

Top MLS Rules Violations & How to Avoid Them

The MLS Rules exist to protect your rights as a real estate professional and to protect the accuracy of MLS data. You want to avoid receiving a citation for an MLS Rules violation. Most rules violations are unintentional and easy to avoid. Follow these tips to steer clear of the most common violations!

Exterior Photo Requirement – MLS Rule 11.5.1

Description of violation:

This violation occurs when a user enters a listing into the MLS and does not upload a compliant exterior photograph within two (2) calendar days.

Per Rule 11.5.1, within two (2) calendar days of entry, listings input into the MLS are required to have at least one (1) photograph accurately depicting a substantial portion of the exterior of the property. Additionally, a compliant exterior photograph must remain on the listing at all times for all statuses.

How to avoid the violation:

Once you enter a listing in the MLS, you must add at least one (1) compliant photo or rendering of the exterior structure of the listed property within two (2) calendar days, regardless of the listing status. If a property is sold within five calendar days of entering the listing into the MLS, it is important that you add at least one compliant exterior structural photo prior to closing the listing.

This photo requirement does not apply to Business Opportunity listings, Registered listings, or listings that are Canceled within two calendar days of entry. This Rule does apply to Coming Soon listings.

Note: The compliant exterior photo does not have to be of the front of the property, nor does it have to be the first photo in your photo order.

Click <u>here</u> to access our Photographs and Media FAQs.

Branded Photos/Media – MLS Rule 11.5(e)

Description of violation:

Branding of any media submitted to the MLS is prohibited. Photos, virtual tours, and any media submitted to the MLS must not contain any branding or promotional information related to the listing broker or agent.

What is Branding?

Branding is defined as the inclusion of any content in media that can be used to identify any person or entity including but not limited to the listing broker or agent or any franchise or company the broker or agent are affiliated with, contact information for the broker or agent et al, or any other material that is or may be associated with the broker or agent et al.

Media content that may be considered Branding includes, but is not limited to: signs, contact information, identifiable persons, logos, slogans, catchphrases, external links or references, team names, or any other items related to the broker or agent et al.

How to avoid the violation:

Photos and media uploaded onto the MLS must not contain any of the items below:

- Agent, Broker, or Brokerage names or photos or logos
- Phone numbers
- Website addresses
- Email addresses
- For sale or for lease signs, billboards, open house signs, promotion signs, or any other advertising material with identifiable information
- Messages or solicitations
- People that are not incidental and/or are identifiable
 - Example: A scene that features people who can be identified or a photograph of only a person.
- Photographs of children will be pulled immediately by CRMLS Staff.
- Animals with no relation to the property being listed
- Example: A photograph of only a horse, dog, chicken, etc.
- Items not directly related to the listing
- Using a video tour hosting site/landing page that is branded

Per Rule 11.9, CRMLS reserves the right to remove any media found in violation or that is otherwise inappropriate.

Consequently, if a photograph is removed for violation of Rule 11.5(e) and that photograph is the only photograph that fulfills the requirements of Rule 11.5.1, an additional citation may be issued on that basis if the issue is not corrected in a timely manner. Refer to section 1 for more details regarding the exterior photograph requirement.

Click here to access our Photographs and Media FAQs.

Copyright Issues – MLS Rules 11.5(b) and 11.5(d)

Rule 11.5 (b)

Description of violation:

This violation occurs when media that the listing agent or broker did not create and/or does not own is uploaded to the MLS without prior written authorization from the content's creator.

Rule 11.5, subsection (b) reads as follows: "By submitting any Media to the MLS, the Participant/ Subscriber represents and warrants that they own sufficient rights to reproduce and display the media or they have procured such rights and all necessary licenses from appropriate parties. Use of media by any subsequent. Rights that have been obtained by the Participant/Subscriber from another party shall be fully set forth in a writing that must be in place **prior to** the submission of the subject Media to the MLS."

How to avoid the violation:

The listing agent and broker must obtain written documentation which authorizes the use of the media (photos or videos). This documentation may include but is not limited to the C.A.R. PIA (Property Images Agreement) form, or an otherwise acceptable assignment of rights or license agreement. Whichever document the listing agent or broker uses, it must provide an irrevocable, unrestricted, transferable, perpetual, royalty-free, and non-exclusive (with right to sublicense) right to the MLS to use, store, reproduce, compile, display, and distribute the media as part of its compilation. CRMLS has observed that nearly all photographer-created license forms fail to provide the necessary license language, even where they include reference to the MLS, and should be used with caution.

Remember – <u>Verbal permission to use media subject to copyright protection is insufficient</u> for the purposes of the MLS, and/or for your protection in general. If you are not the owner or creator of the media, you must obtain sufficient written authorization from the rightful owner of the media **before** using it in your listing.

Click here to access our Photographs and Media FAQs.

Rule 11.5 (d)

Description of violation:

This violation occurs when the media from a previous listing is obtained and uploaded to the MLS by a listing agent without permission from the appropriate parties.

Rule 11.5, subsection (d) reads as follows: "Use of Media that is included in the MLS Compilation by any subsequent Participant/Subscriber requires **prior** written authorization from the Participant/Subscriber who previously submitted the Media and any party with the legal right to grant such authorization. Notwithstanding the foregoing, subsequent use of Media which results in double watermarks appearing in the Media is prohibited."

How to avoid the violation:

If you are not the owner or creator of the media, you must obtain sufficient written authorization from the rightful owner of the media **before** using it in your listing. To avoid double watermarks, ask whoever is granting you permission to use their photos to provide you with the originals or, if originals are unavailable, versions of the photos that have not been marked by the MLS. Never copy photos directly from another listing.

Click here to access our Photographs and Media FAQs.

Mandatory Delivery of a Listing Agreement- MLS Rules 7.8

Description of violation:

This violation occurs when a listing is not entered in the MLS as Registered or as a live listing within two (2) days of the effective list date.

How to avoid the violation:

Enter the listing as Registered, Active, or Coming Soon within two (2) days of the effective date of the listing. The effective date of a listing agreement is either: (1) the beginning date of the listing term, or (2) the last date on which all necessary signatures were obtained, whichever is **later**.

Mandatory Submission upon Marketing – MLS Rule 7.9

Description of the violation:

This violation occurs when a property is being publicly marketed but the listing has not been entered in the MLS as an Active or Coming Soon listing within one (1) business day of the first marketing date.

How to avoid the violation:

You must enter the listing as Active or Coming Soon within one (1) business day of publicly marketing a property or do not publicly market your listing prior to it being entered in the MLS for cooperation.

Click <u>here</u> to access our Clear Cooperation Policy homepage.

Misuse of Public Remarks – MLS Rule 12.5

Description of violation:

This violation occurs when prohibited information or verbiage is placed in any public remarks field.

How to avoid the violation:

It is important that the remarks in the Property Description and any other public facing field are limited to the physical and aesthetic characteristics of the property.

The Property Description and other public facing fields may not include:

- Contact information of any kind
- Branded (as defined in Rule 11.5(e)) content
- Links to external websites of any kind, including, but not limited to, agent or broker sites, video tours, virtual showing or open house tools, vendor sites, or offer submission/ application/auction platforms
- Showing instructions or open house information
- Information regarding lockboxes, alarms, gate or other security codes, or occupancy status of the property (a statement that the property shall be delivered vacant is not a violation of this section).
- Information deemed to create an unsafe or unsecure circumstance related to the listed property, property occupants, real estate practitioners, or the public
- Information directed toward agents or brokers, including, but not limited to, references to compensation or bonuses
- Solicitations or invitations for the public to contact the listing agent or broker or any third parties affiliated with the listing agent or broker
- Content that violates Fair Housing law or that is deemed discriminatory, illegal, defamatory, offensive, or otherwise inappropriate

CRMLS reserves the right to remove and issue citations for any inappropriate content. Additionally, copying of remarks by a subsequent listing agent for use in his or her own listing requires prior written authorization from the original listing agent or other appropriate party with the legal right to reproduce and display such remarks.

Inaccurate Information and Auto Sold status – MLS Rule 8.3 (Matrix Only)

Inaccurate Information

Description of violation:

All fields within the MLS are to disclose accurate information to the best of the listing agent's and listing broker's knowledge.

How to avoid the violation:

Ensure all information entered in the MLS is accurate to best of your and your broker's knowledge. If information is found to be inaccurate, update your listing within 2 days.

Auto Sold Status

Description of violation:

For listings under Pending status or Active Under Contract status, if the Estimated Close of Escrow date is not updated or extended within 5 calendar days of the Estimated Close of Escrow date on the listing, the Matrix platform will automatically change the listing to Auto Sold. The listing agent will no longer have access to their listing until the Auto Sold status has been corrected. Auto Sold violations are subject to a citation and fine under the MLS rules.

How to avoid the violation:

Courtesy notices are sent by email 14 days prior to, 7 days prior to, 1 day prior to, on the day of your Estimated COE Date, 2 days following, and 5 days following. When you receive a notice, please update or extend your Estimated Close of Escrow Date prior to the Auto Sold feature taking effect.

Failure to Correct a Violation/Duty to Correct and Cooperate – MLS Rule 14.4

Description of the violation:

This violation occurs when a Listing Agent receives a citation with instructions to correct a violation on the listing and fails to make such a correction within a two-day time period.

Per Rule 14.4, a Participant/Subscriber must correct any violation of the Rules and Policies and bring the listing into compliance within two (2) days of a citation. Failure to correct violations or cooperate with an investigation under the Rules and Policies within the 2-day correction period may subject a non-conforming listing to removal from the MLS database. If the Subscriber fails to correct a violation, the Office Manager or Broker of Record is subject to a citation and fine for Failing to Supervise, under Rule 14.4.

How to avoid the violation:

Upon receipt of a citation, carefully review the notice for any corrective action requirements, and make any requested corrections within the two days noted on the citation.

Note: Maintaining accurate information and cooperating with CRMLS Compliance is the Listing Agent <u>and</u> Office Manager/Listing Broker's responsibility.

Failure to Provide Written Documentation - Rule 8.2

Description of the violation:

This violation occurs when you fail to provide a copy of written documentation and/or authorization to verify the adequacy and/or accuracy of the information that has been reported to the MLS, should the MLS request it.

Under Rule 8.2, The MLS and/or AOR has the right to demand a copy of any written documentation or written authorization related to a listing. Upon failure to provide the documentation requested by the MLS or AOR within one (1) business day, the MLS/AOR shall have the right to immediately remove any listing from the database.

How to avoid the violation:

You can avoid receiving a citation and fine under this rule by adhering to the following simple requirements. Make sure you have all of your listing documents in place and can easily access them. For example, be sure that you have a written listing agreement with all necessary signatures in your possession. Other documents that are commonly requested in Compliance investigations include Purchase Contracts, Addendums, Seller Instructions, Closing Statements, and Media Use Authorizations. Most importantly, be sure to provide documentation upon request within the 1-business-day time period to avoid a possible citation and fine.

To access the CRMLS Rules and Policies, click here.

Click here to chat live with a Compliance Analyst Monday-Friday, from 8:30am-4pm.

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