

Summary of Professional Standards Changes effective January 1, 2026

(underscoring indicates additions; strikeouts indicate deletions)

This summary highlights substantive issues and changes. To see the 2025 Professional Standards Committee Actions for the REALTORS® Legislative Meetings and the NAR NXT, visit nar.realtor. Also, review the shaded portions of the 2026 *Code of Ethics and Arbitration Manual* (Manual) which highlights all the 2025 changes to the Code of Ethics and Standards of Practice and Manual.

Changes to the Code of Ethics and Standards of Practice

Amend Article 7 to limit its disclosure and approval requirements to a REALTOR®'s client or clients.

In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to, ~~all parties~~ and the informed consent of, the REALTOR®'s client or clients.

Rationale: Due to the practice changes outlined in the settlement agreement, there are now commonly situations where buyers have agreed in writing that their broker shall be compensated a certain amount, with the potential for some of that compensation coming from the listing side of the transaction and the buyer being responsible for any remaining compensation. In these scenarios, the buyer's broker is being compensated by more than one party, however the Committee believes it is not necessary that the seller and their broker know what is contained in a contract in which they are not parties. This amendment maintains the ethical duty of disclosure to one's client while making it clear that there is no obligation to disclose the contents of a buyer-broker agreement to sellers or their brokers.

Delete Standard of Practice 3-4

~~REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 1/02)~~

Rationale: Standard of Practice 3-4's requirement to disclose a variable rate commission was predicated on a unilateral offer of compensation in the MLS. Because of the practice changes due to the settlement agreement, cooperative compensation, if even offered, has become one variable in any number of variables involved in a negotiated transaction. The elimination of Standard of Practice 3-4 is another step in modernizing the Code with regard to these practice changes.

Amend Standard of Practice 17-4 to update the language to ensure compliance with the tenets of the settlement agreement

Specific non-contractual disputes that are subject to arbitration pursuant to Article 17 are:

- 1) *Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker, or the amount of compensation outlined within the terms of any valid buyer representation agreement between the buyer and the complainant, whichever is less, and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97, Amended 1/07)*
- 2) *Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the seller or landlord, or the amount of compensation outlined within the terms of any valid buyer representation agreement between the buyer and the complainant, whichever is less, and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party*

respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97, Amended 1/07)

- 3) Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the buyer or tenant, or the amount of compensation outlined within the terms of any valid buyer representation agreement between the buyer and the complainant, whichever is less. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97)
- 4) Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. (Adopted 1/97)
- 5) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. (Adopted 1/05)

Rationale: These amendments reinforce the settlement agreement by establishing that compensation awarded in arbitration may not exceed the amount outlined within the terms of the buyer representation agreement.

Amendments to Four Case Interpretations relating to Article 10, SOP 10-5

Case #10-6: Use of Hate Speech and Slurs Harassment on the Basis of Race

In social media discussions, REALTOR® A made the following comments: "I think Black people bring out the worst in us"; "we always knew n----- were violent. They are not Christian"; and described Black protestors as "animals trying to reclaim their territory". A consumer took screenshots of the comments, including REALTOR® A's name, and filed an ethics complaint alleging a violation of Article 10, as interpreted by Standard of Practice 10-5, at the local Association of REALTORS®.

After comprehensive review, the Association's Grievance Committee forwarded the complaint for a hearing. At the hearing, the panel reviewed the evidence presented by the complainant, including screenshots of the comments. REALTOR® A confirmed she had, in fact, posted the statements, but denied that making the statements interfered in her ability to provide equal professional services to anyone because of their race argued that they were posted to her personal social media account, not her professional account. She provided screenshots of a separate social media account linked to her brokerage that was free of the remarks in question.

The complainant acknowledged that REALTOR® A had both personal and professional social media accounts but argued that REALTOR® A had exhibited a consistent pattern of representing herself as a REALTOR® on her personal social media account. The complainant presented evidence that REALTOR® A frequently posted comments using her personal account inviting users to contact her for real estate services, referencing her brokerage name and website link. REALTOR® A also customarily cross-posted listings on the same social media account where the alleged harassing comments were made. The evidence showed that the personal account was used in this manner consistently during the past several months, the same time frame as the comments at issue. The complainant included images documenting her assertions.

The Hearing Panel entered executive session and considered the intended application of Article 10, as interpreted by Standard of Practice 10-5, as noted in Appendix XII to Part Four of the Code of Ethics and Arbitration Manual. The Panel concluded that the comments REALTOR® A posted constituted the use of hate speech and slurs. In their decision, the Panel clarified that this public posting of hate speech and disparagement of individuals based on their race reflected discrimination. As a threshold matter, the Hearing Panel needed to determine whether REALTOR® A's comments constituted harassment as defined in Standard of Practice 10-5, and whether REALTOR® A's comments were made in her capacity as a real estate professional, in association with her

real estate business, or within the context of her real estate-related activities.
The Hearing Panel determined that the comments met the definition of
harassment based on protected characteristics, and agreed that the
complainant had presented clear, strong, and convincing evidence through
images of her personal social media account that REALTOR® A was clearly
and consistently representing herself as a real estate professional in numerous
instances during the same concurrent time period on the social media
account that REALTOR® A had claimed was her “personal” account, and
therefore was acting within her capacity as a real estate professional when
posting the harassing comments. REALTOR® A’s defense was not accepted by
the Hearing Panel, and she was found in violation of Article 10.

Case #10-7: Use of Harassing Speech Harassment on the Basis of Political Affiliation

REALTOR® A was a registered member of Political Party Y and routinely engaged in political discussions on his business social media account and in private during conversations with other real estate professionals. REALTOR® A's conversations and social media posts often included insulting, intimidating, and hostile statements about members of Political Party Z, including aggressively insulting their intelligence, implying they were unpatriotic, and telling them that if they disagreed with him, they should leave the country.

REALTOR® B witnessed numerous instances where REALTOR® A harassed others on the basis of their membership in Political Party Z, and believed that REALTOR® A was using harassing speech. He filed an ethics complaint with the local Association of REALTORS®, alleging REALTOR® A violated Article 10 as interpreted by Standard of Practice 10-5.

The complaint was reviewed by the Association’s Grievance Committee, who first analyzed whether the speech occurred in connection with REALTOR® A’s real estate business. Because the comments at issue appeared on his business social media account and during business- related conversations, the Grievance Committee determined the statements were associated with REALTOR® A’s business. The Grievance Committee next examined the allegations to determine whether, if taken as true, they would constitute a violation of the Code of Ethics.

Ultimately the Grievance Committee dismissed the complaint, as the complainant’s sole argument was that REALTOR® A had discriminated against individuals based on their political affiliation with Political Party Z. As political affiliation is not a protected class under Article 10, the allegations in the complaint, even if true, could not constitute a violation of the Code of Ethics.

Case #10-10: Use of Speech or Ideas Included in Religious Doctrine

REALTOR® A leads a weekly Bible religious study group in the evenings. During one such study group, REALTOR® A led the group in a discussion of Biblical passages religious beliefs concerning homosexuality, referencing several differing interpretations of said passages. At one point during the discussion, REALTOR® A stated, “some have said I believe these verses our religion clearly prohibits and condemns same-sex relationships”. An attendee of the group found this to be inappropriate and filed an ethics complaint alleging a violation of Article 10, as interpreted by Standard of Practice 10-5, at the local Association of REALTORS®.

In his complaint, the complainant argued that REALTOR® A was acting in his capacity as a real estate professional when the comments were made because he often advertises himself as a real estate agent in the local newspaper and on billboards. The complainant included photos of REALTOR® A's marketing in the complaint.

After comprehensive review, the Association's Grievance Committee forwarded the complaint for a hearing. The complainant argued that REALTOR® A's statement represented his own personal beliefs about homosexuality. REALTOR® A confirmed that the complainant had quoted him correctly but argued that he presents all sides of Biblical interpretation for historical context, and that he is careful to leave any personal opinions out of the study group, as evidenced by his use of “some have said.” In the hearing, the complainant argued that REALTOR® A's comments were demeaning to the LGBTQ+ community, and that REALTOR® A's abundant marketing within the region showed that REALTOR® A is always acting in a capacity as a real estate professional.

REALTOR® A argued that because religious interpretations can vary among individuals and can sometimes be contentious, he goes out of his way to ensure that his profession as a real estate agent is not apparent in any way during his study group.

A panelist asked the complainant if he had evidence that REALTOR® A had represented himself as a real estate professional during the weekly religion study sessions. The complainant stated he did not.

The Hearing Panel entered executive session and considered the intended application of Article 10, as interpreted by Standard of Practice 10-5, as noted in Appendix XII to Part Four of the Code of Ethics and Arbitration Manual. The Panel concluded that REALTOR® A's comments were not intended to convey a discriminatory opinion and did not constitute the use of hate speech and slurs. The Panel concluded that the complainant did not show clear, strong, and convincing evidence that REALTOR® A was acting in his capacity as a real estate professional, in association with his real estate businesses, or within the

context of real estate-related activities during the study group. The Panel also concluded that REALTOR® A's comments, in the context in which they were delivered, did not constitute harassment. REALTOR® A was not found in violation of Article 10.

Case #10-11: Display of Symbols

When searching real estate listings on a brokerage website, a potential homebuyer noticed a listing with the with photos of a Confederate flag prominently displayed in the front window of the property photos. She filed an ethics complaint against the listing broker alleging a violation of Article 10, as interpreted by Standard of Practice 10-3 and Standard of Practice 10-5, at the local Association of REALTORS®. The complainant argued in her complaint that the Confederate flag is a symbol of racial exclusion and that the listing broker's display of the photos conveyed a preference and discrimination based on race. The local Association's Grievance Committee reviewed the complaint and forwarded it for a hearing.

At the hearing, the complainant testified that she felt threatened and harassed by the display of the Confederate flag and took it to mean that she would not be welcome in the home or the neighborhood if she were to make an offer on the property, thus adversely affecting her ability to access equal professional services.

The listing broker testified that he knew of the flag's historical use as a discriminatory symbol and that he reviewed the content of the photos before they were uploaded to the MLS, but argued that he should not be held responsible for what is displayed in a client's home and could not offer an explanation for his client's motives in displaying the Confederate flag.

The Hearing Panel concluded that the listing broker is indeed responsible for content he displays publicly when engaging in real estate brokerage. The Hearing Panel also discussed whether the prominent display of the flag indicated an illegal preference or discrimination in listing photos constituted unwelcome behavior directed at an individual or group based on a protected characteristic with the purpose or effect to create a hostile, abusive, or intimidating environment which adversely affected their ability to access equal professional services indicated an illegal preference or discrimination. The panel used the "reasonable person" standard of whether a "reasonable person" would think display of the Confederate flag conveyed a discriminatory preference, the Hearing Panel determined that the listing broker's inclusion, intentional or not, of photos including that prominently displayed the Confederate flag could be reasonably construed as indicating a racial preference or illegal discrimination based on a protected class created an intimidating environment through unwelcome behavior directed at an individual or group based on a protected characteristic and adversely affected their ability to access equal professional services, and therefore was a violation of Article 10, as interpreted by Standard of Practice 10-3 and Standard of Practice 10-5.

Notes:

1. The revised case interpretations are expected to be posted to nar.realtor no later than January 31, 2026.
2. The Committee approved cosmetic changes to NAR's Model Schedule of Fines to align with amendments made to the Code of Ethics in D.C. and Houston.
3. The Committee approved amendments to four Code Comprehension pieces to align with 2025 amendments made to the Code of Ethics. They are expected to be posted to nar.realtor in January 2026:

Unauthorized Access to Property, Standards of Practice 1-16 and 3-9,

explains that Article 1 is applicable to listing brokers and property managers who misuse a property and that Article 3 is applicable should a cooperating broker or REALTOR® acting in any capacity other than as a listing broker or property manager;

Article 3, Standard of Practice 3-1, highlights that although REALTORS® as listing brokers and property managers work with sellers or landlords to establish the terms and conditions of offers to cooperate, REALTORS® cannot decline to make a property available simply because another REALTOR® is not a member of the same association of REALTORS® or the same MLS as the listing broker or property manager;

Article 3, Compensation is Negotiable, highlighting Standards of Practice 3-2 and 3-3. REALTORS® are prohibited from delaying or withholding delivery of a buyer's or tenant's offer while attempting to negotiate compensation;

Article 3, Compensation is Negotiable, clarifies that a REALTOR® working with a buyer client has an ethical duty to inform the client about a listing and show the property to them if it meets the client's criteria, even if the amount of compensation offered by the listing broker or seller is less than the REALTOR® would like to be paid.

4. The National Association of REALTORS® Mediator / Mediation training in Chicago will be held September 9 – 11. Information will be posted in February regarding hotel/travel, and registration is expected to open mid-June.
5. Given the deletion of Case Interpretation 3-7 effective June 5, 2025, the amendment to Article 7 and the deletion of Standard of Practice 3-4, five case interpretations are removed from the Interpretations of the Code of Ethics until the Interpretation and Procedures Advisory Board/Professional Standards Committee reviews them to confirm their status:
Case #1-30, Multiple Offers Where Listing Broker Agrees to Reduce Listing Broker's Commission

Case #2-14, Time at Which Modification to Cooperative Compensation is Communicated a Determining Factor

Case #3-8, REALTOR®'s Obligation to Disclose Dual Commission Arrangements

Case #3-9, REALTOR®'s Obligation to Disclose True Nature of Listing Agreement

Case #7-1, Acceptance of Compensation from Buyer and Seller

DMN, created 11/21/25; revised 12/17/25