



# Penalty Policy

## SECTION 1 – Initiators of Alleged Violations:

Alleged violations of the LHAR Rules and Regulations (R & R), LHAR Policies & Procedures (P & P) and LHAR ByLaws (BL) must be made in writing and may be initiated by:

- a. LHAR MLS Participants (as defined in the LHAR Rules and Regulations);
- b. LHAR MLS Subscribers (as defined in the LHAR Rules and Regulations);
- c. Staff of the LHAR MLS

Violations may also be reported through the on-line MLS system using the tools available there for reporting violations.

Categories of Alleged Violations:

If a violation occurs, it will fall into one of the following categories:

- a. Non-Penalty Violations
- b. Penalty Violations with immediate fine
- c. Penalty Violations
- d. Participation Violations

## SECTION 2 – Non-Penalty Violations (Limited)

Non-Penalty Violations are primarily factual errors that lead to inaccurate listing data and often affect other fields or calculations within the listing. These violations do not incur a penalty. Some examples of Non-Penalty violations include, but are not limited to, the following:

Listing Procedures	Rule Section
Incorrect Square Footage	R & R Section 1 Listing Procedures
Incorrect Map Coordinates	R & R Section 1 Listing Procedures
Incorrect Dwelling Type	R & R Section 1 Listing Procedures
Incorrect or Missing Assessor Number	R & R Section 1 Listing Procedures
Incorrect Lot Size Range	R & R Section 1 Listing Procedures
Data Errors	R & R Section 1 Listing Procedures
Failure to disclose Owner-Agent Status	R & R Section 1 Listing Procedures
Failure to follow Showing Instruction	R & R Section 2 Showings and Negotiations

When one of the Non-Penalty Violations listed above is alleged, the LHAR staff will send a notice, by email only, to the Subscriber with a copy to the Participant. Subscriber has 24 hours to make correction to the listing.

**SECTION 3 - Penalty Violations – Immediate Fine**

Penalty Violations are those that cannot be corrected, or even if they are corrected may have already caused some degree of irreversible damage.

Listing Procedures	Rule Section	Fines	Training or other sanction
Unauthorized use of Subscribers USER ID and Password (also refer to *LHAR Subscriber Agreement)	P & P Part One: Key Definitions	\$1000, \$2000 & \$5000	
Compensation/Commission Violation - Includes any product, service or media affiliated with Lake Havasu REALTORS® and MLS.* (Based upon recent NAR settlement, LHAR is required to take this action to ensure compliance and help reduce potential broker liability.)	R & R Section 5 No Compensation Specified on MLS Listings Section 5.0.0 Required Consumer Disclosure Section 5.0.2 Written Buyer Agreement	\$1000, \$2000 & \$5000	

\*Compensation/Commission information is not allowed. This includes, but not limited to, remarks, agent remarks, showing instruction field, photo’s, documents, media, ShowingTime and Sentrilock.

**SECTION 3 - Penalty Violations**

Except for the first Penalty Violations against a Subscriber each year, these violations will incur an immediate fine as outlined in the table below. \*If you have multiple violations for the same item, the violation never resets, and you are subject to the fine escalation as long as you are a member of the Lake Havasu Association of REALTORS® MLS. Examples of such violations include, but are not limited to, the following:

(\*Policy will be effective on July 1, 2025, and implemented January 1, 2026)

Listing Procedures	Rule Section	Fines	Training or other sanction
Three or more non penalty violations in a 6 months period		\$200	
Entry of Property not eligible to be placed in MLS	R & R Section 1.1 Types of Properties	\$200	
Failure to Enter Listing/Late Entry of New Listing	R & R Section 1 Listing Procedures R & R	\$200 (will increase by \$200 for each additional offense )	
Failure to list properties separately	R & R Section 1.8 Listing Multiple Unit Properties	\$100, \$200 & \$400	
Active Listing without Valid Listing Agreement	R & R Section 1 Listing Procedures	\$200	

Manipulation of Days on Market	R & R Section 1 Listing Procedures	\$200	
Failure to identify "On Leased Land" as first three words in Public Remarks	R & R Section 1 Listing Procedures	\$200 (will increase by \$200 for each additional offense )	
Initial Incorrect Sales Price Data, or Cooperating Subscriber	R & R Section 1.7 Listing Price Specified	\$200	
Contact information in any media	R & R Section 18.3.16	\$50, \$250 & \$500	
Failure to submit photo within allowed period	R & R Section 1.2.5.1 Photo's	\$50	
Failure to correct Primary Image/Photo 1 within 24 hours	R & R Section 1.2.5.1 Photo's	\$50	
All Incorrect Listing Statuses	R & R section 1.4 Change of Status of Listing	\$100, \$200 & \$400	
<b>Selling Procedures</b>			
	<b>Rule Section</b>	<b>Fines</b>	<b>Training or other sanction</b>
Unauthorized copied media	R & R Section 2.7 Advertising of Listings Filed with the Service	\$50	
Advertising the Listing of Another Broker without permission	R & R Section 2.7 Advertising of Listings Filed with the Service	\$100, \$200 & \$400	
<b>Enforcement of Rules or Disputes</b>			
	<b>Rule Section</b>	<b>Fines</b>	<b>Training or other sanction</b>
Inappropriate Language and/or inappropriate use of remarks fields (e.g. violations of fair housing, safety issues, security, contact information, and compensation disclosures or discussions)	R & R Section 9.2 Complaints of Unethical Conduct	\$200	
<b>Use of Copyrighted MLS Compilation</b>			
	<b>Rule Section</b>	<b>Fines</b>	<b>Training or other sanction</b>
Unauthorized Distribution of data (also	R & R Section 12 Distribution	\$250	
Unauthorized duplication or reproduction of compilation	R & R Section 12.2 Reproduction	\$500	
<b>Internet Data Exchange</b>			
	<b>Rule Section</b>	<b>Fines</b>	<b>Training or other sanction</b>
Access Code displayed in any part of the listing, attachment and/or media other than the specific designated fields	R & R Section 18.3.1	\$100	
Failure to maintain current, accurate email address	P & P IDX Websites	\$50	

For the first Penalty Violation found against a Subscriber each calendar year the LHAR staff will send a warning notice, by email only, to the Subscriber and copy the Participant. If any subsequent Penalty Violation is found, LHAR staff will immediately assess the Subscriber the appropriate fine, as noted in the table above. A notice of the violation and fine amount will be sent by email only, to the Subscriber and copy to the Participant.

LHAR staff will make the correction where applicable. If the violation found is not correctable by LHAR staff, the notice of the violation will require Subscriber to make the correction by the due date stated in the notice (24 hours). If the violation remains after the due date, a subsequent violation will be deemed to have occurred and the process will repeat.

If multiple violations are found in the same listing, they shall be treated as one violation and the most severe penalty available for any of the individual violations shall apply.

Reference 1 Appropriate Procedures for Rules Enforcement (Policy Statement 7.21)  
 MLS Participants and Subscribers can receive no more than three (3) penalty violations in a calendar year before they are required to attend a hearing for their actions and potential violations of the MLS rules, except that the MLS may allow more violations of listing information provided by Participants and Subscribers before they requiring a hearing. A copy of all violations against a subscriber be sent to the subscribers participant and that the participant be required to attend hearing(s) of a subscriber who has received more than three (3) penalty violations within the year.

**SECTION 4 – Participation Violations**

Participation Violations occur when a Participant fails to comply with LHAR Rules and Regulations, LHAR Policies & Procedures and LHAR ByLaws. Penalties for violations are imposed to the Participant. Examples of these violations, include, but are not limited to, the following:

Infraction	Rule Section	Fine	Training and/or other sanction
Non-subscribing Licensee found	BL Section 1 Membership	\$250	
Failure to report changes of Waiver Applicants	P & P Policy Statement 7.43	\$100	
Failure to report change in the license status of an Unlicensed Personnel	BL Section 6 Status Changes	\$250	

When the Participation Violation listed above is found, LHAR staff will send a notice of the violation by email only, to the firm’s Participant. The violation notice will grant the Participant a grace period of 10 calendar days to correct the violation. If the violation is corrected on or before the stated due date (10 days), a fine will not be imposed.

If the violation is not corrected by the due date on the violation notice, the appropriate fine as outlined in the table above will be imposed on the Participant. If the violation remains unresolved, in addition to the original fine assessed, a new violation shall be deemed to have occurred and the process will repeat. The fine assessed to the Participant is per non-subscribing licensee, waiver applicant or administrative personnel.