

International Property Type

MRED Rules and Regulations Changes

Below is a "redline" version showing the changes that have been made to MRED Rules and Regulations to accommodate the new International Property Type.

Please be advised that these changes have been approved by the Board of Managers and are in effect. They will be published in the next update of MRED's Rules and Regulations.

1. Revise Section 1: Listing Procedures

Midwest Real Estate Data accepts listings of real properties, which are listed by a licensed real estate broker and are located within the combined territorial jurisdiction of the Associations/Boards that Midwest Real Estate Data provides services to, and in the State of Illinois and beyond this jurisdiction at the option of the Listing Broker, ~~taken as an Exclusive Right to Sell, Exclusive Right to Lease or Exclusive Agency listing~~, which shall be placed into Midwest Real Estate Data's MLS (hereinafter referred to as the "Service") within 72 hours after all necessary signatures of Seller(s) possessing title to the real property have been obtained. Accepted property types ~~of listings~~ are:

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Property Type 7: Deeded Parking Spaces/Boat Slips

Property Type 8: International Property Listing

Property Type 11: Commercial – Multi-Family – 5+Units

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See Section 1(b) for details on Exclusive Brokerage Agreements

2. Revise Section 1(b): Exclusive Brokerage Agreements

The Service only accepts property listings subject to an "Exclusive Right to Sell", "Exclusive Right to Lease" or "Exclusive Agency" brokerage agreement for listings of real property located within the United States. For business only listings, the Service will accept a contract between the broker and their client which provides for the Broker's exclusive representation and gives the Broker the authority to place the business for sale in the Service. For International listings (where the subject property is located outside the United States), the Service will additionally accept an Exclusive Marketing/Advertising agreement between the broker and their client if it provides for the Broker's exclusive right within the Service Area to market and/or advertise the subject property for sale or lease.

~~The different types of Exclusive brokerage agreements include:~~

- ~~a) Exclusive Right to Sell~~
- ~~b) Exclusive Right to Lease~~
- ~~c) Exclusive Agency~~

An Exclusive Right to sell brokerage agreement is a written agreement between a broker and seller to market the seller's property, giving the broker the exclusive right to place the listing into the Service and offer cooperation and compensation to other Service Participants.

An Exclusive Right to Lease brokerage agreement is a written agreement between a broker and lessor to lease the lessor's property, giving the broker the exclusive right to place the listing into the Service and offer cooperation and compensation to other Service Participants.

The Exclusive Agency brokerage agreement also authorizes the Listing Broker, as exclusive agent, to offer cooperation and compensation on a blanket unilateral basis, but reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency and exclusive right to sell brokerage agreements with named exceptions should be clearly distinguished from exclusive right to sell brokerage agreements with no named exceptions pursuant to Section 1.9 below since

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they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell brokerage agreements with no named exceptions.

[An Exclusive Marketing/Advertising brokerage agreement is a written agreement between the broker and the seller to market and/or advertise the seller's property giving the broker the right to place the listing into the Service and offer cooperative compensation. Broker and/or buyer registration processes may be required. Exclusive Marketing/Advertising brokerage agreements are only accepted for International listings, where the subject property is located outside the United States.](#)

Open listings and net listings are not accepted by the Service. Open listings are not accepted because the inherent nature of an open listing is such as to usually not include the power to offer cooperation and compensation. Net listings are not accepted because (1) they are considered unethical, and (2) by nature they do not permit cooperation and compensation on a blanket unilateral basis.

Illinois Real Estate License Law requires that all exclusive brokerage agreements must provide for minimum services to (1) accept delivery of and present to the client all offers and counteroffers to buy, sell or lease the client's property or the property the client seeks to purchase or lease (2) assist the client in developing, communicating, negotiating, and presenting offers, counteroffers and notices that relate to the offers and counteroffers until a lease or purchase agreement is signed and all contingencies are satisfied or waived, and (3) answer the client's questions relating to the offers, counter offers, notices and contingencies. Any Exclusive Brokerage Agreement between a seller and listing broker that qualifies the cooperative compensation offered or paid to a cooperating broker if the participant holds a particular license or credential, engages in a particular trade or profession, or if the range of potential participant is otherwise arbitrarily restricted (i.e. purchaser is a real estate licensee, related to a real estate licensee, etc.) shall not be accepted by the Service (See Section 9.15).

The Service reserves the right to refuse to accept any exclusive brokerage agreement for a property or business placed into the Service which fails to adequately protect the interest of the public and the Participants. The Service also reserves the right to investigate reports of any broker failing to provide minimum services and request a copy of that broker's exclusive brokerage agreement for property listings. As the Service only accepts exclusive brokerage agreements, the Service will remove any property listing from the Service if the listing broker's exclusive brokerage agreement is not in conformity with the above.

In the event the listing broker's exclusive brokerage agreement is removed for failure to meet the above requirements for any exclusive right to sell or exclusive agency agreement, there shall be an automatic fine of \$500.00 for the first violation per company. For a second violation of the same company, the automatic fine shall be \$1,000.00. Thereafter, for each violation, that company shall pay a fine of \$1,500.00. "Company" shall mean a real estate firm, corporation, LLC, partnership, sole proprietorship or otherwise, and all of its branch offices.

Any language in a listing in the Service or otherwise, directing a cooperating broker to contact the seller to negotiate or present an offer shall be a finable offense in the amount of \$250.00 in accordance with the procedures outlined in Section 9.10.1 of the MRED Rules and Regulations.

The Service shall not require a Participant to use an Exclusive brokerage agreement other than the contract the Participant individually chooses to utilize provided the listing is of a type accepted by the Service. ~~The Service shall accept Exclusive Right to Sell brokerage agreements, Exclusive Right to Lease brokerage agreements and Exclusive Agency Brokerage Agreements.~~ The Service reserves the right to refuse to accept a listing which fails to adequately protect the interest of the public and the Participants. The Service may reject any exclusive brokerage agreement that establishes, directly or indirectly, any contractual relationship between the Service and the client (buyer or seller).

The exclusive brokerage agreement must include the seller's written authorization to place the listing in the Service.

3. Revise Section 9.10 as follows:

SECTION 9.10: REPORTING REQUIRED FIELDS

There shall be a \$100.00 fine for failure to correctly report all appropriate required fields when placing or modifying a listing for both active and off market property types excluding confidential business listings. Mandatory fields on all Property Input Forms for all property types are noted with an asterisk.

For a complete list of all required residential fields and any detailed instructions/prohibitions, see the MRED Residential glossary.

For a complete list of all room counting rules/definitions and any detailed instructions/prohibitions, see the MRED Room Counting Publication.

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For a complete list of all required commercial fields and any detailed instructions/prohibitions, see the MRED Commercial glossary.

[For a complete list of all required international property fields and any detailed instructions/prohibitions, see the MRED International Property Type – Glossary.](#)