COMAR Code of Ethics

09.11.02.01

.01 Relations to the Public.

A. The licensee shall remain informed of matters affecting real estate in the community, the State, and the nation.

B. The licensee shall be informed on current market conditions in order to be in a position to advise clients as to the fair market price.

C. The licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field. The licensee shall endeavor to eliminate in the community any practices which could be damaging to the public or to the dignity and integrity of the real estate profession. The licensee shall assist the commission charged with regulating the practices of brokers, associate brokers, and salespersons in this State.

D. The licensee shall make a reasonable effort to ascertain all material facts concerning every property for which the licensee accepts the agency, in order to fulfill the obligation to avoid error, exaggeration, misrepresentation, or concealment of material facts.

E. The licensee, acting as agent, may not discriminate in the sale, rental, leasing, trading, or transferring of property to any person or group of persons in violation of State Government Article, §20-402, Annotated Code of Md.

F. A licensee cannot be a party to naming a false consideration in any document.

G. Advertisement.
(1) For the purposes of this regulation, "advertisement" means any representation, promotion, or solicitation directed to consumers, by any means of communication, for any purpose concerning the provision of real estate brokerage services.

(2) The licensee in advertising shall be especially careful to present a true picture. A broker may not advertise without disclosing the broker's name or the company name as it appears on the license. A broker may not permit associate brokers or salespersons to use individual names unless the connection with the broker is obvious in the advertisement.

(3) Effective October 1, 2004, an associate broker or salesperson may not use an individual telephone number or email address in an advertisement unless the identified telephone number of the broker or branch office manager also appears in the advertisement.

(4) Any electronic media advertisement shall contain the applicable disclosures set forth in §G(2) and (3) of this regulation either:

(a) On the first 25 percent of the main page of the electronic media advertisement; or

(b) If the electronic media under §G(4)(a) of this regulation has a limitation of 280 characters or fewer, on the first 25 percent of a page that is accessible after a single click on a hyperlink on the main page of the electronic media advertisement.

(5) Interpretation of "Directly Connected" Under Business Occupations and Professions Article, §17-547(c), Annotated Code of Maryland. The Commission considers a team name to be âdirectly connectedâ to a brokerage name under Business Occupations and Professions Article, §17-547(c), Annotated Code of Maryland, if:

(a) The word "of", "from", "with", or "at" is the only word between the team name and the brokerage name; and

(b) No other word, symbol, or image is between the team name and the brokerage name.

H. For the protection of all parties with whom the licensee deals, the licensee shall see to it that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties, and that copies of these agreements are placed in the hands of all parties involved within a reasonable time after the agreements are executed.

I. All real estate documents shall be signed by a licensee in the licensee's own name, and may not be signed in the name of a group or team.

_____

_____

_____

.02 Relations to the Client.

A. In accepting employment as an agent, the licensee shall protect and promote the interests of the client. This obligation of absolute fidelity to the client's interest is primary, but it does not relieve the licensee from the statutory obligations towards the other parties to the transaction.

B. In justice to those who place their interests in the licensee's care, the licensee shall endeavor always to be informed regarding laws, proposed legislation, governmental orders, and other essential information and public policies which affect those interests.

C. A licensee may not accept compensation from more than one party to a transaction without the full knowledge of all the parties.

D. Disclosure Requirement for Licensees and Employees Buying, Selling, Leasing, and Renting Property.

(1) A licensee seeking to acquire an interest in real property must disclose the licensee's licensing status in writing to the seller or lessor of the property no later than the time that an offer is submitted.

(2) The disclosure requirement of §D(1) of this regulation also applies when the licensee is acting on behalf of or representing:

(a) A member of the licensee's immediate family; (b) An entity in which the licensee has an ownership interest; (c) An employee of the real estate brokerage with which the licensee is affiliated; (d) An employee of a team or group of which the licensee is a member.

(3) A licensee seeking to sell or lease real property owned by the licensee must disclose that ownership interest in writing at the time that the property is offered for sale or lease.

(4) The disclosure requirement of §D(3) of this regulation also applies when the licensee is acting on behalf of or representing:

_____

_____

_____

(a) A member of the licensee's immediate family; (b) An entity in which the licensee has an ownership interest;

(c) An employee of the real estate brokerage with which the licensee is affiliated; or

(d) An employee of a team or group of which the licensee is a member.

(5) Written notice required by §D(3) and (4) of this regulation may be given through the multiple list service and through any other written means effective in bringing the information to the attention of prospective buyers or lessees.

(6) The licensee's immediate family shall include the licensee's spouse or domestic partner, child, stepchild, child's spouse, stepchild's spouse, parent, sibling, grandparent, or grandchild.

E. When acting as agent in the management of property, the licensee may not accept any commission, rebate, or profit on expenditures made for an owner without the owner's knowledge and consent.

F. Competitive Market Analysis.

(1) A licensee may prepare a competitive market analysis of a specific property for a client, prospective client, or customer. The analysis shall include the following statement printed conspicuously and without change on the first page:

COMPETITIVE MARKET ANALYSIS DISCLOSURE

This analysis is not an appraisal. It is intended only for the purpose of assisting buyers or sellers or prospective buyers or sellers in deciding the listing, offering, or sale price of the real property.

(2) If a licensee includes a property in which the licensee has an interest as one of the comparables, that fact shall be disclosed to the client, prospective client, or customer.

G. The licensee may not submit or advertise property without authority. In any offering, the price quoted may not be other than that agreed upon with the owners as the offering price.

H. Presentation of Offers.

(1) A licensee shall present all written offers or counteroffers received by the licensee to the client, as required by Business Occupations and Professions Article, §17-532(c)(ii)(3), Annotated Code of Maryland, in accordance with §H(2) of this regulation.

_____

_____

_____

(2) Unless otherwise specified in the brokerage agreement, all written offers or counteroffers shall be presented to the client:

(a) In full; and

(b) In hard copy or electronic format.

I. Unexcused failure to ensure that a prospective purchaser has the real property disclosure statement or disclaimer statement in hand before the submission of an offer to purchase may be considered a violation of the licensee's obligation to protect and promote the interests of the licensee's client when this failure could result in a contract becoming void or voidable.

_____
_____
_____

09.11.02.03

.03 Relations to Fellow Licensees.

A. The agency of a licensee who holds an exclusive listing, shall be respected.

B. The licensee shall cooperate with other brokers on property listed by the licensee exclusively whenever it is in the interest of the client, and share commissions on a previously agreed basis. Negotiations concerning property listed exclusively with one broker shall be carried on solely with the listing broker.

C. Signs giving notice of property for sale, rent, lease, or exchange may not be placed on any property without the owner's prior consent.

_____
_____
_____

Ethics and Professionalism Scenarios

You are showing a house, and the cat gets out despite the "do not let the cat out" sign. What should the showing agent do?

_____

_____

What can a listing agent do in the handling of offers that would be considered an act of professionalism?

_____

_____

Any recommendations for the use of “offer instructions provided by the listing agent?

_____

_____

What can a buyer agent do in the handling of offers that would be considered an act of professionalism?

_____

_____

The listing agent received 4 offers. Three of the offers are very similar in terms and preparation. One of the offers is not completed properly, it does not have the uploaded forms that should have been included and has numerous errors but seems to have very favorable numbers. What should listing agent do?

_____

_____