

SECTION 3 REPORTING PROCEDURES

SECTION 3-1 STATUS DEFINITIONS

- A. "Active" is a listing that is not subject to a previously accepted offer to purchase. A listing with an accepted offer to purchase may only be advertised as "active" in SOMLS if:
1. The accepted offer includes a contingency release clause (Section 3-5 of these Rules and Regulations) and the status will be changed to "Active-72HR Release";
- OR
2. The accepted offer permits the seller of a third-party approval listing to accept additional offers that are not in a "back-up position", all accepted offers will be promptly submitted to the third party for approval (Section 3-3 of these Rules and Regulations) and the status will be changed to "Active-Accepted Short Sale".
- B. "Active-72HR Release" is a listing with an accepted offer to purchase which includes a contingency release addendum requiring satisfaction of the contingency in not more than 72 hours after sellers' acceptance of a new offer.
- C. "Active-Accepted Short Sale" is a third party approval listing where the seller is subject to an accepted offer, but can accept additional offers that are not in a "back-up position" and all accepted offers will be promptly submitted to the third party for approval.
- D. "Pending" is a listing that is subject to an accepted offer where the seller is not able to accept an additional written offer to purchase except those that are in a "back-up position".
- E. "Sold" is a listing in which all the terms of the agreement between the principals have been completed and there has been a transfer of interest in the property.
- F. "Off Market" is a listing in which the listing agreement between the seller and the listing broker has expired or been cancelled.
- G. "Withdrawn" is a listing in which the listing agreement between the seller and the listing broker has not expired or been cancelled, but the seller does not want the property marketed on SOMLS for a period of time.
- H. For the purpose of these rules, an offer in "Back-up Position" is one where the seller is subject to a previously accepted offer and is not obligated to perform on the new offer until the previously accepted offer has been terminated. (*adopted 08/11*)

**SECTION 3-2
CHANGES**

- A. Changes to the listing information shall be submitted to SOMLS within two (2) business days. Failure to submit a change within two (2) business days may subject the Participant to a fine in accordance with Section 12-5 of these Rules and Regulations. If said change requires that a date be entered into the system, then the date may, at the Participant's/designated broker's discretion, be the date of acceptance of the change by the Participant or his/her designated broker. *(amended 10/11)*

**SECTION 3-3
THIRD PARTY APPROVAL LISTINGS**

- A. DEFINITION: Third Party Approval listings are those which require the seller to obtain approval of the sale transaction by one or more third parties. These may include short sales, bankruptcy sales, and other sales requiring the approval of a third party. *(amended 10/11)*
- B. QUALIFICATION: A Third Party Approval listing must include the following two features:
1. The seller does not have the authority to close a sale without the approval of a third party;
 2. If closed at the price listed, there would not be sufficient funds to satisfy or fully discharge all liens and closing costs, including real estate commissions.
- C. REPORTING:
1. The listing broker must disclose potential third party approval listings when reasonably known and must designate them as such in the required "Third Party Approval" field in the SOMLS system.
 2. After the seller's acceptance of an offer, a Third Party Approval listing may remain active, subject to the requirements of Section 3-1 (A)(2), until all necessary third party approvals have been obtained, provided that within two (2) business days of the seller's acceptance of the offer, the listing broker adds the following statement to the listing's agent only remarks "Seller has accepted an offer(s) and third party approval is being sought". *(amended 10/11)*
 3. A Third Party Approval listing with an accepted offer shall be changed from active to pending within two (2) business days of seller being unable to accept additional offers which are not in "back-up" position, and/or all accepted offers cannot be promptly submitted to the third party for approval *(adopted 10/11)*
 4. Within two (2) business days after all necessary third party approvals have been obtained, the listing broker shall change the status from active to pending or sold, as circumstances require.
- D. COMMISSION: When disclosed, Participants may, at their discretion, advise other Participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale,

will be apportioned between listing and cooperating Participants. Where Participants communicate to other Participants how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between the listing and cooperating Participants, listing Participants shall disclose to cooperating Participants in writing the total reduction in the gross commission and the amount by which the compensation payable to the cooperating Participant will be reduced within 48 hours of receipt of notification from the lender. (*amended 01/11*)

NOTE: The language in the agent remarks shall only communicate how THE REDUCTION in the gross commission shall be apportioned, not the ENTIRETY of the gross commission. If the listing Participant chooses to disclose, the language in the agent remarks shall be the following:

If the third party requires a commission reduction, that reduction shall be apportioned ____ to the Cooperating Participant and ____ to the Listing Participant.

E. Failure to follow any of the above reporting requirements may subject the listing broker and Participant to fees, fines, and/or sanctions as outlined in Section 12 of these Rules and Regulations. (*adopted 01/09*)

SECTION 3-4 PENDING SALES

- A. Pending sales shall be reported within two (2) business days to SOMLS by the listing Participant except as allowed in Sections 3-2 and 3-4 of these Rules and Regulations. Failure to report a pending sale within two (2) business days may result in a fine in accordance with Section 11-4 of these Rules and Regulations. The "Pending Date" may, at the Participant's/designated broker's discretion, be the date of acceptance of the change of status by the Participant or his/her designated broker. (*amended 05/09*)
- B. If negotiations were carried on under the parameters of Section 7-3 of these Rules and Regulations, the cooperating Participant shall report the accepted offer to the listing Participant within one (1) business day after occurrence and the listing Participant shall report it to SOMLS within two (2) business days after receiving notice from the cooperating broker. (*adopted 05/09, amended 10/11*)
- C. Pending sales of properties in which an SOMLS Participant or Subscriber represents the seller(s) and there is no real estate licensee representation for the buyer(s) shall be accepted into the SOMLS system by entering "9997" into the agent number/MLS ID field as the selling agent.
- D. Pending sales of properties in which an SOMLS Participant or Subscriber represents the seller(s) and a real estate licensee who is not an SOMLS Participant or Subscriber represents the buyer(s) shall be accepted into the SOMLS system by entering a "9998" into the agent number/MLS ID field as the selling agent.

SECTION 3-5**SALE CONTINGENCIES**

- A. If there is a listing with a written accepted offer AND the seller wishes to have the listing remain active in SOMLS, the offer must have a contingency-release clause (not exceeding 72 hours) that could cause the offer to be terminated. The Participants shall be notified by the words “*Contingency Sale*” with an asterisk on either side of the phrase immediately followed by a brief explanation in the marketing remarks section of the listing. This rule excludes listings that meet the criteria of Section 3-3 of these Rules and Regulations, in which case reporting of said listing follows the requirements outlined in Part C of Section 3-3 of these Rules and Regulations. *(amended 10/11)*
- B. If there is a listing with a written accepted offer and the offer has a contingency-release clause that does not exceed 72 hours, BUT the seller does not wish to continue to market the property, the listing shall be changed to pending in SOMLS within two (2) business days. *(amended 10/11)*
- C. If there is a listing with a written accepted offer and the offer has one or more contingencies, but said contingencies do not have a release clause or the release clause is greater than 72 hours, the listing shall be changed to pending in SOMLS within two (2) business days. *(amended 10/11)*
- D. **Removal of Contingencies:** In the event that a contingency is fulfilled or cancelled, the Participant shall report to SOMLS within two (2) business days, removing the words from the remarks and, if applicable, changing the status of the listing.

SECTION 3-6**TERMINATION OF A PENDING SALE**

The Listing Participant shall report within two (2) business days to SOMLS any pending sale that has fallen and the status of the listing shall be adjusted accordingly. Failure to report the fall of a pending sale could result in a fine in accordance with Section 12-5 of these Rules and Regulations. *(amended 10/11)*

SECTION 3-7**CLOSED SALES**

- A. Closed sales must be reported by the listing Participant within two (2) business days of closing or a fine may be charged in accordance with Section 12-5 of these Rules and Regulations. The “Closing Date” reported shall be the date on which interest in the property was transferred. *(amended 10/11)*
- B. In the event the Listing Participant does not report a closed sale in a timely manner as outlined in Part A of this Section and more than five (5) business days have passed since the status change, the Selling Participant may submit notice of the change of status to SOMLS along with adequate public record documentation.
- C. Closed sales of properties in which an SOMLS Participant or Subscriber represents one of the parties and there is no real estate licensee representation

for the other party shall be accepted into the SOMLS system by entering "9997" into the agent number/MLS ID field as the listing agent or selling agent, whichever is applicable, and provided that adequate property information is provided.

- D. Closed sales of properties in which an SOMLS Participant or Subscriber represents one of the parties and a real estate licensee who is not an SOMLS Participant or Subscriber represents the other party shall be accepted into the SOMLS system by entering a "9998" into the agent number/MLS ID field as the listing agent or selling agent, whichever is applicable, and provided that adequate property information is provided.

SECTION 3-8

ONLY SOLD

A. DEFINITION:

An "Only Sold" is a property in which a listing agreement/contract did not exist between the seller and an SOMLS Participant, but an SOMLS Participant or Subscriber was the agent for the buyer. *(amended 10/11)*

- B. All reporting timeframes as outlined in Section 2-1 and all parts of Section 3 of these Rules and Regulations are waived for submission of Only Sold information.

- C. To submit an Only Sold to SOMLS, all required fields of a property data form must be accurately completed. A change form showing the close date and sale information shall be completed and must be accepted by the Participant as outlined in Section 2-1(C) of these Rules and Regulations. The "Listing Agent" shall be as defined in Section 3-6(B&C) of these Rules and Regulations. *(amended 10/11)*

- D. The following statement must be entered into the agent remarks section on each Only Sold:
"ONLY SOLD - this information is for statistical purposes only."

- E. If the Only Sold is to be input by SOMLS staff, the property data form and change form must be clearly marked "Only Sold" across the top of each page.

F. ONE PARTY LISTING/OFFICE EXCLUSIVE LISTING :

Office Exclusive Listings (per 2-15a) or One Party Listings may be reported as an Only Sold upon close of sale. *(amended 10/11)*