

GREATER BOSTON REAL ESTATE BOARD ARBITRATION OF DISPUTES

In deciding when and how to file a Request for Arbitration, REALTORS® should be aware of the following:

⇒ **Arbitration of disputes is both a duty and a privilege.**

By becoming and remaining a member of the Greater Boston Real Estate Board, a REALTOR® member agrees and is bound to arbitrate through the Board all disputes as defined by Article 17 of the Code of Ethics.

(1) Every REALTOR® member of the Board who is a REALTOR® principal shall have the right to invoke the Board's arbitration facilities in any dispute arising out of the real estate business with a REALTOR® principal in another real estate firm or with that firm (or both).

(2) A REALTOR® member other than a principal shall have the right to invoke the arbitration facilities of the Board in a business dispute with a REALTOR® in another firm or with their firm (or both), whether in the same or a different Board, provided the REALTOR® principal with whom he is associated joins in the arbitration request, and requests the arbitration with the REALTOR® principal of the other firm or with their firm (or both). Arbitration in such cases shall be between the REALTOR® principals or their firms (or both). REALTOR® nonprincipals who invoke arbitration in this manner, or who are affiliated with a respondent and have a vested financial interest in the outcome, have the right to be present throughout the proceedings and to participate but are not considered to be parties.

(3) A client of a REALTOR® principal may invoke the arbitration facilities of the Board in a business dispute with a REALTOR® principal or the REALTOR®'s firm (or both) arising out of an agency relationship, provided the client agrees to be bound by the arbitration. In the event of such request and agreement the Board will arbitrate the dispute subject to the provisions of Part Ten, Section 45 of the NAR Code of Ethics & Arbitration Manual. A REALTOR® principal may also invoke arbitration against his client but no arbitration may be held without the client's voluntary agreement to arbitrate and to be bound by the decision. Code of Ethics & Arbitration Manual, Part Ten-Arbitration, Section 44. <http://www.realtor.org/mempolweb.nsf/pscoe?openview>)

Situations in which the Board does not offer arbitration services or in which the Board may exercise its right to decline arbitration:

The Greater Boston Real Estate Board **does not offer arbitration** in disputes involving:

1. a REALTOR® Member and a nonmember broker,
2. REALTOR® Members who are or were affiliated with the same firm, or
3. a REALTOR® principal and a customer of the REALTOR® principal.

The Board may decline arbitration requested in a dispute between members or between members and nonmembers if either the Grievance Committee or the Arbitration Hearing Panel determines that the matter should not be arbitrated because:

- (a) the amount involved, e.g., too much or too little, or
- (b) the legal complexity of the matter

If the Grievance Committee or Arbitration Hearing Panel determines that the matter should not be arbitrated, the arbitration automatically terminates unless either of the parties appeals the decision to the Board. In such appeals, a 5-member director panel will hear the appeal. The decision of the Director panel is final. *(For additional information see: Code of Ethics & Arbitration Manual, Section (7) of Appendix IV, Part Ten- Arbitration Hearing Checklist-*
<http://www.realtor.org/mempolweb.nsf/pscoe?openview>

Time Frame for Filing a Request for Arbitration

Requests for arbitration must be filed within one hundred eighty (180) days after the closing of the transaction, if any, or within one hundred eighty (180) days after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later. (Code of Ethics & Arbitration Manual, Part Ten-Arbitration, Section 47.
<http://www.realtor.org/mempolweb.nsf/pscoe?openview>)