

CARETS Data Integrity Policy Now in Effect.

CLAW, CrisNet, iTech, SoCalMLS and MRMLS joined forces to develop an aggregated MLS database. California Real Estate Technology Services (CARETS) was formed. The intent was to create a standardized data definition for listings, one set of MLS Rules and Regulations, and one set of Data Integrity Standards for the five Charter MLSs to use. Three years later, on June 15, 2009, the participating Association of REALTORS® must uniformly implement these CARETS Standards.

Below please read the Data Integrity Policy of CARETS that we must follow and enforce. Below the Data Integrity Policy you will find the comparison chart of the Data Integrity Policy and DAOR's old Fine Structure. Please call us if you have any questions.

Downey Association of Realtors® / C.A.R.E.T.S. Data Integrity Standards

Our Data Integrity Standards are common dos and don'ts to help you accurately enter your listings in our MLS and to avoid potential MLS violations. It is your obligation to preserve the **most valuable** asset of your MLS: data accuracy.

I. OVERVIEW

Recognizing the importance of accurate data to the success of our business, the Associations of REALTORS®/MLSs **will issue citations and/or fines for MLS data inaccuracies or misuse** in the following areas which include but are not limited to:

ACCURACY OF INFORMATION

- Active Listing without Valid Listing Agreement
- Duplicate Listing by the Same Agent
- No Compensation Offered – Except on Open Listings
- Property Listed by a Non-MLS Member
- Inaccurate Property Type Classification
- Inaccurate Bedrooms/Baths
- Inaccurate or Invalid APN#
- Inaccurate City
- Inaccurate Zip Code
- Inaccurate Area Number
- Inaccurate Tract Code
- Inaccurate Thomas Guide Number
- Inaccurate Selling Information
- Inaccurate Status
- Listing Information Incomplete or Not Kept Current
- Using a Data Field for a Purpose Other than its Intended Use
- Including Agent Contact Information in Public Remarks Fields or in Photographic Media
- Failure to Identify/Disclose when Listing Broker/Agent is a Principal

ACCURACY OF INFORMATION

- Inaccurate or Incomplete Address
- Inaccurate School Information
- to the Transaction

LATE REPORTING

- Late Entry of a New Listing (48 hours)
- Late Reporting Pending (48 hours)
- Late Reporting Sale (48 hours)

REMARKS AND GRAPHICS

- Lockbox/Gate/Security Code or “Vacant” in Public Remarks
- Incorrect Information in “Listing Price Excludes”

- Incorrect or Restricted Entries in Remarks
- Use of Photographic Media without Proper Authorization
- Failure to Include a Minimum of One Photograph/Rendering of Property within 5 Days of Listing Entry
- Discriminatory Language
- Any Phone Numbers, Web Site Addresses or Other Contact Information
- Entering Open House Detail in Public Remarks

II. REGULATORY ISSUES

The success of an MLS depends upon the timely reporting of information so that all of the cooperating subscribers may benefit from the data found in the MLS system. Your local Association of REALTORS®/MLS has established rules and regulations that govern the time frame in which you are to enter listing additions and changes into the MLS system. If you do not adhere to these rules, you are in violation of MLS Rules.

- **New Listing:** **DO NOT** add a new listing to the MLS if you do not have a valid listing agreement signed by all parties.
- **Listing Exclusion:** It is acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association/ MLS offices within 48 hours of acquiring the listing.
- **Adding a Listing:** Your listing must be added into the system within 48 hours of the Listing Beginning date.
- **Status Changes:** All listing status changes must be reported within 48 hours of the change.
- **Sold Listing:** You are required to report that your listing has sold and closed within 48 hours of the actual closing.

Failure to comply within the prescribed time period (48 hours excepting weekends, holidays and postal holidays) may cause the Participant/Subscriber to be subject to discipline including fines as per Section 17: Non Payment of MLS Fees. See Appendix C: Fee Schedule.

III. DATA INTEGRITY ISSUES

- **Address**
Each component of the address should be entered correctly and in the proper field – House Number, Direction, Street Name, Street Type, Unit Number, etc.
- **Area Number**
The Area Number used in our system provides for further geographical breakdown of a property's location. The Area Number that you place in your listing must accurately reflect the location of the property. When adding a listing, the MLS system will limit you to a valid set of Area Numbers.

- **Assessor's Parcel Number**

The APN is very important. Not only is it needed to link to the tax database to locate tax, assessment and sales information, but it is also used to link listings within our history database.

Every listing must have the correct APN as assigned by the County Assessor's office. The MLS system contains Assessor files for all of our MLS areas, plus those immediate adjacent to our areas, from which the APN can be derived. You can also auto-populate the APN, and associated fields, directly from these files. If you cannot determine an APN for your listing, call the MLS coordinator at the Association of REALTORS®/MLS for assistance.

New construction properties for which an APN has not yet been assigned by the Assessor can be handled in two ways: 1) Input a “dummy” APN of all 9s in the format corresponding to the applicable county. This is the ONLY time a “dummy” APN may be entered, 2) Input the previous APN of the land upon which the property is being built. In either case, when an APN is assigned by the Assessor’s office, it should immediately be input to the MLS.

For Example:

- 1) **DO NOT** enter an APN from another property
- 2) **DO NOT** enter a partial APN
- 3) **DO NOT** enter a dummy, or fake APN, except as noted above for new construction.

- **Auction Listings**

Compensation offered through the AOR/MLS to cooperating brokers on listings, which are offered by auction is for the amount published therein unless the listing broker indicates in the AOR/MLS that the sale and gross compensation are based upon sales price. The listing price in the AOR/MLS shall be the reserve or minimum bid and state “compensation to cooperating agent for a successful bid only” must appear in the Agent/Private Remarks only. Auction listings shall have listing contracts, as required by the AOR/MLS, including terms and conditions of auction, provided to the AOR/MLS. The Public Remarks must contain the following: ”The List Price is the reserve or minimum bid subject to the seller’s acceptance”.

- **City**

The city that you enter in your listing must accurately reflect the location of the property: either the city in which the property is found or, in some cases, the postal address of that property. If you auto-populate from the tax data, you should double check to make sure the correct city was entered. If not, change it at the time you add the listing.

For example:

- 1) **DO NOT** use another city just because it might seem more appealing to buyers.
- 2) If the property is in an unincorporated area or is in one of those specific areas where the postal address differs from the actual city the property is in, enter the postal address city in the City field, but clearly disclose the actual city in the property description.

- **Compensation Detail**

Compensation fields, as well as Agent Notes/Showing Instructions, must be used to accurately detail the compensation offered through the MLS, and any special circumstances. The Selling Office Compensation is a required entry and must indicate a percent of the gross selling price or fixed dollar amount. Additionally, specific detail as related to estate sales, probate listings, auction sales, sales requiring lender approval of compensation paid, or other special circumstances must be entered in the Agent Notes/Remarks.

- 1) A compensation amount **MUST** be entered for ALL listings except for Open listings, as authorized by California Civil Code.
- 2) Dual or variable rate compensation arrangements **MUST** be identified using the Dual/Variable Rate field.
- 3) The offer of compensation as entered into the MLS must be honored by the Listing Broker/Agent. Changes to the compensation offered are not enforceable if entered after the receipt of an offer for the listed property unless agreed to by the Cooperating Broker in writing.
- 4) A purchase contract may not be used by a Selling Agent to modify the compensation offered through the MLS.
- 5) MLS Only listings must be designated as such using the Compensation Detail field.
- 6) Limited Service listings must be designated in the Agent Notes/Listing Service fields advising the Service Participants and Subscribers of the limits of said service or to contact the Listing Agent for details.
- 7) Compensation offered on net listings must be fully explained in the Agent Notes/Remarks field.

- **Conditional/Discriminatory Compensation Language**

The content in any of the remarks fields may not contain conditional or discriminatory language regarding the payment of compensation. For example, the following are not acceptable remarks: "If (Listing Broker) Agent shows property first to a buyer, the Selling Agent will not receive the compensation.", "No compensation paid to XYZ brokerage.", "If (Listing Brokerage) Agent shows property first to a buyer, total Selling Office compensation will be reduced to x%.", or y% for a full price or above offer, z% if offer is less than full price." Procuring cause cannot be determined nor controlled via the compensation field.

- **Duplicate Listings**

There should be only **ONE** active record in the MLS database for each **PROPERTY TYPE** that is for sale. Duplicate listings are misleading, skew the statistics, and make Comparative Market Analyses (CMAs) cumbersome and often incorrect.

However, if a property has a structure on it but is being marketed at land value, it may be placed in both the Land/Lot and other applicable property type/category (i.e., Residential and Land/Lot, Commercial and Land/Lot, etc.). A property that has a non-conforming or illegal rental may also be listed in both Residential and Residential Income. In both cases, the condition that makes it appear in the secondary category must be disclosed on **BOTH** listings.

For example:

- 1) **DO NOT** add a listing more than once to reflect different CITIES.

- 2) **DO NOT** add a listing more than once to reflect a different number of bedrooms.
- 3) **DO NOT** add a listing more than once to gain additional exposure as another "new" listing.
- 4) **DO NOT** add a listing more than once if you've obtained an extension for your listing.

- **Failure to Provide Requested Information or Correct Inaccurate Information**

The Violator shall have 48 hours, excluding weekends and holidays, to provide all requested information and/or to correct inaccurate information following notification via email to the Violator and/or Responsible Participant. If the requested information is not provided or corrected within the specified time period, a violation will be issued at the next violation level. Additional violations will be issued following the 48-hour interval specified above until the requested information or inaccurate information is corrected, subject to the maximum fine amount contained in Appendix A, Fee Schedule.

Failure to pay all fine amounts will subject the Violator to the actions specified in the MLS Rules and Regulations, Paragraph 17.1.

- **IDX**

Refer to **Section 12.16 of your MLS Rules for detailed information on the use of listing information on the Internet.**

- **Images in MLS Listings**

A minimum of one (1) photograph/rendering of the property must be entered into the MLS within five (5) calendar days of the listing entry date. Images uploaded to the system are meant to be representative of the listing and its surroundings - that is, pictures of the property, floor plans, maps (as long as not copyrighted), pictures of surrounding areas – neighborhoods, parks, schools, etc.

Images **MUST NOT** include:

- 1) Agent or Broker photos,
- 2) Agent or Broker names,
- 3) Phone numbers,
- 4) Website addresses,
- 5) E-mail addresses,
- 6) Any billboards, for sale signs, open house signs, special promotion signs, etc.,
- 7) Any advertising, marketing pieces, etc.,
- 8) Messages or solicitations of any kind,
- 9) Offensive photographs or images (the definition of "offensive" shall be left to the discretion of the Association or MLS),
- 10) Photo branding to place agent name, logo or other identifying information over the photo,
- 11) Photos of people, animals or other items not directly related to the property.

- **Listings by non-MLS Members**

No listing may be added to the system unless each Broker and each Agent associated with the listing are members of the MLS. A listing cannot be entered under another Agent or Broker's ID and reference a non-MLS member as the Listing Agent and primary contact in the Remarks field.

Also, an Assistant cannot be a Co-Listing Agent. Once an Assistant starts listing properties they must become an MLS member.

- **Property Already Listed by another Agent/Broker**

There should only be one listing per property type in the system. If another Agent already has a valid contract to sell a piece of property, you must not enter a listing for that same property. If you have a valid contract to list a property, the original Agent/Broker should have removed their listing from the system (expired, or canceled). If the original Agent/Broker has not removed their listing, they may be in violation of the Code of Ethics. This may be a professional standards situation which needs to be resolved through Broker-to-Broker communications or through a grievance at your Association(s).

- **Property Characteristics**

Any field which describes the characteristics of the property being listed must be accurate. For example, the entries you make in the Bedrooms and Baths fields must accurately reflect the correct number of bedrooms and total bathrooms found on the property, as well as the correct breakdown of bathrooms. **DO NOT** alter the characteristics in an attempt to make the property more attractive to potential buyers.

- **Property Type**

Enter each listing in the correct property type. For example, do not include Land or Mobile Homes under the Residential property type. The property type entered must reflect the actual or potential use for the property. Also, enter the property subtype correctly. **DO NOT** identify a Condominium in the system as a Single Family Residence.

- **Range Pricing (If Applicable)**

If a listing is specified as a Range Price Listing, the Listing Agent or Broker must enter a valid range for the list price of that listing. In all cases, the default List Price shall be the high end of the range and the low end of the range can be no less than 85% of this price, unless approved ranges have been filed with the California Department of Real Estate. In which case, the filed ranges shall be used in all Range Price listings.

- **Selling Information**

When reporting a listing as In Escrow or Sold, you are required to enter the accompanying information (e.g., Selling Agent, Selling Office, Sales Price, Close of Escrow Date, etc.). The sales information is critical for the accurate reporting of sales statistics as well as accurate Comparative Market Analyses (CMAs).

- **Status**

The Status of your listing should correctly reflect the current status of that listing.

- 1) **DO NOT** leave your listing in the Active status if it is off market or taking back-up offers.
- 2) **DO NOT** leave your listing as Active and in Remarks explain that it is off market or taking back-up offers.
- 3) **DO NOT** use the Back-Up status when you are waiting for escrow to close. The Back-Up status is to be used when the Seller is soliciting back-up offer(s).
- 4) If an escrow closes early, the property must be reported as sold with the correct closing date.

- 5) A property may not be reported as Canceled without signed instructions from the seller to do so.

- **Text Comments**

The MLS has several areas for text comments for public and private information. As authorized in Paragraph 8.3 of the MLS Rules, an Association or MLS may change, correct, delete or move data inputted to any of the Text Comment fields to reflect the correct or allowed information, and report the violation to the appropriate Association or MLS for violation processing.

Public Information

- 1) Marketing Remarks or Property Description – This area should only be used to describe the property’s physical and aesthetic characteristics, the things that might make a buyer want to look more closely at the property, specific terms to or exclusions from a sale (or lease), or legally required statements.
- 2) Directions to Property – This area should contain information which assists interested parties in locating your property.

Private Information

- 3) Private or Agent-Only Remarks – This is a confidential area for Agent-to-Agent communications: - that is, the kinds of things members might communicate to one another, but not to the public.
- 4) Showing Instructions - These are intended only for other Agents
- 5) Compensation on Probate Sales - See Section 7.15.1
The following disclaimer must be displayed in the Private Remarks for Probate Sales:
“The compensation to Selling Office is subject to change in accordance with court ruling.”

ALL text fields must be entered in the English language **ONLY**.

The following standards **MUST** be adhered to in all **PUBLIC** text comments:

- 1) **DO NOT** put gate codes, lockbox combinations or security codes in Public Remarks.
- 2) **DO NOT** put For Sale by Owner (FSBO) in Public Remarks. If the listing is legally in the MLS it cannot be a FSBO.
- 3) **DO NOT** put the word “vacant” in Public Remarks. We have a separate field for that.
- 4) **DO NOT** put e-Mail addresses in Public Remarks.
- 5) **DO NOT** put web site addresses in Public Remarks.
- 6) **DO NOT** put phone numbers in the Public Remarks. We have several phone number fields.
- 7) **DO NOT** put Agent, Assistant, Co-Lister or Owner names in the Public Remarks.
- 8) **DO NOT** remove any Public Remarks when changing a listing from Active to Off Market status.
- 9) **DO NOT** put language in the Public Remarks that violates any Fair Housing/HUD guidelines for improper or discriminatory language in advertising.
- 10) **DO NOT** put open house information in the Public Remarks.
- 11) The content of any of the remarks fields (Agent, Financial, or Property Description) cannot contain discriminatory language regarding the payment of compensation. For example, do

not include any of the following: "If [Listing Brokerage] Agent shows property first to your buyer, there will not be compensation paid to you", "No compensation paid to XYZ Brokerage", or "If [Listing Brokerage] Agent shows property first your total office compensation is y%". Procuring cause cannot be determined nor controlled via the Compensation field.

- 12) The Directions field may only contain location information intended to assist finding a property.
- 13) The List Price Excludes field may only contain specific detail regarding items not included in the property as offered for sale such as fixtures, appliances, etc. No other information may be entered in this field whatsoever.
- 14) **DO NOT** put title, escrow or other service instructions in the Public Remarks. Such information may be entered in Private Remarks; however, any entry that implies a requirement to use a specific title, escrow or service provider may be a violation of RESPA.
- 15) **DO NOT** place any information related to a property's situation as being or not being a short-sale, bank-owned or REO property, or any information related to the short-sale, bank-owned or REO situation in the Public Remarks. There are separate fields which identify these situations.

The following standards **MUST** be adhered to in all **PRIVATE** text comments:

- 1) **DO NOT** disseminate Agent Remarks/Showing Instructions to the public.
- 2) **DO NOT** distribute Agent Reports or displays to non-licensees at any time.
- 3) Place showing instructions, open house information, compensation information, special contract provisions, etc. in the appropriate Private Remarks field.
- 4) Listing Broker/Agent contact information such as telephone and fax numbers, email/website addresses, etc. may only be included in the Agent Remarks field.

- **Thomas Brothers Guide Number**

Many people search by the TG # to narrow down their searches to a particular geographic area. The TG # that you enter in your listing should accurately reflect the correct TG location for the property. If you auto-populate from the tax data you should verify the correct TG # was entered. If not, change it.

- **Virtual Tour and Virtual Media Links**

Virtual Tours and links to Virtual Media, must not contain promotional pieces on the Agent or Broker. They should be limited to descriptive information on the property and surrounding areas, neighborhoods, parks, schools, etc.

Virtual tour links must be property-specific. They may not simply be links to an Agent or other web site, even if a virtual tour resides on that web site. Further, a virtual tour link must be "sanitized" so as not to identify the listing Agent/Broker.

Images & Virtual Tour Links may NOT include:

- 1) Any advertising, marketing pieces, etc. (other than those specifically addressing the property)
- 2) Messages or solicitations of any kind.

- **Withholding a Listing from the Internet**

DO NOT withhold your listings from the internet unless you have a signed acknowledgement from the owner, that they understand their property will not be marketed through this medium and that is their choice. It is only acceptable to withhold a listing from the MLS with a signed authorization from the seller delivered to the Association of Realtors®/MLS offices.

- **Zip Code**

The ZIP code that you place in your listing must accurately reflect the postal ZIP code associated with the property. If you auto-populate from the tax data you should verify the correct ZIP Code was entered. If not, change it.

- 1) **DO NOT** enter a dummy, inaccurate or fake ZIP code.

* ZIP codes can be easily determined by looking up a property's address in the USPS database at: <http://www.usps.com/zip4/>

Appendix A

Data Integrity Standards Violation Enforcement and Fine Schedule

Member organizations of CARETS will apply the following enforcement policies and fine schedule for violations of the Data Integrity Standards.

1. For the purpose of the Fine Schedule, the number of violations will be tracked on a calendar year basis. On the first day of each calendar year the violation count for each MLS member will be reset to zero (0).
2. A listing that contains one or more violations of the Data Integrity Standards is considered a violation event for purposes of the Fine Schedule regardless of the category or nature of the violation.
3. A listing that contains more than one violation on the same day will be treated as a single violation for purposes of the Fine Schedule.
4. A violation must be corrected within 48 hours, excluding weekends and holidays, of notice of violation sent to the Violator and/or Responsible Participant. Receipt is presumed to be two (2) business days after mailing or one(1) business day after email or facsimile transmission. Failure to correct a noted violation within the allowed time period will result in a new violation for the uncorrected violations with the associated fine for that level of violation. New violations will be issued for any remaining uncorrected violations as each correction period expires until the violations are corrected or the maximum fine is reached as detailed in Paragraph 6 below.
5. The fine amount is determined by the total number of violations accumulated by each MLS member during a calendar year.
6. The violation fine schedule is:

First Violation:	Warning Letter
Second Violation:	Attend Class in Lieu of Fine or \$250.
Third and Subsequent Violations:	\$500
5. If the Violator opts to attend a compliance training class in lieu of paying the fine for a Second Violation, the Violator will pay a \$50.00 non-refundable one-time fee and complete the course within a 60-day period. The Violator will be given the opportunity for one make-up session only. Failure to complete the make-up session will result in assessment of the full \$250 fine for a Second Violation.
6. The maximum accumulated fine for a single violation shall be \$2,500.
7. If the maximum accumulated fine amount has been assessed and the violation has not been corrected, the Violator's MLS privileges may be suspended until all accumulated fines have been paid and the noted violation has been corrected.
8. Fines are due within fifteen (15) business days of receipt of a violation notice. Receipt is presumed to be two (2) business days after mailing or one(1) business day after email or facsimile transmission.

9. If a Violator believes that a violation notice and fine was issued in error, the Violator may request a hearing in accordance to the procedures set out by their MLS/AOR. Prior to requesting a hearing, the violation must be corrected.
10. Failure to pay assessed fines may result in suspension of MLS privileges as detailed in Paragraph 17.1 of the MLS Rules and Regulations.

APPENDIX B

IDX Fine Structure

Participants and subscribers may display on their public websites aggregated MLS listing information through downloading and placing the data on the participant or subscriber's public access websites, or by framing such information on the MLS or association public access websites.

The listing broker's consent for such internet display is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display either on a blanket or on a listing-by-listing basis. Listing brokers that refuse to permit other MLS participants or subscribers to display their listing information on a blank basis may not display MLS listing information or other broker's listings.

If broker displays other brokers' listings after affirmatively notifying the MLS of the refusal to display their listings on other broker's websites. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1,500	60 day Suspension & \$3,000

Participants and subscribers shall not display confidential information fields, as determined by the MLS at the MLS's sole discretion, such as that information intended for cooperating brokers rather than consumers. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1,500	60 day Suspension & \$3,000

All listings on a participant's or subscriber's site displayed by framing or other electronic means, shall identify the name of the listing firm and the name of the listing agent, in the same type font, size and color as that used for the listing detail. If the listing includes a co-listing firm and agent, those names shall also be displayed. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1,500	60 day Suspension & \$3,000

Participants and subscribers shall not modify the information displayed pursuant to these MLS rules. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1,500	60 day Suspension & \$3,000

Information displayed shall indicate the source of information being displayed and the most recent date updated. Participants and subscribers shall update all downloads and refresh all data at least every 24 hours. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
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\$500 \$1,500 60 day Suspension & \$3,000

Participants and subscribers shall indicate on their websites that the information being provided is for the consumer's personal, non-commercial use and may not be used for any other purpose other than to identify prospective properties consumers may be interested in purchasing. The fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1500	60 day Suspension & \$3,000

Sharing of the MLS compilation or portion thereof with any third party vendor not authorized by the MLS and is prohibited. The fine for non-compliance shall be by occurrence or number of listings.

1st Offense	2nd Offense
120 day Suspension & \$5,000	Expulsion

The MLS has the right to require that participants and subscribers partaking in the display of MLS active listing information of other brokers listing shall register with the MLS before displaying said MLS active listing. The participant or subscriber shall provide the website address where active listings are to be displayed, proof of update of active listings downloaded, and name and address of webmaster responsible for the activities on the registered web page. The fine for non-compliance shall be:

1st Offense	2nd Offense
60 day Suspension & \$3,000	Expulsion

For all violations of IDX Policy 12.16 not otherwise described above, the fine for non-compliance shall be:

1st Offense	2nd Offense	3rd Offense
\$500	\$1,500	60 day Suspension & \$3,000