

RMLS RULES & REGULATIONS

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RMLS Rules and Regulations

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Authority and Purpose

Additional Governing Documents. Participants' use of RMLS services is subject to the Fargo-Moorhead Area Association of REALTORS®, Article 8, BUSINESS POLICIES AND PRACTICES and Article 11, RMLS POLICIES, as set forth in the Policy & Procedure Manual of the Fargo-Moorhead Area Association of REALTORS®, and as said Article 8 and Article 11 may be amended from time to time.

Except as provided in this document, RMLS adopts the rules and regulations of the Regional Multiple Listing Service of Minnesota, Inc. (d/b/a NorthstarMLS).

Definitions

As used in these RMLS Rules and Regulations, the following terms have the meanings set forth below:

"Nonmember Participant" means a Participant who is not a member of the National Association of REALTORS®.

"Participant" means any person who is principal, partner, corporate officer, or branch manager acting on behalf of a principal who meets the qualifications of participation as set forth in the Bylaws of REALTOR® Multiple Listing Service of the Fargo-Moorhead Area Association of REALTORS®.

"REALTOR® Participant" means a Participant who is a member of the National Association of REALTORS®.

"Subscriber" means each real estate or appraisal licensee affiliated with a Participant and entitled to access to the service, subject to the requirement to comply with all Service rules and to pay all applicable fees.

"User" means any person with credentials to log in to the service's systems, including Subscribers, unlicensed assistants, brokerage and appraisal administrative and accounting staff, etc.

Section 1 Service Charges

Section 1.1: Service Fees and Charges

The service charges for the multiple listing service are as stated in the schedule of fee and charges.

Section 1.2: Fee Waivers

MLS provides Participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participates. MLSs may, at their discretion, require that Participants sign a certification for nonuse of its MLS services by their licensees, which can include penalties and termination of the waiver if violated. (Amended 5/18 and 8/18 [Leadership Team])

During any period for which a licensee's fees are waived, the licensee shall refrain from using any of the services of RMLS, including:

- a. Using RMLS's systems, software, database, etc. This does not include accessing listing information of the licensee's own broker or of other brokers through the Participant's IDX site or elsewhere. It does include accessing such information on the Participant's VOW (which is for consumers' personal use.)
- b. Being identified as a listing agent on an active or pending property listing in this

MLS.

- c. Use of any data feed from RMLS (except one that includes listings of only the licensee's broker).
- d. Using RMLS's data on an IDX or VOW website identified as the fee-waived licensee's site or page.
- e. Using RMLS's data in a valuation product or in any tool or product or service identified as coming from the fee-waived licensee.

RMLS may terminate the fee waiver upon notice to the Participant and the fee-waived licensee if RMLS determines that the fee-waived licensee has used any RMLS services. In that case, the fee-waived licensee immediately becomes a subscriber and any fees due to RMLS under its normal fee schedule for the current period become due and payable. In addition, RMLS may recover from the Participant all fees that the RMLS would have collected had the fee-waived licensee been a subscriber during the entire period of the waiver. After six months, Participant and Subscriber can re-certify the Subscriber to be a fee-waived licensee. In the event that the licensee moves to a new office while subject to a termination of a waiver, that office is ineligible for waivers during the pendency of the revocation of the waiver.

Section 1.3: Fees, Fines, Assessments

Participants must pay all fees, fines and other assessments relating to the RMLS as per RMLS Bylaws and the RMLS Rules and Regulations.

Section 2 Compliance with Rules

Section 2: Compliance With Rules - Authority to Impose Discipline

By becoming and remaining a participant or subscriber in this RMLS, each Participant and User agrees to be subject to the rules and regulations and any other RMLS governance provision. Alleged violations of the NorthstarMLS rules are subject to the enforcement and disciplinary procedures provided in them. This section applies to rules of RMLS that are not part of the NorthstarMLS rules. The RMLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other RMLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a) letter of warning
- b) letter of reprimand
- c) attendance at RMLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d) appropriate, reasonable fine not to exceed \$15,000
- e) suspension of RMLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f) termination of RMLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years. (Revised 11/14)

Note: A Participant (or User, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or User, 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. (Revised 05/14)

Note 2: MLS Participants and Users 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. (Adopted 11/20)

Section 2.1: Compliance With Rules

The following action may be taken for noncompliance with the rules:

- a) for failure to pay any service charge or fee within one (1) month of the date due, and provided that at least ten (10) days' notice has been given, the service shall be suspended until service charges or fees are paid in full
- b) for failure to comply with any other rule, the provisions of Sections 3 and 3.1 shall apply

Note 1: Generally, warning, censure, and the imposition of a moderate fine are sufficient to constitute a deterrent to violation of the rules and regulations of the multiple listing service. Suspension or termination is an extreme sanction to be used in cases of extreme or repeated violation of the rules and regulations of the service. If the MLS desires to establish a series of moderate fines, they should be clearly specified in the rules and regulations. (Amended 11/88)

Section 2.2: Applicability of Rules to Users and/or Subscribers

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the RMLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the User has signed an agreement acknowledging that access to and use of RMLS information is contingent on compliance with the rules and regulations. Further, failure of any User 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 Users affiliated with the Participant. (Adopted 4/92)

Note: Adoption of Section 2.2 is optional and should be adopted by multiple listing services desiring to establish authority to impose discipline on non-principal Users affiliated with RMLS Participants. (Adopted 4/92)

Section 3 Enforcement of Rules or Disputes

Alleged violations of the NorthstarMLS rules are subject to the enforcement and disciplinary procedures provided in them. This section applies to rules of RMLS that are not part of the NorthstarMLS rules.

Section 3: Considerations of Alleged Violations

The board of directors shall give consideration to all written complaints 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 Board of Directors. (Amended 5/18)

When requested by a complainant, the RMLS 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 RMLS will appoint a representative to serve as the complainant. (Amended 11/20)

Section 3.1: Violations of Rules and Regulations

If the alleged offense is a violation of the rules and regulations of the service, it may be administratively considered and determined by RMLS, and if a violation is determined, RMLS may direct the imposition of sanction in accordance with these rules. The recipient of such sanction may request a hearing before the RMLS board within twenty (20) days following receipt of a sanction. (Amended 11/96)

Alleged violations involving unethical conduct of REALTOR® Participants shall be referred to the professional standards committee of the association of REALTORS® where the REALTOR® Participant maintains membership for processing in accordance with the professional standards procedures of the association. (Amended 2/98)

Section 3.2: Complaints of Unethical Conduct

All other complaints of unethical conduct or requests for arbitration against any REALTOR® Participant shall be referred by the board of directors of the service to the association of REALTORS® for appropriate action in accordance with the professional standards procedures established in the association's bylaws. (Amended 11/88)

Section 3.3 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 RMLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the RMLS 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 3.3 of the RMLS rules.

Upon receiving a notice, the 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 2 of the RMLS 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 RMLS 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. (Adopted 5/18)

Section 3.4 RMLS Rules Violations

RMLS 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. (Adopted 5/18)

Note: Adoption of Sections 3.3 and 3.4 are not required if the RMLS has adopted alternative procedures to address alleged misuse of listing content that includes notice to the alleged infringer.

Section 4 Changes in Rules and Regulations

Section 4: Changes in Rules and Regulations

The RMLS Board of Directors may amend these Rules and Regulations according to Article 10.1 of the RMLS Bylaws by consideration and approval of the board of directors of the multiple listing service, subject to final approval by the board of directors of the Fargo-Moorhead Area Association of REALTORS® (shareholder).

Section 5 Local Policies

Section 5.1 Unlicensed Staff Access

The RMLS allows for unlicensed staff users, which are defined as individuals under the direct supervision of an MLS Participant or Subscriber that perform clerical and administrative tasks, and are considered "Users". Unlicensed staff users may have access to the RMLS information solely under the direction and supervision of the Participant. Each Participant shall provide the RMLS with a list of all clerical users employed by or affiliated as independent contractors with the Participant and shall immediately notify the RMLS of any changes, additions or deletions from the list. Unlicensed staff users are eligible for RMLS access at a reduced fee as determined by the RMLS Board of Directors.

Section 5.2 Lock Box System

The Supra iBox BTLE and eKEY system, hereinafter referred to as Supra, is the designated lockbox system. eKeys hereinafter referred to as Key, may be "leased" to each RMLS Participant, Participant's licensees on RMLS and licensed or certified appraisers belonging to RMLS, all referred to as Keyholders. All Keyholders must agree, in writing, to be bound by the rules and procedures governing the Supra system. Keys may be available to others who the RMLS Board of Directors determine are eligible to access listed property, provided they agree in writing to the rules and procedures of RMLS. A fee as determined by the RMLS Board of Directors will be assessed annually to each RMLS Participant for the number of Keyholders in the Participant's firm.

The Key is to be used only by the Keyholder to whom it is issued.

Participant shall immediately notify FM REALTORS® RMLS in writing, of the resignation from RMLS of any Keyholder in Participant's firm. Supra will then be deactivated for that Keyholder by FM REALTORS® RMLS staff.

RMLS may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual who has been convicted of a crime within the past seven (7) years under the following circumstances: (Amended 5/17)

- A. RMLS determines that the conviction(s) relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk, for example through dishonest, deceptive, or violent acts: and (Amended 5/17)
- B. RMLS gives the individual an opportunity to provide and the RMLS must consider mitigating factors related to the individual's criminal history, including, but not limited to, factors such as:
 - the individual's age at the time of the conviction(s);
 - nature and seriousness of the crime;
 - extent and nature of past criminal activity;

- time elapsed since criminal activity was engaged in;
- rehabilitative efforts undertaken by the applicant since the conviction(s);
- facts and circumstances surrounding the conviction(s); and
- evidence of current fitness to practice real estate. (Amended 5/17)

RMLS should be sure to evaluate individuals uniformly, and avoid making exceptions for one individual while denying exception to another individual with a criminal history. Amended 5/17)

RMLS may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to a final determination on any such charge if, in the determination of the RMLS, the charge relates to a crime that relates to the real estate business or puts clients, customers, other real estate professionals, or property at risk (Amended 5/17).

iBoxes are owned by FM REALTORS® RMLS and issued to Participants based on the number of the firm's active listings. Participant may request additional iBoxes and, from time to time, may be asked to return iBoxes to be reissued to other firms.

RMLS shall maintain current records as to all keys and lock boxes issued and in inventory, including registered users accessing lockboxes through applications and software used by mobile devices. An audit by physical inventory or by statement from the Participant may be performed annually, at the discretion of the RMLS Board of Directors, to affirm which iBoxes and eKeys are in each firm's possession. Participant will be assessed the cost of iBoxes plus shipping for iBoxes which are unaccounted for.

iBoxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or any other written document. Inclusion in RMLS compilations cannot be required as a condition of placing an iBox on the listed property.

Section 5.3 Lock Box Keys/EKeys

Lock box keys and electronic keys will not be available to city, county or township assessors/departments or to home inspectors.

Keyholders sixty (60) days or more delinquent in payment of fees to, or if agreement is terminated with, FM REALTORS® and/or RMLS, keyholder is obligated to immediately return all property of FM REALTORS®/ RMLS including, but not limited to, lock boxes. Failure to do so may result in FM REALTORS®/RMLS, at its option, collecting the lock boxes and other property from its then current location. Language is included in the Key Agreement.

Section 5.4 Lock Box Allowance

An annual lock box audit is to be done by FM REALTORS® staff. No member office shall retain more lock boxes than 125% of their active listings, excluding vacant lots, OR not more than ten (10) lock boxes above their current active listings, excluding vacant lots. Each office will be charged the current replacement cost, plus shipping, for unaccounted lock boxes, or will be assessed the current replacement cost per lock box above the defined amount herein. If boxes are returned that were previously unaccounted for, the member office shall receive a credit for the amount they were invoiced for replacement of each returned box. No credits shall be given for boxes returned 90 days after replacement were invoiced. No credit shall be given for returned boxes from a prior lock box system. In all cases the ownership of lock boxes remains with the association.

A fine of \$250 shall be assessed to Brokers for not completing lockbox audit by due date.

After \$250 fine is assessed for not completing lockbox audit by due date, the RMLS shall have the right to send the DR a notice of suspension of electronic key services which will occur if

audit is not received within 30 days. If audit is not received in 15 days after notice of suspension to DR, notice of the same will be sent again to DR and applicable agents in the firm. (4/2021)

FM REALTORS®/RMLS may assess a surcharge of \$1.00 per lockbox per day over 125% or 10 (as per policy), if not returned after RMLS staff request. Surcharge to be billed monthly.

FM REALTORS®/RMLS has authority to retrieve lock boxes and other FM REALTORS®/RMLS property from companies suspended or out of business.

Section 5.5 Penalties for Sharing of Electronic Key

First Offense: Letter of Warning, \$500 fine. Second Offense: Refer to Section 2. Local adopted 1-2020