

What Is a REALTOR®?

A real estate agent is a REALTOR® when he or she is a member of the NATIONAL ASSOCIATION OF REALTORS®, The Voice for Real Estate® -- the world's largest professional association.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.

Founded in 1908, NAR has grown from its original nucleus of 120 to today's 720,000 members. NAR is composed of residential and commercial REALTORS®, who are brokers, salespeople, property managers, appraisers, counselors and others engaged in all aspects of the real estate industry. Members belong to one or more of some 1,700 local associations/boards and 54 state and territory associations of REALTORS®. They can join one of our many institutes, societies and councils. Additionally, NAR offers members the opportunity to be active in our appraisal and international real estate specialty sections.

REALTORS® are pledged to a strict Code of Ethics and Standards of Practice. Working for property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

What is a REALTOR®?

Real Estate Careers

Some people think that all real estate agents are "Realtors," calling agents by that name generically without realizing that not every agent can legally use the title.

A REALTOR is a real estate agent or affiliated real estate professional who is a member of the National Association of REALTORS, called NAR for short. Realtors are located in all parts of the world.

Realtor Code of Ethics

When agents become REALTORS they must agree to conduct their business in a way that adheres to the NAR's [Code of Ethics](#). The REALTOR code covers ethical requirements that deal with all aspects of the job, from working with consumers and fellow agents to writing truthful advertising.

Multiple Listing Services

Local groups of agents who have banded together in order to share listings more effectively are called Multiple Listing Services, or MLS for short. Most of those groups are affiliated with their state and national Realtor associations and typically require all MLS agents to become members of both of those groups.

Agents pay dues to their state and local Realtor organizations. They also pay fees to become and maintain members of their local MLS.

Realtors Accountable for their Actions

Realtors can file complaints against each other and the organization accepts complaints from consumers. Complaints can affect membership status and fines can be levied against agents who are found guilty of wrongdoing by a multi-member panel of their peers.

The organization does not have the ability to suspend a real estate license--that action can only be accomplished by the real estate licensing commission that granted it. Licenses in the US are granted by each state.

Realtor Educational Requirements

All licensed agents are required to take continuing education courses approved by their state licensing boards. To retain membership in the NAR, Realtors are required to take additional continuing ed classes, often focusing on ethical work habits and other consumer protection topics.

Membership Benefits

- Educational materials at state and national NAR Web sites
- Full-color magazines with news and educational content
- Representatives who lobby Congress for Realtor needs
- Discounts for equipment and other helpful products and services
- Training and educational opportunities, including affiliations with [special designation programs](#)
- Annual state and national conventions

People use the terms REALTOR® and real estate agent interchangeably, but that is incorrect. There are differences between REALTORS® and real estate agents. They are not the same. Although both are licensed to sell real estate, the basic difference between a real estate agent and a REALTOR® is a REALTOR® is a member of the National Association of REALTORS®. As such, the main difference that you hear a lot about -- but are likely confused about -- is that a REALTOR® must subscribe to the [REALTOR® Code of Ethics](#). But what does this mean to a consumer?

The Code of Ethics is strictly enforced. It contains 17 Articles and various underlying Standards of Practice. It's not just a bunch of rules that agents swear to uphold and adhere to. The Standards are much more restrictive and confining as to conduct than those governing agents who simply hold a real estate license. While there is no evidence nor guarantee that all REALTORS® are morally and ethically better than unaffiliated real estate agents, it is an attempt by the industry to regulate and, as such, deserves recognition.

Here are 17 things that a REALTOR® promises to do that non-affiliates do not:

#1) Pledge to put the interests of buyers and sellers ahead of their own and to treat all parties honestly.

#2) Shall refrain from exaggerating, misrepresenting or concealing material facts; and is obligated to investigate and disclose when situations reasonably warrant.

#3) Shall cooperate with other brokers / agents when it is in the best interests of the client to do so.

#4) Have a duty to disclose if they represent family members who own or are about to buy real estate, or if they themselves are a principal in a real estate transaction, that they are licensed to sell real estate.

#5) Shall not provide professional services in a transaction where the agent has a present or contemplated interest without disclosing that interest.

#6) Shall not collect any commissions without the seller's knowledge nor accept fees from a third-party without the seller's express consent.

#7) Shall refuse fees from more than one party without all parties' informed consent.

#8) Shall not co-mingle client funds with their own.

#9) Shall attempt to ensure that all written documents are easy to understand and will give everybody a copy of what they sign.

#10) Shall not discriminate in any fashion for any reason on the basis of race, color, religion, sex, handicap, familial status, or national origin.

#11) Expects agents to be competent, to conform to standards of practice and to refuse to provide services for which they are unqualified.

#12) Must engage in truth in advertising.

#13) Shall not practice law unless they are a lawyer.

#14) Shall cooperate if charges are brought against them and present all evidence requested.

#15) Agree not to bad mouth competition and agree not to file unfounded ethics complaints.

#16) Shall not solicit another REALTOR'S client nor interfere in a contractual relationship.

#17) Shall submit to arbitration to settle matters and not seek legal remedies in the judicial system.

The National Association of REALTORS® was founded in 1908 and has more than one million members.

Why Use a REALTOR®

Many consumers consider selling their home directly but eventually turn to REALTORS®. Smart home sellers realize they need the expertise in pricing their home, making connections with REALTORS® working with buyers, arranging and staffing open houses, and coordinating with other professionals in the sales process.

Only about half of all real estate agents are REALTORS® - the top half, in our not-so-humble opinion. REALTORS® work independently, for small agencies, or for large brokerages. They help people buy and sell residential or commercial properties, vacation homes, and land; they conduct appraisals; they operate in the United States and in other countries; some specialize in auctions; and others are buyer's representatives.

Who Can Join?

Benefits!