

The REALTOR® Professional Standards Process

What is “Professional Standards”?

A REALTOR® local association’s professional standards program consists of 2 separate processes: (1) arbitrations and (2) disciplinary complaints. **Arbitrations** are monetary disputes where the person filing the complaint believes they are entitled to money from a member as a matter of law. **Disciplinary Complaints** are complaints alleging that a member has violated the rules of the local Association, the NAR [REALTOR® Code of Ethics](#), and/or the MLS (“Professional Standards Rules”).

What are the consequences of being found in violation of Professional Standards Rules after a disciplinary hearing?

Forms of discipline may include: (1) attendance at courses and seminars designed to increase REALTORS®’ understanding of their ethical duties and responsibilities; (2) a letter of warning or reprimand placed in the violator’s file; (3) an appropriate fine not exceeding \$15,000; and/or (4) association and/or MLS membership suspension, , termination or expulsion. C.A.R. [publishes on its website](#) all ethics violations that result in a letter of reprimand, fine, suspension or expulsion. Associations cannot require REALTORS® to pay money to parties filing an ethics complaint and cannot suspend or revoke a real estate professional's license.

Who is responsible for enforcement of professional standards?

There are 3 groups that enforce professional standards at a local association of REALTORS®: **(1) The Grievance Committee**, whose primary job is to preliminarily review ethics complaints to determine if a possible violation is alleged; **(2) The Professional Standards Committee**, whose members serve as panelists for disciplinary hearings and arbitrations; and **(3) The Board of Directors**, which acts as an appellate body for the Association’s Professional Standards programs.

What general procedures are followed for arbitrations and disciplinary hearings?

For arbitrations, once a complaint is filed, if mediation does not result in a settlement or if the parties refuse to mediate, then an arbitration hearing is scheduled. At the hearing, both parties can present documentary evidence and witness testimony to the hearing panel. The panel will then decide whether to award money to the complainant. The losing party to the arbitration can request a review of the decision before a panel of the Board of Directors, but only for alleged procedural deficiencies.

For disciplinary hearings, complaints are reviewed by the Grievance Committee which decides whether to dismiss the complaint or send it forward for a hearing. If forwarded, a hearing is scheduled where both parties can present documentary evidence and witness testimony. The panel will then decide whether the respondent has committed violations of the cited rules and, if so, what discipline should be imposed as a result of those violations. The losing party can request a review of the decision before a panel of the Board of Directors.

Where can I find more information about the REALTOR® professional standards process?

All manuals, guides, and forms related to professional standards in California can be found here: <https://www.car.org/en/mlspro/Pro-Standards-Materials>.