hearing panels should consider in determining appropriate discipline include, but are not necessarily limited to:

- The nature of the violation
- Harm caused by the violation. Was the violation a minor mistake causing little or no harm or, alternatively, was a client, customer, member of the public, or another participant harmed?

- Was the violation inadvertent or unintentional or, conversely, was it the result of knowing disregard for the obligations of MLS participants and subscribers?
- How much real estate experience did the violator have? Did he, or should he, have known better?
- Has the violator been found in violation of the rules previously? How often? How recently? Is the current violation related or similar to earlier violations?
- Are there mitigating or extenuating circumstances that should be considered in determining appropriate discipline?
- Did the violator acknowledge the violation? Did the violator express remorse or contrition?
- Are there other factors that ought to be considered?

Administrative Sanctions

The following is guidance for issuing administrative sanctions for MLS rule violations:

- **Category 1** violation means a rule violation relating to listing information provided by a participant or subscriber.
- **Category 2** violation means a rule violation relating to IDX and VOW displays.
- **Category 3** violation means a rule violation relating to cooperation and compensation with a fellow participant or subscriber, and mandatory submission of listings/buyer's rep agreement to the service.

First Category 1 violation (or first violation within three [3] years):

Possible discipline:

- Written warning (verifiable corrective action must be taken within (2) business days)
- Attendance at relevant education session(s) or course (by Subscriber and Participant)
- *Fine as scheduled for Category 1 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$500. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*

Repeat Category 1 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course (by Subscriber and Participant)
- *Fine as scheduled for Category 1 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$2,000. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*

First Category 2 violation (or first violation within three [3] years):

Possible discipline:

- Written warning (verifiable corrective action must be taken within (1) business day)
- Attendance at relevant education session(s) (by Subscriber and Participant)
- *Fine as scheduled for Category 2 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$2,000. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*

Repeat Category 2 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course (by Subscriber and Participant)
- *Fine as scheduled for Category 2 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$10,000. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*
- Suspension from the MLS or from the MLS' lockbox key access for three (3) months or less

First Category 3 violation (or first violation within three [3] years):

Possible discipline:

- Written warning (verifiable corrective action must be taken within (2) business days, (1) business day-cooperation)
- *Fine as scheduled for Category 3 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$5,000. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*
- Attendance at relevant education session(s)
- Suspension from the MLS or from the MLS' lockbox key access for three (3) months or less

Repeat Category 3 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course
- *Fine as scheduled for Category 3 Violation (see MLS Schedule of Fines for Administrative Sanctions) maximum of \$15,000. *Notice of fine to subscriber will be issued to Sponsoring Broker (Participant).*
- Suspension from MLS or from use of the MLS' lockbox key access for six (6) months or less
- Termination from MLS or from use of the MLS' lockbox key access for 1 to 3 years

Scope of MLS Handbook for Addressing MLS Rule Violations

Potential violations of the MLS rules will be processed in accordance with MLS Policy Statement 7.2, and under the process provided for in Section 9 of the NAR model MLS Rules and Regulations. Potential violations of a data license agreement are not governed by NAR policy and will thus follow the terms for resolution in the agreement itself. *(Amended 11/20)*