

**MULTIPLE LISTING MLS  
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**COASTAL CAROLINAS ASSOCIATION OF REALTORS®, INC.**  
**MULTIPLE LISTING (MLS) RULES AND REGULATIONS**

**I. LISTING PROCEDURES**

**SECTION 1.1 LISTING PROCEDURES:** Listing 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 territorial jurisdiction of the Multiple Listing Service (MLS), and are taken by Participants on *(Indicate form(s) of listing accepted by the MLS – See Notes 1 & 2)* shall be entered into MLS system within three (3) business days after all necessary signatures of seller(s) have been obtained:

- (a) Single family home for sale or exchange.
- (b) Single family condominium or townhouse for sale or exchange.
- (c) Vacant lots and acreage for sale or exchange.
- (d) Multi-family residential buildings for sale or exchange.

**NOTE 1:** The MLS 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 MLS, although a "Property Data Form" may be required as approved by the MLS. However, the MLS, through its legal counsel:

1. May reserve the right to refuse to accept a listing form that fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form filed with the MLS establishes, directly or indirectly, any contractual relationship between the MLS and the client (buyer or seller).

The MLS 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 offer cooperation and compensation to the other Participants of the MLS acting as subagents, buyer agents, or both.

The listing agreement must include the seller's authorization to submit the agreement to the MLS.

3. The different types of listing agreement(s) include:
  - (a) Exclusive Right to Sell
  - (b) Exclusive Agency
  - (c) Open
  - (d) Net

The MLS may not accept net listings because (1) they are deemed unethical and, in most states, illegal. Open listings are not accepted except where they are required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

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

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general

right to sell the property on an unlimited or restricted 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 for 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 MLS does not regulate the type of listings its Members may take. This does not mean that a MLS must accept every type of listing. The MLS shall decline to accept open listings (except where acceptance is required by law) and net listings and it may limit its MLS 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 MLS.

**Note 3:** A MLS may, as matter of local option, accept exclusively listed property that is subject to auction.

**TYPES OF PROPERTIES:** The following are some of the types of properties that may be published through the MLS, including types described in the preceding paragraph that are required to be entered into with the MLS and other types that may be entered into with the MLS 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:

1. Residential
2. Condominium and Townhouses
3. Subdivided Vacant Lot
4. Land and Ranch
5. Business Opportunity
6. Motel-Hotel
7. Mobile Homes
8. Mobile Home Parks
9. Commercial Income
10. Industrial

**SECTION 1.2 LISTINGS SUBJECT TO RULES AND REGULATIONS OF MLS:** Any listing taken on a contract to be entered into with the MLS is subject to the Rules and Regulations of the MLS upon signature of the seller(s).

**SECTION 1.3 DETAIL ON LISTINGS ENTERED INTO WITH THE MLS:** A Listing Agreement or Property Data Form, when entered into with the MLS by the listing broker, shall be completed in every detail which is ascertainable as specified on the Property Data Form. Listings must be entered into the MLS within three business days.

A primary photo must accompany a listing when entered into the MLS on all classes with the exception of the Land property class. A primary photo must be the front view of the property and cannot include any for sale signs, agent or office logos, or any other form of contact information. If the participant or the employee of the participant has taken the photographs, the participant will own the copyright to the photographs. Unauthorized use of copyright material in the MLS is prohibited. Failure to comply with the above statements will result in an automatic \$50.00 fine and possible deletion of

the listing, except where sellers expressly direct that photographs of their property not appear in the MLS compilations. (Amended 8/2011)

**SECTION 1.4 EXEMPTED LISTINGS:** If the seller refuses to permit the listing to be disseminated by the MLS, the REALTOR may then take the listing as "office exclusive". A copy of the Exclusive Right To Sell or Exclusive Agency Contract and the Addendum to The Exclusive Right To Sell or Exclusive Agency Contract must be signed by the seller and filed with the MLS Department within three business days. Submission of sold information for office exclusive listings is optional. (Amended 8/2011)

**SECTION 1.5 EXEMPTION OF OWNERS NAME:** If the seller wishes not to have his/her name published in the MLS, the Listing Agent must file a copy of the Exclusive Right To Sell or Exclusive Agency Contract with the MLS Department signed by both agent and seller. (Amended 8/2011)

**SECTION 1.6 CHANGE OF STATUS OF LISTING:** Any change in listed price, listing status or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be entered into the MLS within three business days after the authorized change is received by the listing broker.

**SECTION 1.7 WITHDRAWAL OF A LISTING PRIOR TO EXPIRATION:** A listing may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided notice is filed with the listing office. Once mutual agreement is reached between the seller and the listing broker, listing should be withdrawn immediately.

Sellers do not have the unilateral right to require an 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 MLS may withdraw the listing at the request of the seller.

**SECTION 1.8 CONTINGENCIES APPLICABLE TO LISTINGS:** Any contingency or conditions of any term in a listing shall be made known to the Participants.

**SECTION 1.9 LISTING PRICE SPECIFIED:** The full gross listing price should be stated in the contract.

**SECTION 1.10 LISTING MULTIPLE UNIT PROPERTIES:** All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the MLS within three business days.

**SECTION 1.11 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:** The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for MLS to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and Non-Participants.

**SECTION 1.12 EXPIRATION OF LISTINGS:** Listings entered into the MLS will automatically expire on the expiration date. Extensions and renewals of listings must be signed by the seller(s) and filed with the listing office.

**SECTION 1.13 TERMINATION DATE ON LISTINGS:** Listings entered into the MLS shall bear a definite and final termination date as negotiated between the listing broker and the seller.

**SECTION 1.14 JURISDICTION:** Only listings of the designated types of property located within the jurisdiction of the MLS are required to be entered into the MLS. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the MLS.

**SECTION 1.15 LISTINGS OF SUSPENDED PARTICIPANTS:** When a Participant of the MLS is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently entered into the MLS by the suspended Participant shall, at the MLS's option, be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an Association's MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

**SECTION 1.16 LISTINGS OF EXPELLED PARTICIPANTS:** When a Participant of the MLS is expelled from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Association's Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges) all listings currently entered into the MLS shall, at the MLS's option, be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without the Association's membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association's MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings from the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his/her clients.

**SECTION 1.17 LISTINGS OF RESIGNED PARTICIPANTS:** When a Participant resigns from the MLS; the MLS is not obligated to provide service, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his/her clients.

**SECTION 1.18 NEW HOME COMMUNITY PHOTO AND LISTING RULES AND REGULATIONS:** At the time of contract for the type of home to be built on a specific lot, that listing must be entered into the MLS system with a status of Pending. An UNDER CONSTRUCTION logo, an artist rendering, or a photo of a similar home must be used as a primary photo until a certificate of occupancy is issued. At that time, a photo of the actual home must be entered. Any changes to the original contract must be entered at the time of closing. Sellers of properties listed in the MLS may direct that photographs or other graphic representations of the property be withheld from the MLS compilation.

**SECTION 1.19 VIRTUAL TOURS:** Virtual Tours used in the MLS must not contain contact information, agent photo, office logo, links to other web sites, or other information that can be considered branding.

## **II. SELLING PROCEDURES**

**SECTION 2.1 SHOWINGS AND NEGOTIATIONS:** Appointments for showings and negotiations with the seller for the purchase of listed property entered into with the MLS shall be conducted through the listing broker except under the following circumstances:

- (a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- (b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

**SECTION 2.2 PRESENTATION OF OFFERS:** The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

**SECTION 2.3 SUBMISSION OF WRITTEN OFFERS:** The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

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

**SECTION 2.4 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER:** Cooperating participants or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that cooperating brokers may not be present when offers they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers.

**SECTION 2.5 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER:** Listing participants or their representatives have the right to participate in the presentation of any counter-offer made by a seller or lessor. They do not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if a purchaser or lessee gives written instructions to the cooperating broker that

the listing broker may not be present when a counter-offer is presented; the listing broker has a right to a copy of those instructions.

**SECTION 2.6 REPORTING SALES TO THE MLS:** Status changes, including final closing of sales, shall be reported to the MLS by the listing broker within 3 business days after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 3 business days after receiving notice from the cooperating broker.

**NOTE:** The listing agreement of a property entered into with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to enter the listing into the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling 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 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.

**SECTION 2.7 REPORTING RESOLUTIONS OF CONTINGENCIES:** The listing broker shall enter into the MLS within three business days that a contingency on file with the MLS has been fulfilled or renewed, or the agreement cancelled.

**SECTION 2.8 ADVERTISING OF LISTING ENTERED INTO WITH THE MLS:** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

### **III. REFUSAL TO SELL**

**SECTION 3.1 REFUSAL TO SELL:** If the seller of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all participants.

### **IV. PROHIBITIONS**

**SECTION 4.1 MISUSE OF PUBLIC REMARKS OR PUBLIC ADDENDUM SECTION:** Participants may not use the "Public Remarks" or "Public Addendum" section in a listing submitted to the MLS for contact information, website information, financial information of any kind or any language that may be considered private or harmful.

**SECTION 4.2 INFORMATION FOR PARTICIPANTS ONLY:** Any listing filed with the MLS shall not be made available to any non-participant without prior consent of the listing broker.

**SECTION 4.3 "FOR SALE" SIGNS:** Only the "For Sale" sign of the listing broker may be placed on a property.

**SECTION 4.4 "SOLD" SIGNS:** Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

**SECTION 4.5 SOLICITATION OF LISTING ENTERED INTO WITH THE MLS:** Participants shall not solicit a listing on property entered into with the MLS 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 to permit their properties to be entered into the MLS by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

The section is also intended to encourage brokers to participate in the MLS by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property.

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.

## **V. DIVISION OF COMMISSIONS**

**SECTION 5 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:** The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

In filing a property with the multiple listing service of an association of REALTORS®, the participant of the service is making blanket unilateral offers of compensation to the other MLS participants, and shall therefore specify on each listing filed with the service, the compensation being offered to the other MLS participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.\* (Amended 11/96)

\*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 11/95)

**Note:** MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (Adopted 5/08)

The listing broker retains the right to determine the amount of compensation offered to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different. (Amended 11/96)

This shall not preclude the listing broker from offering any MLS participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other participants in the service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount. (Amended 11/95)

**NOTE 1:** The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

**NOTE 2.** The listing broker may, from time to time, adjust the compensation offered to other multiple listing service participants for their services with respect to any listing by advance published notice to the service so that all participants will be advised. (Amended 4/92)

**NOTE 3.** The multiple listing service shall make no rule on the division of commissions between participants and nonparticipants. This should remain solely the responsibility of the listing broker.

**NOTE 4.** Multiple listing services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval, and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court. In such instances, the fact that the gross commission is subject to court approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Amended 5/08)

**NOTE 5.** Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction. (Adopted 11/05)

**NOTE 6.** 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. In any instance where a participant discloses a potential short sale, they must also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract required by the lender as a condition of approving the sale will be apportioned between listing and cooperating participants. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential “remarks” available only to participants and subscribers (Adopted 5/08)

**SECTION 5.0.1 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.

When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants.

**SECTION 5.1 PARTICIPANT AS PRINCIPAL:** If a Participant or any licensee affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the MLS, that a person shall disclose that interest when the listing is entered into the MLS and such information shall be disseminated to all MLS 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 property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker no later than the time an offer to purchase is submitted to the listing broker.

**SECTION 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:** The existence of a dual or variable rate commission arrangement (i.e. one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker, or one in which the seller agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of the seller) shall be disclosed by the listing broker as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction, or alternatively in a sale that results through the efforts of the seller. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

## **VI. MLS CHARGES AND FINES**

**SECTION 6.1 MLS FEES AND CHARGES:** The MLS charges for operation of the MLS are in effect to defray the costs of the MLS and are subject to change from time to time.

**SECTION 6.2 INITIAL PARTICIPATION FEE:** An applicant for participation in the MLS shall pay an application fee of \$500 with such fee to accompany the application and is a non-refundable fee.

**SECTION 6.3 RECURRING PARTICIPATION FEE:** The monthly participation fee of each Participant shall be an amount recommended by the MLS Committee and approved by the Officers and Directors. This amount will be times each salesperson and licensed or certified appraiser who has access to and use of the MLS, whether licensed as broker, sales licensee or licensed or certified appraiser, who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made on or before the first day of the month. Users will be billed \$25 for each listing that the Association Office enters into the MLS.

**SECTION 6.4 FINES:** A fine will be assessed to those Participants who do not submit listings, sales, pendings, changes, or corrections to the MLS in accordance with the Violation Fines, Appendix B of the MLS Rules and Regulations. If listing(s) has not been corrected in the allotted time, MLS service may be suspended for the entire office until the correction(s) are made per the discretion of the MLS Chair.

**SECTION 6.5 LOCK BOX FEE:** The fee for each lock box shall be at cost plus 10%, which shall accompany the request.

**SECTION 6.6 LOCK BOX KEY FEE:** An initial deposit of \$100 for the display key plus a non refundable \$80 activation fee. Deposits for replacement keys reported stolen shall be the current cost of a new key accompanied by a copy of the police report provided by the key holder. The MLS must be notified immediately of all lost keys. If, at the time of inventory, a key is unaccounted for, or if a key holder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the Association. Key Lease will outline the terms of lease agreement. Failure to comply with lease terms and payments, the provisions of Section 7.1 shall apply. (Amended 06/2011)

**SECTION 6.7 MISUSE OF LOCK BOX KEY:** Use of the lock box key must comply with the showing instructions as specified in the MLS listing. Any violation may result in the loss of lock box key privileges as well as a fine to be determined by the MLS Chair.

## **VII. COMPLIANCE WITH RULES**

**SECTION 7.1 COMPLIANCE WITH RULES:** The following action may be taken for non-compliance with the rules:

- (a) For failure to pay any MLS charge, fee, or fine refer to Article X, Section 5 of the Bylaws of the Association.
- (b) For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply. (Amended 06/2011)

**SECTION 7.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS:** Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or 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 users or subscribers affiliated with the Participant.

## **VIII MEETINGS**

**SECTION 8.1 MEETINGS OF MLS COMMITTEE:** The MLS Committee shall meet for the transaction of its business at a time and place to be determined by the committee or the call of the Chair.

**SECTION 8.2 MEETINGS OF MLS PARTICIPANTS:** The Committee may call meetings of the Participants in the MLS to be known as meetings of the MLS.

**SECTION 8.3 CONDUCT OF THE MEETINGS:** The Chair shall preside at all meetings or, in their absence; a temporary Chair from the membership of the Committee shall be named by the Chair or, upon his/her failure to do so, by the Committee.

## **IX. ENFORCEMENT OF RULES OR DISPUTES**

**SECTION 9.1 CONSIDERATION OF ALLEGED VIOLATIONS:** The Committee shall give consideration to all written complaints from Participants having to do with violations of the Rules and Regulations.

**SECTION 9.2 VIOLATIONS OF RULES AND REGULATIONS:** If the alleged offense is a violation of the Association Bylaws or Rules and Regulations of the MLS and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants, or request for arbitration, it may be administratively considered and determined by the MLS Committee or Association Board of Directors. If a violation is determined, the Committee or the Association Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the Bylaws and Rules and Regulations of the Association of REALTORS® within twenty (20) days following receipt of the Committee's decision. If the MLS Committee has a procedure established to conduct hearings, the decision of the MLS Committee tribunal may be appealed to the Board of Directors within twenty (20) days of the tribunal's decision being rendered. Alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants shall be referred to the Association's Grievance Committee for processing in accordance with the Professional Standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Association Board of Directors.

**SECTION 9.3 COMPLAINTS OF UNETHICAL CONDUCT:** All other complaints of unethical conduct shall be referred by the Committee to the Executive Vice President of the Association of REALTORS® for appropriate action in accordance with the Professional Standards procedures established in the Association's Bylaws.

## **X. CONFIDENTIALITY OF MLS INFORMATION**

**SECTION 10.1 CONFIDENTIALITY OF MLS INFORMATION:** Any information provided by the MLS to the Participants shall be considered official information of the MLS. 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 or regulatory agency to engage in property management or the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

**SECTION 10.2 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:** The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as entered into with the MLS by the Participant. The MLS does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the MLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

**SECTION 10.3 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION:** Association Members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, 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 MLS including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

## **XI. OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS**

**SECTION 11.1 SUBMISSION OF PROPERTY:** By the act of submitting of any property listing content to the MLS, the Participant represents that he/she has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on “Comparables”. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

**SECTION 11.2 COPYRIGHTS:** All right, title, and interest in each copy of every MLS compilation created and copyrighted by the Coastal Carolinas Association of REALTORS® and in the copyrights therein, shall at all times remain vested in the Coastal Carolinas Association of REALTORS®, Inc.

**SECTION 11.3 ACCESS TO COMPILATION:** Each Participant shall be entitled to lease, print, or electronic copies from the Coastal Carolinas Association of REALTORS® a number of copies of each MLS Compilation\* sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by the Association. Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules. \*\*

**NOTE:** \*The term 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 data base, card file, or any other format whatever.

**NOTE:** \*\*This section should not be construed to require the Participant to lease a copy of the MLS Compilation for any licensee affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing and selling real property, and who does not, at any time, have access to nor use of the MLS information or MLS facility of the Association.

## **XII. USE OF COPYRIGHTED MLS COMPILATIONS**

**SECTION 12.1 DISTRIBUTION:** Participants shall, at all times, maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Association of REALTORS®, and shall not distribute any such copies to persons other than persons who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association MLS 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 MLS where access to such information is prohibited by law.

**SECTION 12.2 DISPLAY:** Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in said MLS Compilation.

**SECTION 12.3 REPRODUCTION:** Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, a reasonable\* number of single copies of property listing data contained in the MLS Compilation which relates to any properties in which the prospective purchasers are or may, in the judgement of the Participant 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 has expressed interest, or in which the Participant or their affiliated licensees, be interested.

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

Any 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, re-transmitted, or provided in any manner to any unauthorized individual, office, or firm. See Section XVII-Web Policy.

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 an estimate of value on a particular property for a particular client. However, only such information that an Association-owned MLS has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report 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 with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to: the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the 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 should be shown to the prospective purchaser.

### **XIII. USE OF MLS INFORMATION**

**SECTION 13.1 LIMITATIONS ON USE OF MLS INFORMATION:** Use of information from the MLS compilation of current listing information, from the Association's "Statistical Report", or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by an MLS Participant or in any 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 Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

"This representation is based in whole or in part on data supplied by the Coastal Carolinas Association of REALTORS® or its MLS for the period (date) through (date). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market."

### **XIV. CHANGES IN RULES AND REGULATIONS**

**SECTION 14.1 CHANGES IN RULES AND REGULATIONS:** Amendments to the Rules and Regulations of the MLS shall be by a majority vote of the Members of the MLS Committee, subject to the approval of the Board of Directors of the Association of REALTORS®.

## **XV. ORIENTATION**

**SECTION 15.1 ORIENTATION:** Any applicant for MLS Participation and any licensee affiliated with a MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

## **XVI. LOCK BOX SECURITY REQUIREMENTS**

**SECTION 16.1 LOCK BOX PROCEDURES:** Any lock box system shall be designated as either an activity of an Association of REALTORS® or an Association-owned and operated MLS. Listing agents are required to indicate one of the following during listing input:

- 'Yes' if using an Association approved lock box
- 'No' if using a lock box not approved by the Association
- 'No' if no lock box is used

The disclosure of PIN codes in the MLS is prohibited as well as inclusion of any information regarding a non-MLS issued lock box. Failure to comply with the above statements will result in a \$50.00 fine if not corrected within 24 hours.

**SECTION 16.2 LOCK BOX SECURITY:** Regardless of lock boxes in use, the publication of lock box combinations, key locations, or other entry information in the Public Remarks or Public Addendum is prohibited.

**SECTION 16.3 SELLERS AUTHORITY:** Lock boxes may not be placed on a property without authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.

**SECTION 16.4 LEASE AGREEMENT:** Every REALTOR member and/or every MLS Participant and every non-principal broker, sales licensee and licensed or certified appraisers, and affiliate members that include only Pest Control and Home Inspectors shall be eligible to hold a key subject to their execution of a lease agreement with the Association and MLS.

Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the Association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the key holder.

No one shall be required to lease a key from the Association except on a voluntary basis. Keys may be leased to affiliate members actively engaged in a recognized field of real estate practice or in related fields. In such instances the lease agreement shall be signed by the key holder. Current records shall be maintained as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the key holder and the designated REALTOR, broker of record. This audit requirement does not apply to electronic lock box programmers or keypads that are sold or leased provided such devices may be deactivated within thirty (30) days.

**SECTION 16.5 LOCK BOX SUSPENSION:** Associations and MLS 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 convicted of a felony or misdemeanor if the crime, in the determination of the Association or MLS, relates to the real estate business or puts clients, customers or other real estate professionals at risk.

Associations or MLS may suspend the right of lock box key holders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Association or MLS, relates to the real estate business or which puts clients, customers or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- a) The nature and seriousness of the crime
- b) The relationship of the crime to the purposes for limiting lock box access
- c) The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- d) The extent and nature of past criminal activity
- e) Time since criminal activity was engaged in
- f) Evidence of rehabilitation while incarcerated or following release and
- g) Evidence of present fitness

## **XVII. WEB POLICY**

### **SECTION 17 WEB POLICY: Coastal Carolinas Association of REALTORS®**

#### **Internet Data Exchange (IDX) Policy**

Coastal Carolinas Associations of REALTORS® and its multiple listing services enables MLS participants to display on participants' public websites aggregated MLS listing information subject to the requirements of state law, regulation, and applicable MLS rules. To comply with this requirement MLSs will, if requested by a participant, promptly provide basic downloading of all active listings and other listings authorized under applicable MLS rules and will not exclude any listings from the information which can be downloaded or displayed under IDX except those listings for which a participant has withheld consent, or listings for which the seller has prohibited Internet display. Coastal Carolinas Associations of REALTORS® MLS also offers alternative display options including IDX SmartFraming of the MLS active listings. For purposes of this policy, "downloading" means electronic transmission of data from MLS servers to participants' servers on a persistent or transient basis, at the discretion of the MLS excluding the listing or property address, respectively, of any seller who affirmatively directs that the listing or the property address not appear on the Internet or other electronic forms of display or distribution.

Coastal Carolinas MLSs allows persistent downloading of the MLS database by participants for display or distribution on the Internet or by other electronic means and requires that participants (1) utilize appropriate security protection, such as firewalls, provided that any security obligations imposed on participants may not be greater than those employed concurrently by the MLS, and (2) maintain an audit trail of consumer activity on the IDX site and make that information available to the MLS if the MLS has reason to believe that a participant's 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. This policy does not require associations or MLSs to establish publicly accessible sites displaying participants' listings.

Unless state law requires prior written consent from listing brokers, listing brokers' consent for IDX display may be presumed unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit IDX display of that participant's listings, then that participant may not display the aggregated MLS data of other participants on an IDX site.

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 as instructed by the seller.

Access to MLS databases, or any part of such databases, may not be provided to any person or entity not expressly authorized such access under the MLS rules.

Participants Internet websites may also provide other features, information, or services in addition to IDX information (including Virtual Office Website ["VOW"] functions) which are not subject to this policy.

## Policies Applicable to Participants' IDX Sites

1. Participants must notify the MLS of their intention to establish an IDX site and make their IDX site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.
2. MLS participants may not use IDX-provided listings for any purpose other than display on their websites. This does not require participants to prevent indexing of IDX listings by recognized search engines.
3. Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly accessible websites or VOWs) shall not be accessible via IDX sites.
4. Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service provided by the listing firm. Selection of listings to be displayed on an IDX site must be independently made by each participant.
5. Participants must refresh all MLS downloads and refresh all MLS data not less frequently than every three (3) days.
6. Except as provided elsewhere in this policy or elsewhere in an MLS's rules and regulations, an IDX site or participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.
7. When displaying listing content, a participant's or user's IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.
8. With respect to any IDX site that
  - a. 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
  - b. Displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, the IDX site shall disable or discontinue either or both of those features as to the seller's listing 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 participants' websites. Except for the foregoing and subject to paragraph 9, a participant's IDX site may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its customers that a particular feature has been disabled at the request of the seller.
9. An IDX operator 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 IDX operator beyond that supplied by the MLS and that relates to a specific property displayed

on the IDX site. The IDX operator 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 that property explaining why the data or information is false. However, the IDX operator shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

## Policies Applicable to Multiple Listing Services

1. Display of expired, withdrawn, pending, or sold listings is prohibited
2. Display of confidential information fields intended for cooperating brokers rather than consumers including compensation offered to other MLS participants, showing instructions, property security information, etc. is prohibited
3. Display of the type of listing agreement, e.g., exclusive right to sell, exclusive agency, etc. is prohibited
4. Display of seller's(s') and occupant's(s') name(s), phone number(s), and e-mail address(es) is prohibited
5. Listing displayed must identify the listing firm 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
6. The name of listing agents must be displayed
7. Information displayed may not be modified. MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the other data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields (see Attachment A).
8. Any display of other participants' listings must indicate the source of the information being displayed
9. Other brokers' 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
10. Participants must indicate on their websites that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing
11. The amount of data/number of listings that consumers may retrieve or download in response to an inquiry is limited to one hundred (100) listings or five percent (5%) of the listings available for IDX display, whichever is less.
12. Display of other participants' listings is limited to a participant's office(s) holding participatory rights in the same MLS
13. A notice is required on all MLS data displayed indicating that the data is deemed reliable but is not guaranteed accurate by the MLS. Participants' IDX sites may also include other disclaimers necessary to protect the participant and/or the MLS from liability.

## Additional Local Issues/Options

1. The right to display listing information on an IDX site is limited to participants who are REALTORS® and approved 3<sup>rd</sup> parties.
2. Coastal Carolinas MLS permits the right to display listing information available pursuant to IDX to MLS participants licensed as real estate brokers.
3. Coastal Carolinas MLS permits the right to display listing information pursuant to IDX to MLS participants engaged in real estate brokerage.
4. Coastal Carolinas MLS permits non-principal brokers and sales licensees affiliated with MLS participants to use information available through IDX to populate their own websites.
5. Even if use of information through IDX is provided to non-principal brokers and sales licensees affiliated with MLS participants, such use is subject to participants' consent and control and the requirements of state law and/or regulation.
6. MLSs cannot prohibit participants from downloading and displaying or framing other brokers' listings obtained from other sources, e.g., other MLSs, non-participating brokers, etc., but, as a matter of local option, Coastal Carolinas Association of REALTORS® requires that listings obtained through IDX be searched separately from listings obtained from other sources, including other MLSs.
7. Coastal Carolinas Association of REALTORS® charges the costs of adding or enhancing their downloading capacity to participants and 3<sup>rd</sup> parties who will download listing information.
8. Coastal Carolinas permits advertising (including co-branding) on pages displaying IDX-provided listings but prohibits deceptive or misleading advertising (including co-branding).

For purposes of this provision, 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.

## Attachment A – allowed fields for display

MLS# .....	All Classes
Price.....	All Classes
Area .....	All Classes
Street Address .....	All Classes
City.....	All Classes
State .....	All Classes
Zip.....	All Classes
Type.....	All Classes
Public Remarks.....	All Classes
Features Groups* .....	All Classes
Open House Information.....	All Classes
Bathrooms.....	Available in Residential & Condo/Townhouse
Bedroom .....	Available in Residential & Condo/Townhouse
Formal Dining Room .....	Available in Residential & Condo/Townhouse
Garage Capacity .....	Available in Residential & Condo/Townhouse
Garage Type .....	Available in Residential & Condo/Townhouse
Estimated Heated Square Feet....	Residential, Condo/Townhouse, Commercial, Multi-Family
Room Dimensions.....	Available in Residential & Condo/Townhouse
Style .....	Available in Residential & Condo/Townhouse
Section/Subdivision.....	Available in Residential & Land
Zoning.....	Available in Land & Multi-Family
Project/Section Code .....	Available in Condo/Townhouse
4 Sided Lot Measurement.....	Available in Residential, Commercial, Land, Multi-Family
Number of Acres .....	Available in Residential, Land,
Number of Units .....	Available in Multi-Family, Commercial
Bldg. Rented .....	Available in Commercial
Business Offered .....	Available in Commercial
Designated Flood Plain.....	Available in Commercial
Environmental Study.....	Available in Commercial
In city .....	Available in Commercial
Present Use .....	Available in Commercial
Sale/Lease .....	Available in Commercial
Total Parking Spaces.....	Available in Commercial
Underground Storage Tank.....	Available in Commercial
Wetlands.....	Available in Commercial

### \*Features Prohibited From Display:

Possession.....	All Classes
Showing .....	All Classes
Terms of Sale.....	All Classes
Type of Listing.....	All Classes

## **Section 18**

### **Virtual Office Websites (VOWs)**

CCAR reserves the right cut off any data feed for the purpose of VOW if CCAR feels that the data is being misused in any way.

#### **Section 18.1 VOW Defined**

- a. A “Virtual Office Website” (VOW) is a participant’s Internet website, or a feature of a participant’s website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his or her participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant’s oversight, supervision, and accountability.
- b. As used in Section 18 of these rules, the term “participant” includes a participant’s affiliated non-principal brokers and sales licensees—except when the term is used in the phrases “participant’s consent” and “participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all Virtual Office Websites, whether operated by a participant, by a non-principal broker or sales licensee, or by an “Affiliated VOW Partner” (AVP) on behalf of a participant.
- c. “Affiliated VOW Partner” (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant’s supervision, accountability, and compliance with the VOW policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS listing information, except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS listing information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.
- d. As used in Section 18 of these rules, the term “MLS listing information” refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to participants.

#### **Section 18.2 Participation**

- a. The right of a participant’s VOW to display MLS listing information is limited to that supplied by the MLS(s) in which the participant has participatory rights. However, a participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW policy and these rules, a participant’s VOW, including any VOW operated on behalf of a participant by an AVP, may provide other features, information, or functions, e.g., “Internet Data Exchange” (IDX).

- c. Except as otherwise provided in the VOW policy or in these rules, a participant need not obtain separate permission from other MLS participants whose listings will be displayed on the participant's VOW.

### **Section 18.3 Preliminary Requirements**

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his or her VOW, the participant must take each of the following steps.
- i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
  - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in Subsection d., below). The participant must verify that the e-mail address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
  - iii. The participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name and password.
- b. The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must at all times maintain a record of the name, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (180) days after the expiration of the validity of the Registrant's password.
- c. If the MLS has reason to believe that a participant's VOW has caused or permitted a breach in the security of MLS listing information or a violation of MLS rules, the participant shall, upon request of the MLS, provide the name, e-mail address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d. The participant shall require each Registrant to review and affirmatively to express agreement (by mouse click or otherwise) to a terms of use provision that provides at least the following:
- i. that the Registrant acknowledges entering into a lawful consumer-broker relationship with the participant
  - ii. that all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use
  - iii. that the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW

- iv. that the Registrant will not copy, redistribute, or retransmit any of the information provided, except in connection with the Registrant's consideration of the purchase or sale of an individual property
  - v. that the Registrant acknowledges the MLS' ownership of and the validity of the MLS' copyright in the MLS database
- e. The terms of use agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the participant. Any agreement entered into at any time between the participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the participant must be established separately from the terms of use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f. The terms of use agreement shall also expressly authorize the MLS and other MLS participants or their duly authorized representatives to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of participants' listings by the VOW. The agreement may also include such other provisions as may be agreed to between the participant and the Registrant.

#### **Section 18.4 Contact Information**

A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the participant to ask questions or get more information about any property displayed on the VOW. The participant or a non-principal broker or sales licensee licensed with the participant must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that participant and displayed on the VOW.

#### **Section 18.5 Security of VOW Content**

A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses of MLS listing information. A participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

**Note:** MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.

#### **Section 18.6 Opt Out**

a. A participant's VOW shall not display the listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a participant who operates a VOW may provide to consumers via other delivery mechanisms, such as e-mail, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

b. A participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision.

### **Seller Opt-out Form**

1. Check one.

a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

b. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that if I have selected Option a., consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their searches.

\_\_\_\_\_  
Initials of Seller

c. The participant shall retain such forms for at least one (1) year from the date they are signed or one (1) year from the date the listing goes off the market, whichever is greater.

### **Section 18.7 Third Party Comments**

a. Subject to Subsection b., below, a participant's VOW may allow third-parties:

- i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- ii. to display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

b. Notwithstanding the foregoing, at the request of a seller, the participant shall disable or discontinue either or both of those features described in Subsection a. as to any listing 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 participants' websites. Subject to the foregoing and to Section 18.8, a participant's VOW may communicate the participant's professional judgment concerning any listing. A participant's VOW may notify its customers that a particular feature has been disabled at the request of the seller.

### **Section 18.8 Third Party Comments Accuracy**

A participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The participant shall correct or remove any false information relating to a specific property within forty-eight (48) hours following receipt of a communication from the listing broker explaining why the data or information is false. The participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

### **Section 18.9 Updating of Content**

A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

### **Section 18.10 Distribution of Content**

Except as provided in these rules, in the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>, VOW policy, or in any other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

### **Section 18.11 Privacy Policy**

A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

### **Section 18.12 Listings Exclusions**

A participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR<sup>®</sup>.

### **Section 18.13 Establishing a VOW**

A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable MLS rules or policies.

### **Section 18.14 Operating Multiple VOW's**

A participant may operate more than one VOW himself or herself or through an AVP. A participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the participant.

**Note:** Adoption of Sections 18.15 through 18.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on participants' use of MLS listing information in providing brokerage service through all other delivery mechanisms.

### **Section 18.15 Search Exclusions**

A participant's VOW may not make available for search by or display to Registrants any of the following information:

- b. the compensation offered to other MLS participants
- c. the type of listing agreement, i.e., exclusive right-to-sell or exclusive agency
- d. the seller's and occupant's name(s), phone number(s), or e-mail address(es)
- e. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

### **Section 18.16 Changing MLS Information**

A participant shall not change the content of any MLS listing information that is displayed on a VOW from the content as it is provided in the MLS. The participant may, however, augment MLS listing information with additional information not otherwise prohibited by these rules or by other applicable MLS rules or policies, as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

### **Section 18.17 Accuracy of Information**

A participant shall cause to be placed on his or her VOW a notice indicating that the MLS listing information displayed on the VOW is deemed reliable, but is not guaranteed accurate by the MLS. A participant's VOW may include other appropriate disclaimers necessary to protect the participant and/or the MLS from liability.

### **Section 18.19 Search limitation**

A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

### **Section 18.20 Password Requirements**

A participant shall require that Registrants' passwords be reconfirmed or changed every 365 days.

**Note:** The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than ninety (90) days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.

### **Section 18.21 Branding**

A participant may display advertising and the identification of other entities (“co-branding”) on any VOW the participant operates or that is operated on his or her behalf. However, a participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this section, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information (or that of at least one participant, in the case of a VOW established and operated on behalf of more than one participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

### **Section 18.22 Identification of Source**

A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

### **Section 18.24 VOW Licensing**

Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

*(Adopted 11/08)*

**APPENDIX A:**  
**SANCTIONS AVAILABLE FOR MLS RULES VIOLATIONS AND DATA MISAPPROPRIATION**

**Internal Remedies for MLS Rules Violations:**

1. A fine of up to \$5,000.
2. Suspension of MLS privileges.
3. Termination of MLS privileges.
4. Specific violations and fines on separate white paper summary.

**Judicial Remedies for Data Misappropriation and Copyright Infringement:**

1. Injunctive relief.
2. Statutory damages, which may range from \$750 to \$30,000, in the discretion of the court, or up to \$150,000 if the infringement is willful.
3. Actual damages and lost profits.
4. Attorneys fees and costs, at the discretion of the court.
5. Potential criminal penalties.

**APPENDIX B:  
MLS VIOLATION FINES**

## MLS Violation Fines

<p><b>1.</b> Failure to enter a <b>new</b> listing into the MLS system; failure to enter a <b>change in status</b> into the MLS system within the MLS Rules &amp; Regulations time frame of 72 hours. Submission of sold information for office exclusive listings is optional.</p>	<p>\$50.00 for the infraction. Notification made by email to the Listing Agent if not corrected within 24 hours. An additional fine of \$50.00 per day will incur until corrected and the Broker notified of the infraction.</p>
<p><b>2.</b> Failure to supply correct information into <b>any</b> field required or otherwise at the time of listing. (ie: incorrect address, tax map #, grid map #, area information, etc.)</p>	<p>\$20.00 for the infraction. Notification made by email to the Listing Agent and Broker. If not corrected within 24 hours the MLS Department will correct and bill the Broker/Agent for the infraction.</p>
<p><b>3.</b> A primary photo must accompany a listing when entered into the MLS on all classes with the exception of the Land property class except where sellers expressly direct that photographs of their property not appear in the MLS. A primary photo must be the front view of the property and cannot include any for sale signs, agent or office logos, or any other form of contact information.</p>	<p>\$50.00 for the infraction. Notification is made by email to the Listing Agent. If not corrected within 24 hours an additional \$50.00 fine per day will incur until corrected and Broker notified of the infraction.</p>
<p><b>4.</b> Inclusion of contact information or <b>any</b> financial information into the Public Remarks or the Public Addendum section of a Listing. (ie: phone #'s, call information, web addresses, etc.)</p>	<p>\$20.00 for the infraction. Notification is made by email to the Listing Agent giving them 24 hours to correct. If not corrected within 24 hours, the MLS Dept. will correct and bill the Broker/Agent for the infraction.</p>
<p><b>5.</b> Failure to provide documentation requested by the MLS to validate the inclusion or lack of inclusion of a listing into the MLS system</p>	<p>\$50.00 for the infraction. Notification is made by email to the Listing Agent to provide documentation to the Association within 24 hours. If not received within 24 hours an additional \$50.00 fine will incur until received.</p>
<p><b>6.</b> Listings entered in the MLS will automatically expire on the expiration date. Extensions and renewals of listings must be signed by the seller(s) and filed with the listing office. Failure to provide proof of the signed extension when requested by the Association is an infraction of the MLS.</p>	<p>An automatic \$100.00 fine. Notification will be made by email to the Listing Agent and verbally to the Broker.</p> <p>Any office and/or listing agent found in violation more than one time within a six month time frame will be required to attend the MLS Rules and Regulations portion of the New Members orientation by both the agent and the broker.</p>
<p><b>7.</b> Failure of the Broker In Charge to insure that <b>ALL</b> Licensees join the Association and the MLS within 7 days after becoming members of their participating companies</p>	<p>Notification to Broker in Charge and office verbally and by email. \$250 fine levied if not corrected within 72 hours.</p>
<p><b>8.</b> If a Broker applies for a waiver of fees for MLS access of a licensed individual and it is discovered that that person is practicing the business of Real Estate.</p>	<p>\$500 fine levied against the Broker and the licensed individual is required to become a full member of the MLS.</p>
<p><b>9.</b> Random check will be conducted to ensure compliance with Short Sale notifications.</p>	<p>\$100 fines will be assessed if not corrected within 24 hour notice.</p>