



Texas REALTORS® is a voluntary Association whose members agree to abide by the Code of Ethics of the National Association of REALTORS®. We only have jurisdiction over active REALTOR® members. We cannot investigate claims of misconduct because the burden of proof is at all times upon the complainant. We also cannot affect a Texas Real Estate License as the Texas Real Estate Commission has jurisdiction over alleged violations of the Texas Real Estate licensing rules and regulations. The Texas Real Estate Commission may be contacted at 512-936-3000 to file a complaint.

Two separate services to resolve issues with REALTORS®:

- Ethics Complaints – a procedure by which a complainant may seek disciplinary action for a violation of the Code of Ethics.
- Arbitration Request – a procedure by which a complainant may have a monetary dispute determined (generally commission disputes).
- If you file both an arbitration request and an ethics complaint regarding the same circumstances, the arbitration request will be considered first.

Before you file a complaint

- Have you contacted the REALTOR® or a principal broker in the brokerage firm to see if you can resolve your issue? Many disputes result from misunderstandings or miscommunication. Open, constructive discussion often resolves questions or differences.

Ombudsman

- Texas REALTORS® offers an Ombudsman program that could possibly assist you with your ethical concerns or monetary dispute. The Ombudsman program is basically informal telephone mediation and attempts to resolve your concerns through communication. Ombudsmen do not determine whether ethics violations have occurred or who is owed money; rather they anticipate, identify, and attempt to resolve misunderstandings and disagreements before matters ripen into possible charges of unethical conduct or arbitration disputes.

Abeysance

- If the ethics complaint or arbitration request you file with Texas REALTORS® is also involved in any civil, criminal, or other administrative proceedings, it is our procedure to hold your case in abeyance until such proceedings have been resolved.

Should you have any questions, please do not hesitate to contact us at 800-873-9155.

For additional information regarding ethics complaints and/or arbitration requests, please refer to the following enclosed documents:

Ethics

1. General Information for an Ethics Complaint
2. Instructions on Filing an Ethics Complaint
3. *Ethics Complaint* (Form E-1)
4. *Anonymous Ethics Complaint Addendum* (Form E-1a)
5. Texas Citation Policy
6. Nature and Discipline for Code of Ethics Violations
7. 2019 Code of Ethics (if conduct occurred in 2019)
8. 2020 Code of Ethics (if conduct occurred in 2020)

Arbitration

1. General Information for an Arbitration Request
2. Instructions for Filing an Arbitration Request
3. *Request & Agreement to Arbitrate* (Form A-1, if you are a REALTOR® member)
4. *Request & Agreement to Arbitrate* (Form A-2, if you are not a member)
5. Procuring Cause Factors



The Ethics Complaint Process

General Information

- Only members of a REALTOR® Association are subject to the National Association of REALTORS® Code of Ethics. If the real estate professional you are dealing with is not a REALTOR®, your recourse may be the Texas Real Estate Commission (TREC), the state real estate licensing entity, at 512-936-3000 or through the Texas courts.
- The ethics complaint process can only determine whether the Code of Ethics has been violated, not whether the law or real estate regulations have been broken. Those decisions can only be made by TREC or the courts.
- Typical forms of discipline for Code of Ethics violations include attendance at Continuing Education or Ethics courses, letters of warning or reprimand, and appropriate fines. For more serious or repeat violations, a REALTORS® membership can be suspended or terminated. Associations of REALTORS® cannot require REALTORS® to pay money to parties filing ethics complaints or award “punitive damages” for violations of the Code of Ethics.
- The primary emphasis of discipline for ethical violations is educational.

Before you file an ethics complaint

- If you have a problem with a REALTOR®, we suggest you first speak with them or with a principal broker in the brokerage firm. Many disputes result from misunderstandings or miscommunication. An open and constructive discussion often resolves questions or differences, eliminating the need for further action.
- Texas REALTORS® offers informal dispute resolution (e.g., ombudsman and mediation). Parties are often more satisfied with informal dispute resolution, as they are quicker, less costly, and can help repair damaged relationships.

Filing an ethics complaint

- **180 Day Rule** - Ethics complaints must be filed within one hundred eighty (180) days from the time a complainant knew (or reasonably should have known) that potentially unethical conduct took place or within one hundred eighty (180) days after the conclusion of the transaction or event, whichever is later. The filing deadline may be suspended if the parties use an informal dispute resolution process (e.g. ombudsman).
- The REALTOR® Code of Ethics consists of seventeen (17) Articles. The Code of Ethics also includes several Standards of Practice which serve to illustrate a REALTORS® duty in specific situations.
- An ethics complaint must allege violations of one or more Articles of the Code of Ethics, not a Standard of Practice.
- Your complaint should include a narrative description of the circumstances that lead you to believe the Code of Ethics may have been violated.
- If you are a member of the public, a member of the Professional Standards Committee may be appointed to provide assistance in preparing a complaint in proper form and with proper content.
- Ethics complaints may be filed anonymously. The complainant must still identify themselves to Texas REALTORS® staff who will keep their identity strictly confidential from all other parties. Anonymous complaints are only processed using the Texas Citation Policy where only alleged violations of Articles 3, 4, 5, 6, 12, 14, and/or 16 will be considered. If a complaint contains any other Article(s), it cannot be processed anonymously.

Before the hearing

- After your Ethics Complaint is received, Texas REALTORS® will forward the complaint to a Grievance Tribunal. Their job is to review complaints to determine if the allegations made support a possible violation of the Code of Ethics.
- The Grievance Tribunal may dismiss your complaint if they do not feel that your allegations support even a possible violation of the Article(s) cited in your complaint. You may want to review your complaint to see if you cited an Article appropriate to your allegations. You may appeal if your case is dismissed at this stage.
- If the Grievance Tribunal feels the allegations support the possibility of a violation, they will forward your complaint for hearing. This does not mean they have decided the Code of Ethics has been violated. Your case will be heard before a hearing panel, which determines if a violation has occurred.
- Citation Policy - Texas REALTORS® has adopted a Citation Policy to handle certain ethics complaints. The Citation Policy is an alternative to conducting full hearings to enforce the Code of Ethics. The Citation Policy includes a schedule of set fines and is only available with complaints that allege violations of Articles 3, 4, 5, 6, 12, 14, and/or 16. If your complaint qualifies, the Grievance Tribunal may issue a Citation to the Respondent in lieu of holding a hearing. If the respondent accepts the Citation and pays the fine, the matter will be closed. If the respondent does not accept

the Citation, a hearing will be scheduled.

- If the Grievance Tribunal forwards the complaint to a hearing, the respondent may file a written reply in their defense. A copy of any reply will be sent to you, as the complainant, and the hearing panel.
- The parties will be given a list of potential hearing panel members prior to the hearing. Either party may file a written request for disqualification of any potential member of the hearing panel for an appropriate reason.
- The parties will be notified of the date and place of the hearing at least twenty-one (21) days in advance. The notice will include a detailed outline of procedures that will be used during the hearing.
- Legal or REALTOR® Counsel – The parties may be accompanied by legal counsel or a REALTOR® acting as counsel, or both. You must send written notice of your intention to have counsel present to all other parties and to Texas REALTORS® at least fifteen (15) days before the hearing. It is the responsibility of the parties to keep their counsel informed of all proceedings and documentation.
- Witnesses – It is the responsibility of each party to arrange for witnesses to be present at the hearing. You must send written notice of your intention to have witnesses to all other parties and to Texas REALTORS® at least fifteen (15) days before the hearing. Failure to provide timely notice may result in a waiver of the right to call the witness or a continuance of the hearing as determined by the Hearing Officer. The parties appearing at the hearing may be called as witnesses without advance notice.
- Parties are strongly encouraged to provide all documents and evidence they intend to introduce during the hearing to the other party(ies) and to Texas REALTORS® prior to the day of the hearing. Providing documents and evidence in advance can expedite the hearing process and prevent costly unnecessary continuances. We request that you provide documents at least five (5) business days before the hearing date.

Preparing for the hearing

- You will receive an Outline of the Procedures that will be followed during the hearing. Familiarize yourself with the hearing procedures that will be followed. You will want to know about challenging potential panel members, your right to counsel, calling witnesses, and the burdens and standards of proof that apply.
- Complainants have the ultimate responsibility (“burden”) of proving that the Code of Ethics has been violated. The standard of proof that must be met is “clear, strong and convincing” defined as “...that measure or degree of proof which will produce a firm belief or conviction as to the allegations sought to be established.” Respondents are considered innocent unless proven to have violated the Code of Ethics.
- Be sure that your witnesses and counsel will be available on the day of the hearing. Continuances are a privilege.
- Be sure you have all the documents and other evidence you need to present your case.
- Organize your presentation in advance. Know what you are going to say and be prepared to demonstrate what happened and **how you believe the Code of Ethics was violated**.

At the hearing

- Appreciate that panel members are unpaid volunteers giving their time as an act of public service. Their objective is to be fair, unbiased, and impartial; to determine, based on the evidence and testimony presented to them, what actually occurred; and determine whether the facts support a finding of an ethical violation.
- Hearing panels cannot conclude that an Article of the Code has been violated unless that Article(s) is specifically cited in the complaint.
- Keep your presentation concise, factual, and to the point. Your task is to demonstrate what happened (or what should have happened but didn't), and how the facts support a violation of the Article(s) charged in the complaint.
- Hearing panels base their decisions on the evidence and testimony presented during the hearing. If you have information relevant to the issue(s) under consideration, be sure to bring it up during your presentation.
- Recognize that different people can witness the same event and have differing recollections about what they saw. It is up to the hearing panel to determine, in their view, what happened.
- An ethics hearing is an adversarial process and is, to some degree, unavoidably confrontational. For the enforcement process to function properly, it is imperative all parties, witnesses, and panel members maintain appropriate decorum.

After the hearing

- You will receive a copy of the hearing panel's decision, review it carefully.
- The decision includes Findings of Facts, which are the conclusions of the panel members based on their reasoned assessment of all the evidence and testimony presented during the hearing. Findings of Fact are not appealable.
- If you believe the hearing process was flawed to the extent you were denied a full and fair hearing; there are appellate procedures that can be invoked. The fact that a hearing panel found no violation is not appealable.
- You will be provided information regarding the procedures for appealing the decision.



Instructions for filing an Ethics Complaint

If you wish to file an Ethics Complaint (seeking disciplinary action), you must submit the following:

1. A completed ***Ethics Complaint (Form E-1)***
 - a) The form must be neatly written or typed, dated & signed.
 - b) The “Complainant” is you; The “Respondent” is who you are filing against and must be an active REALTOR® member.
 - i) Anonymous Complaint – If you are filing anonymously, fill in “Anonymous” as the Complainant’s name on the *Ethics Complaint* (Form E-1). You must also include the ***Anonymous Ethics Complaint Addendum (Form E-1a)***.
 - c) Item #1 – The complaint must *cite at least one Article* of the Code of Ethics of the National Association of REALTORS® (a copy of the Code of Ethics is enclosed). Do NOT cite a Standard of Practice.
 - d) Item #2 – Address of property involved, if applicable.
 - e) Item #3 – Date(s) of alleged violation must be within **180 days** of the incident or within **180 days** the matter could have been known in the exercise of reasonable diligence, whichever is later.
 - f) Item #4 – Indicate if the circumstances your complaint is concerned with are also involved in: Civil litigation or Criminal litigation (Court system), filed with the Texas Real Estate Commission (State licensing entity) or any other state or federal agency (i.e., HUD) or none of the above.
 - g) Item #6 – Indicate whether you have, or intend to, file another complaint against the respondent(s) regarding the same transaction or event in another REALTOR® association.
 - h) Complainant contact information at the bottom of the form should be completed so we know how to contact you.
 - i) Anonymous Complaint – If you are filing anonymously, do NOT include contact information on the *Ethics Complaint* (Form E-1). However, you must include your contact information on the ***Anonymous Ethics Complaint Addendum (Form E-1a)***.
2. A **written summary** of the facts and allegations against the respondent(s) with a timeline of events if possible.
3. **Copies of documentation/evidence** to support your claim of misconduct should also be included with the Ethics Complaint.
 - a) If you are a REALTOR® member, you should **include the original plus 8 additional copies** of your documentation/evidence when you file the complaint. Members of the public only need to submit the original.
 - b) Please print double sided, if possible.

Anonymous Ethics Complaints

Please Note! All complainants must identify themselves to Texas REALTORS® staff! As an Anonymous Complainant your identity will be kept strictly confidential from all other parties, including the respondent(s).

If you wish to file an Anonymous Ethics Complaint, in addition to the above forms and documents, you must also submit the following:

1. A completed ***Anonymous Ethics Complaint Addendum (Form E-1a)***
 - a) Item #3 – Indicate whether you would be willing to lose your anonymity and attend a hearing in person to testify regarding your complaint. Under our procedures, it may be required to hold a hearing regarding your complaint, and it may be necessary for you to attend the hearing to ensure the process is fair to all parties.
 - b) You must include your name and contact information of the Anonymous Addendum.
2. On the ***Ethics Complaint (Form E-1)***, please write “Anonymous” as the complainant’s name and **do not sign the Ethics Complaint (Form E-1)**.

Ethics Complaint

Case No. _____

To the Grievance Tribunal of the Texas REALTORS®:

Date _____

Complainant(s): ___ Member ___ Non-Member

Respondent(s) (Who you're filing against)

- 1. Complainant(s) charge(s): An alleged violation of Article(s) ... (do not cite Standards of Practice) of the Code of Ethics or other membership duty as set forth in the Bylaws of the Association in N/A (Article, Section) and alleges that the above charge(s) (is/are) supported by the attached statement, which is signed and dated by the complainant(s) and which explains when the alleged violation(s) occurred and, if a different date, when the complainant(s) first knew about the alleged violations.
2. Address of property involved:
3. This complaint is true and correct to the best knowledge and belief of the undersigned and is filed within 180 days after the facts constituting the matter complained of could have been known in the exercise of reasonable diligence or within 180 days after the conclusion of the transaction, whichever is later. Date(s) alleged violation(s) took place: Date(s) you became aware of the facts on which the alleged violation(s)(is/are) based: I (we) declare that to the best of my (our) knowledge and belief, my (our) allegations in this complaint are true.
4. Check one or more. Are the circumstances giving rise to this ethics complaint involved in: civil litigation, criminal litigation, filed with the Texas Real Estate Commission (TREC), filed with any other state or federal regulatory or administrative agency, if so, state the agency, or none of the above.
5. I understand that should the grievance tribunal dismiss this ethics complaint in part or in total, that I have twenty (20) days from transmittal of the dismissal notice to appeal the dismissal.
6. You may file an ethics complaint in any jurisdiction where a REALTOR® is a member or MLS participant. Note that the REALTORS® Code of Ethics, Standard of Practice 14-1 provides, in relevant part, "REALTORS® shall not be subject to disciplinary proceeding in more than one Board of REALTORS®...with respect to alleged violations of the Code of Ethics relating to the same transaction or event." Have you (or intend to) file a similar or related complaint with another association of REALTORS®? Yes No If so, when was the complaint filed? (date) Name of other Association(s):
7. In the event, the complainant (non-member) lives out of state: If this complaint is forwarded to a hearing panel, will you be willing and able to attend the hearing? yes no
8. Do you prefer communication regarding this complaint to be sent to you via mail or email?

Complainant 1: (Type/Print)
Address:
(Phone)

(Signature)
(Email)

Complainant 2: (Type/Print)
Address:
(Phone)

(Signature)
(Email)

Texas REALTORS®
P.O. Box 2246, Austin, Texas 78768-2246
(512) 480-8200
Anonymous Ethics Complaint Addendum

Note: Only complete this form if you are filing an Anonymous Complaint

1. An Anonymous Complaint is a complaint where the identity of the complainant, at the complainant’s option, is kept confidential and unavailable to the Grievance Tribunal and the respondent(s). **However, all complainants must identify themselves to Texas REALTORS® staff who will keep their identity strictly confidential. If your name and contact information are not included on this form, your complaint will not be processed.**

2. **Anonymous Complaints will only be processed under the Texas Citation Policy.** Under the Texas Citation Policy, only alleged violations of Articles 3, 4, 5, 6, 12, 14 and/or 16 can be considered. If a complaint contains alleged violations of any other Article(s) (1, 2, 7, 8, 9, 10, 11, 13, 15, and/or 17) it **cannot** be processed anonymously.

3. **Please be advised, a complainant’s identity may not remain confidential under the following circumstance:**

Respondents who have been issued a citation have the right to request the ethics case be heard at a hearing. The case will be reviewed by the Grievance Tribunal. If the Grievance Tribunal determines that you must appear at a hearing to ensure the hearing is fair (due process), the case will only proceed if you agree to continue as a named complainant. If you do not want to proceed as a named complainant, the ethics complaint will be dismissed.

If your case must be heard at a hearing, will you be willing to lose your anonymity and attend the hearing to testify as a named complainant? _____ Yes _____ No

Please Note: If a hearing is later required and your attendance is necessary to ensure fairness, your complaint will be dismissed if you are not willing to attend that hearing!

4. On the Ethics Complaint (Form#E-1), please write “Anonymous” as the complainant’s name and do not sign the form. It is your responsibility to make sure that any information on the complaint form or other submitted documents that could identify you as the complainant are redacted/blacked out.

5. Do you prefer communication regarding this complaint to be sent to you via__ mail or __email?

Anonymous Complainant Name: (Type/Print)

(Signature)

***Required**

Address: _____

Phone: _____

Email: _____