

Navigating the Fork in the Road—
NAR Training for Professional Standards Committees
Course Description and Learning Objectives

COURSE DESCRIPTION

Ethical behavior is the number one trait consumers say they look for in choosing a real estate broker, and the REALTOR® Code of Ethics is the national standard by which real estate ethics are established and judged. REALTORS® have a clearly-defined process for enforcing ethical standards and arbitrating financial disputes amongst real estate licensees and consumers, but it requires advanced training for the licensees who volunteer to assist with that process.

Navigating the Fork in the Road— NAR Training for Professional Standards Committees is an in-depth review of the role, duties, procedures and reporting for those who participate as members of the REALTOR® Professional Standards Committee and Hearings Panels.

The course focuses on the Professional Standards process outlined in the Code of Ethics and Arbitration Manuals (CEAM), including step-by-step training on the hearing panel procedures for ethics complaints and arbitration process for resolving financial disputes. Utilizing case studies based on real-life hearings, students learn the fundamental differences between hearing ethics complaints and arbitrating financial disputes, including proper conduct of the hearings, the decision making process and expected outcomes. For ethics complaints, student learn the proper application of the Code, how to write findings of fact, and a progressive system of sanctions to improve behavior. For arbitrations, student learn the bases upon which arbitration is allowed or required, the proper application of procuring cause standards, and the factors that must be considered in any arbitration hearing. Students also learn how to use standardized reporting forms, as well as the requirements for confidentiality and protection of due process rights.

New Mexico real estate consumers benefit when ethical business standards are rigorously enforced and when they have access to a timely, low cost process to resolve financial disputes with REALTORS®. Consumers are better protected from unethical brokers or financial loss by training volunteers in an enforcement process which is designed to correct bad behavior and better educate licensees on their ethical and financial obligations to consumers. As a result, New Mexico consumers are likely to have transactions that are less difficult, include better and more thorough communication, and which meet the consumer's expectations and goals.

LEARNING OBJECTIVES—As a result of this class, students will be able to:

Introduction, Overview and Hearings Professional Standards Committee Role (40 min)

- Describe the origin and structure of the Code and list the three groups to whom REALTORS® have ethical duties
- Identify the two core services provided in the Code of Ethics as Enforcement of Ethical Standards and Arbitration of Money Disputes.
- Name the three REALTOR® volunteer groups who participate in the Ethics and Arbitration process and outline their roles in Code enforcement
- Identify the specific duties of the Professional Standards Committee in ethics complaints and arbitration requests
- Describe the standards of conduct, practice and proof that apply in ethics hearings versus arbitration hearings
- Summarize the steps required to ensure an impartial and confidentiality in the hearings process to protect the due process rights of all participants

Hearing Process and for an Ethics Complaint (60 min)

- List the 3 required elements of every ethics hearing decision
- Summarize the process for “finding fact” and “drawing conclusions” in an ethics hearing
- Analyze an ethics complaint case study to find fact related to ethical standards and draw conclusions as to unethical conduct
- Show how “progressive discipline” assists in improving ethical conduct
- Demonstrate the process for evaluating appropriate sanctions when an ethics violation occurs

Hearings Process for an Arbitration Request (60 min)

- Identify the types of contractual agreements and other monetary disputes that may be arbitrated under Article 17 of the Code of Ethics
- Generalize the basic concepts related to procuring cause, including Abandonment and Estrangement
- Explain the process for reviewing an arbitration request, including at least 3 examples of factors which must be considered at a hearing
- Identify the contractual disputes and procuring cause issues in an arbitration request case study

- List the three components of an arbitration decision and describe why no written rationale is provided
- Explain that the parties may settle an arbitration at any time prior to the conclusion of a hearing

Combined Ethics and Arbitration Cases (60 minutes)

- Explain why arbitration requests are processed prior to ethics complaints
- Identify the contractual disputes and/or procuring cause issues in an arbitration request case study
- Analyze an ethics complaint case study to find fact related to ethical standards and draw conclusions as to unethical conduct

Special Circumstances--Referral to Grievance, Hearings without a Respondent and Remote Testimony (20 minutes)

- Outline the circumstances in which the Hearings Panel may refer an ethics case back to the Grievance Committee and when Grievance can become the complainant
- Describe when an ethics hearing may be conducted without the presence of the Respondent
- Explain when Remote Testimony is appropriate in an ethics hearing
- Define “due process” as it relates to enforcement of ethics and arbitration of disputes, and list five elements of due process