

The Code of Ethics: Our Promise of Professionalism

The REALTORS® Code of Ethics Quadrennial Member Education Program Third Cycle

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| 1. Only REALTORS® (and, where applicable, REALTOR-ASSOCIATES®) are subject to the Code of Ethics. | T | F |
| 2. The authority to conduct arbitration is established in Article 17 of the Code of Ethics. | T | F |
| 3. When the Code of Ethics and state law conflict, law takes precedence. | T | F |
| 4. The NAR Board of Directors must approve changes to the Code of Ethics; the NAR Delegate Body must approve any changes to the Articles. | T | F |
| 5. The Code of Ethics is divided into three major sections, titled: "Duties to Clients and Customers," "Duties to the Public," and "Duties to Community." | T | F |
| 6. The Standards of Practice support, interpret, and amplify their respective Articles. | T | F |
| 7. First adopted in 1913, the purpose of the Code of Ethics was to establish a professional standard of conduct for real estate practitioners. | T | F |
| 8. The official "Interpretations of the Code of Ethics" are specific fact situations that explain the Articles and Standards of Practice of the Code of Ethics. | T | F |
| 9. Only REALTORS® may file ethics complaints and make requests for arbitration. | T | F |
| 10. The Code of Ethics always has required that REALTORS® respect other brokers' exclusive relationships. | T | F |
| 11. The first Code of Ethics was based on license laws. | T | F |
| 12. Procuring cause is the determining factor in ethics cases. | T | F |
| 13. The Preamble to the Code of Ethics, if violated, may be the basis for disciplinary action. | T | F |
| 14. The Code of Ethics includes 17 Articles that are broad statements of ethical principles. | T | F |
| 15. Enforcing the Code of Ethics rests with each state's regulatory body and each local association of REALTORS®. | T | F |
| 16. Ethics complaints often are based on disputes between REALTORS® of different firms over referral fees. | T | F |

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| 17. The Code requires REALTORS® to present a true picture in all of their representations. | T | F |
| 18. Article 4 of the Code prohibits exaggeration, misrepresentation, and concealment of pertinent facts about the property or the transaction. | T | F |
| 19. Disciplinary action in an ethics hearing can include a fine of no more than \$1,000. | T | F |
| 20. The standard of proof in an ethics hearing is a “preponderance of the evidence.” | T | F |
| 21. The ethics and arbitration enforcement processes include an initial screening by a grievance committee. | T | F |
| 22. An ombudsman determines entitlement to compensation in an arbitration hearing. | T | F |
| 23. Mediation is the preferred dispute resolution system of the NATIONAL ASSOCIATION OF REALTORS® | T | F |
| 24. The “Pathways to Professionalism” document features a list of professional courtesies and etiquette that may be voluntarily followed by REALTORS®. | T | F |
| 25. The Code of Ethics is what sets REALTORS® apart from other real estate professionals, because it establishes a higher level of performance and professionalism. | T | F |