



National Association of Residential Property Managers

subscribes to and abides by this Code of Ethics.

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. All property managers who are members of NARPM® must abide by the following Code of Ethics and Standards of Professionalism (the “Code”).

DEFINITIONS: Capitalized terms throughout the Code shall have the following meanings:

“**Client**” means the owner of property that is managed by the Property Manager.

“**Firm**” refers to a Property Manager’s employer or broker.

“**Property Manager**” means a property manager who is a member of NARPM®.

“**Tenant**” means an individual or entity that rents and/or occupies property managed by the Property Manager.

“**Written**” or “**in writing**” means communication in the form of a record and includes both hard copy and electronic forms.

Article 1: RESPONSIBILITY TO PROTECT THE PUBLIC

The Property Manager shall protect the public against fraud, misrepresentation, and unethical practices in property management.

STANDARDS OF PROFESSIONALISM

- 1-1** The Property Manager shall endeavor to eliminate, 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 cooperate with the governmental agency charged with regulating the practices of Property Managers.
- 1-3** The Property Manager shall comply with all relevant local and state ordinances regarding real estate law, licensing, insurance, and banking.
- 1-4** The Property Manager shall comply with all federal and state antitrust laws and shall follow the NARPM® Antitrust Policy and any related procedures.
- 1-5** The Property Manager shall not reveal confidential information of Clients, Tenants or others except as required in the course of performing his or her duties or as otherwise required by law. The Property Manager shall take all reasonable precautions to protect confidential information.
- 1-6** The Property Manager shall use reasonable efforts to ensure that information on his or her website, or that of his or her Firm, is current and accurate. If it becomes apparent that information on the website is not current or accurate, then the Property Manager shall promptly take corrective action.

- 1-7 Websites of the Property Manager shall not contain any deceptive metatags or other devices/methods to direct, drive, or divert Internet traffic in a deceptive manner or to otherwise mislead users. The websites shall also not manipulate listing content in any deceptive or misleading way.
- 1-8 The Property Manager shall disclose all details on the availability of rental properties to prospective parties on a regular and timely basis.
- 1-9 The Property Manager shall not exaggerate, misrepresent, misinform, or conceal pertinent facts in the advertising, leasing, and management of property. 1-10 The Property Manager shall make reasonable attempts to remove from the Internet listings for rentals that are no longer available.

Article 2: DISCRIMINATION

The Property Manager shall not discriminate in the management, rental, lease, or negotiation for real property, shall operate consistent with fair housing laws and regulations 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 and laws regarding discrimination.
- 2-2 The Property Manager shall not deny service to any person due to race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

Article 3: RESPONSIBILITY TO CLIENT

The Property Manager shall at all times act in a lawful manner to protect 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 Manager shall communicate regularly with the Client, either orally or in writing, and shall provide the Client with 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 The Property Manager shall review and verify all Tenant applications to determine the applicant's ability to pay rental fees and to assess 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 a potential Client about the rental market value of a property in an attempt to secure a rental listing.
- 3-6 The Property Manager shall disclose to his or her Client all pertinent facts relating to any transaction of a managed asset.

Article 4: OBLIGATIONS TO TENANTS

The Property Manager shall treat all Tenants honestly and professionally when they are applying for, living in, and/or vacating a managed residence, including through the deposit refund process.

STANDARDS OF PROFESSIONALISM

- 4-1** The Property Manager shall offer all prospective Tenants 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 within 7 days of moving in.
- 4-4** The Property Manager shall respond promptly to requests for repairs.
- 4-5** The Property Manager shall provide a written deposit refund determination to the Tenant within the time prescribed by law after the Tenant has vacated a property. The Property Manager shall not cause any undue delay in refunding or accounting for the security deposit.

Article 5: CARE OF MANAGED PROPERTIES

The Property Manager shall hold a high regard for the safety and health of those lawfully at a managed property and 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** The Property Manager shall terminate management of a property if the Client does not comply with habitability requirements.

Article 6: HANDLING OF FUNDS

The Property Manager shall hold all funds received on behalf of others in compliance with state law and shall not commingle the funds with personal or other business funds or use the funds for other than their intended purposes.

STANDARDS OF PROFESSIONALISM

- 6-1** The Property Manager shall keep appropriate records and shall prepare and furnish to the Client accurate and timely financial reports relating to the Client's rental and funds in accordance with the terms of the applicable management agreement.

Article 7: AREAS OF EXPERTISE

The Property Manager must provide competent service within his or her area of expertise, and refrain from the unauthorized practice of any other profession for which he or she is not licensed or qualified.

STANDARDS OF PROFESSIONALISM

- 7-1** The Property Manager shall perform only such services in such locations for which he or she is qualified and can reasonably be expected to perform with professional competence.
- 7-2** The Property Manager shall not perform and shall not represent that he or she can or will perform services outside of his or her area of expertise, particularly services that require a separate license or qualification – such as law, accounting, financial planning, construction, and/or contracting – unless the Property Manager independently possesses such license or qualification.

Article 8: COMMITMENT TO FIRM

The Property Manager shall act in the best interests of his or her property management Firm.

STANDARDS OF PROFESSIONALISM

- 8-1** The Property Manager shall not have any undisclosed conflict of interest with his or her Firm. If a conflict or potential conflict should arise, the Property Manager shall notify his or her Firm immediately.
- 8-2** The Property Manager shall not receive any form of compensation, rebates, or any other benefits without full disclosure to his or her Firm.
- 8-3** The Property Manager may not take or use any proprietary documentation, including but not limited to Client/Tenant lists, during or after his or her relationship with a Firm without express written consent from the Firm.

Article 9: RELATIONS WITH OTHER PROPERTY MANAGERS

The Property Manager 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 deal with other 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 their clients. This does not preclude the Property Manager from otherwise soliciting potential Clients or making general announcements about his or her 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 Manager of the Firm shall use best efforts to resolve the dispute prior to litigation.
- 9-4** The Property Manager shall not obtain or use the proprietary materials or work of a competing management Firm without the express written permission of that Firm.
- 9-5** The Property Manager shall cooperate with other property managers when it is in the best interests of the Client or Tenant to do so.

***Note:** The Federal Trade Commission (the "FTC") has conducted an investigation concerning certain provisions in the NARPM® 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 stated: "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"). 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: TRUTH IN ADVERTISING

The Property Manager shall ensure that all advertising is clear and forthright and includes only accurate and truthful statements about the property or services advertised.

STANDARDS OF PROFESSIONALISM

- 10-1** Regardless of the type of media used, advertising content shall be truthful and honest at all times.
- 10-2** No property shall be offered as "For Rent" without the actual permission of the Client. If an unlisted property is offered, permission must be obtained from the owner.
- 10-3** Disclosure must be made to all parties if information gathered through electronic advertising media may be sold to an outside party.
- 10-4** All marketing materials, whether printed or electronic, shall comply with state laws.

Article 11: RESPONSIBILITY TO NARPM® AND THE PROFESSION

The Property Manager shall comply with all policies and pronouncements of NARPM® and all relevant laws and rules of the jurisdiction in which he or she works, and shall strive to stay informed of and to educate others about relevant matters affecting the property management field.

STANDARDS OF PROFESSIONALISM

- 11-1** The Property Manager shall strive to improve the property management profession and NARPM® by sharing with others his or her lessons of experience for the benefit of all.
- 11-2** The Property Manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.
- 11-3** The Property Manager shall maintain his or her real estate license, if a license is required in their state.
- 11-4** The Property Manager shall abide by NARPM®'s bylaws and any other policies and procedures of NARPM®, and shall do no harm to the organization.
- 11-5** The Property Manager shall ensure that all electronic communications and marketing he or she prepares is professional with respect given to the recipients.

Article 12: COMPLIANCE AND ENFORCEMENT

The Property Manager shall comply with this Code and shall participate in and/or cooperate with any investigation and/or hearing conducted by NARPM® pursuant to this Code.

STANDARDS OF PROFESSIONALISM

- 12-1** The Property Manager shall review and shall take all necessary action to understand and to comply with this Code.
- 12-2** The Property Manager shall not interfere with any NARPM® action to investigate a violation of or to enforce this Code.
- 12-3** The Property Manager shall promptly supply any information requested by NARPM® during any investigation or enforcement action pursuant to this Code.
- 12-4** The Property Manager must take and pass an ethics course, which shall include discussion of this Code, every four years as a condition of continued professional membership.