



Canopy MLS Waiver Policy Enforcement

The Canopy MLS Board of Directors and staff enforce the waiver policy as described in this document. Other MLSs are welcome to use and refer to this information to craft their own waiver policies.

Waiver Policy

Canopy MLS has had a waiver policy for over 17 years. All licensees affiliated with a Member Participant (MP) are required to join unless they are eligible for a waiver.

Canopy MLS allows waivers for six reasons:

1. Property management
2. New construction
3. Commercial/subscribe to another MLS
4. Appraiser who also has access as a real estate broker
5. Officer
6. Referral agent

Any waiver request outside of these six reasons must go to the board of directors for approval.

Here is the link to the Canopy MLS waiver form:

<https://apps.carolinarealtors.com/files/MLS%20Waiver%20Request.pdf>

Waiver recipients are on the honor system. Recipients found in violation of the waiver policy are back billed to the date of the waiver, and the MP is fined \$1,000.

Number of Waivers

As of November 2017, Canopy MLS had 858 subscribers on waiver from MLS, compared to 11,500 active participants and subscribers. About 350 of those are for commercial or for using another MLS. It takes about one hour per month to send out approximately 60 renewal notifications to the MPs. Below are the reasons why subscribers have waived out the MLS. 149 subscribers have failed to send in their waiver renewal.

- 44 – Property Management
- 54 – Officer
- 93 – New homes
- 130 – Referral agent
- 8 – Appraiser/trainee who is already an MLS subscriber
- 352 – Uses another MLS
- 27 – Commercial agent only
- 149 – Failed to send in waiver renewal.

Teams

Canopy MLS also has these policies about teams. Some agents on a team mistakenly believe that if only one person on the team adds or edits listings in Canopy MLS, that the rest of the team does not need to subscribe to Canopy MLS. All active real estate licensees must subscribe to Canopy MLS or qualify for a waiver. This includes (but is not limited to) licensees who are part of a real estate team, licensees who represent buyers exclusively, licensed or certified appraisers, and appraisal trainees who are affiliated with a Member Participant (MP, typically the broker-in-charge).

If the agent is the broker-in-charge for the team and the team is registered at the North Carolina Real Estate Commission or the South Carolina Labor and Licensing Board and requires MLS access, then the team must join Canopy MLS as a member firm and pay the applicable initiation fees. Each licensee affiliated with the team must join Canopy MLS or qualify for a waiver. Realtor® dues and/or non-member licensee assessment fees may be applicable.

Violations

Violations do occur, but not many. It takes effort to monitor and enforce violations, but it works, and it's not a big deal. The amount of work we do lets the members know that we do enforce our rules. Here are the three main ways we catch waiver violations:

1. We have a violation definition in our Listing Data Checker program we use to monitor for co-listing violations (see text of the violation notice attached). Canopy MLS processed 16 co-listing violations in 2017. Here is the Canopy MLS rule on this matter: "CO-LISTINGS: Listings that are co-listed with other licensees who are not Member Participants or Subscribers of Canopy MLS must not be entered into the MLS."

Canopy MLS monitors for co-listing violations by searching for keywords like "co-listed." We also flag any listing with an email address, web URL or phone number in the Public, Agent and Company Remarks, and also in the Directions field.

Here are some examples of issues that were flagged in this process that we followed up on:

06/12/2017 01:33:16 PM	V- 2879834	Co-List Agent: Non-member If there is a co-listing agent to this listing, please respond to compliance@carolinahome.com with their name. If the co-list agent is a member of the MLS, please correct the listing.
01/30/2017 02:59:41 PM	V- 2780602	Mr. Smith is not a member of the MLS - non-member colistings are prohibited from being entered into our MLS for obvious reasons. Mr. Smith stands to benefit from

		exposure of his listing in our MLS without paying membership fees like all of our other subscribers. Please withdraw the listing or provide listing documentation showing that Mr. Smith is no longer a co-listing agent. You can email that documentation to compliance@carolinahome.com or fax to 704-940-3120 (Attn: Compliance).
08/09/2017 04:16:55 PM	V- 2932370	Mr. Smith is not a member of the MLS - non-member colistings are prohibited from being entered into our MLS for obvious reasons. Mr. Douglas stands to benefit from exposure of his listing in our MLS without paying membership fees like all of our other subscribers. Please withdraw the listing or provide listing documentation showing that Mr. Smith is no longer a co-listing agent. You can email that documentation to compliance@carolinahome.com or fax to 704-940-3120 (Attn: Compliance).
01/09/2018 12:48:53 PM	V- 3068530	The listing indicates there is a co-listing agent, but none is indicated on the listing. Please forward copies of your listing documentation for this listing for review for compliance with the MLS Rules and Regulations. Documentation can be emailed to Compliance@carolinahome.com or faxed to the attention of Compliance to 704-940-3120. Be advised that the Canopy MLS server will not accept documents that are larger than 5 MB. If your file size is larger than 5 MB you will need to divide the file into smaller sections to forward.

2. We sometimes identify password sharing violations using RISK. In 2017 we issued 19 notices/warnings to subscribers for password sharing and unauthorized assistant/teammate use of the MLS. Many were for the use of off-shore virtual assistants who did not have authorized access to the MLS system. We issued four fines of \$1,000 for password sharing.
3. From time-to-time listing agents contact the help desk to ask what to do if the selling agent is not an MLS subscriber, or if they cannot find the name of the selling agent in the roster. That prompts us to investigate a potential waiver violation. We ask for the selling agent's name to verify whether that person is a subscriber. If that person is on waiver, we process a violation. We catch these less often. We've done the back-billing probably about six times since 2013.

From: CMLS compliance Administrator [mailto:EmailNotification@interealty.net]
Sent: Wednesday, August 09, 2017 5:00 PM
Subject: Canopy MLS violation: MLS#1234567 [Reference No:2932370;104]

Canopy MLS

Notice date: 08/09/2017

AGENT:

First Name Last Name

SENT TO:

agent@abcreealty.com
broker@abcreealty.com

**** First notice: please review your MLS listing for compliance ****

This listing was identified or reported as violating the "Canopy MLS Rules and Regulations." You must correct the violation within two business days before a \$100 noncompliance fine is assessed. If you correct the listing, there is no need to confirm with Canopy MLS staff that you made the correction. If you think this notice was sent in error, simply reply to this e-mail so Canopy MLS staff can review the information.

Listing details	MLS no: 1234567 Address: 123 Park Rd. Charlotte, NC 12345
Violation no. 2932370	Violation details Violation name: Co Listing Violation Rule reference: Sec 1.3: Prohibited Listings Compliance deadline: 08/14/2017 Description: Listings that are co-listed with other licensees who are not Member Participants or Subscribers of Canopy MLS must not be entered into the MLS. To correct this violation: 1) remove the co-listing agent from the listing agreement and the listing in the MLS and reply to this email and attach a copy of the new listing agreement; or 2) withdraw the listing from the MLS; or 3) the co-listing agent may subscribe to Canopy MLS. Clarification: An indication of a violation would be a statement in the Public Remarks, Agent Remarks or Company Remarks of the listing such as "co-listed with John Doe," if John Doe is not a member of Canopy MLS or NCMMLS. The MLS staff may require the listing to be withdrawn, or request a copy of the listing agreement demonstrating that the co-listing agent has been removed from the listing, or require the co-listing agent to subscribe to Canopy MLS. Notes: - Mr. Smith is not a member of the MLS - non-member colistings are prohibited from being entered into our MLS for obvious reasons. Mr. Smith stands to benefit from exposure of his listing in our MLS without paying membership fees like all of our other subscribers. Please withdraw the listing or provide listing documentation showing that Mr. Smith is no longer a co-listing agent. You can email that documentation to compliance@carolinahome.com or fax to 704-940-3120 (Attn: Compliance).
Violated fields:	
Agent Remarks:	Seller is offering an additional 1% Bonus to Buyers agents bringing qualified buyer. Co-listing with Mr. Smith of Office Capital Inc.

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fully comply with the National Association of Realtors®. Canopy MLS staff members proactively monitor the database, accept complaints regarding inaccurate data or compliance with the rules, and work diligently to investigate and resolve violations. Concerns about compliance should be e-mailed to compliance@carolinahome.com or you may call 704-940-3159, opt. 3 ("Canopy MLS Rules and Regulations" Support).

Compliance resources:

[“Canopy MLS Rules and Regulations”/Policies”](#)
[“MATRIX Field Definitions”](#)
[Category I violations](#) (No fine for first violation)
[Category II violations](#) (Fines start at \$100)

[Category III violations](#) (Fines start at \$500)
[Category IV violations](#) (Fines start at \$1,000)
[Compliance Fee Schedule](#)
[Canopy MLS Compliance Hearing Request Form](#)

From: CMLS compliance Administrator [mailto:EmailNotification@interealty.net]
Sent: Thursday, July 20, 2017 9:13 AM
Subject: Canopy MLS policy violation fine: Agent ID# A-96176 [Reference No:2914686;104]

Canopy MLS

Notice date: 07/20/2017

AGENT:
 FirstName LastName

SENT TO:
agent@abcrealty.com
broker@abcrealty.com

**** Policy violation and fine notice ****

This agent was identified or reported as violating the MLS rules or policies. **A fine has been assessed to your account.** To respond to this notice, simply reply to this e-mail so MLS staff can review the information.

Agent Details	
<u>Violation no.</u>	<u>Violation Details</u>
2914686	<p>Violation name: Unauthorized assistant or teammate use of Matrix</p> <p>Rule reference: Section 5.4</p> <p>Compliance deadline: 07/25/2017</p> <p>Description: The individual identified in the "Note" field below has indicated an affiliation with your office and has access to the MLS system. In addition, the MLS security system detects high risk use of your username/password, which indicates a threat to the security of Matrix.</p> <p>Clarification: The person identified in the "Note" field below must complete the information required for the application for MLS access, schedule his or her MLS orientation class, and pay the necessary fees to receive his or her own username/password for MLS access. If the MLS security software detects continued high risk use of your username/password, the Compliance Administrator will issue a \$1,000 fine.</p> <p>Notes:</p> <ul style="list-style-type: none"> - This is to notify you that Canopy MLS has determined that you disclose your username and password to John Doe. <p>The sharing of your login information for any reason is prohibited by the rules. Doing so is a category IV violation of the “Canopy MLS Rules and Regulations” Sections 5.4 and carries</p>

an immediate fine in the amount of \$1000 for a first violation. A fine is being assessed to your account for this violation. You will be required to change your password. Please do so and do not disclose it to anyone for any reason. Any person with your team that needs access to the system needs to get their own username and password.

Any response to this allegation must be in writing. If you feel you did not violate the rule and would like to file for a hearing of this case by a Canopy MLS hearing committee then you may submit your request by completing the [Canopy MLS Compliance Hearing Request](#) available at our web site. Otherwise, if you pay your fine within the response interval then Canopy MLS will close the violation. You will receive the violation notice and invoice via U.S. Postal Service as well.

Fine Amount 1000

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Compliance resources:

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["MATRIX Field Definitions"](#)

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[Compliance Fee Schedule](#)

[Canopy MLS Compliance Hearing Request Form](#)

From: CMLS compliance Administrator [mailto:EmailNotification@interealty.net]

Sent: Thursday, January 04, 2018 12:00 PM

Subject: Canopy MLS policy violation: Agent ID# A-29883 [Reference No:3065863;104]

Canopy MLS

Notice date: 01/04/2018

AGENT:

FirstName LastName

SENT TO:

agent@abcrealty.com

broker@abcrealty.com

**** Policy violation notice: prompt attention required ****

This agent was identified or reported as violating the MLS rules or policies. **Please respond to this violation notice within two business days before a fine is assessed.** If you think this notice was sent in error, simply reply to this e-mail so MLS staff can review the information.

Agent Details

<u>Violation no.</u>	<u>Violation details</u>
3065863	<p>Violation name: Unauthorized disclosure of login and password</p> <p>Rule reference: Section 5.4</p> <p>Compliance deadline: 01/04/2018</p> <p>Description: The MLS security system detects high risk use of your username/password, which indicates a threat to the security of Matrix.</p> <p>Clarification: Failure to resolve this issue immediately will result in a \$1,000 fine and possible suspension from the MLS service. Please take the following actions to secure your account:</p> <ol style="list-style-type: none"> 1. Change your Matrix password immediately, and do not share it with anyone; 2. Register each Matrix user to obtain his or her own username/password. These individuals must complete the application, pay all applicable fees and register to attend MLS Orientation. If you have not shared your Matrix username/password and can justify why the system detects high risk use of your username/password, the Compliance Administrator can analyze login samples for each device you use to log into Matrix to verify compliance. Please respond to this violation notification in writing with two business days explaining your plan to resolve this issue. <p>Notes:</p> <ul style="list-style-type: none"> - Numerous login attempts have been made from the Philippines indicating that you have shared your username and password. Assistants, including virtual assistants, must always use their own login when accessing Matrix. All Matrix users must complete an application, pay the fees and complete Canopy MLS Orientation. The next time you log into Matrix you will be prompted to change your password. Do not share it with any one for any reason. Additional unauthorized logins from offshore using your username and password will result in an immediate \$1,000 fine and possible suspension from the MLS. Any response to this notification must be in writing and can be in the form of an email to Compliance@carolinahome.com.

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