COE Tip: The Code of Ethics Revisited

The National Association of REALTORS® gathers for its annual convention this month (November). At this meeting (as well as the mid-year meeting held each May in Washington, DC) revisions and amendments to the Code of Ethics will be considered. This is what keeps this 100 year old document relevant to today’s REALTOR® and their client.

The Code may be revised or amended for reasons of law or practice. As an example, in 1913 the very first Code of Ethics had an article that advised all REALTORS® to charge the same fee. When congress determined that fees and prices needed to be negotiable to ensure fair competition, laws were passed prohibiting these actions. Thus that article was removed from the Code of Ethics.

The way the REALTORS® conduct their business has also required changes to the Code of Ethics. Back in the day, every agent represented the seller. A REALTOR® was either a seller agent or a sub-agent for the seller. With the introduction of buyer agency, the Code adjusted to match the idea that some REALTORS® represented buyers and some represented sellers.

Technology has had and continues to have an impact on the Code of Ethics. Communication and representations to the public or to other REALTORS® have moved from print to electronic forms. The members meeting this month at the NAR annual meeting work to keep the guiding principles of a REALTOR®’s business relevant.