

PROVIDING MLS Access, PRODUCTS AND SERVICES TO NON-MEMBERS

A REALTOR® Association looking to allow non-members to participate in an MLS and/or provide association products and services to non-members must understand potential limitations to such efforts. While non-member participation is determined at the local level, associations and association-owned MLSs must adhere to applicable state and federal law as well as the NAR Constitution, Bylaws and policies. Associations that adopt non-compliant non-member programs or policies may incur unanticipated legal liability and/or be subject to charter revocation. To avoid such pitfalls, associations and association-owned MLSs considering whether to offer non-members MLS access, products and services should be knowledgeable of and account for the following:

REALTOR® Associations and Association-Owned MLSs Must:

- Adopt and adhere to the NAR Constitution, Bylaws and applicable policies, including the <u>Three-Way Agreement</u> and <u>Dues Formula</u>.
- Control use of the REALTOR® Marks in respective jurisdiction to ensure only members use the Marks.
- Clearly differentiate between the benefits offered to members versus the products or services available for purchase by non-members.
- Present a true picture in advertising, marketing, and other representations which accurately depicts the value members receive in comparison to non-member purchase offerings.

REALTOR® Associations and Association-Owned MLSs May Not:

- Adopt any rule, regulation, practice or policy inconsistent with NAR policy.
- Advertise, market or imply non-member MLS access, products or services are a form or type of membership.
- Engage in false, deceptive or misleading advertising and marketing practices which create market confusion, dilute the REALTOR® Brand or infringe on the REALTOR® Marks.
- Knowingly or recklessly make false or misleading statements about other associations, MLSs, or their programs, products or services.

REALTOR® Associations and Association-Owned MLSs Need to Consider:

- Failure to comply with mandatory NAR policies may render an association and/or MLS ineligible for coverage under the NAR Insurance Program and may, as a last resort, result in charter revocation.
- Purchasing separate professional liability insurance covering the provision of certain products and services to non-members which may not be covered by the NAR Insurance Program.
- Offering products and services related to MLS participation (e.g., standard forms, legal hotline, market stats, education) for purchase a la carte, rather than aggregated or bundled.
- Charging different MLS subscription fees to non-members and REALTOR® members. Any difference in participation fees for non-member participants should be reasonable and directly related to the costs of providing services.

Associations and association-owned MLSs with compliance-related questions may contact narrealtor