

Rules and Regulations Reference Guide

California Regional Multiple Listing Service, Inc.



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Effective January 1, 2019

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California Regional Multiple Listing Service, Inc. and its Member Associations (hereinafter collectively referred to as "CRMLS") publishes the following Reference Guide to provide an annotated summary of the MLS Rules that most effect practicing real estate professionals in their use of the MLS. The Reference Guide does not create new rules but rather provides specific examples and summaries of the application and enforcement of the rules. Following the MLS Rules and understanding the Reference Guide is the best way for a professional to protect the data accuracy and integrity of the MLS.

I. Rules Enforcement

- A. Ensuring Accurate Data. CRMLS investigates and responds to reports of inaccurate information in the MLS database. Members are provided a tool within the MLS system to report inaccuracies and other rule violations
- B. Issuing Violations and Fines. If CRMLS determines that a rule has been violated, CRMLS will issue citations and fines according to the CRMLS Citation Policy.
- C. Failure to Provide Requested Information or Correct Inaccurate Information. A listing agent shall have 2 business days (e.g. does not include weekends and federal holidays) to provide CRMLS with all requested information and/or to correct inaccurate information following notification of a violation. If the requested information is not provided or the inaccurate information is not corrected within the specified time period, another violation will be issued at the next violation level. Additional violations will continue to be issued at the conclusion of each interval until the requested information is received or the inaccurate information is corrected. *Rules 7.14, 8.3, and the CRMLS Citation Policy.*

II. Accuracy of Information

- A. Listing Information. All information contained in a listing must be accurate to the best of the listing agent's knowledge. *Rule 8.3*
 1. No Exaggeration. Do not change the accurate characteristics of the property in the MLS in an attempt to make the property more attractive to potential buyers.
- B. Utilizing Public Records Information. CRMLS encourages real estate professionals to utilize county public records when entering a listing into the MLS. While the county public records may contain inaccuracies, it is common for real estate professionals to report violations on a listing when listing information varies from the county public records. If a real estate professional has evidence that the county public records are inaccurate or do not reflect the current state of the property, CRMLS encourages real estate professionals to work with the seller to get the information corrected at the

applicable county. Also, if there is a variance between the property's characteristics and the county public records, CRMLS encourages real estate professionals to explain that variance to cooperating agents in the *Agent Remarks* field for the listing.

- C. Assessor Parcel Numbers (APN). The APN is one of the most important fields in the listing, as it helps to identify the property as well as link the listing to the public records database. A listing agent should never enter a fake, partial, or APN from a different property.
 - 1. New Construction and Land Without APNs. If the listing involves a lot without an APN or if the listing is a newly constructed property without an APN, the listing agent should leave the APN field blank.
- D. Area. Areas are created and identified by the local associations of REALTORS® and are required in the MLS to further identify the location of the listing. A listing agent must utilize the accurate area for all listings. If a listing agent is unable to identify the correct area, the listing agent should contact his/her local association. *Rule 8.3*
- E. City. A listing agent must enter the accurate city for the property. The accurate city will often be the city listed in the county public records. *Rule 8.3*
- F. Property Type. Enter listings in the correct property types. The property type entered must reflect the actual or potential use for the property. Listing agents must also enter the property subtype accurately. For instance, do not identify a condominium as a single family residence. *Rule 7.6*
- G. Entering Listings with Proper Attribution. A listing agent must enter a listing under the listing agent's name. The listing may not contain any reference or contact information in any data field designating a broker or agent that is not an active member of CRMLS. *Rule 7.3*
- H. Inaccurate Information and Removal. If any information is inaccurate in a listing, CRMLS may issue a violation. CRMLS may also require a listing agent to change the listing information if it is inaccurate. CRMLS also reserves the right to remove any inaccurate information from a listing. *Rule 8.3*

III. Late Entry of Listings

- A. 2 Business Days Rule. All new listings must be input into the MLS within 2 business days after obtaining a valid listing agreement or within 2 business days after the effective date of the listing agreement (whichever date is later) (hereinafter "Listing Effective Date"). *Rule 7.8*

- B. Seller Exclusion Request. A listing agent may only withhold the listing from the MLS if the seller has signed a specific written request that the listing not be input into the MLS for a period of time. The exclusion form must be submitted to your local association or CRMLS within 2 business days after the Listing Effective Date. *Rule 7.8 & 7.9*
1. Exclusion Disclaimers. The written request must include the following disclaimers to the seller:
 - a. Real estate agents and brokers from other real estate offices, and their buyer clients, who have access to the MLS may not be aware seller's property is for sale;
 - b. Seller's property will not be included in the MLS' download to various real estate Internet sites that are used by the public to search for property listings;
 - c. Real estate agents, brokers and members of the public may be unaware of the terms and conditions under which seller is marketing the property; and
 - d. The reduction in exposure of the listing may lower the number of offers made on the property and may adversely impact the overall price.
 2. Most Common Exclusion Form. The California Association of REALTORS® Standard Form SELM may be used to satisfy the exclusion disclaimers.

IV. Listing Status Changes

- A. 2 Business Days Rule. If an agent changes a listing from Active to Backup, Pending, or Sold, the change in status must be reflected in the MLS within 2 business days. *Rule 10.2*
- B. Auto-Sold. When changing a listing from Active to either Backup or Pending, a listing agent will be prompted to enter an Estimated Close of Escrow Date (ECOE) into the MLS. If the listing agent fails to update the status of the listing within 2 business days of the reported ECOE, the listing will receive a violation for failure to timely update the status. If the listing did not change its status at the ECOE, the listing agent must extend the ECOE accordingly or the listing agent may face a violation for Inaccurate Information. *Rule 8.3 & Rule 10.2*
- C. Additional Violations. If the listing is not properly updated within the 2 business days time requirement, the listing will continue to receive additional violations every 2

business days until the information is corrected. *CRMLS Citation Policy*

V. Listing Images & Virtual Tour Information

- A. Exterior Structure Photo Required. A listing agent must include at least 1 photo of the exterior of any structure listed in the MLS. This photo must be added to the listing within 5 calendar days of entering the listing into the MLS. *Rule 11.5*
- B. Status Change in First 5 days. If a listing is canceled within the first 5 calendar days after entry of the listing, the exterior photo requirement will not apply. If a listing is sold within the first 5 calendar days after entry of the listing, the exterior photo is still required. *Rule 11.5*
- C. Land/Lot Exclusion. If the listing is classified as a Land/Lot, an exterior photo structure is not required.
- D. Image Prohibitions. Images must not contain the following:
 - 1. Agent, Broker, or Brokerage names and/or photos
 - 2. Phone Numbers
 - 3. Website addresses
 - 4. Email Addresses
 - 5. For sale or for lease signs, billboards, open house signs, promotion signs, or any other advertising material with identifiable information
 - 6. Messages or solicitations
 - 7. Images of people, animals, or other items not directly related to the listing
- E. Neighborhood Photos. Listings may contain photos of pertinent neighborhood or market-related photos that are directly related to the listing. Examples include pictures of community/HOA amenities (e.g. pictures of community pools, tennis courts, playgrounds, etc.). Any such photos used must present a true picture of the listing and not confuse a consumer or agent about whether the amenity is part of the actual ownership of the property.
- F. Photo Removal. CRMLS reserves the right to remove any photo from the MLS that is not in compliance with this section.

G. Virtual Tours. Virtual tours and links to virtual media must not contain promotional pieces or branding related to the listing agent or listing brokerage. All virtual tours in the MLS should be limited to descriptive information regarding the listing. Virtual tours must be listing specific and must not link to an agent's or broker's website or any other website. *Rule 11.5*

1. May Not Include. The virtual tours may not include:
 - a. Any advertising, marketing, or branding of any kind
 - b. Messages or solicitations of any kind
2. Removal. CRMLS reserves the right to remove any virtual tour from the MLS that is not in compliance with this section.

VI. Public Remarks

- A. Marketing Remarks and Property Description. The Property Description field should only be used to describe the property's physical and aesthetic characteristics. *Rule 12.5*
- B. Title, Escrow, or other Service Instructions. Title, escrow or other service instructions are generally not permissible in the Property Description field. However, you may state, if the conditions are applicable: (a) seller financing is available, (b) whether certain loans may not be applicable due to property conditions, (c) cash offer only, or (d) other language that may be required by the government with respect to the listing. *Rule 12.5*
- C. What is Not Allowed. The following are not allowed in the Property Description Field:
 1. Information that may compromise the seller's or property's security, including but not limited to: Gate codes, Lockbox information or combinations, security codes.
 2. For Sale By Owner (FSBO) information. If the listing is authorized to be in the MLS, it cannot be a FSBO.
 3. Information indicating the occupancy status of the property, such as indicating that the property is "VACANT." However, the word "VACANT" can be used if the property type is Land/Lot.
 4. Email addresses
 5. Website addresses or website references
 6. Phone Numbers

7. Agent, Assistant, Co-Listing Agents or Owner names or contact information
 8. Open House information
 9. Language that violates applicable fair housing laws and guidelines.
 10. Title, escrow, or other service instructions. However, you may state, if the conditions are applicable: (a) seller financing is available, (b) whether certain loans may not be applicable due to property conditions, (c) cash offer only, or (d) other language that may be required by the government with respect to the listing.
 11. Discriminatory language regarding the payment of compensation and any information directed towards real estate agents or broker, which includes information about compensation.
- D. Removal. CRMLS reserves the right to remove any language from the MLS that is not in compliance with this section.

VII. Agent Remarks

- A. Agent Remarks Field. This field allows agents to provide information about a listing that is only directed to other agents/brokers.
- B. Do Not Provide to Public. Information in the Agent Remarks field should not be disseminated to the public.
- C. What to Include. Information that is often included in the Agent Remarks field includes the following: agent contact information, showing instructions, open house information, compensation information, special contract provisions, etc.
- D. What is Not Allowed. Discriminatory language regarding the payment of compensation, or language which places a condition on the amount of compensation being offered to a cooperating agent or broker.

VIII. Syndication Remarks

- A. How the Syndication Remarks Field Works. The Syndication Remarks field allows a listing agent to send certain real estate listing data from the MLS to approved internet websites that the listing broker has opted into (this field is not distributed via IDX and VOW data feeds).
 1. What is Allowed. A listing agent may include the agent's branding and contact information (including phone numbers, email addresses, website information,

Open House information) in the Syndication Remarks Field.

2. What is Not Allowed. The following are not allowed in the Syndication Remarks Field:
 - a. Information that may compromise the seller's or property's security, including but not limited to: Gate codes, Lockbox information or combinations, security codes
 - b. Information indicating that the occupancy status of a property, such as indicating that the property is "VACANT." However, the word "VACANT" can be used if the property type is Land/Lot.
 - c. Language that violates applicable fair housing laws and guidelines.
 - d. Discriminatory language regarding the payment of compensation, or language which places a condition on the amount of compensation being offered to a cooperating agent or broker.
 - e. Title, escrow, or other service instructions. However, you may state, if the conditions are applicable: (a) seller financing is available, (b) whether certain loans may not be applicable due to property conditions, (c) cash offer only, or (d) other language that may be required by the government with respect to the listing.
3. Syndication Remarks Not Visible To Other Agents. The information in the Syndication Remarks field is not visible to other CRMLS subscribers from within the MLS.
4. Removal. CRMLS reserves the right to remove any remarks in the Syndication Remarks field that are not in compliance with this section.

IX. Other Remarks Fields

- A. Directions Field. This Driving Directions and Cross Streets field may only contain information related to finding the property. Generic statements such as "See Google Maps," etc. are not permissible. *Rule 12.5*
- B. List Price Excludes/Includes Field. These fields may only contain specific details regarding items included or not included in the property as offered for sale. Examples include, but are not limited to, fixtures, appliances, etc. *Rule 12.5*

X. Compensation Information

- A. Compensation Fields. The Compensation fields must be used to accurately detail the compensation offered through the MLS. The Selling Office Compensation field is a required entry and must indicate either a percent of the gross selling price or a fixed dollar amount. Compensation based on net selling price or selling price less one or more seller concessions is not permitted. Conditional remarks that vary the amount of compensation are also prohibited. *Rule 7.15*
- B. Open Listings. Open listings are excluded from mandatory compensation amounts pursuant to California Civil Code Section 1087.
- C. Dual or Variable Rate Compensation. Dual or variable rate compensation arrangements must be identified using the Dual/Variable Rate field. *Rule 7.25*

XI. Range Pricing

- A. Range Pricing Allowed. If a listing is specified as a range price listing, the listing agent must enter a valid range for the list price of that listing. In all cases, the default list price shall be at the high end of the range and the low end of the range can be no less than 85% of this price, unless approved ranges have been filed with the California Bureau of Real Estate. *Rule 7.4*

XII. Reciprocal Listings

- A. Entry of Reciprocal Listings. CRMLS will accept listings from brokers and agents that do not belong to a CRMLS member association under the following conditions: (1) the broker and agent are members in good standing with an MLS or association that has a valid reciprocal and/or datasharing agreement with CRMLS; and (2) the broker and agent satisfy any fees charged by CRMLS member associations for entry of the listings. *Rule 6 & 7.3*
 - 1. Responsibility for Reciprocal Listings. Brokers and agents who are approved to add reciprocal listings into the MLS shall be subject to the CRMLS Rules for purposes of those listings.
- B. All Other Listings of Non-CRMLS Subscribers. Unless the reciprocal listing requirements have been satisfied as discussed herein, no other listing may be entered into the MLS unless each broker and agent associated with the listing are members of CRMLS. *Rule 7.3*

XIII. Duplicate Listings

- A. 1 Record for Each Property Type. Only 1 active record is allowed in the MLS for each Property Type that is for sale or lease. Duplicate listings are misleading, skew statistics and make Comparative Market Analyses (CMAs) cumbersome and potentially misleading. *Rule 7.2*
- B. Structure with Land Value. If a property has a structure on it but is being marketed for the land value, the listing may be placed in both the Land/Lot and other applicable property types (e.g. Residential and Land/Lot, Commercial and Land/Lot, etc.).
- C. Non-Conforming or Illegal Rental. A property that has a non-conforming or illegal rental may also be listed in both Residential and Residential Income. In both instances, the condition that makes it appear in the secondary category must be disclosed on BOTH listings.
- D. What Not to Do. Here is a list of some things to avoid when entering listings in the MLS:
 - 1. DO NOT add a listing more than once to reflect different cities
 - 2. DO NOT add a listing more than once to reflect a different number of bedrooms
 - 3. DO NOT add a listing more than once to gain additional exposure as another "new" listing
 - 4. DO NOT add a listing more than once if you've obtained an extension for your listing. Rather, contact your local association or CRMLS for assistance updating your expiration date.
 - 5. DO NOT add a new listing if you made a mistake when entering information on a listing. Rather, contact your local association or CRMLS for assistance in correcting the error.
- E. Property Listed By Another Agent. There may be situations where more than one broker believes that he/she has a valid listing agreement for the same property. Generally, CRMLS is unable to determine the validity of claims of competing contracts. It is the responsibility of the brokers and seller to resolve the validity questions prior to entering a listing into the MLS. Entering a listing into the MLS without a valid written listing agreement is a violation of the MLS Rules. *Rule 7.2*

XIV. Print Advertising

- A. Required Consent. It is a violation for any agent or broker to distribute flyers or create other printed materials displaying the address and/or price of any listing(s) with an MLS status of ACTIVE, BACKUP, HOLD, or PENDING that are not the listing(s) of that agent or broker unless prior written consent has been obtained from the listing broker. "Screen Shots" or other materials printed from IDX or VOW displays are included in this violation. *Rule 12.8*