



**Code of Ethics of
The Counselors of Real Estate®**

The Counselors of Real Estate (“The Counselors”) is the counseling affiliate of the NATIONAL ASSOCIATION OF REALTORS® and is a member of the International Ethics Standards Coalition. The members of The Counselors (“CREs”) are bound by the Code of Ethics of the National Association as they relate to the counseling function and are bound by the International Ethics Standards (copy attached) when performing assignments in the global marketplace. In addition, each CRE is bound to:

1. Conduct professional activities in an ethical manner that reflects credit upon the CRE and The Counselors. A CRE must refrain from conduct that is detrimental to The Counselors, the real estate profession and the public.
2. Cooperate with other CREs, share personal knowledge and experience with them, and promote full participation in the association, our profession, and the marketplace by all persons. CREs should assist The Counselors in carrying out its responsibilities to the users of counseling services and to the public.
3. Respect the professional reputation of, and any confidential relationship with, other CREs.
4. Treat other CREs, clients, related parties and the public with consideration, openness, and respect and without discrimination or prejudice.
5. Preserve the confidential nature of each client relationship.
6. Avoid advertising or solicitation that is misleading or otherwise contrary to the public interest when promoting a counseling practice and soliciting counseling services.
7. Only accept a counseling assignment with the understanding of direct monetary compensation for services or connection with of a legitimate pro bono counseling service. Regardless of the form of compensation, take precautions to avoid conflicts of interest. If the CRE becomes aware of an actual or potential conflict of interest, the CRE must disclose it.
8. Comply with the requirements of the Standards of Professional Practice and Bylaws of The Counselors.

When a CRE holds membership in another institute, society or council affiliated with the NATIONAL ASSOCIATION OF REALTORS® or another professional organization and performs an assignment that not only is covered by The Counselors' Code of Ethics or Standards of Professional Practice but also is specifically covered by the code of ethics or standards of professional practice of another organization, this shall be deemed an instance of overlapping jurisdiction. Even when counseling is secondary to the matter at hand as outlined below, overlapping jurisdiction is not intended to preclude The Counselors from taking any action it deems necessary in instances where there arise questions regarding the propriety of the CRE's conduct. In all instances of overlapping jurisdiction, a determination must be made as to the primary scope of the assignment. If the primary scope of the assignment is within the jurisdiction of another organization and the counseling aspect is secondary, any inquiry into the propriety of the CRE's conduct in the performance of such assignment shall be conducted by that organization. If the counseling aspect of the assignment is primary and the portion of the assignment falling within the jurisdiction of such organization is secondary, any inquiry into the propriety of the CRE's conduct shall be investigated by The Counselors. (As amended August 2022).



International Ethics Standards

Purpose

The aim of the International Ethics Standards Coalition (IESC) of professional organizations in the land, property, construction, infrastructure and related professions is to assert and sustain the critical role of ethics in professional practice to meet the needs of the global market and to maintain public trust and confidence.

Mission

The independent Standards Setting Committee (SSC) was appointed by the IESC to research, write and maintain principle-based International Ethics Standards to be implemented by IESC professional organizations, IESC supporters, and other interested stakeholders.

Vision

To promote and strengthen the ethical conduct of professional practice for the benefit of clients, third parties, other practitioners, current and future stakeholders, and the public.

Key Definitions

For the purpose of these standards the following terms are defined.

Client

A person or group using the services of a practitioner working under the professional requirements of organizations within the IESC.

Practitioner

A person qualified and practicing in the land, property, construction, infrastructure or related professions.

Stakeholder

A person or group directly or indirectly affected by a service performed by a practitioner for a client.

Third Party

An involved person or group directly affected by a service performed by a practitioner for a client.

Ethical Principles

The ethical principles below are listed in alphabetical order and are considered to be of equal importance. If two or more principles come into conflict during an assignment, the practitioner should give precedence to the principle that best serves the public interest in the context of the particular circumstances. The public interest embraces but is not limited to:

- the maintenance of reliable services for clients,
- sustaining proper standards of conduct and behavior, and
- upholding the reputation of the profession.



Accountability: Practitioners shall take full responsibility for the services they provide; shall maintain knowledge of current professional technologies, models and data relevant to their practice; shall recognize and respect client, third party and stakeholder rights and interests; and shall give due attention to social and environmental considerations throughout.

Confidentiality: Practitioners shall not disclose any confidential or proprietary information without prior permission, unless such disclosure is required by applicable laws or regulations.

Conflict of Interest: Practitioners shall make any and all appropriate disclosures in a timely manner before and during the performance of a service. If, after disclosure, a conflict cannot be removed or mitigated, the practitioner shall withdraw from the matter unless the parties affected mutually agree that the practitioner should properly continue.

Diversity: Practitioners shall promote an environment that is inclusive and open to enable people of varied abilities and identities to enter and thrive in their workplaces and respective professions.

Financial Responsibility: Practitioners shall be truthful, transparent and trustworthy in all their financial dealings.

Integrity: Practitioners shall act with honesty, propriety and fairness. They shall base their professional advice on relevant, reliable and supportable evidence.

Lawfulness: Practitioners shall observe the legal requirements applicable to their discipline for the jurisdictions in which they practice and any extra-territorial or international laws relevant to an assignment.

Reflection: Practitioners shall regularly reflect on the standards and best practice for their discipline, and shall take steps to ensure that their practice is consistent with evolving ethical principles and professional standards.

Respect: Practitioners shall treat others with consideration; shall avoid diminishing any person's capacity for freedom, privacy and independence; and shall recognize the importance of both engaging with others without discrimination or prejudice and sustaining their wellbeing and personal safety.

Standard of Service: Practitioners shall only provide services for which they are competent and qualified; shall ensure that any employees or associates assisting in the provision of services have the necessary competence to do so; and shall encourage employees and associates to maintain their professional skills through continuing professional development and other resources.

Transparency: Practitioners shall be open and accessible; shall provide relevant documentary or other material including terms of engagement in plain and intelligible language; and shall present the results of data and analysis clearly and without improper manipulation.

Trust: Practitioners shall uphold their responsibility to promote the reputation of their profession and shall recognize that their practice and conduct bears upon the maintenance of public trust and confidence in the IESC professional organizations and the professions they represent.



Standards of Professional Practice of The Counselors of Real Estate®

The Counselors of Real Estate was founded in recognition of the public need for competent, unbiased advice, professional guidance and sound judgment on the many diversified problems encountered in the broad field of real estate. These problems involve, but are not limited to, such functions or specialties as dispute resolution, finance, leasing, legislative action, litigation, management, marketing, and valuation.

Counseling involves not so much a separate body of knowledge as it does a client relationship. The relationship between the CRE and client is a fiduciary relationship, beyond that of agent and principal and much more akin to that of the attorney and client. This relationship places the CRE in the role of a professional adviser.

This special and unique relationship between the CRE and client requires the CRE to observe standards of practice beyond those imposed by the REALTOR® Code of Ethics and Standards of Professional Conduct. CREs are required to adhere to these Standards of Professional Practice of The Counselors of Real Estate as a condition of membership and are encouraged to report any conduct by a CRE that appears to violate these Standards in writing to the Chair of the CRE Ethics Committee.

Standard 1 – Applicability

A CRE must discern whether a potential assignment requires adherence to the standards of practice of another organization with which the CRE is affiliated, or a model standard of practice within a particular discipline. If so, these Standards require the CRE to observe such standards in performing the assignment. Clear communication with the client is required to avoid any confusion between the counseling function and performance of other specific disciplines.

Standard 2 – Compensation

A CRE may receive payment for counseling services rendered by non-contingent fee, contingent fee, or a combination thereof. It is important, however, that professional counseling services be rendered with the expectation that direct monetary compensation will be received for such services, except in the context of a legitimate *pro bono* counseling service. Regardless of the form of compensation, precautions must be taken to recognize the potential for conflict of interest and to avoid any actual conflict or the appearance of conflict. A CRE must never place personal interests ahead of those of the client. Without expectation of direct monetary compensation and without precautions taken to identify any conflict of interest, a CRE must not characterize services as counseling or represent to a client that counseling is being performed.



Standard 3 – Competence

A CRE must not accept any assignment beyond the scope of his/her competence, knowledge and expertise; or any assignment where the CRE is precluded from obtaining necessary knowledge or expertise from other sources. This is a continuing obligation during the course of any assignment if and when the CRE discovers that additional knowledge or expertise is required to properly complete the assignment. At such point, the CRE must disclose the additional steps required to the client and must withdraw from the assignment if precluded from taking the additional steps.

Standard 4 – Confidentiality

A CRE must protect the confidentiality of the client relationship and must not disclose to unauthorized third parties the nature and results of any assignment, or any information received in confidence as part of an assignment.

Standard 5 – Disclosure

A CRE must disclose relevant information to prospective clients and any affected parties prior to undertaking an assignment to assist the CRE, the prospective client and affected parties in determining whether any conflict of interest or competency issues exist. Disclosure by the CRE is a continuing obligation during the course of an assignment if issues of conflict of interest or competency arise. Disclosure prior to the acceptance of an assignment and during the course of an assignment is the hallmark of the CRE as the primary method for avoiding actual or potential conflict of interest and ensuring the competent performance of counseling services.

Standard 6 – Illegal or Unethical Conduct

A CRE must not accept any assignment or engage in any practice involving a violation of the law or of his/her specific ethical responsibilities, and must immediately withdraw from an assignment if such violation is perceived. The CRE must not permit his/her expertise, experience and reputation to be misused.

Standard 7 – Impartiality and Objectivity

A CRE must not accept any assignment if the terms or conditions of such assignment do not permit complete freedom and objectivity in performing the assignment and rendering impartial advice. Specifically, a CRE must not accept any assignment based on predetermined opinions or positions, or any assignment that precludes or limits the ability of the CRE to develop factual and supportable opinions, findings or conclusions.

Standard 8 – Opinions of Value

A CRE may render opinions of value in the context of other counseling services, provided that the purpose of and rationale for such opinion of value is clearly explained and with the restriction that such opinion is not to be used as a substitute for an appraisal. An assignment that involves no function other than the estimation of the value of real estate is not considered counseling and must not be represented as such by a CRE.



Standard 9 – Reporting Assignment Results

A CRE must provide the client with clear and unequivocal assignment results in oral or written form that set forth the purpose of the assignment, the steps taken by the CRE to perform the assignment, and any relevant opinions, findings or conclusions.

Standard 10 – Testimony

A CRE must not accept an assignment that requires testimony unless the client relieves the CRE of the confidential counseling relationship in advance. A CRE shall not testify in any proceedings regarding any assignment except with the written consent of the client or in response to legal process, and will cooperate in any efforts by the client to quash such process. A CRE shall not be a voluntary witness and shall use his/her best efforts within the law to protect the confidentiality of the client relationship.

Standard 11 – Use of Designation

The CRE Designation is granted to an individual and, therefore, may only be used in conjunction with the name of a CRE. It must not be used in any manner that would imply membership in The Counselors of Real Estate by a corporation, partnership or other group of individuals. The use of the Designation is prohibited if the purpose of an assignment is an appraisal, unless it is used in conjunction with a state license or certification and/or a nationally recognized appraisal designation awarded by an Appraisal Foundation sponsor.

(As amended November, 2002)