



ARMLS®, Auctions and the Rules

Properties listed in the MLS that are to be auctioned are allowed in the MLS and do not have any special rules pertaining to them. Auction Listings are required to follow the same rules as all other Listings. Nevertheless, when listing a property to be auctioned there are certain rules that command special attention by the listing Broker and Agent. This guide is meant to help the listing Agent and Broker answer some specific questions as they pertain to listing auctions. Please note that **a Trustee Sale is not an auction.**

Commission

As with all MLS Listings, auction Listings must have a non-zero dollar or percent amount listed in the Buyer Broker and/or Sub Agent compensation fields. If done as a percentage, it must reflect what will be paid to the selling Agent on the gross sales price of the property.

Commissions must not be based on any conditions. Some, of the conditional commission statements that are used most frequently in listings and are penalty violations of the rules and **not allowed** include, but are not limited to:

- Compensation subject to auction terms
- Agent must be present with buyer at auction to meet auction terms
- If purchaser is licensed Agent, no selling commission will be paid

If at any point in the life of the auction listing the commission structure of the auction does not meet the unconditional standards for cooperative compensation in the MLS, the listing must be cancelled. For example, a listing carries a 3% commission to the Buyer Broker but only if bought at presale prior to an auction. The 3% commission complies with the rules until the property can no longer be purchased at pre-sale. Once the property cannot be purchased at pre-sale and will only be auctioned, the 3% commission is still valid with no conditions. If any conditions to the commission do now exist (such as the bulleted examples above) the Listing must be cancelled or the conditions removed on the commission.

Public Remarks

The Inappropriate Language Policy prohibits auction dates from being listed in the Public Remarks field but requires that the date is listed in the appropriate auction date field. That policy states in section 1 b:

Any item besides contact information that may lead someone to bypass their own contracted agent to directly seek out the listing agent are not allowed in the Public Remarks, Directions, Public Supplemental Remarks or Public Attachments. This includes but is not limited to: Open House information and Auction dates. You may disclose in the Public Remarks that the property is going to be auctioned, but you may include the date, if you are so

inclined, **only** in the Private or Semi-Private Remarks. The auction date also **must be included** in the Auction fields.

List and Reserve Price

The list price rule for all properties states in section 8.11 of the Rules and Regulations: **LISTING PRICE SPECIFIED.** The full gross Listing price stated in the Listing agreement will be included in the information published in the ARMLS compilation of current Listings unless the property is subject to auction. If a property will only be sold by auction, the Listing must state whether the Listing has a reserve price or that the property will be sold at auction without reserve.

The list price as with all listed properties must match what is written in the Listing agreement. It would also be acceptable to match a subsequently fully executed price change form as that constitutes a change to the Listing agreement.

If the auction has a reserve price, you **must** select that there is a reserve in the editing area of the Listing. You are not required to disclose what the reserve price is.

Listing Contracts and Status

If a Listing contract is no longer valid, the Listing must be cancelled. Auction houses and banks have no authority to have a listing Agent keep a Listing as Active that can no longer be sold by the Agent nor commission paid through the MLS.