

# How to Share Professional Standards Services

**North Shore–Barrington Association of REALTORS®**

**Northbrook, Illinois**

**Terry Penza, Former CEO**

**Case Study Source: National Association of REALTORS®**

When it comes to associations sharing services, professional standards is likely the service shared most often by REALTOR® associations. Sharing professional standards administration or enforcement not only saves associations money, time, and effort, but it spotlights that the Code of Ethics uniformly applies to all REALTORS®, regardless of the association to which they belong. Professional standards is a service all associations can share, whether it's simply sharing a pool of hearing board members or sharing the administrative burden through a shared staff person.

In northern Illinois, nine associations have come together to form a multi-board agreement for professional standards hearings and arbitrations to ensure that when a practitioner or a consumer files an ethics complaint against a REALTOR®, the issue is aired and resolved efficiently and effectively.

“In the old days, it used to take months to even get a hearing,” says Terry Penza, CEO of the North Shore-Barrington Association of REALTORS®, one of the nine associations in the Northern Illinois agreement. Some delays had been caused by confusion over who does the paperwork and who sets up the hearings when a complaint is

between members of two different boards. Other delays were caused by difficulties finding enough members to form an impartial hearing board for the complaint. “With ethics complaints, you either have 50 cases on your desk, or nothing for months,” says Penza. So there’s often no staff to handle the rush, which also caused delays in the process.

The Northern Illinois agreement addressed these issues and more with a new streamlined process. Under the agreement, the association of the complainant is responsible for all paperwork and for scheduling mediation or hearings. Previously, both associations had to coordinate each side of the complaint. It’s not less work for the associations overall, says Penza, “but it clarifies the duties and makes the process run more smoothly. And the member on the complaining side is usually the most motivated to see the process through.”

To ensure the availability of enough REALTORS® to serve on hearing boards, each association in the agreement appoints trained volunteers to a standing pool of members. The Illinois state association offers annual training for all professional standards volunteers; the North Shore–Barrington Association, like most IAR associations, requires that those serving on the hearing boards take the course every other year. Still, says Penza, “we’ve just changed our hearing board requirements from five volunteers to three, because it’s difficult to find hearing board participants who can meet on the same day.”

The Northern Illinois multi-board agreement, which Penza drafted several years ago, covers nearly 35,000 members, and includes all associations in the regional MLS and on its fringes.

**California Association of REALTORS®**  
**Los Angeles, California**  
**Brian Polinsky, Counsel**

C.A.R. is always looking for more ways for local associations to work together, and to work with C.A.R., to improve the enforcement of professional standards.

In 2023, C.A.R. is launching a pilot program to administer professional standards for local associations in California at the state level. The participating associations will pool their professional standards volunteers so that volunteers from any association can serve on panels in any case, and all Grievance Committee reviews, Professional Standards hearings, and Directors' Reviews will be conducted by video conference. If the pilot program is successful, C.A.R. plans to expand it to more local associations in the future.

C.A.R. also coordinates an Ethics Advocate program. Ethics Advocates are specially trained members of a local association's Professional Standards Committee who can assist parties in disciplinary cases upon request. C.A.R. maintains a list of statewide Ethics Advocates who are available to assist parties for any local association disciplinary case in California provided the hearing is conducted by videoconferencing. Additionally, C.A.R. handles administration for Interboard Arbitrations (around 20 per year) when the complainant and the respondent in an arbitration case do not share any local association memberships in common. All Interboard Arbitrations are conducted through videoconferencing and rely on a pool of arbitrators located throughout the state to serve on hearing panels.

C.A.R. maintains a statewide repository of all disciplinary and arbitration cases so local associations can determine eligibility for admittance, see histories of respondents when determining discipline, and for imposing lateral discipline. The state association reviews cases entered into the repository each year to identify areas for improvement in professional standards processes.

The state association also helps local associations share professional standards hearing panels by providing a streamlining bylaw option. If associations decide to share a common pool of professional standards hearing board members, each association's Directors simply vote on the motion at any meeting. Typically, the process involves associations drafting a bylaws change that then has to be voted on by members, usually at an annual meeting. The California association has also written its own manual for professional standards that conforms with both the NAR manual and with California state law.

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