

## **South Padre Island Board of REALTORS® COMPLIANCE GUIDELINES**

The Laguna Madre Area Property Listing Service is responsible for the enforcement of LMAPLS Rules and Regulations. All written complaints involving violations of the LMAPLS Rules and Regulations will be considered by the LMAPLS staff in accordance with these Compliance Guidelines. All complaints of unethical conduct or requests for arbitration shall be referred to the association with which the Participant holds primary membership. Any complaint that encompasses a violation of the LMAPLS Rules and Regulations and unethical conduct or requests for arbitration will be separated into two issues and handled by the appropriate adjudicator.

### **SECTION 1 HOW IT WORKS**

#### Initiators of Alleged Violations:

Alleged violations of the LMAPLS Rules and Regulations must be made in writing and may be initiated by:

- a. LMAPLS Participants
- b. LMAPLS Staff

#### Categories of Alleged Violations:

When a violation of the LMAPLS Rules and Regulations has been discovered, written notice of the alleged violation must be submitted to the LMAPLS office via mail, fax, email or delivered to LMAPLS staff. LMAPLS staff will investigate the alleged violation. If a violation occurs it will fall into one of the following categories:

- a. Minor Violations;
- b. Failure to Correct a Listing- Minor Violations;
- c. Non-Response or Non- Compliance Fines;
- d. Automatic Violations;
- e. Internet Data Display Violations;
- f. Failure to Correct Internet Data Display Violations;
- g. Lockbox Violations and Fines;
- h. Appeal Request for Automatic Fines and Internet Data Display Fines.

The Participant will be notified of any listing changes or corrections that need to be made in the LMAPLS database.

### **MINOR VIOLATIONS**

When one of the violations listed below is alleged, the LMAPLS staff will send a Compliance Form by email or fax to the Participant. The Participant must correct the error within two (2) business days.

Minor violations include, but are not limited to:

- a. Failure to enter a listing in the correct category as identified in the LMAPLS database.
- b. Failure to report the correct sale price on a closed listing.
- c. Failure to report the correct Selling Office and Selling Agent on a closed listing.
- d. Failure to correctly report all required fields in the LMAPLS database.
- e. Failure to enter into at least one of the Commission fields a specific dollar amount greater than "0", a percentage rate greater than "0", or combination thereof.
- f. Failure to obtain Seller's written consent prior to entering a status change relating to an amendment to the Participant's listing agreement.
- g. Failure to provide the LMAPLS with any documentation requested by the LMAPLS within 2 business days of the date of the Compliance Form.
- h. Failure to report a correct listing expiration date.
- i. Failure to list properties that are sold or which may be sold separately individually in the listing agreement and in the LMAPLS database.
- j. Failure to properly notify LMAPLS when part of a listed property was sold.
- k. Agent, company or seller contact information included in any field not expressly marked for contact information. This includes, but is not limited to the remarks and directions fields, photos and virtual tours.
- l. Failure to make any required change of a listing within the specified time frame.
- m. Input of mobile or manufactured homes, unless being sold as a part of real property.
- n. Inappropriate input of more than one listing for the same property in an ACTIVE status at any given time unless a listing is marked for SALE and for RENT.
- o. Input of Bonus or Compensation information in any field not expressly designated for such information.
- p. Input of timeshares or fractional ownership properties.
- q. Failure to input listing within two (2) business days of receipt of a valid listing agreement.
- r. Failure to submit, within two (2) business days of request, a copy of the listing agreement which shows the Seller refused to permit the inclusion of the listing in the LMAPLS database.
- s. Failure to amend the status of a listing in the LMAPLS database within two (2) business days of the change of status.
- t. Entering a property without a valid listing agreement.
- u. Failure to use the original listing date and price when a property is withdrawn from the LMAPLS database prior to the expiration date and reentered by the same company without the execution of a new signed valid listing agreement.
- v. Failure to submit a valid listing agreement within two (2) business days for all new listings, and changed listings entered into the PLS.
- w. Failure to provide a main picture as well as four (4) additional pictures for each improved property entered into the PLS.

### Failure to Correct a Listing- Minor Violations

If a Compliance Form has been sent to the Participant, the correction must be made within two (2) business days from the date of the notice.

- Minor violations will be fined if they are not corrected within two (2) business days after notification.
- If possible and is not corrected by Participant, the correction will be made by LMAPLS staff.
- If the correction cannot be made by LMAPLS Staff, the fines will escalate as described below.
- If a Participant desires to explain any extenuating circumstances for failure to comply, notice must be given to the LMAPLS office within two (2) business days from the date of the initial notification.

### **SECTION 3 NON-RESPONSE OR NON-COMPLIANCE FINES**

Non-response or non-compliance to a LMAPLS Compliance Form by the appropriate deadlines carries escalating fines to the Participant as follows:

1<sup>st</sup> Notice: warning notice, \$0 fine assessed.

2<sup>nd</sup> Notice: \$50.00 fine assessed.

3<sup>rd</sup> Notice: \$250.00 fine assessed, a total of \$300.00 assessed.

After the 3<sup>rd</sup> notice the Participant will be suspended from the LMAPLS database.

**The fine schedule is per offense and billed to the Office.**

### **SECTION 4 AUTOMATIC VIOLATIONS**

When one of the violations listed below is found, the LMAPLS staff will send a Compliance Form by email or fax to the Participant. The LMAPLS staff will make the correction immediately where applicable and the following fines will immediately be assessed. Violations that are not corrected within two (2) business days after notification and can not be corrected by LMAPLS staff will be charged per the fine listed below, plus \$100.00 per calendar day thereafter until the correction is made. If a Participant desires to explain any extenuating circumstance for failure to comply, notice must be given to the LMAPLS office within two (2) business days from the date of the initial notification.

- a. Unauthorized dissemination of personal seller information including, but not limited to, alarm codes, “children at home”, “elderly at home”, “gate codes”- \$1,000.00 per listing fine.
- b. Unauthorized use of LMAPLS login information, compilations, listing information or statistical or comparable reports- \$5,000.00 fine per infraction.
- c. Input of derogatory statements or statements found to discriminate against any

- of the 7 classes protected in the Fair Housing Act- \$100.00 fine and the term(s) will be immediately removed by the LMAPLS staff.
- d. Advertising or marketing listings from the LMAPLS without authorization from the listing broker- \$1000.00 per listing per incident fine up to a maximum of \$5,000.00 per infraction.
  - e. Lockbox fines, see Section 6.

## **SECTION 5 INTERNET DISPLAY DATA VIOLATIONS AND FINES**

### Failure to Correct Internet Data Display Fines

If a LMAPLS Compliance Form has been sent to the Participant, the correction must be made within two (2) business days. Violations that are not corrected within two (2) business days after notification will be charged \$1000.00 plus \$100.00 per calendar day thereafter until the correction is made. If a Participant desires to explain any extenuating circumstances for failure to comply, a letter must be sent to the LMAPLS office within two (2) business days from the date of the initial notification.

## **SECTION 6 LOCKBOX VIOLATIONS AND FINES**

- a. Violations include:
  - Failure to keep the PIN code and keypad for the sole use of the registered keyholder or their representative;
  - Fraudulent requests for PIN/Shackle codes
  - Unauthorized access to listed property, including, but not limited to, failure to follow showing instructions
- b. Fines are as follows:
  - 1<sup>st</sup> infraction - \$100.00 fine;
  - 2<sup>nd</sup> infraction - \$500.00 fine;
  - 3<sup>rd</sup> infraction and any infraction thereafter- \$1,000.00 fine.

## **SECTION 7 FAILURE TO PAY FINES**

In the event the fines, including any late fees, are unpaid, all access to the LMAPLS Services are subject to suspension until such time as all sums are paid in full.

## **SECTION 8 APPEAL FROM AUTOMATIC AND INTERNET DATA DISPLAY FINES**

Any Participant, having reason to believe that a fine imposed on that Participant by the LMAPLS is without merit, may file an appeal with the LMAPLS Board of Directors within ten (10) business days of the notification of fine. The appeal must include:

1. Proof of correction where applicable;
2. Copies of any relevant documents.

The appeal hearing will be scheduled for Participant at the next LMAPLS Board of Directors meeting.

If in the opinion of the LMAPLS Board of Directors the Participant is unable to show compliance with the LMAPLS Rules and Regulations, the fine must be paid. If, in the opinion of the Board of Directors, the Participant is able to show compliance with the LMAPLS Rules and Regulations the fine will be cancelled.