



## SUMMARY

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All NAAL apartment locator members agree to the following rules of conduct:

- Hold an active real estate license (except Georgia and Alabama where a real estate license is not required)
- Thoroughly vetted by the State real estate commission/licensing board with a federal background check and fingerprints.
- Guarantee rent for 90 days. If the commission has been paid, **and** a client skips, members will refund the commission, no questions asked.
- Members refuse to invoice any apartment community unless the member believes in good faith they are the procuring cause of the lease.
- Members agree to resolve commission disputes through NAAL, and respond to all grievances filed.
- Members acknowledge they could lose their NAAL membership, and ability to work with apartment community members if they violate the Code of Ethics.
- **BROKER MEMBERS ONLY:** Broker members refuse to sponsor any apartment locator convicted of unlicensed or fraudulent activity.

## INTRODUCTION

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The *National Association of Apartment Locators* is a trade association of apartment locators who are committed to ethical standards and professional business practices within our individual companies and toward each other. Our individual companies and agents desire to work in conjunction with property owners and managers to maintain a positive rapport, advance professionalism and enhance efforts to refer qualified rental prospects to properties that match prospect needs. It is our intention to improve the overall performance and occupancy of the apartment communities that pay locator commissions, while at the same time reducing fraudulent billing practices and enforcing appropriate state real estate laws as well as local, state, and national fair housing laws and regulations. As an industry, we also

strive to conduct our business in ways that will minimize the potential for situations that might prove a conflict of interest for the apartment community and/or onsite personnel.

We are interested in a harmonious relationship with property owners and managers to improve the quality of our ongoing business relationship and presenting a clear understanding of the way we provide our services. A successful placement by a locator is an income enhancement for the community, a valuable service for the renter, and a beneficial transaction for all parties involved.

## LOCAL CHAPTERS

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To honor individual state real estate law and provide tools and training that is customized to each individual market, NAAL will establish local chapters in cities with active LOCATOR MEMBERS. Before a local chapter can be established, a local LOCATOR MEMBER must volunteer to serve as the organizer for the remainder of the fiscal year ending in September. Additional requirements are written in the chapter bylaws.

## LOCATOR MEMBERS

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All LOCATOR MEMBERS must hold an active real estate license (with the exception of states on Exhibit A that do not require a real estate license), and therefore have been thoroughly vetted by the state licensing board and had their real estate license authenticated by NAAL. All LOCATOR MEMBERS, regardless if they hold a real estate license or not, have agreed to uphold the standards outlined within this Code of Ethics.

Each state licensing board has individual rules with regards to the relationship between broker's and sponsored agents. Our LOCATOR MEMBERS may hold a corporation, individual broker, broker associate, or salesman's license. Regardless of license type, all LOCATOR MEMBERS are held accountable individually, and must abide by the Code of Ethics. LOCATOR MEMBERS with a broker's license may require the Code of Ethics among their sponsored agents as long as it does not conflict with any real estate or employment law.

Realizing that cooperation with other real estate agents promotes the best interests of those who utilize the apartment locating service, LOCATOR MEMBERS urge exclusive representation of clients, do not attempt to gain any unfair advantage over their competitors, and refrain from making unsolicited comments about other locators.

### **LEGITIMATE LOCATING COMPANIES**

NAAL does not extend membership to Internet Listing Services. These companies impersonate a locating service by billing communities for a locator commission, but fail to offer any personalized real estate service to the customer.

LOCATOR MEMBERS must provide a reasonable level of agent assistance to each client, demonstrate a measurable real estate service through written and verbal communication with the client, and upon the clients request be willing to EITHER escort the client OR set up and confirm a meeting for the client at prospective apartment communities. LOCATOR MEMBERS are required to identify the specific criteria of the rental prospect, and understand their specific situation to determine their housing needs so they can properly evaluate which communities best match the prospect's criteria. Our LOCATOR MEMBERS work closely with each community to fully understand the amenities and policies offered, so they can increase the value of the community by referring qualified rental prospects.

### **DUTIES TO CLIENTS AND CUSTOMERS**

LOCATOR MEMBERS pledge to protect and promote the interests of their clients. The obligation to the client is primary, but it does not relieve LOCATOR MEMBERS of their obligation to treat all parties honestly and fairly.

If a written representation agreement is not signed by the client, but a verbal representation has been established, LOCATOR MEMBERS acknowledge that the client is the principal in the transaction and the fiduciary responsibility exists with the client.

LOCATOR MEMBERS must advise potential clients that the compensation is paid by the owner/landlord or other parties.

LOCATOR MEMBERS must advise potential clients if there is any potential for the LOCATOR MEMBER to act as a dual agent.

The duties imposed by the Code of Ethics include all real estate related activities and transactions whether conducted in person, on the phone, electronically, or through any other means.

The obligation of LOCATOR MEMBERS to preserve confidential information provided by their clients continues after termination or conclusion of the transaction.

LOCATOR MEMBERS must disclose to the client any financial benefits the LOCATOR MEMBER may receive as a direct result of recommending a real estate product or service such as renters insurance, moving company, or storage facility.

LOCATOR MEMBERS must disclose to the client any financial benefits or direct interest in any business entity recommended by the LOCATOR MEMBER such as a utility service company.

LOCATOR MEMBERS must disclose to the client, and receive informed consent if they are receiving compensation from more than one party.

LOCATOR MEMBERS shall assure whenever possible that all agreements related to real estate transactions are in writing and express the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party upon execution.

### **DUTIES TO THE PUBLIC (ADVERTISING)**

LOCATOR MEMBERS shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin or sexual orientation.

LOCATOR MEMBERS shall not be party to any plan or agreement to discriminate against a

person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin or sexual orientation.

LOCATOR MEMBERS shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin or sexual orientation in their employment practices.

LOCATOR MEMBERS shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood, but may provide other demographic information as allowed by individual state law.

LOCATOR MEMBERS shall not print, display or circulate any statement or advertisement with respect to renting a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin or sexual orientation.

LOCATOR MEMBERS shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. LOCATOR MEMBERS shall ensure that their position as a real estate agent is obvious in their advertising, marketing, and other representations, and that the recipients of all real estate communications are notified that those communications are from a real estate agent.

The offering of premiums, prizes, merchandise, discounts or other incentives to lease is not, in itself, unethical even if receipt of the benefit is contingent on leasing through the LOCATOR MEMBER. However, LOCATOR MEMBERS must exercise care and candor in any such advertising so that any party interested in receiving the LOCATOR MEMBERS offer will have clear understanding of all the terms and conditions of the offer. The offering of any incentive is subject to the limitations and restrictions of state law.

LOCATOR MEMBERS shall not advertise real estate services in any format (e.g., electronically, print, radio, television, etc.) without disclosing the company name in a reasonable and readily apparent manner.

The obligation to present a true picture in representations to the public includes information on LOCATOR MEMBERS' websites. LOCATOR MEMBERS shall use reasonable efforts to ensure that information on their websites is current. When it becomes apparent that information on a LOCATOR MEMBERS website is no longer current or accurate, LOCATOR MEMBERS shall promptly take corrective action.

All LOCATOR MEMBER websites shall disclose the company name and state(s) of licensure in a reasonable and readily apparent manner.

LOCATOR MEMBERS are obligated to present a true picture in their advertising and representations to the public including the URLs and domain names they use, and prohibits LOCATOR MEMBERS from manipulating apartment content in any way that produces a deceptive or misleading result; or deceptively using Meta tags, keywords or other methods to otherwise mislead consumers.

LOCATOR MEMBERS intending to share or sell consumer information gathered via the Internet shall disclose that in an obvious and apparent manner.

LOCATOR MEMBERS shall not use or register URLs or domain names that present less than a true picture.

LOCATOR MEMBERS may only display professional designations, certifications, and other credentials they are legitimately entitled.

LOCATOR MEMBERS shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

### **DUTIES TO OTHER LOCATOR MEMBERS**

LOCATOR MEMBERS shall not knowingly or recklessly make false or misleading statements about other real estate agents, their businesses, or their business practices.

LOCATOR MEMBERS will not actively or aggressively recruit agents from other locating companies.

LOCATOR MEMBERS, prior to entering into a representation agreement, will make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service.

LOCATOR MEMBERS shall disclose representation to the owner/landlord at first contact and shall provide written confirmation of that disclosure no later than execution of a lease.

### **COMMISSION DISPUTES**

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Even while operating under best practices, we anticipate the occasional commission dispute that needs to be resolved. In most cases our LOCATOR MEMBERS should be able to gather the appropriate facts about the transaction and come to a fair agreement about who should receive credit. When an agreement cannot be reached, our LOCATOR MEMBERS agree to use a Mediator to look at the facts and determine the Procuring Cause for the transaction. The MEMBERS will share in the cost of the mediator and will not pursue future litigation, revenge, or boycotting of services.

### **DUTIES TO APARTMENT COMMUNITIES**

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Many apartment communities will allow their staff to refer rental prospects to locators if the prospect does not meet the communities leasing requirements, or they do not have an available unit. Our LOCATOR MEMBERS agree to abide by the policies of the property owner and the management company as it relates to paying the leasing agent a referral bonus or other compensation. Our goal is to build a reciprocal relationship with leasing agents, but whether or not this practice is acceptable or appropriate is a decision to be made between the two parties.

LOCATOR MEMBERS will only invoice for a lease if they believe in good faith that the primary reason the client signed a lease is due to the communication, information, personal knowledge, and/or salesmanship offered by one of our LOCATOR MEMBERS. Our LOCATOR

MEMBERS will submit a lease confirmation, and wait to invoice until after the resident has moved in, unless otherwise approved by the Property Owner or Manager.

A major part of the value LOCATOR MEMBERS provide to property owners is referring “qualified” rental prospects. Our LOCATOR MEMBERS stand behind their obligation to pre-screen their clients and therefore if a client does not fulfill their rental obligations in the first three months, offer this commission refund policy ONLY if the property owner has already paid the full commission. If a LOCATOR MEMBER is paid a **full** commission but the client does not pay the first month’s rent, the LOCATOR MEMBER agrees to refund the full commission; if the client does not pay the second month’s rent the LOCATOR MEMBER will refund 2/3 of the commission; and if the client does not pay the third month’s rent the LOCATOR MEMBER will refund 1/3 of the commission. The refund policy would only be valid if a property paid the commission in less than 90 days, **and** the property notifies the LOCATOR MEMBER in writing.

LOCATOR MEMBERS will conduct themselves in a professional manner in ALL of their interactions with apartment staff. Professionalism includes demonstrating excellence, integrity, respect, compassion, accountability, and a commitment to thoughtfulness in all our interactions and responsibilities.

LOCATOR MEMBERS will work closely with each community to fully understand the amenities and policies offered, so they can increase the value of the community by referring qualified rental prospects.

### **ENFORCEMENT**

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LOCATOR MEMBERS continuously strive to remain informed on issues affecting real estate, and as knowledgeable professionals they willingly assist NAAL to eliminate practices which may damage the public or might discredit or dishonor the apartment locating profession. Any LOCATOR MEMBER having first-hand knowledge of conduct that may violate the

**NATIONAL ASSOCIATION OF APARTMENT LOCATORS**  
Code of Ethics and Standards of Practice



Code of Ethics will bring such matters to the attention of NAAL.

If charged with a grievance by either a LOCATOR MEMBER or apartment owner, the LOCATOR MEMBER will cooperate with NAAL and provide necessary documentation to investigate the grievance.

If the ethics committee determines the grievance has merit, the LOCATOR MEMBER will accept the decision and any recourse assigned. Certain offenses may result in the termination of the LOCATOR MEMBERS membership, and the grievance made public to management companies.

**EXHIBIT A: STATES THAT DO NOT REQUIRE A REAL ESTATE LICENSE**

1. Alabama
2. Georgia

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