



National Association of Residential Property Managers

**CODE OF ETHICS
AND
STANDARDS OF PROFESSIONALISM
FOR
THE NATIONAL ASSOCIATION OF RESIDENTIAL PROPERTY MANAGERS**

INTRODUCTION: The National Association of Residential Property Managers (NARPM®) promotes a high standard of business ethics, professionalism, and fair housing practices. Members of NARPM® subscribe to the following Code of Ethics and Standards of Professionalism for property managers of single family and other small residential properties.

Article 1: RESPONSIBILITY TO PROTECT THE PUBLIC

It is the responsibility of the Property Manager to protect the public against fraud, misrepresentation, and unethical practices in property management.

STANDARDS OF PROFESSIONALISM

1-1 The Property Manager shall endeavor to eliminate in the community, through the normal course of business, any practices which could be damaging to the public or bring discredit to the profession.

1-2 The Property Manager shall assist the governmental agency charged with regulating the practices of Property Managers.

1-3 The Property Manager shall comply with all local and state ordinances regarding real estate law, licensing, insurance, and banking.

1-4 The Property Manager shall not knowingly, during or following their professional relationships with their clients or their tenants, reveal confidential information of the clients or tenants. The Property Manager must take all precautions in keeping information in regard to owners and tenants reasonably secured to prevent identity theft.

1-5 The Property Manager shall use reasonable efforts to be sure that information on their website is current. If it becomes apparent that information on the website is not current, then the Property Manager shall promptly take corrective action.

1-6 The websites of the Property Manager shall not contain any deceptive metatags or other devices/methods to direct, drive, or divert Internet traffic or to otherwise mislead customers. The websites shall also not manipulate listing content in any way that produces a deceptive or misleading result.

1-7 Property Managers shall disclose all details on the availability of rental properties to prospective parties on a regular and timely basis.

1-8 Property Managers shall avoid exaggeration, misrepresentation, misinformation, or concealment of pertinent facts relating to the advertising, leasing, and management of the property.

Article 2: DISCRIMINATION

The Property Manager shall not discriminate in the rental, lease, or negotiation for real property based on Fair Housing Laws as disseminated by the U.S. Department of Housing and Urban Development and shall comply with all federal, state, and local laws concerning discrimination.

STANDARDS OF PROFESSIONALISM

2-1 It is the duty of the Property Manager to educate those with whom the Property Manager is affiliated to comply with all fair housing laws.

Article 3: RESPONSIBILITY TO CLIENT

The Property Manager has a fiduciary responsibility to the Client and shall at all times act in the best interests of the Client.

STANDARDS OF PROFESSIONALISM

3-1 The Property Manager shall use written management agreements, and written extensions, if required, outlining all responsibilities and fees. The Client will be provided a copy of signed agreements and extensions and the Property Manager will retain a copy.

3-2 The Property Managers shall communicate regularly with the Client and provide written reports of receipts and disbursements on a regular and agreed upon basis. In the event of any dispute, the Property Manager shall provide a written accounting as soon as practical.

3-3 Tenant applications shall be reviewed and verified in order to determine the Applicant's ability to pay and to determine the likelihood that the Applicant will comply with all provisions of the rental agreement.

3-4 The Property Manager shall accept no commissions, rebates, profits, discounts, or any other benefit which has not been fully disclosed to and approved by the Client.

3-5 The Property Manager shall not mislead owners about the rental market value of their property in an attempt to secure a rental listing.

3-6 Property Managers shall disclose to their Client all pertinent facts relating to the transaction.

Article 4: OBLIGATIONS TO TENANTS

The Property Manager shall treat all Tenants honestly and professionally when applying for, living in, and vacating a managed residence. The Property Manager shall hold a high regard for the safety and health of those lawfully at a managed property.

STANDARDS OF PROFESSIONALISM

- 4-1 The Property Manager shall offer all Prospective Renters a written application.
- 4-2 The Property Manager shall provide all Tenants with a copy of the signed rental agreement, and extensions with all addendums attached.
- 4-3 The Property Manager shall make all disclosures as required by state and local laws and provide the Tenant an opportunity to complete a written condition report at the time of moving in.
- 4-4 The Property Manager shall respond promptly to requests for repairs.
- 4-5 Within the time prescribed by law, a written deposit refund determination shall be provided to the Tenant after they have vacated the property. No undue delay in refunding or accounting for the security deposit shall take place.

Article 5: CARE OF MANAGED PROPERTIES

The Property Manager shall manage all properties in accordance with safety and habitability requirements of the local jurisdiction.

STANDARDS OF PROFESSIONALISM

- 5-1 The Property Manager shall not manage properties for Clients who refuse, or are unable, to maintain their property in accordance with safety and habitability requirements of the local jurisdiction.
- 5-2 Property Manager shall terminate management of property if client does not comply with habitability requirements.

Article 6: PROTECTION OF FUNDS

The Property Manager shall hold all funds received on behalf of others in compliance with state law with full disclosure to the Client and these funds will be kept separate from the firm's or personal funds of the Property Manager.

STANDARDS OF PROFESSIONALISM

- 6-1 Property Managers shall prepare and furnish to the client accurate and timely financial reports relating to their rental unit in accordance with the terms of the management agreement

Article 7: CHARGE TO DISCLOSE EXPERTISE

The Property Manager must provide accurate information within his area of expertise, but refrain from the unauthorized practice of any other profession that may require a separate license, such as. law, accounting, and financial planning, construction, and contracting.

7-1 Members shall undertake only those areas of expertise that they can reasonably be expected to perform with professional competence.

Article 8: COMMITMENT TO FIRM

The Property Manager shall act in the best interests of their Employer/Broker.

STANDARDS OF PROFESSIONALISM

8-1 The Property Manager shall not have any undisclosed conflict of interest with their Employer/Broker. If a conflict should arise, the member shall notify their Employer/Broker immediately.

8-2 The Property Manager shall not receive any form of compensation, rebates, or any other benefits without full disclosure to Employer/Broker.

8-3 The Property Manager may not take or use any proprietary documentation, or client/tenant lists, during or after relationship with Employer/Broker without express written consent from Employer/Broker.

Article 9: RELATIONS WITH OTHER PROPERTY MANAGERS

NARPM® Professional Members shall not knowingly or recklessly make false or misleading statements about other property managers or their business practices, or otherwise attempt to take business from other property managers by deceptive means.

STANDARDS OF PROFESSIONALISM

- **9-1** The Property Manager shall treat all property managers in an honest and professional manner and shall not knowingly engage in any practice or take any action against a property manager in an un-businesslike manner.
- **9-2** The Property Manager shall not knowingly interfere with other property managers' contract rights, including by taking actions inconsistent with exclusive agreements that other property managers have with clients. This does not preclude the Property Manager from otherwise soliciting clients or making general announcements about their own services. For purposes of this code, a general announcement may be defined as a general telephone canvass or a general mailing or distribution addressed to all prospects in a given geographical area or in a specific profession, business, club, organization, or other classification or group. This code does not restrict fair and reasonable competition among property managers.
- **9-3** In the event of a controversy between Property Managers with different firms, the Property Managers/owner of firm shall submit the dispute to mediation prior to litigation.
- **9-4** Property Managers shall not use the work of competing management firms that are considered proprietary without the expressed written permission of the management firm.

Note: *The Federal Trade Commission (the “FTC”) has conducted an investigation concerning certain provisions in NARPM’s Code of Ethics and Standards of Professionalism (“Code of Ethics”). The provisions of the Code of Ethics that were addressed by the FTC are those that state: “NARPM Professional Members shall refrain from criticizing other property managers or their business practices” and “The Property Manager shall not knowingly solicit competitor’s clients.” The FTC has alleged that these provisions in the Code of Ethics restrict members of NARPM from competing for clients, thereby depriving clients of the benefits of competition among property managers, in violation of the Federal Trade Commission Act. Without admitting a violation of the law, NARPM has agreed to the entry of a Consent Agreement and a Decision and Order by the FTC in this matter (the “Order”), which the FTC has not yet formally approved. The Order requires NARPM to amend the Code of Ethics by deleting these two provisions; please note that such restrictions on solicitation or advertising by NARPM members no longer apply.*

Article 10: BUSINESS PRACTICES

The Property Manager shall not engage in the improper acts of price fixing, antitrust, or any anti-competitive practices with other Property Managers.

STANDARDS OF PROFESSIONALISM

10-1 Unless the Property Manager is purchasing another property management company, fees, commissions, and compensations, shall not be discussed with other Property Managers. The Property Manager shall always seek to avoid the appearance of impropriety in these matters.

10-2 The Property Manager’s fees, commissions, and compensations shall be determined by the Property Manager, or the Property Manager’s Broker, based upon, but not limited to, expertise, experience, and the cost of service or expense.

10-3 Members shall not be party to any discussions that would lead to potential antitrust issues such as boycotting, price fixing, collusion, market allocation, or any other items as addressed in the Sherman Antitrust Act.

Article 11: TRUTH IN ADVERTISING

NARPM® members shall ensure that all advertising is clear and forthright and lists only facts about the property or services provided.

STANDARDS OF PROFESSIONALISM

11-1 Regardless of the type of advertising media used, content shall be truthful and honest at all times.

11-2 No property shall be offered as “For Rent” without the permission of the client. If an unlisted property is offered, permission must be obtained from the owner.

11-3 Disclosure must be made to all parties if information gathered through electronic advertising media may be sold to an outside party.

Article 12: RESPONSIBILITY TO NARPM® AND THE PROFESSION

The Property Manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.

STANDARDS OF PROFESSIONALISM

12-1 The Property Manager shall strive to improve the property management profession and NARPM® by sharing with others their lessons of experience for the benefit of all.

12-2 The Property Manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.

12-3 The Property Managers shall maintain their real estate license by meeting continuing education requirements as set out by the state in which they work.

12-4 NARPM® members shall abide by NARPM®'s bylaws and any other guidelines approved by the Board and shall do no harm to the organization.

12-5 NARPM® members shall ensure that all electronic communications and marketing they prepare are professional with respect given to the recipients.

Article 13: NARPM® Code of Ethics

All Professional Members of NARPM® agree to participate in any Professional Standards investigation and/or hearing should a complaint be properly filed with the Association.

STANDARDS OF PROFESSIONALISM

13-1 Members will take all necessary action to remain educated and knowledgeable of the NARPM® Code of Ethics.

13-2 NARPM® members shall not interfere with any investigative action relating to a Professional Standards case by the Association.

13-3 Members shall promptly supply any information requested by the Association during a Professional Standards investigation.

NOTE: Property Manger as used throughout this code defines a Professional Member of NARPM®.