

Course Handout for MLS Compliance 101

Creating a better MLS experience for all subscribers!

MLS Education Requirements

New subscribers must take within 60 days:

-) **MLS Basic**
-) **MLS Compliance 101**

Brokers and agents adding their own listings must take:

-) **Adding & Editing Listings**

A **Compliance Refresh course** is required every 2 years.

Course Overview

-) Overview of the MLS and framework for Rules and Regulations
-) Where to find Rules and Regulations
-) Listings
-) Required Disclosures
-) Compensation and Cooperation
-) Photos and Virtual Tours
-) Listing Remarks
-) Status Changes
-) MLS Data
-) Top Violations

Why an MLS?

-) Provides a framework for Data Integrity
-) Provides a means of cooperation (*Blanket Unilateral Offers of Compensation*) as nationally, in-house sales are under 25%
-) Cooperation fuels business

Why this class?

-) Understanding the MLS Rules ensures that we all have better data
-) Violations can be costly to your business, and to the business of others
-) By ensuring all agents are on the same page, we all have a better tool

MFRMLS Overview

-) Largest MLS in the state of Florida
-) Serves multiple REALTOR® boards throughout Florida and Puerto Rico
-) Offers a variety of tools and services to customers

MLS Subscriptions

-) An MLS subscription is only for one user
-) The MLS contains highly sensitive data
-) Password sharing is strictly prohibited, and fines can range from \$500 (first offense) to \$15,000 (multiple offenses)

-) Unlicensed assistants must have their own account purchased through your local Realtor® Board
-) In lieu of sharing passwords, use the team settings feature in Matrix
-) Login patterns are closely monitored

Matrix Team Settings

-) Team Settings can be utilized for MLS Subscribers from the same office to share accounts without sharing passwords. Each agent or assistant would need their own account. Team Settings are configured under the My Matrix tab by going to Settings, and then to Team Settings. A Team Member can be added.
-) In the top right corner of the screen in Matrix, an agent can switch from working as him or herself to the account of the team member who gave him or her team access.

Rules and Regulations

MLS Rules and Regulations

-) Rules and Regulations ensure that accurate and timely data is shared
-) Rules also maintain cooperative nature of MLS
-) Rules are easily searchable and available to all subscribers at any time

From Where do the Rules Come?

-) Several rules come directly from the National Association of Realtors®' Handbook on Multiple Listing Policy.
-) Other rules, more specific to our market, are enacted by the Stellar MLS Board of Directors.

Where to Find

-) [Rules and Regulations](#) can be accessed from the External Links widget on the Matrix Home page, the Resource tab at www.stellarmls.com, or at the bottom of the Stellar MLS University Home Page.

How to Search

-) By Article – there is a list of each article on the Rules and Regulations home page.
-) By Keyword/Topic – Search for keywords or topics in the “Search for a solution” box

Listings

The MLS Accepts:

-) Exclusive Right to Sell Listings
-) Exclusive Agency Listings
-) *Exclusive Listings with Exceptions** -- Named prospect in a listing agreement where if that person buys, no commission is owed (must be disclosed). Cooperating broker responsible for inquiring about terms of exclusion.

The MLS Does Not Accept:

-) Net Listings
-) Open Listings

Listing Service Types

Limited Service Listings –

- Specific wording in Listing Agreement (Not a **FSBO**)
- Broker performs a la carte functions for set fee
- Cooperating broker may be instructed to work directly with seller
- Still makes offer of compensation
- Listing agent fully responsible for maintaining listing in MLS

Sold Data/For Entry Only Listings (SDEO)

-) Agents bringing buyers to listings outside of MLS or for the sale of a non-listed property may enter transaction as a “Sold Data/For Entry Only” Listing
-) Must be entered within 30 days and contain at least one photo
-) Separate entry forms for these.
-) See [Article 5.1H](#) for Details

Listing Entry

-) Listings **must** be entered within 2 business days of the effective date of signed listing agreement
-) Only exception – signed Owner’s Waiver of MLS Entry from sellers
-) This does not apply to commercial listings or short-term rentals (less than 6 months)

Exempt Listings

-) If listing will not be entered into MLS within 2 business days, “Owner’s Waiver of MLS Entry” **must** be signed and submitted to Stellar MLS. The form can be completed manually and submitted to admin@stellarmls.com, or it may be completed digitally through Transaction Desk and Authentisign and will automatically be submitted to Stellar MLS after all have signed.
-) Otherwise, subject to \$500 MLS fine and potential Code of Ethics violation

Why is this so important?

-) Required by MLS Rules
-) Timely submission of listings to MLS is part of FR Listing Agreements
-) The Owner’s Waiver of MLS Entry form is the **written** permission from the seller for not publishing the listing in the MLS

Listing Data Entry Forms

-) Prior to entering a listing in the MLS, a **Data Entry form** must be completed and signed by sellers
-) Form available for each type of listing
-) Why is form required?
 - It provides an avenue to collect comprehensive data about the listing.
 - The seller signs an “indemnification statement.” This provides broker, board, and MLS with additional protection if seller gave incorrect information for MLS listing, or seller disputes what is in the MLS.

Listing Classifications

-) Be sure to enter listings under the proper classification
-) Multi-family income generating property such as duplexes, triplexes, etc. go under “Income Property,” not “Residential”
-) Residential vacant lots go under “Vacant Land”

Common Items Regulated and Requiring Disclosure

Special Sale Provisions

The following Special Sale Provisions must be disclosed:

-) Short Sales ([Article 4.14](#) & [Article 5.1](#))
-) REO/Bank Owned ([Article 4.18](#))
-) Auctions ([Article 5.24](#))
-) See appropriate section of Rules and Regulations for disclosure requirements

New Construction

-) To be considered Residential, must have:
 - o Specific Lot
 - o Specific Structure
 - o Specific Price
-) Otherwise, enter under Vacant Land.
-) For Pre-construction (ground not broken), see [Article 4.21](#).
-) For Under Construction (ground broken but no Certificate of Occupancy), see [Article 4.22](#).

Manufactured/Mobile Homes

-) Must be on seller owned land or in Resident Owned Mobile Home Park
-) Otherwise, not allowed in MLS
-) Check tax records for ownership details

Housing for Older Persons/55+

-) When entering age restrictions for a listing, must include one of the following:
 - o Verification of valid renewal date from the FCHR 55+ Directory
 - o Signed "Housing for Older Persons Affidavit" from Board Member or Manager uploaded as attachment (This form is available in the **Listing Forms** link in Matrix.)
-) See help bubble in listing entry form for details
-) [55+ Directory](#) available in External Links of Matrix

Agent Owned Property

-) Must disclose if listing personal property or property of family member – [Article 9.4](#)
-) Realtor Information field and Remarks
-) Must also disclose in writing if purchasing property for yourself or family member to listing broker no later than the time of submitting offer

Other Required Disclosures

-) HUD Listings - [Article 4.17](#)
-) Fractional Listings (partial ownership) - [Article 5.3](#)
-) Joint Listings (multiple brokers) - [Article 5.3](#)
-) Pre-Foreclosures - [Article 4.19](#)

Compensation & Cooperation

Compensation Rules

-) Commission amounts and splits are at **sole** discretion of listing broker. Stellar MLS cannot be involved in these decisions.

-) Prior to activating listing, must enter the compensation amount offered to cooperating broker. *Must match listing agreement.*
-) Must be blanket, unilateral offer of compensation (no additional terms in remarks)

Variable/Dual Compensation

-) A higher commission amount is owed if cooperating broker brings buyer versus if listing broker brings buyer
-) Must be disclosed, as cooperating broker has disadvantage in case of multiple offers

Offers

-) Listing agents must present offers to sellers ASAP
-) Cooperating Broker/Agent may participate in presenting offer
-) Listing Broker/Agent may participate in presenting counter-offer

Listing Content, Photos and Virtual Tours

Listing Photos

-) At least one photo required prior to activating listing
-) First photo must be one of following:
 - o Front exterior photo (**no broker signage**)
 - o Water view FROM subject property
 - o Aerial photo (**not from copyrighted source**)
-) If water view or aerial photo in first slot, front exterior must be second photo
-) No copying of other brokers' photos without written consent
-) No agent/company branding, signage, or any other text in photos

Virtual Staging

-) Using photo editing software to create a photo or conceptual rendering of what the interior of the property **could** look like if it were staged or lived in
-) Must indicate "Virtually Staged" in the caption of each virtually staged photo
-) Must check Virtually Staged Y/N box to populate the Public Remarks of a listing

Allowed

-) Modify interior photo to include personal property items not conveyed with sale (i.e. furniture, artwork, plants, etc.)
-) Removing and/or replacing existing furniture
-) Add outdoor furniture or potted plants on patio or lanai

Prohibited

-) Changing paint colors (interior or exterior) or landscaping
-) Making a room appear larger or smaller than it actually is
-) No permanent fixtures may be removed, altered, or added
-) Views cannot be modified
-) Cannot change material aspects of property (patch walls, remove stains, etc.)
-) No branding or text

Virtual Tours

-) Only unbranded virtual tours allowed in MLS
-) No contact information or agent/office branding
-) Only virtual tours may be placed in Virtual Tour links
-) YouTube videos must be an embedded link (no visible channel information)

Listing Remarks & Text Fields

Public Remarks

-) Public Remarks are viewable on public sites and on customer reports
-) Stick to facts about the property
-) No agent/company information, web sites, vendor recommendations, showing information, open house information, etc.

Public Remarks, Ethics, & Fair Housing

-) Be careful to not misrepresent property or use overly vague terms (i.e. Close to the beach.)
-) Avoid financing terms that may trigger required disclosures
-) Be careful not to “steer” buyers (Fair Housing)
-) Restricted Words—The system may highlight words in yellow for you check that you have not violated Fair Housing in their use. If the context is correct, you will be able to submit your listing. Any word highlighted in red is on the restricted word list and must be replaced.

Showing Remarks

-) Only place to enter confidential showing information (codes, etc.)
-) Only viewable by clicking on the ShowingTime button in listing
-) Subscribers must have valid real estate license to access

Driving Directions

-) Turn by Turn Direction required from a major intersection
-) No references to a GPS or electronic map
-) No URLs or contact information

Status Changes

Status Change Rules

-) Status Changes must be made within 2 business days (including price changes and expiration date changes)
-) Must have something in writing from seller(s)

Pending Listings

-) Change status to Pending within 2 business days of effective date of contract
 -) Indicate whether Backups are accepted, per seller’s instructions
- If yes, property must remain available to show.**
-) If contract falls through, change back to Active within 2 business days
 -) If Expected Closing Date is pushed back, be sure to update

Sold Listings

-) Change to sold within 2 business days of transaction closing
-) Provide all relevant information (sold price, selling agent, terms, etc.)

Temporarily Off-Market

-) Active Listings in MLS must be available to show
-) If a listing becomes unavailable for showings, status can be changed to “Temporarily Off Market” (**with seller’s written permission**)
-) May stay in “Temporarily Off Market” status until expiration date

Withdrawn Listings

-) Two Statuses
 - o Withdrawn Conditional
 - o Canceled
-) Listing broker may still be entitled to compensation on a Withdrawn listing with conditions, until the date the conditions expire.

Days on Market

-) Active Days on Market (ADOM) tied to a specific MLS ID
-) Creating a new listing causes ADOM to reset to 0. Within the same office, a listing must be off the market for 30 days in order to create a new listing with a new MLS ID.
-) Cumulative Days on Market (CDOM) is tied to Property ID
-) An expired or withdrawn listing must be off the market for 60 days for CDOM to reset

Listing Manipulations

-) Valid reasons for creating new listing number:
 - o Execution of a new listing agreement by new office
 - o Execution of a new listing agreement on a property by the same brokerage dated 30 days or more after expiration or withdrawal of original listing
-) Creating a new listing ID prior to 30 days from an expired/withdrawn listing from the same office to make it appear as new is a listing manipulation, subject to a \$500 fine
-) See [Article 4.15](#) for details

MLS Data

-) When entering a listing, there are various options on where to send listing data
-) This is based on seller preferences, and several of these options are addressed in the listing agreement

Listing Distribution

-) Brokers choose where listings are distributed to for the entire office.
-) Key definitions for the listing distribution fields:
 - Internet Y/N: Selecting Yes sends listings to IDX Feeds (other broker’s web sites), opens other options in this section, and sends out to any distribution channels through ListHub.
 - IDX/VOW Display Comments – some IDX feeds and Virtual Office Web Sites allow viewers to leave comments or write reviews. Can opt out of participating in this “blogging” on a per listing basis.
 - Show Property Address on Internet Y/N: Listing can go to various Internet sites without showing the full address. May not show up on map search.
 - IDX/VOW AVM Y/N: Certain IDX sites and Virtual Office Web Sites have Automated Valuation Models, or computer models to recommend a value for the property. Can opt out of these by selecting no, but this only opts out of AVMs on IDX/VOW sites, not on consumer sites like Zillow.

- Third Party Y/N: Gives permission for third party sites to use data for statistical compilations. This does not control listings going to third party sites!

Using MLS Data

-) An IDX feed is the only authorized way to advertise another broker's active listing online without permission
-) Print advertisements cannot contain other brokers' active listings without written permission
-) Print advertisements may contain information on sold listings and aggregate data, as long as the proper disclosure from [Article 6.5](#) is used and the advertisement is not misleading

Violations

How Violations are Detected

-) To maintain data integrity, Stellar MLS closely monitors listings and strictly enforces rules
-) Software automatically scans listings for common violations
-) Subscribers may also report violations they come across

How to Report a Violation

-) If you notice a violation on a listing, you may anonymously report the violation by clicking the link on the bottom of the listing

[If you believe there is a violation on this listing, click here to report the problem.](#)

Courtesy Warnings versus Automatic Fines

-) For minor violations, a Courtesy Warning may first be issued. Violations must be corrected within a designated timeframe before a fine is assessed.
-) For more serious violations, automatic fines are assessed. [Article 11.4](#)
-) Violations must be corrected promptly, or fine amount will increase.
-) If a fine is issued in error, there is a waiver and appeal process. [Article 12](#)

Top 5 Violation Countdown

Top 5 Violations

- #5: Text/Graphics on Listing Photos
- #4: Signage Visible in Listing Photos
- #3: Incorrect Photo in First Slot
- #2: Exempt Listing (Coming soon listings not filed with Stellar MLS)
- #1: Listing Manipulation

Support is Available

When in doubt, always refer to latest version of Rules & regulations online

For help with compliance notifications, rules and regulations, feel free to contact us!

Toll Free: (800) 686-7451

Local: (407) 960-5300

Email: dataintegrity@stellarmls.com

Hours: Mon. – Fri. 8:00 a.m. – 5:00 p.m.