# REALTORS® Commercial Alliance Rules and Regulations of the RCA*SENC*/MLS

# Approved 8/15/2024

**Purpose.** The RCA*SENC*/MLS is a means by which authorized Participants cooperate; where 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 Participants may better serve their clients and the public.

**Participation.**

Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.\* However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service “membership” or “participation” unless they hold a current, valid real estate broker’s license or are licensed or certified by an appropriate North Carolina regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm cooperate means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS, share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their client(s). “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The ‘'actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time- limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) [see Exhibit 2] (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to cooperate. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to cooperate only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.

Any applicant for RCA*SENC*/MLS Participation and any licensee (including licensed or certified appraisers or Registered Trainees) affiliated with a RCA*SENC*/MLS Participant who desires access to and use of RCA*SENC*/MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the RCA*SENC*/MLS Rules and Regulations and computer training related to RCA*SENC*/MLS information entry and retrieval within thirty (30) days after access has been provided.

**Responsibility for Conformance with Rules and Regulations**. The RCA*SENC*/MLS Participant is responsible to the Service for compliance with the Rules and Regulations by all of the firm’s Subscribers including licensed or certified appraisers, Registered Trainees and unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant’s licensed designee who have access to and use of the Service.

Access to Current Listing Information: Only Participants and their affiliated licensees (including licensed or certified appraisers) may have access to and use of the current listing information generated by the MLS.

# Listing Procedures

**Section 1 Listing Procedures:** Listings of real or personal property of the following types, which are listed subject to a real estate broker’s license, and are located within the service area of the Multiple Listing Service, and are taken by Participants on exclusive right to sell contract or exclusive agency forms shall be entered into the Service within five (5) business days after all necessary signatures of seller(s) or lessor(s) have been obtained.

**Section 1.1 Other Types of Properties:** Other types of properties which meet the same criteria described in the preceding paragraphs that are required to be filed with the service, may be filed with the service at the participant’s option provided, however, that any listing submitted is entered into within the scope of the participant’s licensure as a real estate broker.

**Section 1.1.1 Listings Subject to Rules and Regulations of the Service:** Any listing taken on a contract to be filed with the RCA*SENC*/MLS is subject to the Rules and Regulations of the Service upon signature of the seller(s) or lessor(s). Further, all participants’ and subscribers’ web sites which display the Service’s IDX data must comply with all rules found on attached Exhibit 1 for IDX.

**Note 1:** The multiple listing service shall not require a participant to submit listings on a form other than the form the participant individually chooses to utilize provided the listing is of a type accepted by the service, although a property data form may be required as approved by the multiple listing service. However, the multiple listing service, through its legal counsel:

* + may reserve the right to refuse to accept a listing form which fails to adequately protect the interests of the public and the participants
  + assure that no listing form filed with the multiple listing service establishes, directly or indirectly, any contractual relationship between the multiple listing service and the client (buyer or seller, lessee or lessor)

The multiple listing service shall accept exclusive right-to-sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to cooperate with other participants of the multiple listing service acting as subagents, buyer agents, or both.

The listing agreement must include the seller’s written authorization to submit the agreement to the multiple listing service.

The service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law because the inherent nature of an open listing. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s

The exclusive right-to-sell listing is the form of listing where the seller or lessor authorizes exclusive authorization to the listing broker to cooperate with other brokers in the sale of the property.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to cooperate with other brokers in the sale of the property, 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 a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, 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. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right-to-sell listings with prospect reservations.

Note 2: A multiple listing service does not regulate the type of listings its members may take. This does not mean that a multiple listing service must accept every type of listing. The multiple listing service shall decline to accept open listings (except where acceptance is required by law) and net listings, and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its members free to accept such listings to be handled outside the multiple listing service.

Note 3: A multiple listing service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

When the seller of a property does not hold title but has a contract to receive title on the property, the phrase “does not yet own the Property” should be placed in Non Public Remarks.

**Financial Institution Owned Y/N**: When identified as “Y” the definition will be a lending institution now owns the property (this does NOT apply to relocation or third-party ownership). Lending institutions may own property that has not gone through a foreclosure. Should an agent need to define the ownership to exclude foreclosure, they may use the Non Public Remarks to identify other types of sales. An example would be: Estate Sale or Trust Sale. When marked, “N” a lending institution does not own the property. This field continues to be mandatory.

**Section 1.2 Details on Properties filed with the service.** A listing agreement or property data form, when filed with the multiple listing service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form.

Participants/REALTOR® Subscribers who do not complete every detail, which is ascertainable, are subject to fines as specified in Exhibit 3 and Exhibit 4 attached to these Rules.

Section 1.2.0. Accuracy of Listing Data

Participants and subscribers are required to submit accurate listing data and required to correct any known errors.

**Section 1.2.1 Limited Service Listings:** Listing agreements under which the listing broker will not provide one, or more, of the following services:

1. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
2. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
3. advise the seller(s) as to the merits of offers to purchase;
4. assist the seller(s) in developing, communicating, or presenting counter-offers;
5. participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified by choosing ER-Limited Service under the Listing Type Table in the RCA*SENC*/MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

**Section 1.2.2 MLS Entry-only Listings**: Listing agreements under which the listing broker will not provide any of the following services:

1. arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
2. accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
3. advise the seller(s) as to the merits of offers to purchase;
4. assist the seller(s) in developing, communicating, or presenting counter-offers;
5. participate on the seller(s) behalf in negotiations leading to the sale of the listed property

will be identified choosing “Entry Only” under the Listing Type Table in the RCA*SENC*/MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

**Section 1.3 Exempted Listings:** If the seller or lessor refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing (“office exclusive”) and such listing agreement shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service.

**Section 1.4 Change of Status of Listing:** Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller or lessor and shall be entered into the Service computer within five (5) business days (excepting weekends, holidays, and postal holidays) after the authorized change is received by the listing broker.

**Section 1.5 Withdrawal of Listing Prior to Expiration:** Listings of property may be withdrawn from the RCA*SENC*/MLS by the listing broker before the expiration date of the listing agreement, provided the seller authorizes the withdrawal in writing.

Sellers do not have the unilateral right to require the RCA*SENC*/MLS to withdraw a listing without the listing broker’s concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the RCA*SENC* will remove the listing at the request of the seller. Staff is to provide the listing firm with the seller’s communication and the following notice: The MLS has removed listing # due to receipt from the seller that your firm is no longer their agent. MLS legal counsel has stated that under the law of agency, an agent who continues to hold him/herself out as the principal’s agent following his or her discharge can be liable for damages that the principal may incur as a

result of the agent’s conduct. You are strongly advised to discuss this matter with your own legal counsel.

**Section 1.6 Contingencies Applicable to Listings:** Any contingency or condition of any term in a listing shall be specified and noticed to the Participants.

**Section 1.7 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 1.8 Listing Multiple Unit Properties:** All properties, which are to be sold, leased, or exchanged, must be indicated individually in the listing and on the Listing Input Sheet except when the property is located in a subdivision owned by a single entity**.** The Service Participant may group improved or unimproved properties on one Listing Input Sheet indicating multiple properties are available in the “Remarks” section. When part of a listed property has been sold, leased or exchanged proper notification must be given to the Multiple Listing Service. Example #1: A new subdivision has 31 lots. 5 are priced at

$19,500; 12 are priced at $22,500; 14 are priced at $25,000. You may choose to have only three Listing Input Sheets completed in the Service with the number of lots available showing in the “Remarks”. Example #2: A new subdivision has 31 lots with a variety of prices, the lowest price being $19,500 and the highest being $25,000. You may place the lowest lot on one Listing Input Sheet and the highest on another Listing Input Sheet. In the “Remarks Section” of each you must specify that there are lots available within the price range of $19,500 to $25,000. CAVEAT: You must submit a lot as “Pending” and you must modify the active Service Listing Input Sheet (for example: instead of 15 lots there are now 14 available) each time a lot is placed “Pending”. Failure to do both would be a violation of the Rules.

**Section 1.9 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 commissions or fees between cooperating Participants or between Participants and nonparticipants**.**

**Section 1.9 Duplicate Listings.** Duplicate listings are prohibited within the same property type (i.e., Office Sale) but permitted between different property types. When a property satisfies the definition for more than one eligible property type, the listing broker may (but need not) submit the listing in each appropriate property type, provided that (a) each listing record is complete and accurate in itself; (b) each listing record is cross-referenced by listing number of any other duplicate listing(s); and (c) all disclaimers necessary to adequately describe a true picture of the listing’s circumstances appear in the public remarks (i.e., that a parcel may be sold separately, or may only be sold in conjunction with MLS # , etc.); (d) there is specific authorization in the listing agreement or two or more separate listing agreements. If the property is sold or leased, the listing broker must submit the sale against **one** listing record and notify the MLS staff to delete the other one.

Section 1.10—Expiration of Listings: Listings filed with the Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed.

Any extension must be executed by all appropriate parties prior to the expiration of the current listing.

Any renewal received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service within five (5) business days of execution.

**Section 1.11 Termination Date of Listings:** Listings entered into the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller or lessor.

**Section 1.12 Jurisdiction:** Only listings of the designated types of property located within the located within the service area are required to be submitted to the Service. Listings of property located outside the above counties will be accepted if submitted voluntarily by a Participant, but cannot be required by the RCA*SENC*/MLS

**Section 1.13 Listings of Suspended Participants:** When a Participant of the Service is suspended from the RCA*SENC*/MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, CFR Bylaws, RCA*SENC* Bylaws, RCA*SENC* Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the Service computer by the suspended Participant shall, at the Participant’s option, be retained in the Service until sold, leased, exchanged, withdrawn, or expired, and shall not be renewed or extended by the Service beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the CFR or RCA*SENC* /MLS or both for failure to pay appropriate dues, fees, or charges, the Service is not obligated to provide RCA*SENC* /MLS services, including continued inclusion of the suspended Participant’s listings in the RCA*SENC* /MLS compilation of current listing information. Prior to any removal of a suspended Participant’s listings from the Service, the suspended Participant should be advised, in writing of the intended removal so that the suspended Participant may advise his/her clients.

**Section 1.14 Listings of Expelled Participants:** When a Participant of the Service is expelled from the RCA*SENC* /MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, CFR Bylaws, RCA*SENC* /MLS Bylaws, RCA*SENC*/MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently entered into the Service shall, at the expelled Participant’s option, be retained in the Service until sold, leased, exchanged, withdrawn, or expired, and shall not be renewed or extended by the Service beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the CFR or RCA*SENC*/MLS or both for failure to pay appropriate dues, fees, or charges, the Service is not obligated to provide RCA*SENC*/MLS services, including continued inclusion of the expelled Participant’s listings in the RCA*SENC*/MLS compilation of current listing information. Prior to any removal of an expelled Participant’s listings from the Service, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

**Section 1.15 Listings of Resigned Participants:** When a Participant resigns from the Service, the RCA*SENC*/MLS is not obligated to provide services, including continued inclusion of the resigned Participant’s listings in the RCA*SENC*/MLS compilation of current listing information. Prior to any removal of a resigned Participant’s listings from the Service, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his/her clients.

**Section 1.16 Listings of Properties Previously Listed by Other Participants.** In the event a Participant takes a listing on a property previously listed by another Participant in the Service, the new listing Participant may not copy or otherwise duplicate the photographs(s) or descriptive text fields from the previous listing record in the Service’s system without the previous listing Participant’s written permission. “Descriptive text fields” include remarks, directions, and other “free-form” fields where the Participant has discretion regarding the contents of the field. This restriction does not apply to purely factual fields.

# Selling Procedures

**Section 2. Showings and Negotiations:** Appointments for showings and negotiations with the seller or lessor for the purchase, lease, or exchange of listed property entered into the RCA*SENC*/MLS shall be conducted through the listing/leasing broker, except under the following circumstances:

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

**Section 2.1 Presentation of Offers:** The listing/leasing broker, upon receipt of an offer from a cooperating broker, must make arrangements to present the offer/lease as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

**Section 2.2 Submission of Written Offers** and Counter-offers: The listing/leasing broker shall submit to the seller or lessor all written offers/leases until the closing unless precluded by law, government rule, regulations, or agreed otherwise in writing between the seller or lessor and the listing/leasing broker. Unless the subsequent offer/lease is contingent upon the termination of an existing contract, the listing/leasing broker shall recommend that the seller or lessor obtain the advice of legal counsel prior to acceptance of the subsequent offer/lease.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers/leases and counter-offers/counter-leases until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract/lease has been terminated.

**Section 2.3 Right of Cooperating Broker in Presentation of Offer/Lease:** The cooperating broker (subagent or buyer/tenant agent) or his/her/their representative has the right to participate in the presentation to the seller or lessor of any offer/lease he/she/they secures to purchase or lease. He/she/they does/do not have the right to be present at any discussion or evaluation of that offer/lease 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/lease the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller’s/lessor’s written instructions. None of the foregoing diminishes the listing/leasing broker’s right to control the establishment of appointments for such presentations.

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

**Section 2.4 Right of Listing/Leasing Broker in Presentation of Counter-Offer/Counter- Leases:** The listing broker or his/her/their representative has the right to participate in the presentation of any counter-offer//leasing made by the seller or lessor. He/she/they does/do not have the right to be present at any discussion or evaluation of a counter-offer/counter-lease 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/leasing broker not be present when a counter-offer/counter-lease is presented, the listing/leasing broker has the right to a copy of the purchaser’s or lessee’s written instructions.

**Section 2.5 Reporting “Pending” And Sold Sales to The Service**: Status changes, including final closing of sales and sales prices, shall be reported to the Multiple Listing Service by the listing/leasing broker within five (5) business day after the event occurs. If negotiations were carried on under Section 2 (a) or (b) hereof, the cooperating broker shall report accepted offers/leases and prices to the listing/leasing broker within 24 hours after occurrence. The listing/leasing broker shall report to the MLS within 24 hours, after receiving notice from the cooperating broker.

**Note 1:** The listing/leasing agreement of a property filed with the MLS by the listing /leasing broker should include a provision expressly granting the listing/leasing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling/leasing price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

**Note 2:** In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS.

In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

1. categorizes sale price information as confidential and
2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices.

**Note 3:** As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in

States where the actual sale prices of completed transactions are not accessible from public records.

**Section 2.7 Advertising of Listing Filed with the Service:** A listing shall not be advertised by any Participant other than the listing/leasing broker, without the prior consent of the listing/leasing broker.

**Section 2.8 Reporting Cancellation of Pending Sale:** The listing broker shall report immediately to the Service the cancellation of any contingent or pending sale, lease, or exchange and the listing status shall be reinstated immediately.

**Section 2.9 Disclosing the Existence of Offers/Leases:** Listing/leasing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller’s approval, disclose the existence of offers/leases on the property. Where disclosure is authorized, listing/leasing brokers shall also disclose, if asked, whether offers/leases were obtained by the listing/leasing licensee, by another licensee in the listing/leasing firm, or by a cooperating broker.

**Section 2.10 Availability of Listed Property**: Listing/leasing brokers shall not misrepresent the availability of access to show or inspect listed property.

# Refusal To Sell

**Section 3. Refusal to Sell, Lease, or Exchange:** If the seller/lessor of any listed property filed with the Service refuses to accept a written offer/lease satisfying the terms and conditions stated in the listing/management agreement, such facts shall be transmitted immediately to the Service and to all Participants.

# Prohibitions

**Section 4. Information for Participants Only:** Any listing/lease filed with the Service shall not be made available to any broker or firm not a Member of the RCA*SENC*/MLS without the prior consent of the listing/leasing broker.

**Section 4.1 “For Sale” or “For Lease” Signs:** Only the “For Sale” or “For Lease” sign of the listing/leasing broker may be placed on a property, unless the listing/leasing broker authorizes the cooperating broker (selling/leasing) broker to post such a sign.

**Section 4.2 “Sold” or “Leased” Signs:** Prior to closing, only the “sold” or “leased” sign of the listing/leasing broker may be placed on a property, unless the listing/leasing broker authorizes the cooperating broker (selling/leasing) broker to post such a sign.

**Section 4.3 Solicitation of Listings/Leases Filed with the Service:** Participants shall not solicit a listing/lease on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice, and its Case Interpretations.

**Note:** This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers and lessors to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

Without such protection, a seller or lessor could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through C/I MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller or lessor to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller or lessor or the availability of the property to other brokers.

This Section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

**Section 4.4 Use of the Terms MLS and Multiple Listing Service:** No MLS participant, subscriber, or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

Section 4.5—Services Advertised as “Free:” MLS Participants and subscribers must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the Participant or subscriber will receive no financial compensation from any source for those services.

**No Compensation Specified on MLS Listings**Section 5 – No Compensation Specified on MLS Listings: Participants, Subscribers, or their sellers may not make offers of compensation to buyer brokers and other buyer representatives in the MLS.

Use of MLS data and data feeds to directly or indirectly establish or maintain a platform or make offers of compensation from multiple brokers to buyer brokers or other buyer representatives is prohibited and must result in the MLS terminating that Participant’s access to any MLS data and data feed.

**Note 1:** The RCA*SENC*/MLS must not have a rule requiring the listing/leasing broker to disclose the amount of total negotiated commission in his listing/leasing contract, and the RCA*SENC*/MLS shall not publish the total negotiated commission on a listing which has been submitted to the Service by a Participant. The RCA*SENC*/MLS must prohibit disclosing in any way the total commission negotiated between the seller or lessor and the listing broker, or total broker compensation (i.e. combined compensation to both listing brokers and buyer brokers).

**Note 2:** The RCA*SENC*/MLS shall make no rule on the division of commissions between Participants and nonparticipants. This should remain solely the responsibility of the listing broker.

**Section 5.1 Participant as Principal:** If a Participant or any licensee (or licensed or certified appraisers1) affiliated with a Participant has any ownership interest in a property, the listing of which is to be disseminated through the RCA*SENC*/MLS, that person shall disclose that interest when the listing is entered into the Service and such information shall be disseminated to all Participants.

**Section 5.2 Participant as Purchaser:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in a property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing/leasing broker not later than the time an offer to purchase/lease is submitted to the listing/leasing broker.

**Section 5.4 Disclosing Potential Short Sales:** Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing Participants

**Note:** Multiple listing services must give Participants the ability to disclose to other Participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require Participants to disclose potential short sales when Participants know a transaction is a potential short sale.

# Service Charges

**Section 6.1 Service Fees and Charges:** The following service charges for operation of the RCA*SENC*//MLS are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed.

1. **Initial Participation Fee**: An applicant for participation in the Service shall pay an application fee in such amount as from time to time prescribed.
2. **Waiver of Initial Participation Fee**: Staff shall waive the initiation fee when all of the following conditions are met:
   1. The applicant for participation in the Service has previously paid a participation fee, and
   2. The applicant’s firm dropped its *RCASENC* MLS membership, or, has dissolved his/her firm, or, merged with another firm, and
   3. Has been continuously either a *RCASENC* MLS Participant or Subscriber with the subsequent firm.
   4. The waiver will apply only once and only with the written approval of all principals in the previous company who have been continuously either a *RCASENC* MLS Participant or Subscriber.

Staff shall deny all other requests and no appeal may be made to the Board of Directors.

1. **Initial User Fee**: An initial fee in the amount of one month’s recurring participation fee plus an amount as specified annually by the Board of Directors for services shall be paid by anyone classified as a Subscriber or Participant who desires such services. Such fee(s) are non refundable and must be paid prior to gaining access to the Service.
2. **Recurring Participation Fee**: The recurring participation fee of each Participant shall be an amount equal to an amount as from time to time prescribed by the Board of Directors times each Subscriber (anyone who has access to the Service). Non member licensees will always be billed to the Participant Member. Statements will be emailed at the first of each month for that month and payment of such fees shall be made electronically on or before the last day of that month; or, the fees may be paid by check or money order annually in advanced in which case the monies must be received by December 31 of each year or, if a new Participant or User, a pro rata portion for the remainder of the current year and then in advance by December 31 for the subsequent year. This recurring Participation Fee is due on the first day of each month even without notice. The Recurring Participation Fee may include an additional monthly amount for each Participant Member. Any disputed amounts shall be paid until otherwise overturned at a Board of Directors’ meeting.
3. **New Participant Member**: When a new firm comprised of a newly elected REALTOR® Participant Member joins the Service, pro rata billing shall commence when Access is granted.
4. **Listing Fee**: Listing fees, if any, will be determined by the Board of Directors.
5. **Exemptions**: Participants of the Service may be exempted by approved written waiver which form is incorporated into these Rules and attached as part of the Policy Statements adopted, from the payment of a recurring participation fee for anyone who is under the direct supervision of a Participant or the Participant’s licensed designee. The person waived shall not be classified as a Subscriber and the Participant shall be exempt from Service recurring participation fees.

Recurring participation fees shall commence when the Participant notifies the Staff that a new Subscriber is affiliated with him/her/them (within five (5) business days). If an exemption is granted, the staff shall make an adjustment back to the date of notification. All exemptions shall be submitted upon the approved waiver form. The exemption for any individual shall automatically be revoked upon the individual's utilization of the Service for any reason other than that allowed under the waiver subject to the Participant's opportunity to explain to the Board of Directors why the exemption should not be lost.

1. Participants shall pay a fee for each non member licensee attending the Service orientation program in such amount as established by the Board of Directors.
2. The *RCASENC* MLS does not refund monies when a Subscriber or Participant resigns or is terminated.

**Section 6.2 Requests for Change in Billing Amounts:** Participants shall notify the staff in writing within three business days when a Subscriber is no longer affiliated with them. If the Subscriber holds a broker license, then a copy of the notification sent to the NC Real Estate Commission must be included in the written notification. If the Subscriber is licensed or certified as an appraiser or Registered Trainee, a copy of the notification sent to the NC Appraisal Board must be included in the written notification. Staff may make appropriate write-offs of accounts up to $150. All write-offs shall be noticed at least quarterly to the Secretary/Treasurer.

# Compliance With Rules

**Section 7. 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:

* 1. letter of warning
  2. letter of reprimand
  3. 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
  4. appropriate, reasonable fine not to exceed $15,000
  5. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
  6. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

**Note:** A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual’s record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

**Note 2:** MLS Participants (or users/subscribers, where appropriate) can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber’s Participant and the Participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year.

**Section 7.1 Compliance with Rules:** The following action may be taken for noncompliance with the Rules:

* + 1. Failing to pay any service charge or fee by the due date will result in a late payment penalty of $6. This penalty shall be assessed if no payment is received on or before the last day of the month. If payment is not received on or before the 10th day of the following month then service shall be suspended on the 11th unless the 11th is a Friday in which case it will occur the following Monday. A reactivation fee in such amount as from time to time prescribed by the Board of Directors shall be assessed. Service will resume within one business day when the account is paid current.

**Example**: A statement is sent on January 3rd. The RCA*SENC*/MLS does not receive payment before February 1st. A second statement is sent February 2nd showing (1) the fee(s) were not paid in January, (2) a $6 penalty, and (3) the fee for February.

If the payment is not received on or before the 10th of February, Staff adds a ten dollar ($10) reactivation fee to the account and suspends the service until the account is paid current. (January, February, the $6 penalty and the

$10 reactivation fee)

* + 1. When a Participant or Subscriber has a check returned for insufficient funds, the Staff shall add the maximum fine allowable by law to the account. When a Participant or Subscriber has a second check returned for insufficient funds, the staff shall notify the Participant or Subscriber in writing that they shall only make payment by either a credit/debit card or telecheck. Staff shall notify the Board of Directors of such action at their next meeting. If the Participant or Subscriber refuses to make payment in this manner then the staff shall notify the Board of Directions of such action at their next meeting. The Participant or Subscriber shall have the right to be present and explain why such action should not be taken.
    2. For failure to comply with any other rule, the provisions of Section 9 and

9.1 shall apply.

**Section 7.2 Applicability of Rules to Subscribers:** Subscribers are non-principal brokers, appraisers, and others authorized to have access to information published by the MLS and are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the Subscriber has signed an agreement acknowledging that access to and use of RCA*SENC*/MLS information is contingent on compliance with the Rules and Regulations.

Further, failure of any Subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant’s ultimate responsibility and accountability for all Subscribers affiliated with the Participant.

Each Participant and Subscriber does absolutely and unconditionally guarantee payment to the Service, when due of any indebtedness now owing or which may hereafter become owing to the Service. Such personal guaranty shall include any and all indebtedness, balances owed on open accounts, notes, instruments of payment, interest and costs of collection, including reasonable attorney fees to the extent permitted by applicable law in force and effect at the place such indebtedness shall occur.

This guaranty shall remain in effect for all debts incurred by each Participant or Subscriber, its successors and assigns, until written notice by certified mail with return receipt is given to the Service of their intent to no longer agree to this provision. Any such written notice shall have no affect on the liability on any obligations of the Participant or Subscriber giving such notice as to any obligations then due and owing at the time such notice is received by Service.

The Service shall have the right to proceed against any Participant or Subscriber at any time that the Participant or Subscriber is delinquent in payment of its obligations at the discretion of Service and the Service shall not first be required to exhaust its remedies against Participant or Subscriber.

Where there are more than one personal guarantors of the Participant’s or Subscriber’s obligations to the Service, the obligations shall be joint and several in the release by the Service of the obligation of any one or more guarantors shall not affect the obligation of any personal guarantor not specifically released.

# MEETINGS

**Section 8. Meetings of RCA*SENC*/MLS Committee:** The RCA*SENC*/MLS Committee shall meet for the transaction of its business at a time and place to be determined by the Committee or at the call of the Chairperson. The Chairperson or Vice Chairperson shall preside at all meetings or, in their absence a temporary Chairperson from the membership of the Committee shall be named by the Chairperson or, upon his failure to do so, by the Committee.

**Section 8.1 Meetings of RCA*SENC*/MLS Participants:** The Board of Directors may call meetings of the Participants in the Service. The President or the President-Elect shall preside at all meetings or, in their absence a temporary Chairperson from the Participants shall be elected.

# Enforcement of Rules or Disputes

**Section 9. Consideration of Alleged Violations:** The RCA*SENC*/MLS Committee, or a Tribunal of the Board of Directors shall give consideration to all written complaints from Participants or Subscribers having to do with violations of the Rules and Regulations. By becoming and remaining a Participant, each Participant agrees to be subject to these rules and regulations, the enforcement of which are at the sole discretion of the Committee (Board of Directors).

When requested by a complainant, the MLS will process a complaint without revealing the complainant’s identity. If a complaint is subsequently forwarded to a hearing, and the original complainant does not consent to participating in the process, the MLS will appoint a representative to serve as the complainant.

**Section 9.1 Violations of Rules and Regulations:** If the alleged offense is a violation of the Rules and Regulations of the Service and does not involve a charge of alleged unethical conduct or a request for arbitration, it may be administratively considered and determined by the RCA*SENC*/MLS Committee, or a Tribunal of the Board of Directors and if a violation is determined, the Committee or Tribunal may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the CFR in accordance with the Bylaws and Rules and Regulations of the CFR within twenty (20) days following receipt of the Committee’s decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the Board of Directors of the MLS within twenty (20) days of the tribunal’s decision. Alleged violations involving unethical conduct shall be referred to the Professional Standards Committee of the Board of REALTORS® for processing in accordance with the professional standards procedures of the Board. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Board of REALTORS®.

**Section 9.2 Complaints of Unethical Conduct:** All other complaints of unethical conduct shall be referred by the Committee or a Tribunal to the chief staff executive of the CFR for appropriate action in accordance with the professional standards procedures established in the CFR’s Bylaws.

Section 9.3—Complaints of Unauthorized Use of Listing Content: Any Participant who believes another Participant has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No Participant may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this Section 9.3 of the MLS rules.

Upon receiving a notice, Board of Directors will send the notice to the Participant who is accused of unauthorized use. Within ten (10) days from receipt, the Participant must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the Board of Directors that the use is authorized. Any proof submitted will be considered by the Board of Directors, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

If the Board of Directors determines that the use of the content was unauthorized, the Board of Directors may issue a sanction pursuant to Section 7 of the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.

If after ten (10) days following transmittal of the Board of Director’s determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

Section 9.4—MLS Rules Violations: MLS Participants may not take legal action against another Participant for alleged rules violation(s) unless the complaining Participant has first exhausted the remedies provided in these rules.

# Confidentiality of MLS Information

**Section 10. Confidentiality of RCA*SENC*/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 or Registered Trainees affiliated with such Participants.

**Section 10.1 RCA*SENC*/MLS Not Responsible for Accuracy of Information:** The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided 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.

**Section 10.2 Access to Comparable And Statistical Information**: REALTORS who are actively engaged in real estate brokerage, management, 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 these members and individuals affiliated with these members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

Association Members who receive such information, either as an Association service or through the RCA*SENC*/MLS are subject to the applicable provisions of the RCA*SENC*/MLS Rules and Regulations whether they participate in the RCA*SENC*/MLS or not.

Ownership of RCA*SENC*/MLS Compilations and Copyrights\*

**Section 11.** By the act of submitting any property listing content to the RCA*SENC*/MLS, the participant represents that he has been authorized to license and also thereby does license authority for the RCA*SENC*/MLS to include the property listing content in its RCA*SENC*/MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and visual recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

Each Participant who submits listing content to the MLS agrees to defend and hold the MLS and every other Participant harmless from and against any liability or claim arising from any inaccuracy of the submitted listing content or any inadequacy of ownership, license, or title to the submitted listing content.

**Note:** The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or “safe harbors” from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of “online service provider” broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user- generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as $150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
2. Develop and post a DMCA-compliant website policy that addresses repeat offenders.
3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP’s copyright infringement liability. For more information see 17 U.S.C. §512.

**Section 11.1** All right, title, and interest in each copy of every RCA*SENC*/MLS compilation created and copyrighted by the CFR and in the copyrights therein, shall at all times remain vested in the CFR.

**Section 11.2** Each Participant shall be entitled to lease from the CFR a number of copies of each RCA*SENC*/MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers or Registered Trainee) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the CFR.\*\*

Participants shall acquire by such lease only the right to use the RCA*SENC*/MLS compilations in accordance with these Rules.

**\***The term “RCA*SENC*/MLS compilation”, as used in Sections 11 and 12 herein, shall be construed to include 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 whatsoever.

**\*\***This Section should not be construed to require the Participant to lease a copy of the RCA*SENC*/MLS compilation for any licensee (including licensed or certified appraisers or Registered Trainee) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, leasing, or appraising the types of properties

which are required to be filed with the RCA*SENC*/MLS and who does not, at any time, have access to or use of the RCA*SENC*/MLS information or RCA*SENC*/MLS facility of the CFR.

# Use of Copyrighted RCA*SENC*/MLS Compilations

**Section 12. Distribution:** Participants shall, at all times, maintain control over and responsibility for each copy of and access to any Service compilation leased to them by the, CFR and shall not distribute any such copies or access to persons other than Subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified or a Registered Trainee by an appropriate state regulatory agency to engage in the appraisal of real property, and any other Subscribers as authorized pursuant to the governing documents of the Service . Participants and their affiliated subscribers and staff may not transmit, retransmit, or provide any Service compilation or means of accessing any Service compilation in any manner to any other individual, office, or firm, except as expressly provided in these Rules.

This section prohibits the sharing of all access methods, including without limitation user IDs, passwords, and physical authentication means (such as one-time password key fobs).

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 unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “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 12.1 Display:** Participants and those persons affiliated as licensees with such Participants shall be permitted to display the RCA*SENC*/MLS compilation to prospective purchasers and lessees only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers or lessees for the properties described in said RCA*SENC*/MLS Compilation.

**Section 12.2 Reproduction:** Participants or their affiliated licensees shall not reproduce any RCA*SENC*/MLS compilation or any portion thereof, except in the following limited circumstances.

Participants or their affiliated licensees may reproduce from the RCA*SENC*/MLS compilation and distribute to prospective purchasers or lessees a reasonable**\*** number of single copies of property listing data contained in the RCA*SENC*/MLS compilation which relate to any properties in which prospective purchasers or lessees are or may, in the judgment of the Participants or their affiliated licensees, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser or lessee has expressed interest, or in which the Participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

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

Any RCA*SENC*/MLS information, whether provided in written or printed form, provided electronically, or provided 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 unauthorized 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 utilizing such information to support valuations on particular properties for clients and customers. Any RCA*SENC*/MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. RCA*SENC*/MLS must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. RCA*SENC*/MLS may require execution of a third-party license agreement where deemed appropriate by the RCA*SENC*/MLS. RCA*SENC*/MLS may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the RCA*SENC*/MLS in adding or enhancing its downloading capacity for this purpose. Information that the CFR or the RCA*SENC*/MLS has deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

**\***It is intended that the Participant be permitted to provide prospective purchasers/lessees with listing data relating to properties, which the prospective purchaser/lessee has a bona fide interest in purchasing/leasing, or in which the Participant is seeking to promote interest. The term reasonable, as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser’s/lessee’s decision-making process in the consideration of a purchase/lease. 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 RCA*SENC*/MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser’s/lessee’s expressed desires, and ability to purchase/lease, whether the reproductions were made on a selective basis, and 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/lessee.

# Use of RCA*SENC*/MLS Information

**Section 13. Limitations on Use of RCA*SENC*/MLS Information:** Use of information from the RCA*SENC*/MLS compilation of current listing information, from the RCA*SENC*/MLS’s statistical report, or from any sold or comparable report of the CFR or its RCA*SENC*/MLS for public mass-media advertising by a Participant or in other public representations, may not be prohibited.

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 CFR or its RCA*SENC*/MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

Based on information from the Cape Fear REALTORS®, Incorporated for the period (date) through (date).

# Changes in Rules and Regulations

**Section 14. Changes in Rules and Regulations:** Amendments to the Rules and Regulations of the Service shall be by simple majority vote of the Board of Directors of the REALTORS Commercial Alliance of Southeastern North Carolina, subject to approval by the CFR Board of Directors.

# Orientation

**Section 15. Orientation:** Any applicant for MLS participation and any person affiliated with an MLS participant or his/her/their Subscriber who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) 12 classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers may be given the opportunity to complete any mandated additional training remotely.

**Exhibit 1 Internet Data Exchange**

**Company Websites Using MLS Data**

**Section 16. IDX Defined:** IDX affords MLS participants the ability to authorize limited electronic display of their listings by other participants and delivery of their listings by other Participants via the following authorized mediums under the Participant’s control: websites, mobile apps, and audio devices. As used throughout these rules, “display” includes “delivery” of such listings.

**Section 16.1 Authorization:** Participants’ consent for display of their listings by other participants pursuant to these rules and regulations must be established in writing. If a participant withholds consent on a blanket basis to permit the display of that participant’s listings, that participant may not download frame or display the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.

**Section 16.2 Participation:** Participation in IDX is available to all MLS participants engaged in real estate brokerage who consent to display of their listings by other participants.

**Section 16.2.1** Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.

**Section 16.2.2** MLS participants may not use IDX-provided listings for any purpose other than display on their websites as provided in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines.

**Section 16.2.3** Listings including property addresses *can be included in IDX displays except where a* seller *has* directed their listing brokers to withhold their listing or *the listing’s* property address from *all* display on the Internet (including, but not limited to, publi*cly-accessible websites or VOWs*) or other electronic forms of display or distribution.

Section 16.2.4~~—~~Participants may select the listings they choose to display through IDX based only on objective criteria including, but not limited to, factors such as geography or location (“uptown,” “downtown,” etc.), list price or type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), or type of listing (e.g., exclusive right-to-sell or exclusive agency). Selection of listings displayed through IDX must be independently made by each Participant.

Section 16.2.5—Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every 12 hours.

*\*Even where Participants have given blanket authority for other Participants to display their listings through IDX, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display or other electronic forms of display or distribution.*

Section 16.2.6—Except as provided in the IDX policy and these rules, an IDX site or a Participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 16.2.7—Any IDX display controlled by a Participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, “control” means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 16.2.8—Any IDX display controlled by a Participant or subscriber that

1. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
2. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued for the seller’s listings at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to Section 16.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

**Section 16.2.9** Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property.

Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 16.2.10** An MLS participant (or where permitted locally, an MLS subscriber) may co- mingle the listings of other brokers received in an IDX feed with listings available from other

LS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS participant (or MLS subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that participants may display listings from each IDX feed on a single webpage or display.

Section 16.2.11— Participants shall not modify or manipulate information relating to other Participants listings. MLS Participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

Section 16.2.12—All listing displayed pursuant to IDX shall identify the listing firm, and the email or phone number provided by the listing Participant in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.

**Section 16.3 Display:** Display of listing information pursuant to IDX is subject to the following rules:

**Section 16.3.1** Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed.

**Section 16.3.1.1** The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed.

**Section 16.3.4** All listings displayed pursuant to IDX shall identify the listing agent.

**Section 16.3.5** Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own websites subject to their participant’s consent and control and the requirements of state law and/or regulation.

**Section 16.3.6** All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

**Section 16.3.7** Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers’ personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other

disclaimers as necessary to protect participants and/or the MLS from liability. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

**Section 16.3.8** The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is fewer.

**Section 16.3.9** The right to display other participants’ listings pursuant to IDX shall be limited to a participant’s office(s) holding participatory rights in this MLS.

**Section 16.3.10** Listings obtained through IDX feeds from REALTOR Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

**Note:** An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

**Section 16.3.11** Display of expired, withdrawn, listings\* is prohibited.

**Section 16.3.12** Display of seller’s(s’) and/or occupant’s(s’) name(s), phone number(s), and e- mail address(es) is prohibited.

**Section 16.3.13** Participants are required to employ appropriate security protection such as firewalls on their websites and displays, provided that any security measures required may not be greater than those employed by the MLS.

**Section 16.3.14** Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

**Section 16.3.15** Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information is larger than that of any third party.

**Section 16.4 Service Fees and Charges:** Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

# Exhibit 2

**Virtual Office Websites or VOWs**

According to publications of the North Carolina Real Estate Commission, any display of another broker’s listing to consumers on a web page, whether styled as a “virtual office website,” “VOW,” “intranet,” or otherwise, is a form of advertising and requires the permission of the listing broker.

The Service currently provides no means other than IDX for listing brokers to grant such permission, and all permission granted under the IDX program is subject to the IDX rules set out in Exhibit 2. The Service does not provide a data feed or otherwise support the development of advertising websites other than IDX sites.

A participant desiring to publish the listings of its competitors is free to obtain permission and listing data content from listing brokers for display of their listings. The Service may, but is not obliged to, assist in the transmission of listings of a broker to locations that broker designates.

**Exhibit 3**

**Data Compliance Assurance Policy**

**Fines are levied per field, not per listing. Upon notice, the RCA*SENC*/MLS Subscriber/ Participant Member has five business days by which to correct the data.**

|  |  |
| --- | --- |
| Compliance Issue | **Consequence** |
| 1. Failure to:    1. Change an ascertainable field after being notified to do so    2. To follow the Photo Guidelines, IDX Rules or any other Rule violation.   - On Sold listings, staff shall only enforce the photo rule if the listing closed within the **previous 365 days.**   * 1. To map a listing.  1. Inserting agent or company information such as phone numbers, hyperlinks to websites, Talking Ads, email addresses, etc., or offers of compensation of any type in fields where the public might see them such as the “Remarks” or “Direction” fields. 2. Failure to enter a listing within five (5) business days of seller’s written authorization unless the owner is absentee in which case entry must occur within five (5) business days from the receipt of the seller’s written authorization. 3. Inserting offers of compensation, or offer of commission rate of any type, in any MLS field or attached documentation, and not corrected within 72 hours of notification. 4. To report a property as pending, the cancellation or resolution of a pending listing, a sold listing or the cancellation of a contingency status to the MLS within five (5) business days. | **2nd notice** - $25 **3rd notice** - $50 **4th notice** - $100  **1st notice** - $500 to subscriber and mandatory attendance at Orientation  **2nd notice** $500, and 30 day suspension to Subscriber and $500 to Participant |
| Failing to notice within seven business days when a licensee who is waived should no longer be waived, including unlicensed personnel who become actively licensed (whether by the NCREC or NCAB).  **Automatic-no email notice** | $100 or back MLS fees, whichever  is more |
| Allowing someone access to information who is not a client or customer. e.g., Loaning/giving any printed RCA*SENC*/MLS information; agents/appraisers who give information to licensees who do not pay fees to the RCA*SENC*/MLS. | $100 |
| **Breaching MLS Security: Adaptive Technology**   1. **First Abuse**: When staff identifies a RCA*SENC*/MLS security breach, staff will notify the Participant or Subscriber and the Subscriber’s MLS Participant by phone and email that:    1. the access to the RCA*SENC*/MLS has been compromised.    2. the RCA*SENC*/MLS has denied service until the Participant or Subscriber       1. comes to the RCA*SENC*/MLS office,       2. changes their password and,       3. pays a $75 fee. | |

|  |  |
| --- | --- |
| 1. **Second Abuse**: For any abuse after section (a) above, the RCA*SENC*/MLS access will be suspended for 30 days and a fee of $500 must be paid before access is granted. 2. **Third Abuse**: Any abuse after section (b) above, the RCA*SENC*/MLS access will be suspended for 180 days and a fee of $1,000 must be paid before access is granted. 3. **Fourth Abuse**: Any abuse after section (c) above, the RCA*SENC*/MLS access will be suspended for one (1) year and a fee of $5,000 must be paid before access is granted. | |
| **Regarding IDX:**   1. All violation notifications are sent to the Broker and to the IDX vendor 2. The first notice the Broker/IDX Vendor has five (5) business days to correct the violation. 3. The second notice the Broker is fined $100 and given an additional five (5) business days to correct the violation. 4. The third notice the IDX vendor’s feed is terminated and there is a   **$500** reconnect fee.   1. When a domain name IDX site is discovered that is not secured by an underlying contract, the penalty is $500 to the vendor and $100 to the Participant or Subscriber. | $100 or  $500  $500 to vendor  $100 to Participant or Subscriber |

Staff shall do the following:

* 1. 1st notice: Email the RCA*SENC*/MLS Subscriber (Listing Agent) and the Broker-in- Charge requesting that the data be modified within specified number of business days (**NOTE**: Only applies to first category above)
  2. 2nd notice: Email the RCA*SENC*/MLS Subscriber (Listing Agent) and Broker-in- Charge along with the reason for the fine to the MLS Subscriber (Listing Agent) and requesting that the data be modified within specified number of business days
  3. 3rd notice: Email and call the RCA*SENC*/MLS Subscriber (Listing Agent) and Broker- in-Charge along with the reason for the fine to the RCA*SENC*/MLS Subscriber (Listing Agent) and requesting that the data be modified within specified number of business days and the same fine shall be levied against the Broker-in-Charge;
  4. 4th notice: Call the RCA*SENC*/MLS Subscriber (Listing Agent) and the Broker-in- Charge and tell the RCA*SENC*/MLS Subscriber (Listing Agent) that all RCA*SENC*/MLS services shall be suspended until the data is correct and the fine is paid.

When there is noncompliance and the circumstances are unusual (death in the family, extended vacations, etc.), the RCA*SENC* Executive Director may make exceptions to the fines. Any Subscriber or Broker-in-Charge whose waiver for a fine has been denied, may appeal to the RCA*SENC* Board of Directors.

**Exhibit 4**

**Guideline for MLS Photos**

**MLS Rule Section 1.2**: Photos are mandatory for every property type. The requirements of this paragraph shall not apply where a seller expressly directs that photographs of their property not appear in MLS compilations, provided the MLS Participant shall furnish a copy of the seller’s request to the Service. The Service incorporates **Exhibit 4** “***A Guideline for MLS Photos”*** attached to these Rules and Regulations. No photo or virtual tour entered into or linked to or from the service shall display:

* + - any for sale or for lease sign;
    - any information that identifies the agent or the company;
    - any business card images or the like;
    - no picture within the picture; etc.

The photo may display only physical characteristics of the subject property and its immediate vicinity; it may not include any link to any location on the web. The MLS Staff is authorized to remove any photo or virtual tour from the MLS that is not in compliance with these rules.

**EXISTING STRUCTURES**: Select Agent Submits from photo field.

**UNDER CONSTRUCTION:**

1. If the exterior is incomplete, choose Under Construction from photo field.
2. Put the year the property will be finished in the Year Built field
3. Put Under Construction in the Construction Status field.
4. Once the property is locked by the builder, one of the following is required:
   1. A sketch or rendering if available from the builder.
   2. A plat map
   3. An aerial photo

# Once the property is locked by the builder and the exterior is complete, you will need to:

1. Change the photo table to Agent Submits
2. Change the Construction Status from Under Construction to New.
3. Modify data fields as appropriate (measure the property, verify dimensions, etc.)

**PROPOSED CONSTRUCTION:** Use this when the builder is proposing to build a specific property on the lot.

1. Choose Proposed in the photo field
2. Choose Proposed in the Construction Status field
3. Put the year the property will be finished in the Year Built field
4. One of the following is required:
   1. A sketch or rendering, or
   2. An aerial photo of site

# Once the property is locked by the builder and the exterior is complete, you will need to:

1. Change the photo table to Agent Submits
2. Change the Construction Status from Proposed to New.
3. Modify data fields as appropriate (measure the property, verify dimensions, etc.)