

# **Loudoun Realty LLC DBA Ikon Realty - Ashburn Office Policy & Procedures Manual**

A Guide for REALTORS®  
2022 Edition

Presented by the VAR Risk Management Committee and the Virginia Manager's Council

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This edition of the "Office Policy and Procedures Manual" has been published and distributed to the membership of the Virginia Association of REALTORS®, Inc. (VAR) with the hope that the manual will encourage understanding among Agents and Brokers.

This manual contains **Suggested Procedures**, not regulations. It is primarily intended for residential real estate sales procedures but may be helpful in commercial practice as well. Obviously, Brokers will modify some of the suggestions to suit their individual business practices. The good of the entire membership has been the basis for this template. Some provisions which require Brokers to make selections or fill in information have boxes around them and an icon in the margin (☒). A table of these provisions can be found in Appendix A.

These suggestions should not be regarded as opinion or advice for any individual case. This manual is not intended to render legal, accounting, or other professional services or advice. This is one of many efforts of the Virginia Association of REALTORS® to provide educational material to its members reach a higher level of professionalism. By referring to this manual, Agents and managers will be better able to stay informed and avoid conflicts.

Many thanks to all the volunteers who have contributed to this Suggested Procedures Manual and to you, the membership, who use the manual every day.

### **Policy Statement Regarding Compensation**

Under policy established by your local association of REALTORS®, the Virginia Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS® regarding compensation:

1. The Broker's compensation for services rendered is solely a matter of negotiation between the Broker and his or her client, and is not fixed, controlled, recommended or maintained by any persons not a party to the compensation Agreement.
2. Compensation paid by a Listing Broker to a Cooperating Broker in respect to any Listing is established by the Listing Broker in the offer of compensation, and is not fixed, controlled, or maintained by any persons other than the Listing Broker.

### **Policy Statement Regarding Discrimination and Fair Housing**

It is the policy of the Virginia Association of REALTORS® and their members to comply with local, state and federal fair housing laws. These laws require that the kind of service provided to a home seeker or housing provider shall not be influenced by the home seeker's or housing provider's race, color, religion, sex, national origin, handicap, elderliness, familial status or sexual orientation, or other classification that may be covered by local ordinances.

## I. ESTABLISHING BROKERAGE RELATIONSHIPS

### Duties of Real Estate Brokers and Salespersons


Title 54.1 (Professions and Occupations), Chapter 21 (Real Estate Brokers, Sales Persons and Rental Location Agents) prescribes (1) your obligations and responsibilities as a *Licensee*, (2) what you must do prior to establishing a brokerage relationship, (3) what is required to establish a brokerage relationship, and (4) disclosure of brokerage relationships including dual and designated representation. For the purpose of the Suggested Procedures Manual the definitions are not complete. They have been abbreviated to express the general meaning of the terms and not the exceptions. The following information provides a starting point for understanding your duties as an Agent/Representative. Reading and understanding these materials as well as the law will improve your professional competency.

#### A. Obligations and Responsibilities as a Licensee

Licensees may have different responsibilities depending on whom they represent in a transaction. Virginia law provides clear responsibilities for Licensees engaged:

- By Sellers,
- By Purchasers,
- By Landlords to Lease property,
- By Tenants,
- By Landlords to Manage Real Estate, and
- As Limited Service Agents

Virginia law also provides limitations for Licensees helping “customers” in real estate transactions when there is no brokerage relationship.

VAR has prepared a variety of forms that satisfy the foregoing portions of the law. A complete list of forms is available on VAR’s website. Any form outside of these recommended forms must be approved by company management prior to use.  **If you use another forms provider please substitute the appropriate forms in this manual.**

#### B. Definitions (abbreviated)

1. **“LICENSEE”** means real estate broker or salesperson licensed to conduct real estate business in Virginia.
2. **“AGENCY”** means a relationship in which a real estate Licensee acts for or represents a person by such person’s express authority in a real estate transaction, unless a different legal relationship is intended and is agreed to as part of the brokerage relationship. (Briefly stated, the law provides that you establish whatever relationship you are going to have with the person as part of the brokerage relationship. Agency requires express authority unless something different is agreed to as part of the brokerage relationship. Do yourself a favor; always get the express authority in writing.)

Agency includes representation of a client as a standard Agent or a limited service Agent.

Nothing prohibits a Licensee and a client from agreeing in writing to a brokerage relationship under which the Licensee acts as an independent contractor or which imposes additional obligations on a Licensee. If a Licensee agrees to additional obligations, however, the Licensee shall be responsible for the additional obligations agreed to with the client in the Brokerage Agreement.

A real estate Licensee who enters into a brokerage relationship based upon a written Brokerage Agreement that specifically states that the real estate Licensee is acting as an independent contractor and not as an Agent shall have the obligations agreed to by the parties in the Brokerage Agreement.

3. **"BROKERAGE AGREEMENT"** means the written Agreement creating a brokerage relationship between a client and a Licensee. It must include the following:
  - a. A definite termination date; but if it does not include a termination date, the brokerage relationship shall terminate 90 days after the date of the Brokerage Agreement;
  - b. Statement as to the amount of the brokerage fees and how and when such fees are to be paid;
  - c. Statement as to the services to be rendered by the Licensee;
  - d. Such other terms of the Brokerage Relationship as have been agreed to by the client and the Licensee; and
  - e. If the client consents to dual or designated representation, the appropriate disclosures.
  
4. **"BROKERAGE RELATIONSHIP"** means the contractual relationship between a client and a real estate Licensee who has been engaged by such client for the purpose of procuring a Seller or Purchaser ready, able and willing to sell or buy real estate on behalf of a client.
  - a. If you are a Listing Agent, the act does not state that you are engaged to sell a home. It states that you are engaged to procure a Purchaser for that home. Be careful about saying that you will sell a person's home for them. If you say you are going to sell a client's home, you might be considered to be representing that you are eliminating the possibility that someone else will bring a Purchaser. By doing this, you raise the issue of whether you are proposing to represent the Seller only, or the Seller and Purchaser ("Dual Agent" or "Dual Representation").
  - b. Be careful of your words and actions. Words and actions can create a "Brokerage Relationship" (without the protection of a written Contract). Written contractual agreements are now required by law. They benefit you by describing and limiting your duties and obligations, and by promulgating the method by which you get paid.

5. **"CLIENT"** means a person who has entered into a Brokerage Relationship with a Licensee. (Again, be careful with your words and actions and make sure Brokerage Relationships are in writing, as required by law.)
6. **"CUSTOMER"** means a person who has not entered into a Brokerage Relationship with a Licensee. Without having established a Brokerage Relationship with a person, the person is presumed to be a customer. Accordingly, by law a Licensee may only perform "ministerial acts" for that person.
7. **"MINISTERIAL ACTS"** means those routine acts that a Licensee can perform for a person that does not involve discretion or the exercise of the Licensee's own judgment. ("Ministerial Acts" are activities that assist the transaction to go forward, rather than being a service to the individual "customer." When working with a *customer*, be very careful not to perform acts that might be considered a service to a "customer." Such service to a "customer" might be interpreted as being contrary to the best interest of the "client.")
8. **"STANDARD AGENT"** means a Licensee who acts for or represents a client in an agency relationship. ("Standard Agency" is presumed to be your Brokerage Relationship under the law with a client. If you do not specify otherwise in a written Agreement signed by your client, then you will be a "Standard Agent".)
9. **"LIMITED SERVICE AGENT"**



Ikon Realty - Ashburn  does OR  does not allow Limited Service relationships. If you have any questions, please email [info@ikonofashburn.com](mailto:info@ikonofashburn.com)

Limited Service Agent means a Licensee who acts as a limited service Agent. This can only be done pursuant to a written Brokerage Agreement in which the Limited Service Agent (i) discloses that the Licensee is acting as a Limited Service Agent; (ii) provides a list of the specific services that the Licensee will provide to the client; and (iii) provides a list of the specific duties of a standard Agent that the Limited Service Agent will not provide to the client. Such disclosure shall be conspicuous and printed either in bold lettering or all capitals and shall be underlined or in a separate box. In addition, a disclosure that contains language that complies substantially in effect with the following shall be deemed in compliance with this disclosure requirement:

"By entering into this Brokerage Agreement, the undersigned do hereby acknowledge their informed consent to the limited service agency by the Licensee and do further acknowledge that neither the other party to the transaction nor any real estate Licensee representing the other party is under any legal obligation to



assist the undersigned with the performance of any duties and responsibilities of the undersigned not performed by the limited service agent.”

A Licensee engaged by one client to a transaction and dealing with an unrepresented party or with a party represented by a Limited Service Agent and who, without additional compensation, provides such other party information relative to the transaction or undertakes to assist such other party in securing a Contract or with such party’s obligations thereunder, shall not incur liability for such actions except in the case of gross negligence or willful misconduct.

A Licensee does not create a Brokerage Relationship by providing such assistance or information to the other party to the transaction. A Licensee dealing with a client of a Limited Service Representative may enter into an Agreement with that party for payment of a fee for services performed or information provided by that Licensee. Such payment shall not create a Brokerage Relationship; however, the Licensee providing such services or information for a fee shall be held to the ordinary standard of care in the provision of such services or information.

**10. “DESIGNATED AGENT” or “DESIGNATED REPRESENTATIVE”**



Ikon Realty - Ashburn  does OR  does not allow Designated Agency relationships. If you have any questions, please see your Broker.

Designated Agent or Designated Representative means a Licensee who has been assigned by a principal or supervising Broker to represent a client when a different client is also represented by another Licensee affiliated with the same principal or supervising Broker in a transaction. (The designated Broker remains the “Dual Agent” in the transaction.) See Article 1 of the NAR’s Code of Ethics.

**11. “DUAL AGENT” or “DUAL REPRESENTATIVE”**



Ikon Realty - Ashburn  does OR  does not allow Dual Agency relationships. If you have any questions, please see your Broker.

Dual Agent or Dual Representative means a Licensee who has a brokerage Relationship with both Seller and Purchaser in the same real estate transaction. See Article 1 of the NAR’s Code of Ethics.

**12. “INDEPENDENT CONTRACTOR”**



Ikon Realty - Ashburn  does OR  does not allow Independent Contractor relationships for the sale or leasing of property. If you have any questions, please see your Broker.

Independent Contractor means a real estate Licensee who:

- a. Enters into a Brokerage Relationship based upon a Brokerage Agreement that specifically states that the real estate Licensee is acting as an independent contractor and not an Agent; and
- b. Shall have the obligations agreed to by the parties in the Brokerage Agreement.

**Please note that this is different from your employment status with the brokerage.**

**13. "COMMON SOURCE INFORMATION COMPANY"** means any person, firm, or corporation that is a source, compiler, or supplier of information regarding real estate for sale or Lease and other data and includes, but is not limited to, multiple listing services. (The subjects of this definition are not Licensees if their activities are limited to the definition. Accordingly, they are not subject to the discussion about Brokerage Relationships.)

**14. "POWER OF ATTORNEY"**

It is possible that a properly drawn Power of Attorney may provide a means to list property and enter into a brokerage agreement. However, drafting a Power of Attorney document is the practice of law and must be limited to attorneys. Company management must be notified and may consult with legal counsel to determine whether the Power of Attorney is acceptable. If a lawful Power of Attorney is agreed to, the original must be provided at settlement.

**C. Preconditions To Brokerage Relationship**

Prior to entering into any Brokerage Relationship, a Licensee shall advise the prospective client of (i) the type of Brokerage Relationship proposed by the Broker, (ii) the Broker's compensation, and (iii) whether and how the Broker will share such compensation with another Broker who may have a Brokerage Relationship with another party to the transaction.

Tell your potential *client*:

1. The exact relationship you are proposing. Examples are:
  - a. To represent a *client* in the sale or lease of a property, or
  - b. To represent a *client* in the purchase or rental of a property,
  - c. To be a dual representative or designated representative.
  
2. Whether and how you (your Broker) will be compensated and whether the Broker will share such compensation with another Broker who may have a brokerage Relationship with the other party in the transaction. For example:
  - a. How much and how will you be paid by your potential client as a Listing Agent, or

- b. How much and how will you be paid for representing a Purchaser who wants to purchase a home, and
- c. What is the amount of compensation the potential clients will pay you if they buy or sell a property without you while a contractual Agreement with you is in effect?

#### **D. Establishing A Brokerage Relationship**

Forms prepared by and available through VAR or your forms provider will assist you in meeting the requirements of the law. Virginia law requires that a signed brokerage agreement must be in effect before a brokerage act is performed. If you have any questions, please confer with your broker immediately.

1. The Brokerage Relationship shall commence at the time that a client engages a Licensee and shall continue until the termination date or other conditions prescribed in the contractual Agreement.
2. The Brokerage Relationship shall be in writing and have a definite termination date; and if not, the Brokerage Relationship shall terminate 90 days after the date upon which the Brokerage Relationship began. Please refer to firm policy \_\_\_ as to when these agreements must be submitted to management.
3. After termination, expiration, or completion of performance of the Brokerage Relationship the Licensee owes no further duties to the client except that the Licensee shall
  - a. Account for all monies and property relating to the Brokerage Relationship, and
  - b. Keep confidential all personal and financial information received from the client during the course of the Brokerage Relationship and any other information that the client requests during the Brokerage Relationship be maintained confidential, unless otherwise provided by law or the client consents in writing to the release of such information.

A properly established Brokerage Relationship benefits you and your client by clearly describing and limiting your duties, obligations and payment method. In contrast, a Brokerage Relationship improperly established by your words and/or actions might result in failure to get paid or worse, liability and undisclosed dual representation. Undisclosed dual representation, whether intentional or not is illegal.

## **II. DISCLOSURE OF BROKERAGE RELATIONSHIP**

Virginia law specifically addresses the requirement for Licensees to disclose their Brokerage Relationships. Disclosure of whom you represent must be made to all parties who are not your clients and who are not represented by another Agent. (If an Agent represents the other party, disclosure is not required.) The disclosure is a two-phase process. First the disclosure must be made orally, and second the disclosure must be made in writing.

### **A. Requirements of Disclosure**

1. *Oral disclosure* must be made at the time of your *first substantive discussion about a property*, and

2. That disclosure shall be confirmed *in writing at the earliest practical time, but in no event later than the time when specific real estate assistance is first provided.*

## **B. Why is Disclosure Required?**

Disclosure of whom you represent in a transaction has been required since 1989. A "customer who is not represented by another Agent is assumed not to have been informed about the duties of a real estate Agent." Such a "customer" has the right to be informed that:

1. You are not working for them, and
2. That your duty is to represent the best interests of your client.

## **C. What are the two phases of the disclosure process and how do they work?**

### **1. Oral Disclosure**

The law specifically mandates that when talking with a Purchaser or Seller who (1) is not your client, and (2) is not represented by another Agent, you must disclose to that Purchaser or Seller any existing brokerage relationship you have at the time of the first substantive discussion about a specific property.

"At the time of first substantive discussion about a specific property" is a phrase that is often misunderstood.

- a. It doesn't necessarily mean that you have to disclose that you are working for the other party when you first speak to a Purchaser or Seller, because
  - i. Your first discussion might not be substantive, or
  - ii. Your discussion might not relate to a specific property owned by someone that your Company represents.
- b. When a customer not represented by another Agent contacts you about a specific property, and you or your Company represent the owner:
  - i. You must first orally disclose your existing Brokerage Relationship.
  - ii. You must tell the customer
    - a) That you are working for the owner of that property, and
    - b) That it is your duty to represent the best interests of that property owner.
  - iii. You may tell the customer that, even though you are representing the property owner, you must treat them, the customer, honestly.
  - iv. Caution: when somebody contacts you about a specific property (e.g. sign call, ad call, open house, etc.), **do not** discuss the possibility of "Dual Representation."
- c. The issue is particularly important to understand in the following encounters with customers not represented by another Agent where there is (1) a substantive discussion about a specific property, and (2) a contact representing specific real estate assistance:
  - i. Ad calls,
  - ii. Sign calls
  - iii. Open Houses for properties listed with your company, and
  - iv. For Sale by Owners (FSBO's) when you represent a Purchaser.

## **2. Written Confirmation of Brokerage Disclosure, The Second Phase**

After you have orally disclosed to a customer that you represent the other party in the transaction, you are required to present a written confirmation of that disclosure at the earliest practical time, but in no event later than the time real estate assistance is first provided. Please refer to firm policy \_\_\_ as to when these written disclosures must be submitted to management.

- a. "Earliest practical time" will vary in each case. In one situation it may involve faxing or emailing the confirmation (often accompanied by other materials). In other situations, it may be when you first meet the customer face to face.
  - i. This might happen when you are showing properties resulting from
    - a) Ad calls,
    - b) Sign calls,
    - c) Open Houses for properties listed with your company, and
    - d) When a Purchaser's Agent shows a FSBO as discussed above.
  - ii. If a customer refuses to sign the written confirmation, then you must
    - a) Note on the form that they refused to sign,
    - b) Give them a copy of the form, and
    - c) Keep a copy for your records.

In a Rental Transaction, the written disclosure must be included in the application or the Lease, whichever is executed first.

VAR has produced a form entitled, "Disclosure of Brokerage Relationship for Unrepresented Party(ies)" that was designed to satisfy the requirements for written confirmation of Brokerage Relationships.

### **D. Who must make the disclosure?**

Both Agents and Independent Contractors must make the disclosure when dealing with an unrepresented party.

### **E. For how long should the disclosure be kept?**

Copies of this disclosure must be kept by the Broker for a period of three years as proof of having made the disclosure, whether or not the parties have signed the form.

## **III. REQUIRED STATUTORY DISCLOSURES**

This is a brief overview of the relevant disclosure laws as of July 1, 2013. Please refer to the most current version of VAR's Residential Contract of Purchase, any other relevant VAR addenda and VAR bulletins for specific provisions, time frames, deadlines, rights, and obligations relating to the law for the current year (be on the lookout for changes as well if you have another forms provider). If you have any questions or doubts, please be sure to consult your Broker.

### **A. Virginia Condominium Act**

The Sellers of a condominium unit, at their own expense, must obtain a resale certificate ("Certificate") from the unit owner's association and provide it to the Purchaser.

1. The Certificate must contain certain financial information and other disclosures which shall be current as of the date stated on the Certificate. The association is required to deliver the certificate within 14 days of the written request.
2. When to request the Certificate is a strategic decision that involves risk, it is recommended that you consult with your Broker and client.
3. When the decision about when to order the Certificate is made, the Listing Agent must then follow-up to see that the Certificate is obtained and promptly provided to the Purchaser.
4. Upon delivery of the Certificate by the method and to the address designated by the Purchaser, a receipt must be signed indicating the time and date of delivery, but this is not required for the delivery requirement to be met. Electronic receipts or any other records of delivery must be kept.
5. After receipt of the Certificate, a Purchaser has a limited period of time to (i) terminate the Contract for any reason or no reason, or (ii) to submit to the association a request for a Resale Certificate and/or financial update if the Certificate has been issued within the preceding 12 months. The association is required to provide this update upon request. **There is no right of termination of the Contract upon receipt of an update.**
6. Any Purchaser termination allowed under the Contract must be made by delivering Termination to the Seller within the time allotted pursuant to the Contract and *Title 55, Chapter 4.2* of the Code of Virginia. If the Contract is terminated, both sides should promptly sign a release form. After settlement, the Purchaser loses both the right to receive the Certificate and the right to terminate the Contract based on these disclosure issues.

#### **B. Virginia Property Owners' Association Act ("POA Act")**

If there is a mandatory homeowners' association then the property is generally subject to the POA Act.

1. The Sellers of a property within a development subject to the POA Act must obtain an association disclosure packet ("Packet") from the association and provide it to the Purchaser. The Packet must contain certain financial information and other disclosures which shall be current as of the date stated on the Packet. The association is required to deliver the Packet within 14 days of the owner's written request.
2. Although the Listing Agents are advised to have the Packet ordered immediately after completion of the Listing Agreement, it is up to the discretion of the Listing Agent to decide when to order the Packet. As this is a strategic decision which involves risk, it is recommended that you consult with your Broker.
3. When to request the Packet is a strategic decision that involves risk, it is recommended that you consult with your Broker and client.
4. Upon delivery of the Packet (or Notice that the Packet will not be available) by the method and to the address designated by the Purchaser, a receipt should be signed indicating the time and date of delivery, but this is not required for the delivery

requirement to be met. Electronic receipts or any other records of delivery must be kept.

5. After receipt of the Packet or Notice of NON-AVAILABILITY, a Purchaser has a limited period of time (i) to terminate the Contract for any reason or no reason or (ii) to submit to the association a request for a Packet and/or financial update if the Packet has been issued within the preceding 12 months. The association is required to provide this update upon request. **There is no right of termination of the Contract upon receipt of an update.**
6. Any Purchaser termination allowed under the Contract must be made by delivering termination to the Seller within the time allotted pursuant to the Contract and *Title 55, Chapter 26* of the Code of Virginia. If the Contract is terminated, both sides should promptly sign a release form. After settlement, the Purchaser loses both the right to receive the Packet and the right to cancel the Contract based on these disclosure issues.

### **C. Possible Filing of Mechanics' Lien**

Persons who perform labor or furnish material for the construction, removal, repair or improvement of any building or structure have the right to file a lien against the property. This lien may be filed after title has passed to a new owner. Verify with the Seller that all debts have been satisfied, and if not, verify that arrangements have been made for payment of any outstanding debts. Have the Seller gather all of the receipts for any work done on the property as evidence of the debt being paid in full. The Seller should be prepared to sign an affidavit at settlement that the Seller has paid all contractors and suppliers. An effective lien for work performed prior to the Date of Settlement may be filed after settlement. If this occurs, legal counsel must be consulted.

### **D. Virginia Residential Property Disclosure Act**

Unless exempt, a Seller of residential property must provide a "Residential Property Disclosure Statement" to the Purchaser. The disclosure statement requires the Seller to disclose that he or she makes no representation about a certain number of items pertaining to the property. *Be sure to have the Sellers and Purchasers visit the website referenced on the Residential Property Disclosure Statement and read and initial a copy of the "Summary of Rights and Obligations of Sellers and Purchasers under Virginia Residential Property Disclosure Act."* You will have also fulfilled your duties, in the case of a Purchaser who is not represented by an Agent, by informing the Purchaser of his or her rights and obligations under the Act. The disclosure statement form notifies the Purchaser that the Seller makes no representations with respect to adjacent parcels, that the Purchaser must exercise whatever due diligence the Purchaser deems necessary with respect to adjacent lots, and that the Purchaser must exercise whatever due diligence the Purchaser deems necessary with respect to information on sexual offenders registered with the state.

#### **1. Exemptions**

The disclosure act exempts, among other things, judicial sales; foreclosure sales; transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust; transfer from one or more co-owners solely to one or more other co-owners; transfers made solely to any combination of a spouse or a person(s) in the lineal line of consanguinity of one of the transferors; transfers between spouses resulting from a decree of divorce or property settlement; transfers made by owner's failure to pay federal, state, or local taxes; transfers to or from any governmental entity of public or quasi-public housing authority or agency; and transfers involving the first sale of a dwelling (subject to disclosure of all material defects that are in violation of any applicable building code). Seek advice from your manager or a lawyer if you and the Seller are not sure whether the property is exempt.

## **2. Receipt and Delivery of Disclosure**

The Listing Agent must obtain from the Seller a signed disclosure form along with the signed Listing Agreement. The disclosure must be signed by the Purchaser before Contract acceptance. If any disclosure changes at any time before settlement, the Seller must complete an updated disclosure and provide it to the Purchaser.

## **3. Termination of the Contract**

If the Purchaser receives the disclosure after Contract ratification, or does not receive it at all, then the Purchaser may terminate the Contract by the earliest of the following:

- a. Three days after hand delivery of the disclosure
- b. Five days after the postmark if mailed
- c. Settlement, if no disclosure has been received
- d. Occupancy
- e. Execution of a written waiver by Purchaser
- f. Loan application where the application discloses that the right of termination shall terminate with application.

The Purchasers do not have to give a reason for termination. The Purchasers must terminate in writing before the expiration of the above deadline. The Purchaser may waive the right to terminate the Contract, but any waiver must be in a written document separate from the Contract. The Purchaser may terminate the Contract using hand delivery; United States mail, postage prepaid; electronic means, provided the sender retains sufficient proof of the electronic delivery; or overnight delivery using a commercial service or the US Postal Service.

**Regardless of owner compliance with the Virginia Residential Property Disclosure Act, under Chapter 21 of 54.1, Code of Virginia a Licensee shall disclose to all parties all material adverse facts pertaining to the physical condition of the property which are actually known by the Licensee.**



## **E. Disclosure of Lead-Based Paint and Lead-Based Hazards**

### **1. Housing covered**

- Most private housing, public housing, federally owned housing, and housing receiving federal assistance are affected by the rule if they were built before 1978.
2. Sellers, Landlords and real estate Licensees share responsibility for ensuring compliance with the law. Accordingly, both the parties and the Agents involved must sign the lead-based paint statement and disclosure form. A Purchaser (not a Tenant) has a 10-day or other mutually agreed upon period of time in writing to conduct a lead-based paint inspection or risk assessment at the Purchaser's expense or the Purchaser may waive the opportunity for the inspection or risk assessment. The law gives the two parties the flexibility to negotiate key terms of the evaluation. The law does not require any testing or removal of lead-based paint by the Sellers or Landlords.

**Persons who knowingly violate the requirements of the lead-based paint law** may be liable to the Purchaser or Tenant in an amount equal to 3 times the actual damages, plus court costs, reasonable attorneys' fees and expert witness fees. Licensees who fail to retain a copy of the completed lead-based paint disclosure documents in the Brokerage files may be subject to a fine of up to \$10,000 per violation. See at the end of the manual "**how to protect your family from the lead-based paint**" pamphlet.

## **F. Real Estate Settlement Agents Act (RESAA)**

A Contract for the sale of real estate containing not more than four residential dwelling units must contain the RESAA disclosure, which is found in VAR's Contract. The RESAA disclosure notifies the parties of the Purchaser's sole and undeniable right to choose a settlement agent. RESAA also defines the role of the settlement agent and notifies the parties of the availability of guidelines published by the Virginia State Bar to prevent the unauthorized practice of law. If Purchasers wish to change their choice of settlement agent, it is recommended they do so within 10 days of ratification.

## **IV. ADVERTISING**

**Management must approve all advertising – electronic or otherwise.** All Internet advertising must be approved by Company management before going online, including where the advertisement will be posted. This policy covers personal Web sites, blogs and listings posted on any site.

### **A. Code of Ethics – Article 12**

REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional.

#### **1. Interests of Client vs. Truthfulness**

It is important to promote the interests of your client, but at the same time you cannot mislead or misrepresent anything, e.g., do not touch up a photo of a Listing to the extent that it alters the property's physical condition.

## **2. Use Licensed Name**

Your licensed name must be in all advertising. In order to be in compliance with DPOR, the name you use must be the name DPOR has on record. To verify, go to Virginia DPOR license lookup and enter your name. The name you use in advertising must be either the individual name or the individual name DBA (doing business as).

## **B. Advertising generally**

### **1. Teams**

If advertising as a team, make sure the team leader's name is in the advertisement, and that the name of the Brokerage Firm is readily apparent.

### **2. Online Advertising**

The Virginia Real Estate Board (VREB) Regulations allow a licensee to include his required online advertising disclosures (see below) **or** a link to those disclosures on the online viewable page. For example, if Firm A advertises online at a local newspaper's site it would have to include its firm name, city and state of main office and all jurisdictions in which the firm is licensed **or** a link to those required disclosures on the viewable page of the advertisement. The VREB rule is not dependent on whether there is enough room to put all the required disclosures on the viewable page.

However, NAR Standard Of Practice (SOP) 12-5 requires the firm name to be displayed in a reasonable and readily apparent way in advertisements and only allows the link to replace the firm name "in electronic displays of limited information (e.g., "thumbnails, text messages, "tweets", etc.)" Therefore, if Firm A advertises online, and there is ample room to put the firm name, it must at least include the firm name – it could link to the other required disclosures (city and state of main office and all jurisdictions of licensure). If Firm A advertises online using Twitter, where there is no space for the firm name, then just a link to the required disclosures will suffice.

Remember, where the Code of Ethics and the law conflict, the Code must give way to the requirements of the law. Where the Code establishes a higher standard than is required by law, REALTORS® are obligated by the Code's higher standard. In this case, the Code establishes a higher standard.

Please remember there is an additional Code requirement for firm and REALTOR websites - they must at a minimum clearly display the firm/REALTOR's name and states of licensure (see SOP 12-9).

Below is a list of disclosures required by the Real Estate Board for online advertising. You must include them all rather than a link.

Online ads for a *firm* must have:

- Firm name;
- City and state of main office; and
- All jurisdictions (usually states) in which the firm is presently licensed.

Online ads for a *licensee* (not a firm) must have:

- Licensee's and firm's name;
- City and state of the licensee's office (not necessarily firm's main office); and
- Jurisdictions (usually states) in which the licensee holds a license, active or not.

Beware of online scams regarding Listings. If you receive a scam call, gather as much information as possible and report it to the authorities.

### **3. All Other Advertising by a Firm or Licensee**

- a. Must contain the licensed name of the Firm and the Agent's licensed name.
- b. The status of REALTOR® must be clearly identifiable.
- c. Verify all advertising with your Broker for any specific Company policies or requirements.
- d. Pay close attention to the federal, state and local laws of the following:
  - i. Fair Housing Laws
  - ii. Antitrust Laws
  - iii. Truth-in-Lending (including Regulation Z)
  - iv. REALTOR® Code of Ethics

**NOTE:** The registered symbol (®) must always be used in conjunction with the term REALTOR®. Please see the NAR Trademark Manual for rules on using the term REALTOR®. In most word processing programs, the registered symbol can be added by putting the letter "r" between parentheses or pressing "CTRL" "ALT" and `r" simultaneously. <http://www.realtor.org/membership-marks-manual>

### **4. Do Not Call List (DNC)**

Failure to follow the federal and Virginia DNC rules can lead to sizeable fines. You may want to consider taking a DNC class, developing a business plan, planning with your Broker and keeping a prospect list.

- a. Make sure you are registered with the federal DNC or use your Broker's list.
- b. Scrub your list against the federal and state list.
- c. Do not call after 9 p.m. or before 8 a.m.

### **5. Advertising by Fax**

You must have written permission to fax any advertisement. This includes advertising a property or your services.

## **6. Advertising by Email (CANSPAM Act)**

The CANSPAM Act requires that the following information be included in each advertisement:

- a. Valid physical address
- b. Identification that the email is an advertisement
- c. An opt-out method
- d. There cannot be deceptive subject lines or false or misleading information

## **C. "Free"**

Article 12 of the Code of Ethics allows REALTORS® to advertise "free" products or services, provided:

1. All terms governing availability of the offered product or service are clearly disclosed at the same time (Article 12, SOP 12-1), and
2. Any expectation to receive compensation or benefit from a source other than their client is clearly disclosed at the same time (Article 12, SOP 12-2).

## **D. Signage**

### **1. Signage Laws**

- a. No more than one sign per lot, unless on a corner lot or a larger acreage lot, where two signs may be permitted.
- b. Signs cannot exceed 6 feet in height, nor 4 feet in total area for a single family dwelling.
- c. The Agent must have an owner-signed Listing Agreement to post a sign.
- d. Directional signs must point to a property listed with the Brokerage.
- e. Reflectors, flashing lights, any type of illumination, balloons, streamers or pennants are forbidden.
- f. No signs can be in the VDOT right of way – this includes median strips.
- g. Be knowledgeable of all HOA/POA regulations regarding signs.

### **2. Local Signage Ordinances**

- a. Laws vary by locality, and failure to follow the proper ordinances can result in fines, sign removal and confiscation of the sign.
- b. A list of regulations can be found on [www.Municode.com](http://www.Municode.com).

### **3. "Coming Soon" Signs**

- a. Be careful about the use of a "coming soon" sign. In order to place any sign on the property, the Listing Company must have a signed Listing Agreement in place. Unless otherwise agreed to in writing with the Seller, please refer to your MLS rules and regulations as to when this information must be entered into an MLS.
- b. There are legitimate reasons why a homeowner would sign a Listing Agreement and request that the Listing Company not enter the listing into your MLS within that time, e.g., repairs.
- c. Using a "coming soon" sign to give you or your Firm exclusive access to the property is considered unethical and unlawful.

## **V. LISTING PROPERTIES FOR SALE**

### **A. Listing Procedures**

#### **1. Completeness and Accuracy of Information**

Do not present Listing Agreements to potential Sellers for signature unless the terms of the Agreement are completely filled in. Always get all available pertinent and current information; double check all information, then enter it on the proper form. Agents must not advertise any information that they cannot verify and all information must follow MLS policy.

#### **2. Tax Records & Ownership**

Verify with the owner the names and marital status of the Sellers. Have there been any deaths, name changes, divorces or marriages since title was taken? In the event one of the owners has died, a copy of the death certificate will be required and a list of heirs must be filed in the Circuit Court where the property is located (seller should seek advice from an attorney on this issue). Ask the Sellers to provide you with a copy of the most recent title insurance policy and survey of the property if available. Make sure that you have all property owners sign the Listing Agreement - check with your manager if in doubt.

#### **3. Existing Deed(s) of Trust & Liens**

Verify the number of trusts and balances, the amount of the payments and what they include. Who is the current note holder? Ask if there are any liens attached to the property. Advise seller to verify assumption fees and terms on all trusts, loan origination dates, and loan numbers. Send requests signed by the Sellers to lenders for confirmation of the loan statement. Advise seller to verify prepayment penalties or the necessity of a written notice of intent to sell that must be given in lieu of number of days or month's interest charges. Alert the Sellers of the need to present clear title at settlement. Advise Sellers to work with their lenders to add all loan balances, accrued interest and/or other liens along with Brokerage fees, discount points, and closing costs to ensure that the Seller will have sufficient proceeds or cash available to pay all charges against the property at settlement. Special pay-off rules apply to FHA loans - alert the Sellers to contact the lender for those requirements. Are the homeowner's association or condominium association dues current? Are there any special assessments that will need to be paid?

#### **4. Legal Description**

Determine lot size and, if possible, obtain a copy of a plat. Determine any easements, variances or other limitations on the full use of the property. With condominiums, the unit number and parking space number are a vital part of the legal description.

#### **5. Items to Convey**

Identify what specific items convey with the property. Identify what will be removed or replaced. Request that Sellers tag those items that do not convey.

#### **6. "New"**

New is defined as never having been used; otherwise state the date of installation for appliances, carpets, etc. Please see the Advertising section regarding liability of any REALTOR® based on false or misleading advertising.

## **7. Well and Septic**

If the property is on well and/or septic, advise the Sellers of their duties under the Contract.

## **8. Water and Sewer Hook-Up Charges**

If sewer and water are available in the street and not connected, it must be disclosed.

## **9. Get to know condos and HOA's**

For resales of Condominiums or homes in Property Owners' Associations, the Virginia Condominium Act and the Property Owners' Association Act require certain disclosures to the Purchaser at the time of resale.

The Seller must be instructed on pertinent points, or asked to provide certain data, including:

- a. Sellers' responsibility to provide and pay for the Condominium Unit Owners' Association and/or Property Owners' Association required disclosure documents.
- b. Purchasers may sign a Contract before receiving the required disclosures. Listing Agent shall inform the Seller that the Purchasers may terminate the Contract without penalty any time prior to receiving the Packet/Resale Certificate.
- c. Condo or Homeowners fees (exact amount; what is included - ask the Sellers and the association).
- d. Amenities, any restrictions on pets, parking, exterior changes, etc.
- e. If project is approved for various loans (e.g., VA, FHA, VHDA, or FNMA) find out when the project was last certified or approved for these loan programs.
- f. Management names and telephone numbers.
- g. Any special regulations, covenants or special assessments.
- h. The cost of and requirements for obtaining the disclosure package.
- i. Move-in requirements for condos, such as time restrictions or elevator fees.
- j. Parking rules, space numbers, etc.
- k. If violations are cited in the documents, the Seller must make the repairs/corrections prior to settlement. Seller must cooperate with any property inspection requirements of the association.

## **10. Special Requirements**

All terms and special requirements of the Sellers must be clearly stated in the Listing Agreement.

## **11. Seller Advertising Restrictions**

Please consult with Company management if your Seller is unwilling to advertise in the MLS or other open market mediums.

## **12. Special Conditions**

Discuss with Seller any special disclosures that may affect a buyer's decision (i.e. flood insurance, dam maintenance)

## **13. Videotaping/Monitoring of Property**

*NOTE TO BROKER: There is no definitive law addressing the disclosure of a seller's videotaping or home security monitoring. Additionally, this topic is being discussed by the National Association of REALTORS and we will include this information once received.*

## **B. Other Advice to Sellers**

1. Provide the Seller with an estimated net sheet, and retain one copy for your file. Agent must advise Seller that net sheets are estimates and provided to the best of the agents ability and knowledge. Direct the Seller to consult her/her lender.
2. Provide the Sellers with a sample copy of the current suggested Contract and any standard sales Contract addenda for the Sellers' review.
3. Discuss how the Sellers' pets should be handled during the showing of the property.
4. Remind the Sellers not to discuss information concerning the Listing with cooperating Agents or Purchasers, but to refer them to the Listing Agent.
5. Advise Seller not to allow buyers to tour their home without having the buyer's agent accompanying them.
6. Discuss Contract presentation procedures with the Sellers. Discuss with the Sellers how the Sellers wish to handle the presentation of any offers.
7. Advise Sellers to notify their homeowner's insurance company before the home becomes vacant. Remind the Sellers of their continued responsibility to maintain the vacant property (mow the lawn, etc.). Please remember that the Seller is responsible for maintaining the property until settlement, so utilities may need to remain connected. Additionally, risk of loss stays with the Seller, so it is a good idea to keep the property insured.
8. Explain lockbox procedures. Advise Sellers to lock all doors when they are away. Remind Sellers not to leave money, purses, wallets, jewelry, valuables, weapons, credit cards, prescription drugs, etc. exposed. This is good practice whether there is a lockbox or if the property is shown by some other method. The Listing office must make an extra set of keys and keep them in a secure place.
9. Sellers must have utilities connected as required by the Contract.
10. Advise Sellers to discuss with a settlement service provider disbursement procedures following settlement that are required by Virginia law, and of requirements for recordation prior to disbursement. Funds sometimes are not available for up to three business days following settlement. In most cases, however, the funds are available the next business day after settlement.

## **C. MLS Procedures**

All "For Sale" or "For Rent" Listings that require placement in a Multiple Listing Service must be entered into the MLS in accordance with the current Rules and Regulations outlined by the appropriate MLS in which you hold membership.

## **D. Compensation**

All Listings published in the MLS must clearly indicate the compensation offered to cooperating Participants and shall not reveal the total compensation payable when the Listing is sold. The compensation specified may be shown in one of the following forms:

1. By showing a percentage of the gross selling price.
2. By showing an exact dollar amount.
3. By showing the specific conditions under which bonuses or other offers are made.

## **E. Modified Listings**

If there is a modified Listing Agreement, you may be required to indicate this via MLS. An example: dual or variable rate commissions. See the Code of Ethics Standard of Practice Below.

### ***Standard of Practice 3-4***

*REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 1/02)*

## **VI. SHOWING PROPERTIES**

### **A. Procedures, Courtesies and Precautions**

#### **1. Accompany clients**

Accompany your prospective Purchasers to open houses, new home projects, etc. If you are not able to accompany your clients, provide them with some of your business cards and instruct them to notify the person holding the house open that they are represented and have them provide your business card to that individual.

#### **2. Check Accuracy of Information**

Make sure that the information about the properties you plan to show is correct prior to showing. Print out a copy of the current MLS listing for the Property. Prior to showing, examine the listing status in the computer for compensation, price or status changes and showing instructions. If possible, verify with the Listing Agent directly the availability of the property before showing and/or writing a Contract for your client.

#### **3. Make Appointments to Show**

You must show a property in accordance with the MLS instructions. Please read the MLS instructions to ensure that you are aware of any special showing procedures. When scheduling a showing, try to give as much notice as possible. If you cannot keep an appointment, call the occupant/agent at the earliest possible time to cancel or reschedule.

#### **4. Listing Company Obligations**

The Listing Company must provide all pertinent information and promptly indicate the current status. Listing companies must with the permission of the seller reveal to other REALTORS® whether offers have been received. Listing companies must disclose to prospective purchasers and their agents if there is a ratified contract on the property.

#### **5. Identify Yourself**

Always identify yourself, your Firm, and your agency status when calling about a property.



## **6. Actions While Showing**

Leave the property as you found it, i.e., doors locked or unlocked, lights off or on, pets in or out. Do not smoke when showing the property or permit prospects to smoke in the property. Do not allow the prospect or the prospect's children to wander through the property unattended. Stay with the prospect as long as the prospect is at the property.

## **7. Discussion of Terms**

Do not discuss terms with the Sellers when showing property. These should be discussed only with the Listing Agent.

## **8. Information on the Listing Handout**

If information represented on the Listing handout appears inadequate or incorrect, call the Listing Agent for clarification if necessary.

## **9. Contacting the Seller**

Never contact the Sellers directly without the permission of the Listing Company. Instruct the prospective Purchasers not to contact the Sellers directly either.

## **10. Seller's Castle**

Never disparage a Seller's home in the Seller's presence. Be aware that you may be monitored or videotaped.

## **11. Note Problems at the Property**

Promptly notify the Listing Agent or Listing Broker of any problems you encounter at the property. Examples:

- a. Leaking pipes
- b. Heat off when cold outside
- c. Lockbox problems (not there, no key, jammed, etc.)
- d. Hostile pet or Tenant
- e. Flooded basement
- f. Broken window(s)
- g. Evidence of vandalism, etc.
- h. Natural gas odor

## **12. Condos & HOAs**

Familiarize yourself with issues involving condo and HOA transactions. Such issues include:

- a. Common elements,
- b. Condo/HOA fee and what it provides; any special assessments,
- c. Amenities,
- d. Changes to the interior that may not have been authorized,
- e. Restrictions - pets, age restrictions, rentals, parking, etc.,
- f. Owner Occupancy/Investor Ratio and any other lender requirements,
- g. Association requirement that you notify the condominium association of your Listing, if required by the association documents,
- h. Lockbox Policies,
- i. Lending requirements, per certain types of loans, e.g., FHA or VA; consult with your mortgage professional,

- j. Verification of DPOR license; search for the condo association/HOA on DPOR's license look up page, as there is a box for condo and HOAs. ([www.dpor.virginia.gov/licenselookup](http://www.dpor.virginia.gov/licenselookup))

## **B. Suggested Safety and Security Procedures**

1. Meet prospects at your office. If this is not practical, Agents and prospects should meet at a branch office or any other real estate Firm in the vicinity of the Listings to be shown.
2. A Safety Log should be maintained in the office for all Agents to complete each time they go out to view properties with a prospect. Information could include: date; destination; Agent's name; prospect's name, car make, model, year, and color. If you don't use a safety log, always tell someone where you are going, with whom, and when you expect to return.
3. All offices should maintain a current list of their Agents' vehicle information as referenced in the Safety Log above.
4. Use extreme caution when you meet prospects at any property. When showing, allow prospects to enter the room first. This reduces the chance of your being pushed into a room and the door being closed behind you.
5. Avoid meetings and property showings at potentially unsafe times. Agents must consider their own safety and the safety of their prospects when arranging for meetings and showings. The times considered safe or unsafe may vary widely depending upon the circumstances. Generally, Agents might try to schedule showings of vacant properties at times when neighbors are likely to be at home, and bring along another Agent for after-dark showing of properties or for showing vacant properties at any time of the day.
6. Use your own car to show properties and do not ride in the prospect's car.
7. When unusual or suspicious incidents occur during the course of business, Agents must report them immediately to their own offices, clients, the police and any neighboring affiliated offices.
8. Member offices must be maintained in a safe and secure manner to promote the safety of their Agents, including use of the following: door locks, proper lighting, peep holes, and mail drops. Crime prevention officers at the local police departments are available to perform an individual safety walk through for offices.

## **VII. PREPARING THE CONTRACT**

### **A. Check the Status of the Listing**

Obtain a copy of the full and current MLS listing just prior to writing the offer. This confirms the availability status as well as confirming the compensation being offered. Retain this copy in the case file.

## **B. Preparing the Contract.**

The Agent must choose the forms appropriate to the property and the purchase. The Agent must go over the Contract, and all addenda and attachments thoroughly to ensure that the Purchaser(s) understand the implications to them of the documents that they are signing, regardless of the time needed to educate the Purchasers. All offers must be in writing on the most current forms, signed by all Purchasers and with the appropriate earnest money deposit.

The Agent must make copies for the Purchaser(s) of every document that they sign, including the deposit check. See Appendix B for an example Transaction Check List that may be used by your office.

## **VIII. PRESENTING THE CONTRACT**

### **A. Before Presenting the Offer**

The Purchaser's Agent must contact the Listing Agent to ascertain the manner in which a Contract may be presented. (If the Contract is to be faxed, use a "fine" setting on the fax machine to preserve legibility of the documents.) Always obtain a confirmation of delivery receipt from the Listing Agent, particularly when sending an offer by fax or email. If the Listing Agent cannot be reached after concerted efforts, contact the sales manager or Broker of the Listing Firm to arrange for a presentation.

Generally, the Purchaser may withdraw an offer at any time prior to ratification and delivery. A withdrawal should be communicated immediately and confirmed in writing immediately prior to receipt of a notice of ratification.

When acting as the Listing Agent, Agent must explain the implications of the terms of the Contract(s) and may give advice to his client, but must not give legal or tax advice. The Seller finally determines decisions regarding Contract terms and acceptance.

### **B. Presentations of Multiple Offers**

Multiple offers must be presented in the manner agreed to by the Seller. With their Sellers' permission, Listing Agents must notify all Purchasers' Agents, as soon as possible, of the existence of multiple offers.

**CAUTION:** Counter-offering more than one offer at a time could subject sellers to more than one contract. If the Sellers wish to counter more than one offer at a time, the seller shall be informed of the potential consequences in writing. The seller should also be advised to seek an attorney's advice.

### **C. Counter-offers**

If the Sellers make a counter-offer, have the Sellers note the date, time, sign and initial the original with each change noted. Leave a copy with the Sellers and immediately present the counter-offer to the Purchaser's Agent.

All counter-offers are to be considered as a new offer for all parties. The Agents are responsible for prompt follow-up on all counter-offers. If the counter is accepted, all initials must be executed in the proper place with the date of ratification indicated. The Agent for the other party must be promptly notified, and then the Agent must immediately notify his or her client. If any counter-offer is not accepted by one party, the other party and his or her Agent (if applicable) must be notified promptly. "Rejected" should be written across the face of any rejected offer, and must be dated and signed. Copies must be delivered to all parties.

#### **D. Ratification**

Offers become contracts when ratification occurs. Ratification occurs when final acceptance, in writing, of all the terms of the contract is delivered to the party that presented the last offer (or counter-offer); not the date of expiration or removal of any contingencies or the date the contract was signed. If other offers were presented, Listing Agents shall notify all Purchaser Agents of the status of their offer(s). Because the contract is not a legally binding document until it is both ratified and delivered, copies of the accepted contract (ratified) must be delivered to all parties promptly, preferably on the same day the contract is ratified.

NOTE: A short sale contract is considered ratified when fully executed and delivered by and to all parties, just as if it were any other contract. The contingency for removal of the lien does not affect whether it's ratified or not. However, if the contract provides that ratification or acceptance are subject to lender signature or approval, then there is no contract until the lender signs or approves.

### **IX. PROCESSING THE CONTRACT AND SETTLEMENT**

#### **A. MLS Procedures**

As soon as a Contract is accepted, the Listing Agent must change the status of the Listing in the MLS in accordance with MLS regulations. If the settlement date in the sales Contract is beyond the expiration date, the Listing Agent must get written permission from the Seller to extend the Listing Agreement beyond the settlement date. If the sale is not consummated, and the Listing has not expired, update the Listing to an appropriate status.

#### **B. Processing Procedures**

##### **1. Changes to the Contract**

After a Contract has been accepted by all parties, never make any changes to the Contract except by amendment. Any deletions, additions, changes or extensions must be agreed to in writing and signed by both the Sellers and Purchasers in order

to be in effect. The changes must be dated and copies must be immediately delivered to all parties to the transaction.

## **2. Earnest Money Deposits**

If the Company is designated to hold the earnest money deposit, such deposit must be handled in accordance with Appendix D of this policy. **NOTE:** In a short sale, the earnest money must be deposited within 5 business banking days once the Purchaser and Seller have ratified the Contract, not when the bank approves the sale, unless otherwise indicated in writing by both parties. (See Note above in VII – Preparing the Contract -Section D above)

## **3. Promissory Notes**

If a promissory note is accepted as a deposit that fact must be noted in the contract. When a promissory note is used as the earnest money deposit, the Broker holding the note must notify the Seller through the Listing Broker when the note is redeemed. If not redeemed when due, the Broker must notify the Seller immediately in writing.

## **4. Termination/Release of Purchase Contract**

The Purchasers and Sellers must execute a written release or a party must send a notice to terminate, depending on what the Contract requires to cancel a Contract that was previously accepted. When all copies of the release have been signed by and delivered to all parties, the earnest money must be disbursed in accordance with the terms of the release.

NOTE: Even if a party has a termination right under the Contract, a release must be signed by both parties or a court order received to release the earnest money deposit. (see [www.varealtor.com/legalvideos](http://www.varealtor.com/legalvideos) and "Classic Contract Termination and Release Questions").

## **5. Responsibility of the Purchaser's Agent & Listing Agent**

Unless otherwise agreed to, it is the obligation of the Purchaser's Agent to forward the Contract to the settlement agent(s). Purchaser agents must advise the Purchasers to take immediate steps to make loan application, and arrange any Purchaser inspections (home inspection, radon, lead-based paint, well & septic, termite, etc.).

**NOTE:** Full communication between the agents, and through them with the Sellers and Purchasers, will prevent confusion and duplication of effort. Keep everyone advised of the status and progress of the contract. All amendments, addenda, limited access agreements or releases, etc. must be prepared promptly and delivered in accordance with the Contract, and a full copy of all such documentation shall be delivered to the Broker for review.

## **6. Time and Place of Settlement**

Agents should coordinate the date, time and place of settlement with all parties under direction and/or approval of their clients.

#### **7. Power of Attorney**

If any party is not going to be at settlement, notify the settlement Agent and the lender well in advance. A Power of Attorney may need to be prepared and pre-approved by the settlement Agent (and also by the lender if the Purchaser is not present) and sent to the appropriate parties to be signed, notarized, and the original returned prior to the settlement date. Unless an Agent is an Attorney or a principal in the transaction, Agents must not prepare a Power of Attorney for their clients since this could constitute the unauthorized practice of law.

#### **8. Insurance**

The Purchasing Agent should advise the Purchasers to obtain insurance in accordance with the lender's requirements, if any, including flood, title, homeowners and mortgage, etc. The Listing Agent should advise the Sellers not to cancel their present hazard insurance policy until several days after settlement.

#### **9. Access to the Property**

At no time are the Purchasers to be given a key for access to the property without written permission from the Sellers or Seller's authorized representative. The Purchasers must not be allowed entry to the property prior to settlement unless accompanied by an Agent with the permission of the Sellers through the Listing Agent and pursuant to the terms of the Contract.

#### **10. Purchasers' Funds**

Agent should advise the Purchasers to check with the settlement Agent regarding the amount and form of payment of closing costs and to whom to make the check payable. Agent should contact settlement agent to ensure that client obligations are being met.

#### **11. Keys to the Property and Parking Passes**

Transfer of keys and parking passes to the property should be made from the Sellers to the Purchasers at settlement, unless otherwise agreed to by both parties. As appropriate, the Listing Agent should remind the Sellers to bring the mail box, storage room and laundry room keys as well as any garage door remotes and parking passes.

#### **12. Pre-Settlement Walk-Through Inspection**

For the protection of both the Purchasers and the Sellers, Purchaser's Agent should encourage Purchasers to perform a complete checkout (walk-through) of the property prior to settlement. The Purchaser's Agent must accompany the Purchasers on the inspection and may provide a checklist (VAR recommends using the Preoccupancy/Presettlement Inspection Report form), to guide them, but must not perform the inspection.

Purchaser's Agent may want to recommend that the Purchasers consider employing a home inspector or appropriately certified technician to confirm the repairs were satisfactorily completed.

The Listing Agent should remind the Sellers to be completely out of the property prior to the time of settlement, unless there is a written, post-settlement occupancy Agreement.

### **13. Other procedures**

When the inspection has been completed, have the Purchasers sign a walk-through inspection report, noting any deficiencies. Promptly notify the Listing Agent and the settlement Agent of any walk-through deficiencies. Any deficiencies must be resolved between the parties. If there are walkthrough items to be negotiated or discussed prior to closing, agents should attempt to mediate a successful resolution prior to coming to the table. A copy of any agreements must be given to the Purchasers, the Sellers, the settlement agent and the Listing Agent and one retained for your records.

If funds are withheld for repairs, written agreement should be reached as to whose responsibility it is to see that the repairs are taken care of immediately and all bills taken to the settlement agent. The entity holding the repairs escrow should be notified in writing when the repairs are completed so that the Sellers can be given the balance of funds due them.

When there is a post-settlement occupancy (seller occupancy) Agreement, a preliminary walk-through inspection should be done shortly before settlement. A final walk-through inspection should be done promptly after the Seller has vacated the property. The Purchaser's Agent should deliver the final signed copies to the entity holding the security deposit, and the parties in order to speed final release of Seller's security deposit.

### **14. Settlement**

If acting as a Purchaser's Agent, Agent shall inform the Purchasers of their legal right to select their own settlement agent. Agents should review the HUD-1 Form to ensure that it correctly reflects all the terms of the Contract including credits, debits, fees and adjustments. Allow the settlement Agent to explain all items and answer questions. The Agents should provide the settlement Agent with a business card to facilitate follow up. If you have specific instructions for the delivery of the commission checks, contact your supervising broker for approval; written instructions must be provided to the settlement agent. Because many documents must be notarized, anyone signing at settlement will need to provide identification. Any assignments or modifications of commissions must have broker's written permission.

## **X. TEAMS**

See Appendix F.

## **XI. PERSONAL ASSISTANTS**

Anyone with an active Real Estate Salesperson license from the Virginia Real Estate Board (VREB) who works in an administrative capacity with a REALTOR® would be considered a licensed personal assistant and are held to the same standard as Agents. Employees with an inactive license (not currently hanging with the Broker) or who have never been licensed as a Real Estate Salesperson would be considered an unlicensed personal assistant. The REALTOR® and the Broker may be held liable for any actions of a personal assistant.

Under Title 54.1 of the Virginia Code, the Department of Professional and Occupational Regulation (DPOR) has the authority to impose fines on any Licensee or suspend or revoke the license of any real estate Agent or Broker who has committed an unlawful act or violation, or knew or should have known that a Licensee or employee committed an unlawful act or violation. Allowing an unlicensed personal assistant to perform acts for which a license is required would be such a violation.

Underlined below are prohibited and permitted activities of unlicensed assistants based on the proposed 2014 Real Estate Board Regulations. Although these regulations are not final, they do provide insight into the Board's view of appropriate unlicensed assistant activity. When the regulations become final this manual will be updated.

- 1. Activities Limited to Licensees.** The supervising broker ensures only licensees undertake activities requiring a license which include but are not limited to:
  1. Show property;
  2. Hold an open house;
  3. Answer questions on listings, title, financing, closing, contracts, brokerage agreements and legal documents;
  4. Discuss, explain, interpret, or negotiate a contract, listing, lease agreement or property management agreement with anyone outside the firm; and
  5. Negotiate or agree to any commission, commission split, management fee or referral fee.
  
- 2. Unlicensed Assistants.** A supervising broker shall provide adequate supervision **over** the following activities of the unlicensed employee(s) or assistants under the supervision of a broker:

DO:

  1. Perform general clerical duties, including answering the phones, responding to electronic media and providing information shown on the listing;
  2. Submit listings and changes to MLS;
  3. Follow up on loan commitments after contracts have been ratified;
  4. Have keys made for listings;
  5. Compute commission checks;
  6. Place signs on properties;



7. Act as a courier service;
8. Schedule appointments;
9. Record and deposit earnest money deposits, security deposits and advance rents;
10. Prepare contract forms for approval of the licensee and supervising broker;
11. Prepare promotional materials and advertisements for approval of the licensee and supervising broker;
12. Assemble closing documents;
13. Obtain required public information from governmental entities;
14. Monitor license and personnel files;
15. Order routine repairs as directed by licensee;
16. May be compensated for their work at a predetermined rate that is not contingent upon the occurrence of a real estate transaction; and
17. For any other activities undertaken in the regular course of business for which a license is not required.

**DON'T:**

1. Show property.
2. Give opinions or advice on a listing.
3. Preview, inspect or determine (measure) the square footage of any property unless accompanied by a licensee.
4. Answer questions on listings, titles, financing or closings, unless to confirm that a property is listed, to identify the listing broker or purchasers agent and to provide such information as would normally appear in a simple, classified newspaper advertisement (price, location and/or address.)
5. Discuss with anyone outside the firm a contract, listing, lease, agreement, or other real estate documents.
6. Attend pre-closing walk-through or real estate closing unless accompanied by a licensee.
7. Negotiate the amount of rent, security deposit, or other lease provisions in connection with a rental property.
8. Represent themselves as being a licensee.
9. Compensate on the basis of real estate activity, such as percentage of commission, or any amount based on listings, sales, etc.

**3. Access to the Listing property by Personal Assistants**

All Personal Assistants are the responsibility of the Broker and Agent and must comply with all MLS and Lockbox rules and regulations.

**4. Compensation of Unlicensed Personal Assistants**

Compensation to unlicensed personal assistants should be based upon actual work performed, not on the amount of commissions earned by the Licensee. Payment for work performed may not be contingent upon receipt by the Licensee of a commission.

The recommended practice is to pay assistants directly for work performed on a regular, recurring basis in the manner of either a regular salary or an hourly wage. As with any salaried or hourly employee, bonuses may be paid based on actual profits as calculated according to generally accepted accounting practices. Care should be taken to maintain accurate supporting records to substantiate that the bonus is truly "profit based" and not merely transaction-specific commission splitting. Seeking advice and guidance from an experienced accountant in managing your employee records is highly recommended.

**XII. PROPERTY MANAGEMENT/LEASING**

No property management can be performed without prior approval of the Company.

## Appendix A – Table of Provisions that Must Be Reviewed & Options to select

### Review Provisions

The following provisions should be reviewed by the Broker on a regular basis:

Provision	Frequency of Review	Page
Transaction Check Lists	Once A Month and as Needed	36-37

### Options/Blanks

The following provisions contain either blanks that must be filled in or options to select by the Broker:

Option/Blank	Page
Whether Company allows Limited-Service relationships	7
Whether Company allows Designated Agency relationships	8
Whether Company allows Dual Agency relationships	8
Whether Company allows Independent Contractor Brokerage relationships	8
Company name	38 – Appendix C
Association Resources	38 – Appendix C
Handling EMDs	40 – Appendix D
Escrow interest handling	40 – Appendix D
Designated Eating Area	43 – Appendix D
Auto Insurance	44 – Appendix D
E&O Insurance Premiums	44 – Appendix D
Amount of Insurance Coverage to carry	44 – Appendix D
Designated Smoking Area	45 – Appendix D
Emergency Contact Info	46 – Appendix D
Document Retention Information	47 – Appendix D
Sign Policies	48 – Appendix D
Office hours	48 – Appendix D
Holidays observed	48 – Appendix D
Forms requiring Broker Signature	49 – Appendix D

## **Appendix B – Transaction Check Lists**

The following Transaction Check Lists are examples and should be reviewed by each Company to determine which forms should be required on each transaction and which forms should be optional for each transaction. Each Brokerage may want to include additional forms that have not been listed in the samples below.

These Check Lists should be reviewed each month to ensure that any forms that have been added to your forms library are included and any forms which may have been deleted from your forms library are removed.

## Transaction Check List - Listing Agent

MLS#: \_\_\_\_\_  
 Property Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

List Date: \_\_\_\_\_  
 Expiration Date: \_\_\_\_\_  
 Contract Date: \_\_\_\_\_  
 Ratification Date: \_\_\_\_\_  
 Settlement Date: \_\_\_\_\_

### Required for All Transactions:

Source	Form #	Date Received	Form Name	Timeline
NVAR			Exclusive Authorization to Sell	Listing Appointment
			Seller Net Sheet	Listing Appointment
NVAR			Residential Contract of Purchase	Writing the offer
DPOR			Residential Property Disclosure Statement	Provided by Seller
			Earnest Money Deposit	Writing the offer, unless otherwise agreed by parties
			Lender Pre-approval Letter	Writing the offer
NVAR			Preoccupancy/Presettlement Inspection	Just Prior to Settlement
CD	1		Settlement Statement	Settlement

### May Apply to Some Transactions:

Source	Form #	Date Received	Form Name	Timeline
NVAR			Disclosure of Brokerage Relationship to Unrep. parties	See Manual Section on Topic
NVAR			Disclosure of Designated Agency/Representation	
NVAR			Home Inspection Addendum	
NVAR			Home Inspection Removal of Contingency Addendum	
NVAR			Short Sale Addendum	
HUD	HUD 92564CN		For your protection Get a Home Inspection	
NVAR			Possession by Seller Agreement	
NVAR			Agreement for the Sale of Personal Property	
NVAR			Lead Based Paint Disclosure	If Pre-1978, Provided by Seller
NVAR			Possession by Purchaser Agreement	

BSR – Broker Signature Required

Reviewed and Completed by Broker:



**Transaction Check List - Purchaser Agent**

MLS#: \_\_\_\_\_

Contract Date: \_\_\_\_\_

Property Address: \_\_\_\_\_

Ratification Date: \_\_\_\_\_

\_\_\_\_\_

Settlement Date: \_\_\_\_\_

**Required for All Transactions:**

Source	Form #	Date Received	Form Name	Timeline
NVAR			Exclusive or Non-Exclusive Right to Represent Buyer Agreement (BSR)	Prior to showing
NVAR			Residential Contract of Purchase	Writing the offer
DPOR			Residential Property Disclosure Statement	Provided by Seller
			EMD \$ _____, Date _____ Dep: _____	Writing the offer, unless otherwise agreed by parties
			Lender Pre-Approval Letter	Writing the offer
NVAR			Preoccupancy/Pre-settlement Inspection	Just Prior to Settlement
CD	1		Settlement Statement	Settlement
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**May Apply to Some Transactions:**

Source	Form #	Date Received	Form Name	Timeline
NVAR			Disclosure of Brokerage Relationship to Unrep. Parties	
NVAR			Disclosure of Designated Agency/Representation	
NVAR			Home Inspection Addendum	
NVAR			Home Inspection Removal of Contingency Addendum	
NVAR			Short Sale Contingency Addendum	
HUD	HUD 92564CN		For your protection Get a Home Inspection	
NVAR			Possession by Seller Agreement	
NVAR			Lead Based Paint Disclosure	If Pre-1978, provided by seller
NVAR			Possession by Purchaser Agreement	
NVAR			Agreement for the Sale of Personal Property	
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

BSR = Broker Signature Required

Reviewed and Completed by Broker: \_\_\_\_\_

## Appendix C – List of Resources

Salespersons and associate brokers affiliated with the Company shall familiarize themselves and are required to keep themselves updated on all changes in the law insofar as they affect real estate licensees. Salespeople and associate brokers of the Company shall comply with all Code of Ethics, Standards of Practice, and other rules and regulations imposed upon them by virtue of membership at NAR, VAR, their local association, MLS and lockbox system. Salespersons will adhere to the rules and regulations imposed upon them by all federal and state laws and shall act in accordance with these laws and any other laws, rules, and regulations imposed upon them by being a real estate Licensee. Below is a list of resources for salespersons and associate brokers to review so that they may comply with all rules, regulations, and standards of conducts imposed upon them by being part of Ikon Realty - Ashburn.

### I. State Regulations

- A. DPOR – <http://www.dpor.virginia.gov>
- B. Code of Virginia
  - 1. Title 54.1 – Professions and Occupations; Chapter 21 – Real Estate Brokers, Sales Persons and Rental Location Agents  
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC5401000002100000000000>
  - 2. Title 55 – Property and Conveyances
    - <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC5500000>
  - 3. Title 36 – Housing; Chapter 5.1 – Virginia Fair Housing Law
    - <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC36000000005000010000000>
- C. Virginia Administrative Code
  - 1. Real Estate Board
    - <http://leg1.state.va.us/000/reg/TOC18135.HTM>
- D. Virginia Employment Commission  
<http://www.vec.virginia.gov/>

### II. Association Resources

- A. NAR – Code of Ethics  
<http://www.realtor.org/governance/governing-documents/code-of-ethics>
- B. VAR  
Law & Ethics - <http://www.varealtor.com/legalresources>
- C. Local Association
  - 1. Rules & Bylaws
    - NVAR and DAAR
  - 2. Lockbox Rules & Regulations
    - NVAR and DAAR
- D. MLS – Rules & Regulations – BrightMLS

### **III. Federal Regulations**

1. HUD – Federal Fair Housing & Equal Opportunity  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp)
2. ADA Guide for Small Businesses - <http://www.ada.gov/smbusgd.pdf>
3. IRS - <http://www.irs.gov/>



## Appendix D – Office Policies


### I. Escrow Accounts

As set forth in the Virginia Administrative Code and Real Estate Board Regulations, upon contract ratification Earnest Money Deposits and down payments received by the principal broker, supervising broker, or associates must be placed in an escrow account by the end of the 5th business banking day, unless otherwise agreed to in writing by the parties to the transaction. The Regulations also require all brokers who reasonably believe the improper conduct of a Licensee has caused noncompliance with this provision to report the Licensee to the VREB within 3 business days. Due to this requirement, all Associates who cause an EMD to be deposited after more than 5 business banking days will be reported to the VREB.

For more information on EMD compliance see <http://www.varealtor.com/hotlinedeposits>.



In order to comply with these requirements, Salespersons must submit Earnest Money Deposits, along with a copy of the ratified Contract, in the following manner:

#### A. Earnest Money Deposits (Purchase Contracts)


- 
1. Shall be presented to: Ikon Realty - Ashburn
  2. Within what period of time after full ratification? Within 5 business banking days
  3. How do we deal with notes, post-dated checks, delayed delivery of checks? (Contract must reflect such arrangements) In writing by both the parties
  4. Rules as to when money can be returned:
    - 1) When both the parties agree in writing
    - 2) Broker give 30 day's notice to non-receiving party to lodge protest if one
    - 3) Once Court orders the disbursement

#### B. Possession Deposits

##### 1. Possession by Seller Deposits

- 
- 
- a. Shall be presented to: Ikon Realty - Ashburn
  - b. Within what period of time after full ratification? Within 5 business banking days
  - c. How do we deal with notes, post-dated checks, delayed delivery of checks? (Contract must reflect such arrangements) In writing by both the parties
  - d. Rules as to when money can be returned:
    - 1) When both the parties agree in writing
    - 2) Broker give 30 day's notice to non-receiving party to lodge protest if one
    - 3) Once Court orders the disbursement

##### 2. Possession by Purchaser Deposits

- 
- a. Shall be presented to: Ikon Realty - Ashburn
  - b. Within what period of time after full ratification? Within 5 business banking days
  - c. How do we deal with notes, post-dated checks, delayed delivery of checks? (Contract must reflect such arrangements) In writing by both the parties
  - d. Rules as to when money can be returned:
    - 1) When both the parties agree in writing
    - 2) Broker give 30 day's notice to non-receiving party to lodge protest if one
    - 3) Once Court orders the disbursement

### **C. Interest in Escrow Accounts**

1. Every 12 Months, interest accumulated in Escrow Accounts that belongs to the company shall be moved into operating accounts (unless disposition of escrow interest is otherwise agreed to by parties in contract).

## **II. Discrimination Issues**

### **A. This office does business in full compliance with all local, state and federal fair housing laws as well as all requirements under the National Association of REALTORS® Code of Ethics.**

### **B. Harassment**

1. Professional behavior is a requirement around your fellow Associates, Brokers, managers, Company employees, staff and customers. Harassment, including verbal, physical, visual, religious and sexual is strictly prohibited in this office. A list of things that can be considered harassment include:
  - a. Any racial, ethnic, sexual, or religious jokes/slurs or insults
  - b. Any physical conduct such as unwelcome touching, groping, grabbing, or pinching
  - c. Any visual renderings of sexually suggestive materials or materials negatively reflecting an individual's ethnicity, race, ancestry, or sexual preference
  - d. Any unwelcome sexual advances, physically, verbally, and visually of a sexual nature that has a purpose or effect of work performance interference, intimidation, or hostile/offensive working atmosphere
2. In the event an employee, Associate, or any other staff person feels that he or she has been harassed, the incident must be reported immediately to the office manager or Broker. The anonymity of the accuser, as well as the accused, shall be held in confidentiality by the manager and/or Broker. An investigation will commence, and a written report will be filed. If the allegation involves the manager or Broker as the accused of such action, an outside investigator may be retained. Retaliation against complainants is strictly prohibited. Any employee, Associate or staff engaging in harassment may be subject to disciplinary action up to and including reprimand, counseling, suspension, and termination.

## **III. Antitrust**

- A.** The Company maintains a strong policy against any antitrust involvement by the company, its agents or employees. Few obligations can be taken more seriously than this area. The Company requires each person associated with it to be knowledgeable about antitrust concerns. By signing this manual, you acknowledge your understanding of antitrust principles. You should visit and read NAR's antitrust resources at <http://www.realtor.org/law-and-ethics/complying-with-federal-regulations/antitrust>. Two areas are primary antitrust concerns:
- B. Price Fixing:** Price fixing means any agreement, setting, consent to, suggestion or implication with a competitor regarding a fee to charge. This includes fees charged to

the public, fees split among brokers and fees paid to agents. "Agreement" can be overt, covert, express or implied. It is very broad based and can even be suggested or implied by casual conversation with any competitor.

Accordingly, The Company, its agents and staff are prohibited from discussing with any competitor, including an individual agent, any aspect of the fees the company charges or how total fees are split. The Company determines its charges based on the company's own independent internal analysis of its expenses, its revenue, its desired profit level and its choice of the type and level of service it desires to provide.

In any discussion with a member of the public about our charges (such as a listing appointment), the only acceptable answer about why the company charges what it does is the foregoing explanation. Do not be drawn into a discussion about company fees as "the standard rate," "the Board rate," "the typical rate" or the like. If questions arise about other company's fees, suggest that the potential client call several competitors and ask about their rates.

- C. Boycotting Competition:** It is also a violation of federal law to make any agreement, express or implied, with a competitor to boycott or otherwise not deal with a third competitor. Even if it were implicit and not overt, it could be construed as an illegal boycott.

The Company prohibits any agent or staff member from making any agreement or suggestion with a competitor, including an individual agent, that he/she or the company will not deal with a third broker or agent, whether it be a listing company, buyer's brokerage, or any other broker or agent whatever.

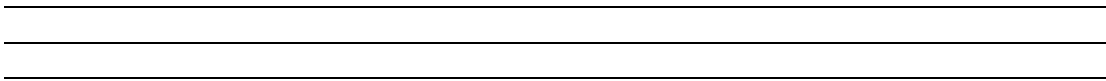
#### **IV. Affiliation**

##### **A. Joining the Brokerage**

All new Associates will be provided with a copy of their Independent Contractor Agreement once it has been signed by both the Associate and the Broker. All Company rules stated herein must be followed and your acknowledgment of such rules is evidenced by your signature of receipt of this manual. It is important that you keep a copy of this document as it is legally binding and provides information on your rights and responsibilities.

##### **B. During Affiliation**

- 1.** All Associates are expected to pay for their own licensing fees, continuing education requirements and membership at a local Realtor Association. Associates may join any local Realtor Association where the Broker holds membership.
- 2.** Agent may not incur any fees or expenses for services, supplies or materials without prior approval from the Broker.
- 3.** Other: \_\_\_\_\_



**C. Leaving the Brokerage**

The Independent Contractor Agreement will govern the disposition of any transactions, representations or commissions that are pending at the time that the Agent leaves the Brokerage.

**V. Office Security**

Anyone issued an office key is responsible for the safeguarding of this office. In the event that an office key is lost or stolen, you must immediately inform the Broker. There will be a charge for replacement of lost or stolen keys. The Broker is not responsible for any theft or loss of personal items left in the office. The last person leaving the office must make sure that all accesses into the building are firmly secured, all lighting and business equipment and appliances are turned off, and that the security alarm (if any) is activated before leaving the building.

**VI. Office Appearance**

A cleaning service is contracted by the Broker to do general cleaning of the building on a weekly basis. However, it is your responsibility to keep your work area in a clean, tidy, professional manner. Your office appearance is a reflection on yourself as well as the Firm when clients and customers are visiting. Any conference or meeting areas used must be reorganized and cleaned after usage including turning off lights and appliances.

**VII. Dress Code**

Professional manner of dress is a requirement when serving the public in real estate transactions and when representing the Broker.

**VIII. Eating in the Work Area**

Food and meals should be eaten in the designated area. Eating in your office in plain view of the customer or client is considered unprofessional. The designated area is Kitchen Galle



**IX. Parking**

The closest parking spaces are reserved for customers or clients. Please Park in all other available spaces.

**X. Changes in Name, Address and Telephone Number**

All changes in name, address, and telephone numbers of any Associate must be reported immediately by the Associate to the broker, Office Manager or secretary who will make a record of the changes and report these changes to the Real Estate Board/local Association of REALTORS®. The Associate is responsible for any fees associated with name, address and telephone number changes from the Real Estate Board/local Association of REALTORS®.

## **XI. Telephone Use**

### **A. General**

Telephones are necessary in the day-to-day operations as a real estate. Lines must be always kept open for the convenience of customers and clients. Personal use of the phone is limited and shall be held to a minimum.

### **B. Long Distance Calls**

Long distance service is available for business purposes only and only if it is imperative to call with no other means to satisfy communication. If you must call, call after 5:00 p.m. or before 8:00 a.m. if practical.

### **C. Messages for Other Associates**

Accuracy and detail of message taking is important and essential to the business at hand. When taking a message for other Associates, employees, or staff, please include the following:

- a. The date and time of the call
- b. The name of the caller
- c. The telephone number where the caller can be reached
- d. The message left by the caller
- e. The name or initials of the person taking the message

### **D. Cell Phone Use**

Distracted driving is a serious risk to the public and our Associates. Associates are expected to refrain from using their cell phones while driving. This includes making or receiving calls, texting, or checking email, and applies whether traffic is slow or stopped. If a call must be taken while driving, Associates are advised to keep the call short, use hands free options, refrain from discussion of complicated or emotional issues and keep their eyes on the road.

## **XII. Automobile Insurance**

Each Agent should carry adequate automobile insurance to protect not only the Agent but also the customer or client. In today's legal climate, liability coverage of \$ 100k per person/\$ 100k \_per accident should be obtained. Any lesser amounts could cause unnecessary exposure of personal assets. Consult carefully with your insurance Agent. The Agent must name Loudoun Realty LLC DBA Ikon Realty as an additional insured and provide the Company with a certificate reflecting that status.

## **XIII. E&O Insurance**

Agents  will OR  will not be covered under the Broker's E&O insurance policy. This coverage will be paid for by Agent once a year \$180 to \$400 per year depends on volume.

#### **XIV. Maintaining Contact with the Office**

During business, it is necessary for Associates to be away from the office. However, the Associate must provide a means of communication for the receptionist to contact the Associate. A register to sign IN and OUT of the office is in place for all Associates to use when leaving the business premises during work hours. When Associates are absent from the office, they should:

1. Contact the Office Receptionist or leave a message with their personal assistant
2. Sign the IN/OUT register

#### **XV. Alcohol and Illegal Drug Use**

##### **A. Substance Use**

Alcohol and Illegal Drug use are strictly prohibited while engaged in real estate brokerage transactions and shall not be present or used during work hours unless medically prescribed and under the supervision of the Associate's health care provider. Drug and alcohol use in the workplace may be grounds for termination.

##### **B. Client or Customer Substance Use**

An Associate should also discourage the use of drugs or alcohol by any party during a transaction. Upon discovering that a party is under the influence of either drugs or alcohol, the Associate should take appropriate action to terminate that day's activity and suggest that they discuss or contemplate the transaction another time.

##### **C. Smoking**

Designated smoking areas are to be used for smoking. All other areas are considered nonsmoking areas. In the presence of parties to transactions, while taking property tours, and while meeting in the Broker's facility, smoking is not permitted. The designated smoking area is: Outside of the office

#### **XVI. Legal & Tax Advice**

##### **A. Legal Advice**

No Associate shall give legal advice to a party, offer opinion, or give advice regarding legal rights or obligations of a party. The Broker should be advised if the Agent believes a party needs legal advice before advising the party to seek legal counsel. The Associate may also explain the preprinted provisions of the standard listing and offer to purchase and any other approved forms the parties may be asked to complete and/or sign.

##### **B. Tax Advice**

No Associate shall give tax advice to a party, including advice pertaining to deductions, exemptions, and/or tax liabilities resulting from the purchase or sale of real estate. If asked a tax question the Associate should suggest that the party consult an attorney, tax accountant or other appropriate expert having expertise in the area addressed by the client's or customer's question.

NOTE: Under Article 11 of the Code of Ethics, REALTORS are expected to be knowledgeable and competent in their fields of practice in which ordinarily engage and should obtain assistance or disclose to the client if you lack knowledge in an area in which you are working.

**XVII. Problem Reporting Procedures**

Immediately report problems to the Broker that pertain to:

- A.** A party having complaints involving real estate transactions
- B.** Automobile accidents occurring while the Associate is participating in real estate brokerage transactions
- C.** Criminal charges against the Associate
- D.** Civil lawsuits or administrative actions involving real estate brokerage transactions
- E.** Any decision to file suit for commissions on behalf of the firm, or to file an arbitration request concerning such commissions, shall be the sole decision of the principal broker on a case-by-case basis
- F.** Should any lawsuits or threat of lawsuits result in legal or court costs, such expenses shall be shared by the firm and the agent in an amount determined by the broker considering the nature of the agent's participation and the nature of the lawsuit. This decision shall remain with the principal broker and will be made on a case-by-case basis.
- G.** Contacts concerning disciplinary actions or other purposes
- H.** Party default under an accepted Contract
- I.** Threatened legal or administrative actions involving the parties and/or a real estate transaction
- J.** Acts of discrimination committed by Associates or parties to transactions. Any possible discrimination should be reported to Company management.
- K.** Unresolved disputes between Associates, within or outside the office
- L.** Physical injuries within the office or while in performance of services or duties in the name of the Broker
- M.** Local Board/Association contacts concerning disciplinary action or other purposes.

**XVIII. Emergency Contacts**

- A.** The Broker generally will be available during work hours to discuss real estate matters. In the case of an emergency, the Broker may be contacted at his home after business hours.
- B.** If the Broker cannot be reached, the Associate should not act until he or she is able to contact the Broker. In the broker's absence, please contact the following:

Office: Ikon Realty - Ashburn  
 Managing Broker: Raj Patel  
 Office Phone: 703.723.3434  
 Cell Phone: 703.282.8444

Supervising Broker: \_\_\_\_\_  
 Office Phone: \_\_\_\_\_  
 Home/Other Phone: \_\_\_\_\_



**XIX. Confidentiality**

- A.** All records of this office, as well as conversations between Associates, Broker and Associates, and Associates and parties to the transaction, are considered confidential. No files shall be removed from this Brokerage without the permission of the Broker and no other information obtained while working for this Company shall be used to the detriment of the Broker. This means when leaving the Brokerage, Associates must leave all files regarding transactions unless otherwise agreed to by the Broker.
- B.** All Associates shall also be obligated to honor the confidential information of any client or non-client party to any transaction, as designated in writing on an Agency Disclosure form or other document. All documents stating a party's confidential information shall be kept in a special locked file to guard against any unauthorized sharing of this information. Access to this information shall be limited to the Associate working with the party and broker.

**XX. Document Retention Policy**

**NOTE:** Brokers should consult with tax and legal counsel to determine the appropriate retention periods for files.

- A.** The Company policy is to keep the following types of files for the listed time period:

File Type	Retention Period
Purchase or Lease Transactions all documentation	3 Years



**XXI. Vacation/Leave Time for Associates**

- A.** The Broker does not control Associate's time off except that Associates must make themselves available for mandatory meetings, tours, etc., discussed in previous policy statements. However, if an Associate plans to be absent from the office (i.e., out of town) for any period of time, he or she must inform the Broker. Additionally, another Associate must be scheduled to cover for the Associate during this absence. Failure to arrange coverage by another Associate will require Broker to make necessary assignments and determine the appropriate commission split, if applicable.
- B.** Arranging for another Associate to cover during your absence does not mean that you leave your lockbox card or key with that Agent. If you have lockboxes on properties, you must ensure that you either have an assistant with a valid assistant's card, which permits them to perform limited functions on the lockbox, or you should switch the box to one belonging to the Agent who will be covering for you.



## XXII. Sign Policy

### A. Sign Riders

1. The Broker requires that all Associates use uniform name signs or sign riders. To ensure uniformity, these sign riders will be ordered by the office secretary at the Associate's expense.
2. Sign riders will be stored online or at office. Sign riders will be placed on the office portion of the yard sign.

### B. Directional Signs

1. Directional signs will be purchased by the Broker and will be used to direct prospective Purchasers to the property. Directional signs will be stored at office and the failure to return the sign in good condition, may result in a charge to the associate.

### C. Sold and Offer Pending Signs

1. Only after all contingencies of the offer have been waived or satisfied and after obtaining the permission of the Seller, "Sold" signs shall be posted. "Offer pending" or similar signs may be posted, with the Seller's permission, after acceptance of an offer but prior to waiver or satisfaction of contingencies. Sold signs will be stored office.

### D. Expired Listings

1. Without a current Listing Contract, signs are not to be left on a property. Signs from expired listings must be removed within 2 days after expiration or closing. Sold signs may remain on the property for up to 3 days after closings provided that the consent of the new owner (Purchaser) has been obtained.

- E. Ms. Utility.** The installation of a sign in the ground by hand or foot, without the use of tools or equipment, does not require a call to Miss Utility. Any other signs installation will require a call to Miss Utility at 811 or 1 800-552-7001.

## XXIII. Office Hours

### A. Office hours are:

1. Mondays-Fridays: 9:30 – 5
2. Administrative Staff: 9:30 – 5
3. Saturdays & Sundays: As Needed
4. Administrative Staff: Not Available

### B. Observed Holidays:

The following holidays will be observed:

1. New Year's Day
2. Martin Luther King Day
3. President's Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Columbus Day
8. Veterans Day
9. Thanksgiving Day

10. Black Friday
11. Christmas Eve
12. Christmas Day
13. New Year Eve
14. New Year

- C. All Associates are provided with office keys and may use the office at their own discretion.

#### **XXIV. Broker Signature Required**

- A. As soon as your clients have signed any of the forms below, send your Broker a copy so that he/she may review it, sign it, and send you a ratified copy for you and your client. These agreements are not valid until both parties have signed them:
1. Exclusive Authorization to Sell Listing Agreement
  2. Exclusive Right to Represent Buyer Agreement
  3. Listing Amendments
  4. Commission Changes

#### **XXV. Personal Safety**

Real estate sales agents routinely find themselves in situations in which they are alone with clients or customers about whom they have very little information. The very nature of showing real estate to prospective buyers and tenants who are virtual strangers can make agents, both men and women, susceptible to becoming victims of violent crimes. This company recommends that all agents follow three basic safety practices:

- A. Identify the person you are working with before you join him or her alone, in a car or a house. Preferably meet them at the office, copy his or her driver's license and make sure someone from the office knows where you'll be going with the person.
- B. Always carry your cell phone with you and make sure it is fully charged and has reception. Program 911 into speed dial and don't hesitate to call for help.
- C. Trust your instincts. If you have a bad feeling, don't second-guess what it's telling you. Listen to your gut feeling and protect yourself.

#### **XXVI. Open Houses - Guidelines and precautions**

- A. The Company regards your personal safety as a top priority. If possible, work **as** a team. Use the buddy system.
- B. Keep directions to the property precise. Open house directional arrows should be placed in accordance with **local** ordinances.
- C. Be sure your **family** and fellow Agents know where you are and the hours of your open house.
- D. Keep the doors locked and greet prospective visitors as they arrive.
- E. Never **abandon** an open house to show other properties and do not close an open house early.
- F. Accompany all visitors through the house. Do not let them wander on their own.
- G. Allow all **visitors** to enter a room before you do.

- H.** Have **prospective** Purchasers “sign-in,” acknowledging your brokerage relationship and agency representation with the Sellers which is disclosed on your sign-in sheet.
- I.** Provide copies of the property condition disclosure form and, if applicable, all required lead-based paint disclosure forms.
- J.** Do not wear valuable jewelry while sitting at an open house.
- K.** Do not schedule an open house after dusk.
- L.** Always have someone check on you while sitting at an open house.
- M.** For more information, please visit NAR’s Realtor Safety website:  
<http://www.realtor.org/topics/realtor-safety>.

## **Appendix F – Teams**

### **I. Team Basics**

A Team must consist of two or more Associate Brokers or Salespersons or a combination of the two who:

1. Work together on a regular basis.
2. Represent themselves to the public as being part of one entity; AND
3. Designate themselves by a collective name such as "Team" or "Group."

All licensed team members must be affiliated with the same Broker, and, if applicable, offer Brokerage services at the same branch office.

The name of the Team may **NOT** contain the terms: "Real Estate", "Real Estate Brokerage", "Realty" or any other term that would lead the public to believe that the Team is offering real estate brokerage services independent of the Broker.

Team members must conduct all real estate brokerage activities from the Broker's office or the branch office where their licenses are displayed. A Team may **NOT** operate out of an office or location other than the Broker's office or the branch office where their licenses are displayed.

### **II. Advertising**

The Virginia Real Estate Board regulations do not address teams specifically. However, the same rules of advertising apply to teams.

All Team advertising must contain:

1. The full name of the Brokerage displayed in a meaningful and conspicuous way.
2. The name of at least one of the licensed members of the Team; and
3. The Team name in the advertisement must be directly connected to the name of the Brokerage.
4. The VREB requires that advertising by a licensee must include his "Licensed Name." If the team advertises using a team name it must seek permission from the firm, form a business entity and obtain a Business Entity Salesperson License from the Real Estate Board.

### **III. Team Leaders**

- A. A Team must designate a team member as its Team Leader. The Team Leader must be an Associate Broker or Salesperson with experience.
- B. The Team Leader must maintain a current list of all members and employees of the Team.
- C. The Team Leader must provide the list and any revisions to the list to the Broker or Office Manager where the Team Members' licenses are displayed.
- D. The Team Leader must exercise reasonable and adequate supervision over the provision of real estate services by members of the Team.

#### **IV. Brokers & Branch Office Managers**

- A. The Broker or Branch Office Manager must maintain copies of the lists of Team Members and Employees.
- B. The Broker or Branch Office Manager must supervise the Team Members, and this supervision is in addition to the supervision responsibilities of the Team Leader.

#### **V. Team Leaders & Members**

- A. The Team Leader and all Team Members must adhere to all office rules, practices and procedures established by the Broker and the Branch Office Manager.

#### **VI. Dual Agency**

- A. The Broker may designate two members of a team as intra-Company Agents for the Purchaser and the Seller in the same transaction if the parties have **FIRST** been advised in writing that the Licensees are part of the same team, and the team could have a financial interest in the outcome of the transaction. The Purchaser and Seller must complete the "Dual Agency Disclosure Form" required under existing law before Dual Agency may occur.
- B. The Team Leader may NOT designate Team Members as designated Agents. Only the Broker may make this designation. The parties must have FIRST been advised in writing that the Licensees are part of the same team, and the team could have a financial interest in the outcome of the transaction. The Purchaser and Seller must complete the "Designated Agency Disclosure Form" required under existing law before Designated Agency may occur.

## **Appendix G – Sample Independent Contractor Agreement**

VAR provides a sample Independent Contractor Agreement which can be found here:  
[http://www.varealtor.com/standardforms#list\\_standardforms](http://www.varealtor.com/standardforms#list_standardforms)



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# Protect Your Family From Lead in Your Home

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United States  
Environmental  
Protection Agency



United States  
Consumer Product  
Safety Commission



United States  
Department of Housing  
and Urban Development

# Are You Planning to Buy or Rent a Home Built Before 1978?

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Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

## Read this entire brochure to learn:

- How lead gets into the body
- About health effects of lead
- What you can do to protect your family
- Where to go for more information

## Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

## If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).





## **Simple Steps to Protect Your Family from Lead Hazards**

### **If you think your home has lead-based paint:**

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](http://epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium.
- Remove shoes or wipe soil off shoes before entering your house.

# Lead Gets into the Body in Many Ways

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## Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

## Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



## Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

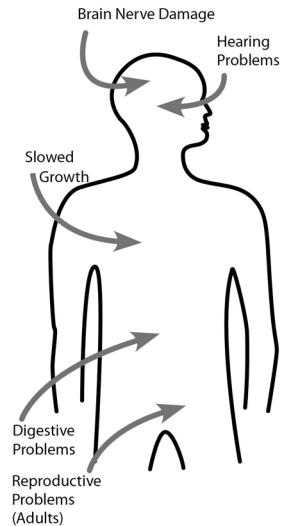
# Health Effects of Lead

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**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

## **In children, exposure to lead can cause:**

- Nervous system and kidney damage
- Learning disabilities, attention deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

## **In adults, exposure to lead can cause:**

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

## Check Your Family for Lead

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**Get your children and home tested if you think your home has lead.**

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

**Your doctor can explain what the test results mean and if more testing will be needed.**

# Where Lead-Based Paint Is Found

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In general, the older your home or childcare facility, the more likely it has lead-based paint.<sup>1</sup>

**Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint.** In 1978, the federal government banned consumer uses of lead-containing paint.<sup>2</sup>

Learn how to determine if paint is lead-based paint on page 7.

## **Lead can be found:**

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](http://epa.gov/lead).

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<sup>1</sup> "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

<sup>2</sup> "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

# Identifying Lead-Based Paint and Lead-Based Paint Hazards

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**Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint)** is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

**Lead-based paint is usually not a hazard if it is in good condition** and if it is not on an impact or friction surface like a window.

**Lead dust** can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) and higher for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  and higher for interior window sills

**Lead in soil** can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

**Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.**

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

# Checking Your Home for Lead

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You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

## Checking Your Home for Lead, continued

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In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit [epa.gov/lead](http://epa.gov/lead), or call **1-800-424-LEAD (5323)** for a list of contacts in your area.<sup>3</sup>

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<sup>3</sup> Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8399.



## What You Can Do Now to Protect Your Family

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**If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:**

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium. Children with good diets absorb less lead.

## Reducing Lead Hazards

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**Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.**

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.



- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

**Always use a certified contractor who is trained to address lead hazards safely.**

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

## Reducing Lead Hazards, continued

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**If your home has had lead abatement work done** or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  for interior windows sills
- 400  $\mu\text{g}/\text{ft}^2$  for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit [epa.gov/lead](http://epa.gov/lead), or call 1-800-424-LEAD.

# Renovating, Remodeling, or Repairing (RRP) a Home with Lead-Based Paint

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**If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:**

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



**RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:**

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment and
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects visit [epa.gov/getleadsafe](http://epa.gov/getleadsafe), or read *The Lead-Safe Certified Guide to Renovate Right*.

## Other Sources of Lead

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**While paint, dust, and soil are the most common sources of lead, other lead sources also exist:**

- **Drinking water.** Your home might have plumbing with lead or lead solder. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might contain lead:

- Use only cold water for drinking and cooking.
- Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

Call your local health department or water supplier to find out about testing your water, or visit [epa.gov/lead](http://epa.gov/lead) for EPA's lead in drinking water information.

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.<sup>4</sup>
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon,**" used to treat an upset stomach.

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<sup>4</sup> In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint (16 CFR 1303). In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products (76 FR 44463).

## For More Information

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### **The National Lead Information Center**

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at [epa.gov/lead](http://epa.gov/lead) and [hud.gov/lead](http://hud.gov/lead), or call **1-800-424-LEAD (5323)**.

### **EPA's Safe Drinking Water Hotline**

For information about lead in drinking water, call **1-800-426-4791**, or visit [epa.gov/lead](http://epa.gov/lead) for information about lead in drinking water.

### **Consumer Product Safety Commission (CPSC) Hotline**

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at [cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov).

### **State and Local Health and Environmental Agencies**

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at [epa.gov/lead](http://epa.gov/lead), or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

# U. S. Environmental Protection Agency (EPA)

## Regional Offices

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The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

**Region 1** (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact  
U.S. EPA Region 1  
5 Post Office Square, Suite 100, OES 05-4  
Boston, MA 02109-3912  
(888) 372-7341

**Region 2** (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact  
U.S. EPA Region 2  
2890 Woodbridge Avenue  
Building 205, Mail Stop 225  
Edison, NJ 08837-3679  
(732) 321-6671

**Region 3** (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact  
U.S. EPA Region 3  
1650 Arch Street  
Philadelphia, PA 19103  
(215) 814-2088

**Region 4** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact  
U.S. EPA Region 4  
AFC Tower, 12th Floor, Air, Pesticides & Toxics  
61 Forsyth Street, SW  
Atlanta, GA 30303  
(404) 562-8998

**Region 5** (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact  
U.S. EPA Region 5 (DT-8J)  
77 West Jackson Boulevard  
Chicago, IL 60604-3666  
(312) 886-7836

**Region 6** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact  
U.S. EPA Region 6  
1445 Ross Avenue, 12th Floor  
Dallas, TX 75202-2733  
(214) 665-2704

**Region 7** (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact  
U.S. EPA Region 7  
11201 Renner Blvd.  
WWPD/TOPE  
Lenexa, KS 66219  
(800) 223-0425

**Region 8** (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact  
U.S. EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
(303) 312-6966

**Region 9** (Arizona, California, Hawaii, Nevada)

Regional Lead Contact  
U.S. EPA Region 9 (CMD-4-2)  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 947-4280

**Region 10** (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact  
U.S. EPA Region 10  
Solid Waste & Toxics Unit (WCM-128)  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101  
(206) 553-1200

## **Consumer Product Safety Commission (CPSC)**

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The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

### **CPSC**

4330 East West Highway  
Bethesda, MD 20814-4421  
1-800-638-2772  
[cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov)

## **U. S. Department of Housing and Urban Development (HUD)**

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

### **HUD**

451 Seventh Street, SW, Room 8236  
Washington, DC 20410-3000  
(202) 402-7698  
[hud.gov/offices/lead/](http://hud.gov/offices/lead/)

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# **IMPORTANT!**

## **Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly**

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).