

**RULES AND REGULATIONS**

**of the**

**Real Estate Information System  
of Southwestern Michigan, Inc.**

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**RULES & REGULATIONS FOR THE MULTIPLE LISTING SYSTEM  
OF THE  
SOUTHWESTERN MICHIGAN ASSOCIATION OF REALTORS, INC.**

**ARTICLE 1 - LISTING PROCEDURES**

**SECTION 1 - LISTING PROCEDURES.**

Listings of real or personal property of the following types located within the territorial jurisdiction of the Association of REALTORS taken by Participants on an exclusive right to sell listing form or exclusive agency listing form shall be delivered to the Multiple Listing System within FORTY-EIGHT (48) HOURS after all necessary signatures of the seller(s) have been obtained:

- (a) Single family homes for sale or exchange
- (b) Vacant lots and acreages for sale or exchange
- (c) Two-family, three-family, and four-family residential buildings for sale or exchange
- (d) Residential
- (e) Residential income
- (f) Subdivided vacant land
- (g) Land and ranch
- (h) Business opportunity
- (i) Motel - hotel
- (j) Mobile homes
- (k) Mobile home parks
- (l) Commercial income
- (m) Industrial
- (n) Any of the above properties that are for auction only.

And at the option of the MLS Participant the following may be filed with the service:

- (a) Any Residential property that is for lease only.
- (b) Any Commercial property that is for lease only.

The Multiple Listing System shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize, provided the listing is of a type accepted by the System. However, the Multiple Listing System, through its legal counsel:

1. May reserve the right to refuse to accept a listing form which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form filed with the Multiple Listing System establishes, directly or indirectly, any contractual relationship between the Multiple Listing System and the client (buyer or seller).

The Multiple Listing System, shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of listing contracts which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the Multiple Listing System acting as subagents, buyer agents, transaction

coordinators or any combination thereof. The listing agreement must include the seller's authorization to submit the agreement to the Multiple Listing System.

3. The different types of listing agreements include:
  - (a) exclusive right to sell,
  - (b) exclusive agency,
  - (c) open, and
  - (d) net

The System may not accept net listings because they are deemed unethical and, in Michigan, illegal. Open listings are not accepted because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provide a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing System in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from the exclusive right to sell listings, with no named prospects exempted since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

A "Property Data Form" shall be required as approved by the Multiple Listing System.

#### **SECTION 1.1 - LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE.**

Any listing taken on a contract to be filed with the Multiple Listing System is subject to the Rules and Regulations of the Service upon signature of the seller(s).

#### **SECTION 1.2 - DETAIL ON LISTINGS FILED WITH THE SERVICE.**

A Listing Agreement or Property Data Form, when filed with the Multiple Listing System by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.

#### **SECTION 1.2.1 – LIMITED SERVICE LISTINGS.**

Any MLS Participant who enters a listing in the MLS and has waived any of the mandatory services under Michigan State law is required to communicate to cooperating brokers which services were waived by placing the appropriate code(s) below in the Agent Remarks Field so potential cooperating brokers will be aware of the extent of the services that the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing broker's clients, prior to initiating efforts to show or sell the property.

LS1 – Waived acceptance of delivery and presentation of offers and counteroffers to buy, sell or lease property.

LS2 – Waived assistance in developing, communicating, negotiating, and presenting offers, counteroffers, and related documents or notices until a purchase or lease agreement is executed by all parties and all contingencies are satisfied or waived.

LS3 – Waived after execution of a purchase agreement by all parties, assistance as necessary to complete the transaction under the terms specified in purchase agreement.

### **SECTION 1.3 - EXEMPTED LISTINGS.**

If the seller refuses to permit the listing to be disseminated by the System, the REALTOR may then take the listing ("office exclusive") and such listing shall be filed with the System but not disseminated to the Participants. Filing of the listing must be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the System.

### **SECTION 1.4 - CHANGE OF STATUS OF LISTING.**

Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the System within TWENTY- FOUR (24) HOURS (except weekends, holidays and postal holidays) after the authorized change is received by the listing broker.

### **SECTION 1.5 - WITHDRAWAL OF LISTING PRIOR TO EXPIRATION.**

No property listed with the System shall be withdrawn during the term of the listing contract, except when actually sold or disposed of or when withdrawn from the market by the owner with the consent of the listing broker or canceled by the listing broker.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the MLS may remove the listing at the request of the seller.

### **SECTION 1.6 - CONTINGENCIES APPLICABLE TO LISTINGS.**

Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

### **SECTION 1.7 - LISTING PRICE SPECIFIED.**

The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings. For properties for auction, the full gross listing price shall be zero (0).

### **SECTION 1.8 - LISTING MULTIPLE UNIT PROPERTIES.**

All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the Multiple Listing System.

### **SECTION 1.9 - NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS.**

The Multiple Listing System shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing System shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and nonparticipants.

**SECTION 1.10 - EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS.**

Any listing filed with the Multiple Listing System automatically expires on the dates specified in the agreement unless renewed by the listing broker and notice of renewal or extension is filed with the System prior to expiration.

If notice of renewal or extension is dated after the expiration date of the original listing, then it must be filed with the Multiple Listing System and the original listing will be reactivated. Any extension or renewal of a listing must be signed by the seller(s).

**SECTION 1.11 - TERMINATION DATE ON LISTINGS.**

Listings filed with the System shall bear a definite and final termination date as negotiated between the listing broker and the seller.

**SECTION 1.12 - JURISDICTION.**

Only listings of the designated types of property located within the service area of the Association of REALTORS are required to be submitted to the System. Listings of property located outside the Association's service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the System.

**SECTION 1.13 - LISTINGS OF SUSPENDED PARTICIPANT.**

When a Participant of the System is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the System until sold, withdrawn, or expired and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

**SECTION 1.14 - LISTINGS OF EXPELLED PARTICIPANTS.**

When a Participant of the System is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges), all listings currently filed with the MLS shall, at the Participant's option, be retained in the System until sold, withdrawn, or expired, and shall not be renewed or extended by MLS beyond the termination of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without Association membership is

permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, a Association MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

#### **SECTION 1.15 - LISTINGS OF RESIGNED PARTICIPANTS.**

When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant shall be advised in writing of the intended removal so that the resigned Participant may advise his clients.

### **ARTICLE 2 - SELLING PROCEDURES**

#### **SECTION 2 - SHOWING AND NEGOTIATIONS.**

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the Multiple Listing System shall be conducted through the listing broker except under the following circumstances:

- (a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly,

or,

- (b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at this option, may preclude such direct negotiations by cooperating brokers.

#### **SECTION 2.1 - PRESENTATION OF OFFERS.**

The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

#### **SECTION 2.2 - SUBMISSION OF WRITTEN OFFERS.**

The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

#### **SECTION 2.3 - RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER.**

The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer

by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

#### **SECTION 2.4 - RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER.**

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

#### **SECTION 2.5 - REPORTING SALES TO THE SERVICE.**

Status changes, including final closing of sales and sales prices, shall be reported to the Multiple Listing System by the listing broker within 24 hours after they have occurred. If the negotiations were carried on under Section 2 (a) or (b) hereof, the cooperating broker shall report accepted offers and sales prices to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 24 hours after receiving notice from the cooperating broker.

**Note 1:** The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

**Note 2:** In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS. In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

1. categorizes sale price information as confidential and
2. limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written



authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices.

**Note 3:** As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.

**SECTION 2.6 - REPORTING RESOLUTIONS OF CONTINGENCIES.**

The listing broker shall report to the Multiple Listing System within TWENTY-FOUR (24) HOURS that a contingency on file with the Multiple Listing System has been fulfilled or renewed, or the agreement canceled.

**SECTION 2.7 - REPORTING CANCELLATION OF PENDING SALE.**

The listing broker shall report immediately to the Multiple Listing System the cancellation of any pending sale and the listing shall be reinstated immediately.

**SECTION 2.8 – REPORTING CLOSED SALES TO THE SERVICE.**

The final closing status change shall be reported to the Multiple Listing System by the listing broker within 72 hours after occurrence. If negotiations were carried on under Section 2 (a) or (b) hereof the cooperating broker shall report the closed sale to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 72 hours after receiving notice from the cooperating broker. The MLS requires the sales price, terms, and any seller’s concessions of any property listed in the MLS to be entered into the MLS upon final closing. Violation of this rule will result in a fine of \$50.00 plus \$10.00 per day for each day the closed sale information is not entered in the MLS, up to a maximum of \$250.00.

**ARTICLE 3 - REFUSAL TO SELL**

**SECTION 3 - REFUSAL TO SELL.**

If the seller of any listed property filed with the Multiple Listing System refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the System and to all Participants.

**ARTICLE 4 - PROHIBITIONS**

**SECTION 4 - INFORMATION FOR PARTICIPANTS ONLY.**

Any listing filed with the System shall not be made available to any nonparticipant without the prior consent of the listing broker.

**SECTION 4.1 - "FOR SALE" SIGNS.**

Only the "For Sale" signs of the listing broker may be placed on the property.

**SECTION 4.2 - "SOLD" SIGNS.**

Prior to closing, only the "SOLD" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

**SECTION 4.3 - ADVERTISING OF LISTING FILED WITH THE SERVICE.**

A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

#### **SECTION 4.4 - SOLICITATION OF LISTING FILED WITH THE SERVICE.**

Participants shall not solicit a listing on property filed with the System unless such solicitation is consistent with Article 16 of the REALTORS' Code of Ethics, its Standards of Practice and its Case interpretations.

#### **ARTICLE 5 - DIVISION OF COMMISSIONS**

##### **SECTION 5 - COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING.**

The listing broker shall specify, on each listing filed with the Multiple Listing System, the compensation offered to other Multiple Listing System Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease). The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the Multiple Listing System of an Association of REALTORS, the Participant of the Service is making a blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary because cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.

The listing broker retains the right to determine the amount of compensation offered to other Participants acting as subagents, buyer agents, and transaction coordinators which may be the same or different.

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

The Association Multiple Listing System shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the Association Multiple Listing System shall not publish the total negotiated commission on a

listing which has been submitted to the MLS by a Participant. The Association Multiple Listing System shall not disclose in any way the total commission negotiated between the seller and the listing broker.

The compensation specified on listings filed with the Multiple Listing System shall appear in one of two forms. The essential and appropriate requirement by a Association Multiple Listing System is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. By showing a percentage of the gross selling price. The gross selling price for a listing for auction shall be the winning bid plus any Buyer's premium.
2. By showing a definite dollar amount.

The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing System Participants for their services with respect to any listing by advance published notice to the System so that all Participants will be advised.

The Multiple Listing System shall make no rule on the division of commissions between Participants and nonparticipant. This shall remain solely the responsibility of the listing broker.

Nothing in these Multiple Listing System rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction.

#### **SECTION 5.0.1 – DISCLOSING POTENTIAL SHORT SALES.**

Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of the sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between the listing and cooperating participants.

#### **SECTION 5.1 - PARTICIPANT AS PRINCIPAL.**

If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the Multiple Listing System, that person shall disclose that interest when the listing is filed with the Multiple Listing System and such information shall be disseminated to all Multiple Listing System Participants.

#### **SECTION 5.2 - PARTICIPANT AS PURCHASER.**

If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

### **SECTION 5.3 - LISTINGS SOLD PRIOR TO LEAVING LISTING OFFICE.**

Any listing, if sold before it leaves the Listing Office, shall take its regular course through the MLS, and the MLS rules shall apply.

### **SECTION 5.4 - DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS.**

The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction, or alternatively 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.

## **ARTICLE 6 - SERVICE CHARGES**

### **SECTION 6 - SERVICE FEES AND CHARGES.**

The following service charges for operation of the Multiple Listing System are in effect to defray the costs of the System and are subject to change from time to time in the manner prescribed:

- (a) Initiation Fee: An applicant for participation in the System shall pay an application as established annual in the Multiple Listing System Budget with such fee to accompany the application.
- (b) New branch offices shall be charged a setup fee as established annually in the Multiple Listing System Budget.
- (c) Recurring Subscription Fee: The monthly subscription fee of each Participant shall be an amount equal to the amount established by the Board of Directors in the Multiple Listing System Budget times each licensee and licensed or certified appraiser, who has access to and use of the System, and who is employed by or affiliated as an independent contractor with such Participant. The Multiple Listing System shall bill individually each licensee and licensed or certified appraiser affiliated with the MLS Participant bi-monthly, in advance, for the MLS Subscription Fee and any other charges the individual charged to their account. If an individual does not pay their bill, the MLS Participant is responsible for the payment of the bill in accordance with the collection policy adopted by the Board of Directors.

However, MLS's must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS where the principal broker participates. MLS's may, at their discretion, require waiver recipients and their

participants to sign a certification for nonuse of its MLS services, which can include penalties and termination of the waiver if violated.

- (d) Transfers by REALTOR Members: REALTOR Members will be given THIRTY (30) DAYS to transfer from one Participate to another, with payment of a transfer fee as established in the annual Multiple Listing System Budget.

#### **ARTICLE 7 - COMPLIANCE WITH RULES – AUTHORITY TO IMPOSE DISCIPLINE.**

By becoming and remaining a participant or subscriber in this MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. letter of warning
- b. letter of reprimand
- c. attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. appropriate, reasonable fine not to exceed \$15,000
- e. probation for a stated period of time not less than thirty (30) days nor more than one (1) year
- f. suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- g. termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years (Adopted 11/07)

#### **SECTION 7.1 - COMPLIANCE WITH RULES.**

The following action may be taken for noncompliance with the rules.

- (a) For failure to pay any service charge or fee within ONE (1) MONTH of the date due, and provided that at least FIFTEEN (15) DAYS notice has been given, the Services from the MLS shall be suspended in accordance with the collection policy adopted by the Board of Directors.
- (b) For failure to comply with any other rule, the provisions of SECTIONS 9 and 9.1 shall apply.

#### **SECTION 7.2 – APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS.**

Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the rules and regulations. Further, failure of any user or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the

Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

## **ARTICLE 8 - MEETINGS**

### **SECTION 8 - MEETINGS.**

The meetings of the Participants of the System or the Board of Directors of the System for transaction of business of the System shall be held in accordance with the provisions of ARTICLE 7, Bylaws of the MLS.

## **ARTICLE 9 - ENFORCEMENT OF RULES OR DISPUTES**

### **SECTION 9 - CONSIDERATION OF ALLEGED VIOLATIONS.**

The Board of Directors shall give consideration to all written complaints having to do with a violation of the Rules and Regulations.

#### **SECTION 9.1 - VIOLATIONS OF RULES AND REGULATIONS.**

If the alleged offense is a violation of Rules and Regulations of the System and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Board of Directors of the Service, and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the bylaws and rules and regulations of the Association of REALTORS® within twenty (20) days following receipt of the Directors' decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the Board of Directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the Professional Standards Committee of the Association of REALTORS® for processing in accordance with the professional standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Association of REALTORS®.

#### **SECTION 9.2 - COMPLAINTS ON PROFESSIONAL CONDUCT.**

All other complaints on unethical conduct shall be referred by the Board of Directors of the System to the Association of REALTORS for appropriate action in accordance with the usual procedure under terms of the Bylaws.

## **ARTICLE 10 - PUBLICATION AND INFORMATION**

### **SECTION 10 - CONFIDENTIALITY OF MLS INFORMATION.**

Any publications or information provided by the Multiple Listing System to the Participants shall be considered official publications and information of the System. Such publications and information shall be considered confidential and exclusively for the use of Participants and licensees affiliated with such Participants and those Participants who are

licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants. It shall be the duty and responsibility of the Participants to disclose or to disseminate such information only to sales personnel qualified to act as subagents, buyer agents, or transaction coordinators.

#### **SECTION 10.1 - MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION.**

The information published and disseminated by the System is communicated verbatim, without change by the System, as filed with the System by the Participant. The System does not verify the information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the System harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

#### **SECTION 10.2 - ACCESS TO COMPARABLE AND STATISTICAL INFORMATION.**

REALTOR Members of the Southwestern Michigan Association of REALTORS who are actively and solely engaged in the appraisal of real estate but do not participate in the MLS, are entitled to contract with the Association of REALTORS, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "Comparable" information, Sold information, and statistical reports. This information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

#### **ARTICLE 11 - OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS**

**SECTION 11** - By the act of submission of any property listing content to the MLS, the participant represents that he/she has been authorized to license and thereby does license authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to the property. The participant also grants to the MLS the right and authority to convey the listing content to the Michigan Regional Information Center (MichRIC) to use the listing content with third party vendors as directed by participant for MichRIC's purposes including placing property advertisements on the Internet, sale of listing content for compilations and similar MichRIC purposes. The income derived from MichRIC's use of the listing content shall be the property of MichRIC to use for MichRIC purposes.

Note: The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or "safe harbors" from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of "online service provider" broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a

user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

1. Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
2. Develop and post a DMCA-compliant website policy that addresses repeat offenders.
3. Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
4. Have no actual knowledge of any complained-of infringing activity.
5. Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
6. Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Full compliance with these DMCA safe harbor criteria will mitigate an OSP's copyright infringement liability. For more information, see 17 U.S.C. §512.

**SECTION 11.1** - All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Southwestern Michigan Association of REALTORS and in the copyrights therein, shall at all times remain vested in the Southwestern Michigan Association of REALTORS.

**SECTION 11.2** - Each Participant shall be entitled to lease from the Southwestern Michigan Association of REALTORS a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay, for each such copy, the rental fee set by the MLS Board of Directors.

Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules.

The term MLS Compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer data base, card file, or any other format whatever.

## **ARTICLE 12 - USE OF COPYRIGHTED MLS COMPILATIONS**

### **SECTION 12- DISTRIBUTION.**

Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation furnished to them by the Multiple Listing System, and shall not distribute any such copies to persons other than persons who are affiliated with such



Participant as licensees and those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by a Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right to access to information developed by or published by a Association Multiple Listing Service where access to such information is prohibited by law.

#### **SECTION 12.1- DISPLAY.**

Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS Compilation.

#### **SECTION 12.2 - REPRODUCTION.**

Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, a reasonable\* number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which the prospective purchasers are, or may, in the judgment of the Participants or their affiliated licensees, be interested.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparables, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.

(Amended 07/15)

It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchasers' decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

## **ARTICLE 13 - USE OF MLS INFORMATION**

### **SECTION 13 - LIMITATIONS ON USE OF MLS INFORMATION.**

Use of information from the MLS compilation of current listing information, from the Association's "Statistical Report," or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

"Based on information from the Southwestern Michigan Association of REALTORS (alternatively, from the MLS of Southwestern Michigan) for the period (date) through (date)."

## **ARTICLE 14 – BROKER RECIPROCITY/INTERNET DATA DISPLAY (IDX)**

### **SECTION 14.1 - DEFINITIONS**

**Broker Reciprocity** – Broker Reciprocity affords MLS Participants the ability to authorize limited electronic display and delivery of their listings by other participants via the following authorized mediums under the participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings.

**Broker Reciprocity Database** - the current aggregate compilation of all listings of all Broker Reciprocity Subscribers except those listings where the property seller has opted out of Internet display or other electronic forms of display or distribution by so indicating on the listing contract and on the Listing Data Input Form by entering "NO" in the Public Viewable "YES/NO" field.

**Broker Reciprocity Subscriber (hereafter called a BRS)** – an MLS Participant that participates in the Broker Reciprocity program with their listings.

**Broker Reciprocity Subscriber's Agent (hereafter called a BRSA)** - is a BRS's non-principal broker or sales licensee who has written authorization from the BRS to use the BR Database with a limited electronic display or frame their BRS's limited electronic display.

**MichRIC** – The Michigan Regional Information Center, LLC which is an organization that provides MLS computer services and a real property database to the Members of the MichRIC Member Associations and MLSs.

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download, frame or display the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on BRS or BRSA sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display or other electronic forms of display or distribution.

#### **SECTION 14.2 REPUBLICATION OF BROKER RECIPROCITY DATABASE ON INTERNET PERMITTED.**

- a. A BRS or BRSA may republish all or a portion of the Broker Reciprocity Database on a limited electronic display in accordance with the following provisions and any policies that MLS may adopt from time to time. A BRS or BRSA may select the listings they choose to display through their BRS or BRSA based only on objective criteria including, but not limited to, factors such as geography or location ("uptown," "downtown," etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed through BRS or BRSA site must be independently made by each BRS or BRSA. If you plan to display only a subset of the BR Database, you shall have one of the following disclosures on your web site that explains the situation to consumers:

"(Your firm's name) does not display the entire MLS (or MichRIC) Broker Reciprocity database on this web site." And, if applicable, the following statement: "The listings of some real estate brokerage firms have been excluded."

- b. A BRS or BRSA must notify the MLS of their intention to display Broker Reciprocity information and must give the MLS direct access for purposes of monitoring/ensuring compliance with the applicable rules and policies.
- c. Display of expired and withdrawn listings is prohibited. Because "sold" information is publically accessible in Michigan, the sold listings in the MLS since January 1, 2012 shall be provided in the Broker Reciprocity Database upon request of the BRS or BRSA and the sold listings

since January 1, 2012 may be displayed on their limited electronic display subject to these Broker Reciprocity Rules.

- d. Confidential information intended only for the other BRSs and BRSA's may not be displayed on Broker Reciprocity sites. The list of those fields by Property type is as follows:

**Residential (and All Other Property types)**

Office Id, Agent ID, Co-Office ID, Co-Agent ID, Public Viewable, Show Address to Public, Show AVM to Public, VOW Public Comments, Sub Agency Compensation, Buyer Agency Compensation, Transaction Coordinator Compensation, Variable Rate, Exclusive Agency, Reserved Prospect, Listing Date, Expiration Date, Occupant Type, Owner Name, Owner Phone, Showing Instructions, Tour Date, Tour Time, Agent Only Remarks

**Vacant Land (Same as Residential) plus the following:**

Listings to Commercial Source  
Documents at Listing Office

**Multi Family (Same as Residential) plus the following:**

Annual Insurance, Annual Maintenance, Annual Utilities  
Annual Maintenance Fees, Gross Operating Income, Total Expense, Net Operating Income

**Commercial Sale (Same as Residential)**

**Commercial Lease (Same as Residential)**

**For All Sold Listings:** Sold Sales Condition, Sold Sale Terms and Seller Concessions

- e. Participation in Broker Reciprocity is available to all MLS Participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other participants.
- f. The BRS or BRSA must refresh all MichRIC downloads and BRS and BRSA displays automatically fed by those downloads at least once every twelve (12) hours. The MLS requires you to display on your web site the last update date. (i.e. Updated: xx/xx/xx)
- g. A BRS or BRSA may not modify the actual data relating to another BRS's listing. A computer generated written description of the listing using the actual data from the BRS's listing is permissible. For your own listings, you can do anything you want to as long as it is in compliance with applicable laws and the Code of Ethics. MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields. The additional data shall be located outside the "body" of the BR's listing as defined in subparagraph "m".
- h. Listings, including property addresses, can be included in BR displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet (including, but not

limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution. If the property address is withheld, the property shall not appear on any maps.

- i. Display of seller's(s') and/or occupant's (s') name(s), phone number(s), and email address(es) is prohibited.
- j. All listings displayed pursuant to BR shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.\* For purposes of the BR policy and these rules, "control" means the ability to add, delete, modify and update information as required by the BR policy and MLS Rules.
- k. \*Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application. A thumbnail display of another BRS's listing may not include any contact information or branding of the BRS who owns the web site or any of its agents. A thumbnail display may only include the following: text data about the listed property, an image of the listed property, the logo of the listing broker and "buttons" or hot links for a detailed listing display. The provision relating to "contact information or branding" is designed to prevent the web-site-owning BRS's or BRSA's contact information, contact links, and branding, and that of its agents, from appearing on other BRS's listings. "Branding" refers to any marks or language referring to the web-site-owning BRS repeated in the thumbnail display of another BRS's listing. Any association of such information or branding with the listing data is a violation of this rule.
- l. A search result producing a detailed display of another BRS's listing shall display that BRS's name and Listing Agent's name within the property information in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data. Display of minimal information (e.g "thumbnails", text messages, "tweets", etc. of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, a;; required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application. MichRIC's copyright notice shall be displayed immediately following the property information. The copyright notice shall be at least a 10 point font size and appear exactly as follows: "Copyright nnnn MichRIC, LLC. All rights reserved. "[Where nnnn is the current year.] The copyright symbol can be used in place of the word "copyright". MLS interprets any display containing more than 200 characters of listing data text as being a detailed display. A detailed display of another BRS's listing may not include any contact information or branding of the MLS Participant who owns the web site or any of it's agents within the "body" of the listing data. The "body" is defined as the rectangular space

whose borders are delimited by the utmost extent in each direction of the listing text and photo data. The prohibition on branding or contact information within the “body” of the listing data is intended to prevent any possible confusion on the part of the consumer as to the source of the listing. Unbranded buttons that go to an unbranded popup are allowed in the “body” of the listing data such as “schedule showing”, “contact us”, “save as favorite”, etc.

- m. Any result identifying another BRS’s listing shall include the disclaimer “Information Deemed Reliable But Not Guaranteed.” This disclaimer shall be at least a 10 point font size. Display of minimal information (e.g. “thumbnails”, text messages, “tweets”, etc. of two hundred (200) characters or less are exempt from this requirement but only when linked directly to a display that includes all required disclosures.
- n. Any limited electronic display used for publication of the Broker Reciprocity Database or any portion thereof must be controlled by a BRS or a BRSA and advertised as that BRS’s or BRSA’s limited electronic display. In order to participate in Broker Reciprocity™, a limited electronic display must be marketed and branded or cobranded as the broker’s site. For purposes of the BR policy and these rules, “control” means the ability to add, delete, modify and update information as required by the BR policy and MLS Rules.
- o. Non-principal brokers and sales licensees affiliated with a BRS may display information available through Broker Reciprocity on their own websites subject to their BRS’s consent and control and their written authorization. If written authorization is obtained by a non-principal broker or sales licensee to use the BR database to populate their web site, the BRS, licensee and any third party vendor shall sign an agreement with the MLS setting forth the permissible uses of the BRS Database, agreeing to comply with the MLS Rules and Regulations governing the BR Database, and agreeing to comply with all state laws and regulations.
- p. Any BRS or BRSA display controlled by a BRS or BRSA that:
  - 1. allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
  - 2. displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued for the seller’s listings at the request of the seller.

The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants. Except for the foregoing and subject to paragraph q below, a participant’s BRS display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent a BRS or BRSA display from notifying its customers that a particular feature has been disabled at the request of the seller.

- q. BRSs and BRSAAs shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property BRSs and BRSAAs shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, BRSs and BRSAAs shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.
- r. BRSs and BRSAAs may not use Broker Reciprocity provided listings for any purpose other than display as provided for in these rules. This does not require a BRS or BRSA to prevent indexing of Broker Reciprocity listings by recognized search engines.
- s. A BRS or BRSA must make changes to an Internet display necessary to cure a violation of the MLS's Rules and Regulations within five (5) business days of notice from the MLS of the violation. MLS reserves the right to discontinue the data feed you receive if you do not comply with this requirement. You may also be subject to fines from the MLS. The recipient of a sanction may request a hearing before the Professional Standards Committee of the Association of REALTORS in accordance with the Bylaws and Rules and Regulations of the Association within 20 days following receipt of the notice of violation.
- t. Except as provided in the BR policy and these rules, a Broker Reciprocity site or a BRS or BRSA operating a Broker Reciprocity site or displaying BR information as otherwise permitted may not distribute, provide, or make any portion of the MichRIC database available to any person or entity. In addition,  
a  
brokerage firm cannot sell access to the Broker Reciprocity Data to other brokers or any other businesses, whether or not they are participants in MLS.
- u. A BRS or BRSA may co-mingle the listings of other brokers received in a BR feed with listings available from other MLS BR feeds, provided all such displays are consistent with the BR rules, and the BRS and BRSA holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple BR data feeds resulting in the display of BR information from each of the MLSs on a single search results page; and that BRSs may display listings from each BR feed on a single webpage or display.
- v. No portion of the Broker Reciprocity Database shall be co-mingled with any non-MLS listings on the BRS's or BRSA's Internet web site limited electronic display. If you take listings from consumers but do not put them into an MLS system, they cannot appear on any thumb-nail display or as part of any search results with BR Database data. If the property in question appears in any other MLS, then the property may be co-mingled.

If you serve a market area without an MLS, you must either enter such listings into an MLS in a market that has one, or you must not co-mingle those listings

with the BR Database listings.

- w. Any BRS and BRSA using a third party to develop and /or design its limited electronic display shall have a written agreement with that third party in the form prescribed by the MLS. MLS requires that third parties gaining access to the BR Database sign the standard contract as approved by the MLS. Providing an MLS password to an unauthorized recipient is a serious violation of the MLS Rules and Regulations punishable by a fine as established by the individual MichRIC Member Associations for their MLS.
  
- x. Deceptive or misleading advertising (including co-branding) on pages displaying Broker Reciprocity provided listings is prohibited. For purposes of these rules, co-branding will be presumed not to be deceptive or misleading if the participant's logo and contact information is larger than that of any third party.

## **Article 15 Virtual Office Websites (VOW)**

**Section 15.1** - (a) A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.

(b) As used in Section 15 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

(c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

(d) As used in Section 15 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

**Section 15.2** - (a) The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights.



However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

(b) Subject to the provisions of the VOW Policy and these Rules, a Participant's VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange ("IDX").

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

**Section 15.3** - (a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

(i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

(b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

(d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

- (i.) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
  - (ii.) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
  - (iii.) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
  - (iv.) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
  - (v.) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- (e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- (f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

**Section 15.4** - A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

**Section 15.5** - A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

**Section 15.6** - (a) A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the

listings of sellers who have determined not to have the listing for their property displayed on the Internet.

(b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

### **Seller Opt-Out Form**

1. Please check either Option a or Option b

a.  I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

OR

b.  I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

\_\_\_\_\_  
initials of seller

(c) The Participant shall retain such forms for at least one year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

**Section 15.7** - (a) Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 15.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

**Section 15.8** - A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove

any data or information that simply reflects good faith opinion, advice, or professional judgment.

**Section 15.9** - A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

**Section 15.10** - Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

**Section 15.11** - A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

**Section 15.12** - A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

**Section 15.13** - A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

**Section 15.14** - A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

**Section 15.15** - A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired or withdrawn listings.
- b. The compensation offered to other MLS Participants.
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The seller's and occupant's name(s), phone number(s), or e-mail address(es).
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

**Section 15.16** - A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields

**Section 15.17** - A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

**Section 15.18** - A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings and not more than 500 sold listings in response to any inquiry.

**Section 15.19** - A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

**Section 15.20** - A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

**Section 15.21** - A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

**Section 15.22** - Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

## **ARTICLE 16 - CHANGES IN RULES AND REGULATIONS**

### **SECTION 16 - CHANGES IN RULES AND REGULATIONS.**

Amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing System, in accordance with the provisions of ARTICLE 10, SECTION B, Bylaws of the Service.

#### **SECTION 16.1 - INVALIDITY.**

If any Article or SECTION of these Rules and Regulations shall be found to be invalid under either the Statutes of the State of Michigan or the rules of the Michigan Corporation and Securities Commission, the remainder of these Rules and Regulations shall be and remain in full force and effect.

## **ARTICLE 17 – Orientation**

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to

MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated orientation and additional training remotely.

ADOPTED: November 2, 1984

AMENDED & EFFECTIVE: July 31, 2018