

**ROANOKE VALLEY ASSOCIATION OF REALTORS
ADVERTISING RULES AND REGULATIONS**

**Effective August 1, 2010
Revisions are highlighted**

ARTICLE I - INTRODUCTION

These guidelines encompass all real estate – related activities whether conducted in person, electronically or through any other means and all advertising including, but not limited to, newspaper, display ads, magazines, billboards, banners, telephone directory, yard signs, pamphlets, mailers, TV, Internet and radio.”

These Rules and Regulations have been compiled from the following sources as a service of the Advertising Advisory Committee of the Roanoke Valley Association of REALTORS.

- . National and State Association of REALTORS (NAR and VAR).
- . Code of Ethics and Standards of Practice.
- . Federal Truth-in-Lending Act, Regulation Z.
- . HUD

NOTE: It would be a good practice to retain a copy of all advertisements submitted to the media so if the media changes or omits something in your ad so as to make it in violation of the Advertising Rules & Regulations or the Truth-in-Lending Act, you will have proof to present to show that the advertising violation was not your fault.

ARTICLE II – PROFESSIONAL STATUS DISCLOSURE

- A- All firms and/or offices engaged in the advertising of real estate in any media shall affirmatively and unmistakably disclose their professional status by including in their advertisements descriptive words such as REALTOR, Real Estate Broker, Realty, etc. or a legible REALTOR logo.
- B- Any advertising done by a licensee on behalf of any party must disclose that he/she is a REALTOR or a Licensee. If a firm telephone number is used in any ad, the firm's name must be used.
- C- The preferred term REALTOR or REALTORS should appear in all ads and must, if used, appear in all CAPITAL letters. Wherever feasible, include the REALTOR symbol.
- D- Always separate the term REALTOR from your name, firm name, and or specialty with punctuation. Do not use descriptive words to modify the term REALTOR. Use a dot or dash to separate any descriptive word from the term REALTOR.

DO USE ...	DO NOT USE ...
John Jones, REALTOR	John Jones REALTOR
Better Homes Realty, Inc., REALTORS	Better Homes Realty, Inc. REALTORS
Rod Smith, Inc., REALTOR	Rod Smith REALTOR
Commercial Real Estate Sales	Commercial REALTORS
Residential Real Estate Sales	Residential REALTORS

E- ALL ADVERTISING IN ANY MEDIA (including yard signs) by a REALTOR, in which he or she has any interest (whole or part) in a property, that is NOT listed and marketed by a duly licensed real estate firm, must fully disclose the fact that he or she is an owner/ REALTOR or owner/agent, or words to that effect. If property is listed through the REALTOR'S firm or another licensed firm, there is no requirement to disclose ownership in advertisements directly related to that property provided the name of the listing company is included as part of any

advertisement. REALTORS are still required to disclose their owner/REALTOR or owner/agent status, in writing, in any purchase agreement.

F- THE PROPER TERM FOR MEMBERS of the Association of REALTORS to use is the word REALTOR.

There are no other proper terms. There are no REALTOR Associates. Check your business cards for accuracy.

ARTICLE III – COMPANY NAMES IN ADS

- A- All ads for listed properties must have the complete firm name. The firm name must appear as it appears on the firm's broker's license unless an "assumed name" notice has been properly filed. For instance a firm whose name is Better Homes Realty, Inc. MAY NOT use Better Homes Realty in an ad without the Inc. NOTE: This is for your protection as well as for the protection of the public.
- B- All advertising must be under the supervision of the principal broker or supervising broker and in the name of the firm. The firm's licensed name must be clearly and legibly displayed on all advertising. Firm's name must be clearly readable by the general public.
- C- All online advertising, including firm and/or personal promotion by REALTORS shall disclose the firm's name, the city and state in which the firm's main office is located and that REALTOR's state(s) of licensure in a readily apparent manner.

ARTICLE IV – ACCURACY IN ADS

A. All advertising must be accurate and must not mislead.

EXAMPLES:

1. "\$5,325.00 take over loan" cannot be written, "\$5,000.00 buys this dream home."
2. A home that has been listed for 2 weeks or more by the same REALTOR shall not be submitted for advertising as "Just Listed".
3. A piece of property having 4.95 acres cannot be advertised "5-acre tract."
4. A home priced at \$55,000 cannot be advertised "Priced in Mid-50's." You must give exact price.
5. "Take over Loan" is misleading if it is used with regard to a loan that cannot be feasibly taken over. EXAMPLE - A \$70,000 home with a \$15,000.00 loan balance is not a take over, unless the amount needed to take over the said loan is clearly stated. In a case where the remaining balance is less than 50% of the sales price, the amount of the remaining balance should be stated in the ad. Misleading advertising damages the credibility of all REALTORS.
For additional information on "Take Over" loans see ARTICLE V-A, EXCEPTION to item 5.
6. It is misleading to advertise property as "For Sale" if it has been sold and transferred.
7. It is a violation to advertise a property as "for sale" if it has not been offered for sale with a listing agreement.
8. Wording in ads which can mislead the public and/or take unfair advantage of fellow REALTORS may include:
 - a. An individual agent cannot use the word "Exclusive" singularly or with any word or phrase that indicates you are the only Agent or REALTOR that may show or sell that property (i.e., on signs the exclusive rider cannot be placed next to the agent's name).
 - b. A company can advertise that it is the exclusive Agent, not exclusive Agents, because a company is singular not plural.
 - c. You cannot use the word "only" in any ad which would mislead the publicEXAMPLE – DO NOT USE "Call Agent only, Joe Doe". You are not the only Agent.

9. All REALTOR advertising which displays the photo of a non-REALTOR must identify which persons in the photo are REALTORS.

B. REALTORS are not licensed to sell personal property.

1. Mobile homes or trailers on leased lots cannot be advertised with company name.

EXCEPTION: a. If a mobile home and the land is assessed as real estate, the trailer and land can be advertised by a REALTOR.

C. REALTORS shall not advertise or permit any person employed by or affiliated with them to advertise listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of the REALTORS's firm in a reasonable and readily apparent manner.

ARTICLE V – TRUTH –IN-LENDING

The following does not begin to cover the full scope of the Truth-in-Lending Act as it affects our business. It is our interpretation of the Truth-in-Lending Act and any questions you have about compliance should be properly directed to legal counsel or the Federal Trade Commission.

A – TRIGGERING FULL DISCLOSURE

When one or more of the following statements appears in an ad, full disclosure is "triggered" and all credit information must be disclosed; otherwise the advertisement is considered deceptive or unfair. NOTE - Truth-in-Lending disclosures must be grouped together and presented clearly and conspicuously.

IF <u>ANY</u> OF THE FOLLOWING APPEARS IN THE AD ...	THEN YOU MUST DISCLOSE <u>ALL</u> OF THE FOLLOWING INFORMATION ...
1. the down payment required, expressed in dollars or percentages. EXAMPLE: "\$1,000.00 down, "10% down", "\$0 down"	• The cash price.
2. the amount of any installment payment. EXAMPLE: \$400.00 per month "	• The dollar or percentage amount of the down payment or a clear statement that no down payment is required. (" \$1,000 down, "\$10% down", \$0 down")
3. the number of installments or period of payments. EXAMPLE: "30 year financing", "360 payments"	• The dollar amount of the loan or mortgage must be stated unless it may be easily calculated from the ad. EXAMPLE: 1. Cash price \$50,000, 10% down payment (loan amount would be \$50,000 less 10% or \$45,000).
4. the amount (in dollars) of any finance charge. EXAMPLES: points, fees, or other finance charge.	EXAMPLE: 2. Cash price \$50,000, \$10,000 down payment (loan would be \$50,000 less \$10,000 or \$40,000).
5. When advertising an assume loan and the word "assume" is used, there must be a full disclosure following. <i>("Assume" differs from "Take Over" as follows. With an Assumed loan the terms remain the same as established with the current borrower. In a Take Over loan the terms and conditions may be re-negotiated.)</i> SEE EXCEPTION BELOW	• The amount of finance charge expressed as an "Annual Percentage Rate" (Finance charge of 8 ¾% APR). The type size for these words and numerals used in the ad may be no smaller than those used for stating the simple or mortgage rate of interest.
6. The use of a simple rate of interest. EXAMPLE: "7% loans available".	• The number, amount and due date or period of payments scheduled to repay the debt. <i>For instance</i> , 360 monthly payments of \$240 including principal, interest, taxes and insurance. This must be clearly defined. EXAMPLE: \$240 including principal, interest, taxes and insurance. PITI may be abbreviated. • The deferred payment price (using that term), except in the case of a sale on a dwelling or a loan secured by a first lien to purchase that dwelling. This rule applies to lot sales.

EXCEPTION –To item 5, above - "Take Over Loan". If a property is being advertised as a "Take Over Loan," and if there is a second deed of trust; and if the amount of cash to take over the loan is determined by the difference between the combined first and second mortgages and the price; and if you choose to state the monthly payment; then the payment stated must include the monthly amounts of both the first and second mortgages. If the cash needed to take over the loan is determined by subtracting only the first mortgage from the price, and if you choose to advertise the monthly payment, then the first mortgage payment only need be stated.

EXAMPLE – 1. Price: \$37,500.00 First Mortgage \$26,000.00 \$250/mo P.I.T.I. Second Mortgage \$7,000.00 110 mo. P.I.

2. If you advertise \$4,500.00 is needed to take over the loan, you cannot state monthly payment as \$250/month. If you advertise \$11,500.00 cash needed, \$250/month is the correct payment.

EXAMPLES OF FULL DISCLOSURE include:

1. Cash price \$35,000.00, \$1,000.00 down payment, 360 monthly payments of \$240.00 including principal, interest, taxes and insurance, 8-1/2% Annual Percentage Rate including 1/4% Mortgage Insurance Premium.
2. Cash Price: \$58,990.00, no money down. 360 equal monthly principal, interest, taxes and insurance payments of \$453.00 for 30 years at 8-1/2% Annual Percentage Rate.

B. FOLLOWING TYPES OF GENERAL PHRASES IN AND OF THEMSELVES WILL NOT TRIGGER FULL DISCLOSURE. These include:

1. the price of the home ("from \$39,950.00", "as low as \$39,950.00").
2. "low down payment", "low cash needed", "no down payment".
3. general non-specific statements referring to the availability of financing. The phrases "FHA, VA and conventional financing available"; "liberal mortgage rate available"; "bank financing available" and "easy monthly terms" are acceptable.
4. phrases such as "closing costs included in sale price" are acceptable and do not trigger disclosure.
5. when advertising Property for Sale and the words "take over loan" are used, there need not be full disclosure and you may advertise certain items like "monthly payment" or "amount to take over loan" and "finance charges".
6. statements that subsidies are available to be paid by seller if no specific interest rates or terms are given.
EXAMPLE - \$1,500.00 Decorating Allowance to be paid by seller.
7. Simple Interest Rate. An advertisement may state a simple interest rate if the Annual Percentage Rate is stated conspicuously. Full disclosure would not be triggered as long as no other information is given; i.e. - down payment, monthly payment, etc.

C. ANNUAL PERCENTAGE RATE ON ADJUSTABLE RATE MORTGAGES (including Re-negotiable Rate Mortgages and Shared Appreciation Mortgages without Negative Amortization). If Annual Percentage Rate offered may increase after consummation, then advertisement must state so.

EXAMPLE - 13% Annual Percentage Rate, subject to increase after settlement.

NOTE: Be very careful when advertising adjustable rate mortgages and be certain you note these rates are subject to change.

D. ANNUAL PERCENTAGE RATE ON FIXED BUYDOWNS. Where more than one simple interest rate is applied to the transaction, these rates may be advertised if all the interest rates and the limited term during which the rate applies are disclosed and the APR is stated.

EXAMPLE:

10% first year 11% 2nd year 12% 3rd year
 13% remainder of loan 13% Annual Percentage Rate

E. GRADUATED PAYMENT LOANS AND MORTGAGE INSURANCE. If an advertisement requiring disclosure promotes a mortgage in which payments vary, then the advertisement must state the number and timing of the payments, the largest and smallest payments, and that other payments will vary between those amounts. EXAMPLE: (Printed clearly and conspicuously) \$60,000.00 sales price, \$10,000.00 down payment, Annual Percentage Rate of 9%, 360 monthly payments, the first 60 payments vary from \$303.00 to \$405.00. The remaining 300 payments are \$436.00 Principal and Interest. Taxes not included.

NOTE: Annual Percentage Rates must be accurate: any lender in the Valley can figure the Annual Percentage Rate for you if you do not know.

ARTICLE VI – FAIR HOUSING

The following does not begin to cover the full requirements of the Federal Fair Housing Act as it relates to real estate. The information and examples are given as guidelines to follow. Any questions you have about compliance should be properly directed to legal counsel or to HUD.

A.

IF YOUR AD IS ...	THEN
<ul style="list-style-type: none"> • four (4) column inches or larger (Four column inches would be the width of a single column and 4 inches long or, where more than one column is used, the combined length of the columns used.) 	The Fair Housing logo or the words “Equal Housing Opportunity” must be included. EXCEPTION: The Printers Waiver appears somewhere in the publication.
<ul style="list-style-type: none"> • a real estate brochure, regardless of size. 	The Fair Housing logo or the words “Equal Housing Opportunity” must be included.
<ul style="list-style-type: none"> • a real estate billboard. 	The Fair Housing logo must be included.
<ul style="list-style-type: none"> • a magazine ad. 	The Fair Housing logo can be omitted <u>if</u> the Logo and The Printers Waiver appear somewhere in the publication.
<ul style="list-style-type: none"> • a brochure or flyer for REALTOR to REALTOR use only. 	The Fair Housing Logo can be omitted. <i>However</i> , if the brochure or flyer is displayed publicly or used to promote the property in any fashion except REALTOR to REALTOR, the Fair Housing Logo or the words “Equal Housing Opportunity” must be included.

B. In any form of advertising, requirements or discriminations based on a person's race, color, religion, national origin, sex, elderliness, handicapped status, or familial status (persons with children) are prohibited. The legal name of an entity that contains a religious reference (i.e. Roselawn Catholic Church) or those containing a religious symbol (such as a cross standing alone) which indicate a religious preference may be used provided a disclaimer is included in the ad. Property that is exclusively for elderly may be advertised as such as defined by the National Housing Act. Handicapped has been defined to include persons with AIDS.

EXCEPTIONS: such phrases as "bachelor apartment", "mother in law suite", "desirable neighborhood", "family room", "fourth floor walk-up", "great view", "jogging trails", "master bedroom", "no bicycles allowed", "non-smoking", "quiet streets", "walk-in closet", "walk to bus stop", and "wheelchair ramp" are permitted. Also acceptable are such secularized terms as "Santa Claus", "Merry Christmas", "Easter Bunny", and "Valentine's Day".

ARTICLE VII - SIGNS

A. Directional Signs – Use of the generic directional sign

IF YOUR LISTING IS IN ...	THEN ...
Salem	No directional signs are allowed.
Roanoke County	<p>Only the RVAR generic directional sign can be used.</p> <p>Only MLS ID's may be used to identify sign ownership. RVAR members who do not belong to MLS may use their initials. Identifiers may only be placed in the space provided on the sign. Identifying letters may be no more than 1 ½ inches high</p> <p>NOTE: No company names, phone numbers or other identifying marks may be used.</p> <p>Only one sign per corner is permitted.</p> <p>EXCEPTIONS: 1-The day of an open house, company directional signs indicating the "Open House" can be used but they <i>must</i> be removed immediately after the open house.</p>
Roanoke City or the Counties of Bedford, Botetourt, Craig, Floyd, Franklin, Montgomery or other areas served by the RVAR	Company directional signs or the generic directional sign can be used with the approval of the owner of the property where signs are placed.

1. All directional signs are to be removed immediately upon a property being sold or designated as "SOLD", "UNDER CONTRACT", "CONTRACT PENDING", or "RESERVED".

- B. OPEN HOUSE SIGNS left on properties will be an advertising violation. This is misleading to the public. Any "Open House" sign, directional or otherwise, is prohibited on any day except the day of the open house. EXCEPTION: A day/time Open House sign may be placed on the subject property only. *For example* "Open Sunday 2-5" may be placed on the property itself prior to the day of the open house. Open House signs, directional or otherwise, may not be placed on properties listed by another firm. On the date of an Open House, open house directional and company signs may be placed on any corner, with the approval of the owner, but must be removed immediately after the open house.
- C. Only the "For Sale" signs of the listing broker may be placed on the property. Prior to closing, only the "Sold" sign of the listing broker may be placed on the property, unless the listing broker authorized the cooperating (selling) broker to post such a sign.
- D. ALL ADVERTISING IN ANY MEDIA (including yard signs) by a REALTOR, in which he or she has any interest (whole or part) in a property, that is NOT listed and marketed by a duly licensed real estate firm, must fully disclose the fact that he or she is an owner/ REALTOR or owner/agent, or words to that effect.
- E. FINES FOR SIGN VIOLATIONS: Fines of \$50 per violation become effective AFTER the first violation for the following;

- 1 – Using company signs as directional signs in areas where only RVAR’s generic directional signs are permitted.
- 2 – Putting “Open House” directional signs in place on any day except the day of the open house.
- 3 – Making any visible changes to RVAR’s generic directional sign. EXCEPTION: A “For Rent” attachment may be placed over the “For Sale” area of the RVAR generic directional sign.

F. Appeal of Sign Violations

Appeal of any violation may be made by the agent by submission of a written request for appeal directed to the committee within 10 business days, along with a written explanation, copy of the Violation Notice and any pertinent attachments. Review of the appeal shall be made at the next called meeting of the committee. The agent will be advised of the determination within seven (7) business days of the meeting.

The Advertising Advisory Committee, upon receipt of the written appeal, shall review the violation considering all information supplied by the agent and take the appropriate action.

If the Advertising Advisory Committee denies the appeal, the agent may re-appeal the violation by submitting a written request to the Board of Directors within twenty days from receipt of notification of the denial. Only those materials and information which were available to the Advertising Advisory Committee when the Committee made its decision will be considered by the Directors. The Advertising Advisory Chairperson will present a summary of the violation and appeal to the Directors. The Directors may vote to either uphold or overturn the decision of the Advertising Advisory Committee with regards to the appeal. The agent will be notified of the Directors’ determination within seven (7) business days of the Directors’ meeting. The decision of the Directors is final and binding and is not subject to further review.

G. Payment of Fines

If an appeal is filed and the decision of the Advertising Advisory Committee is upheld, payment of the fine is due within 30 days of the date of the appeal decision.

If no appeal is filed, payment of the fine is due within 30 days of the date of the violation notice.

Fines unpaid one (1) month after an appeal has been filed and denied, or if no appeal is filed, from the date of the violation notice, may result in the suspension of RVAR membership as defined in Article X, Section 5 of the RVAR Bylaws.

H. Sign Ownership

In cases where ownership of signs, that are in violation of RVAR Advertising Rules & Regulations, cannot be clearly defined sign retrieval or correction will be referred to the broker of the firm to whom the sign belongs. Signs, in violation, are required to be retrieved or corrected within 3 business days. In the event the sign is not removed within this time frame broker will be assessed a fine of \$100.

Article VIII - WEBSITES/ONLINE ADVERTISING

- A. All online advertising, including firm and/or personal promotion by a REALTOR® shall disclose the REALTOR’s name, firm’s name, the city and state in which the firm’s main office is located, or, if applicable, firm’s branch with which REALTOR is affiliated, and the state(s) of licensure in a reasonable and readily apparent manner.
- B. The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on REALTORS®’ websites. REALTORS® shall use

reasonable efforts to ensure that information, including listing status, on their websites is current. When it becomes apparent that information, including listing status, on a REALTOR®'s website is no longer current or accurate, REALTORS® shall promptly take corrective action.

If firm/REALTOR owns and/or controls website, viewable page must include required disclosures or link to disclosures. When a third party controls the website, firm/REALTOR shall make timely written requests for updates reflecting material changes to listing status or property descriptions.

All listing information shall indicate in a readily visible manner the date that the listing information was last updated.

- C. REALTORS®' obligation to present a true picture in their advertising and representations to the public includes the URLs and domain names they use, and prohibits REALTORS® from: 1) engaging in deceptive or unauthorized framing of real estate brokerage websites; 2) manipulating (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or 3) deceptively using metatags, keywords or other devices/ methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers.
- D. REALTORS® intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner.

ARTICLE IX – ADVISORIES

An Advertising Advisory is issued when a REALTOR member places an ad for real estate which violates any of the above Advertising Rules and Regulations. These Regulations are reviewed several times each year and changed as needed to reflect new laws and/or NAR regulations.

IF IT IS ...	THEN ...
First advisory	A letter to inform REALTOR of the incorrect ad with a copy of the ad and the correct procedure shall be sent to the agent, the agent's broker and the committee chairman.
Second advisory	A second advisory letter (same procedure as above) and a request to meet with committee member and/or committee chairman.
Third advisory	After the 3rd advisory letter the Advertising Advisory Committee will review all 3 incorrect ads and decide whether forwarding to the Grievance Committee is warranted. The name of the agent will be confidential. The Committee will vote on whether to notify the Grievance Committee.

Ad advisories are retained for a period of 12 months. The exception would be those that have been sent to the Grievance Committee, under those circumstances, advisories are retained until a decision is made by the Grievance Committee. Therefore, at the discretion of the Chairman, any additional advisories necessary during this time could also be forwarded to the Grievance Committee.

Questions about any of the Rules and Regulations or about the procedures may be directed to the Chairman or other members of the Advertising Advisory Committee or to the Association office.