

**Policy**

**Statements of Lockbox System Policy and Procedures**

Lockbox system policy, rules, and regulations are described in the following three documents:

1. CAAR Lockbox Security Requirements: Describes the minimum security measures that our lockbox system must follow in order to have the protection of the NAR Errors and Omissions Insurance Program.
2. Lockbox Key Lease Agreement: The agreement that is signed by all key holders; it describes the key holder's and broker's responsibilities.
3. This document, CAAR Policy #10: Describes CAAR lockbox system policies.
4. Signature of this policy is required by all cooperating eKey or Display Key users who wish to participate in our key system to open CAAR lockboxes.

**Lockbox Key Policy**

1. Lockbox keys are the sole property of CAAR.
2. A lockbox key can be leased to any REALTOR® in the state of Virginia with proof of active membership from the Association with which the REALTOR® is affiliated in the form of a letter of good standing. A CAAR Lockbox Display or eKey Lease Agreement must be signed by the key holder and his/her principal broker.
3. In signing the CAAR Lockbox Display or eKey Lease Agreement, the principal broker accepts ultimate responsibility for ensuring that the key holder abides by the CAAR Lockbox Security Requirements, the Lockbox Key Lease Agreement(s), and the CAAR Policy 10: Lockbox System Policy rules and regulations.
4. The terms of the CAAR Lockbox Key Lease Agreement(s) are statements of CAAR Lockbox System Policy. Additional rules, regulations, and statements of policy are found in this document and in the CAAR Lockbox Security Requirements.
5. A REALTOR® may not be in possession of another REALTOR'S® key (except in the case of a principal broker securing a key to return to the CAAR).
6. A REALTOR® may not allow a person who is not a REALTOR® or key holder to be present in a property, unless accompanied by a REALTOR® or the seller, without the written permission of the listing agent or seller. House keys may not be issued to a person who is not a REALTOR® or key holder without the written permission of the listing agent or seller.
7. A REALTOR® must secure the property and the property key unless otherwise directed by the listing agent or seller.

**Lockbox Location Policy**

1. A lockbox may not be placed on a property without written permission from the owner of the property.
2. Recommendation: For added security, lockboxes should be affixed securely to the listed property (but not to a US Mail Box).

**Lockbox Ownership Policy**

1. Ownership: Any REALTOR® licensed in the state of Virginia is eligible to purchase a lockbox.

**Summary of Possible Lockbox System Policy Violations:**

1. Lending a key.
2. Possessing another person's key (except for principal broker securing a key to return to CAAR).
3. Attaching the key's identity number (PIN code) to a key or keeping the key's identity number (the pin code) with the key.

4. Divulging a key's Personal Identification Number.
5. Duplicating a key.
6. Failing to comply with a key audit during any published audit schedule.
7. Failing to return a key upon request or termination of CAAR membership.
8. Not keeping lockbox key in a safe place.
9. Allowing a person who is not a REALTOR® or a key holder to be present in a property, unaccompanied by the seller or key holder, without the written permission of the listing agent or seller.
10. Issuing a house key to a person who is not a REALTOR® or key holder without the written permission of the listing agent or seller.
11. Failing to secure the property upon leaving the property, unless otherwise instructed by the listing agent or seller.
12. Failing to secure the property key.

### **Lockbox Location Policy Violations**

1. Placing a lockbox on a property without written authorization from the owner.

### **Penalties for Violations:**

Penalties for the violations above or for violations of the Lockbox Key Lease Agreement or CAAR Lockbox Security Requirements may be assessed to the key holder and/or his/her principal broker, and may include, but are not limited to, the following:

1. A letter of reprimand, with a copy of correct procedures attached, sent to the REALTOR® and principal broker and placed in the REALTOR'S® CAAR membership file.
2. A requirement to attend the CAAR New Member Orientation class within the two (2) months following assessment of the penalty.
3. A fine of not less than \$100.00 unless there is a violation of paragraph one (1) of the Lockbox Key Lease Agreement(s) in which case the fine will be not less than \$500.00.
4. An assessment for modification of the lockbox system, not to exceed \$120,000.
5. The suspension of lockbox privileges, including loss of lockbox key.

### **Processing Alleged Lockbox System Policy Violations**

#### **Steps for Reporting Suspected Lockbox System Policy Violations**

Anyone who suspects a lockbox violation may report it via the following steps:

1. Suspected violations should be reported to CAAR staff as soon as possible.
2. All reported suspected violations will be considered a violation review and handled in accordance with appropriate penalties.

#### **Lockbox System Policy Violation Review Process**

A "Violation Review" is the process through which CAAR investigates a suspected Lockbox System Policy violation and either determines that there has not been a violation, or, if a violation is found, staff develops a recommendation for the Board of Directors on action to be taken, if any. CAAR has reserved the right to hold an audit of keys. In cases where a key holder fails to present his/her key on or before the specified date of a key audit, CAAR has the authority to impose penalties as outlined in item 6 of the Lockbox Key Lease Agreement without prior approval from the Board of Directors.

Information reviewed as part of a Violation Review is strictly confidential and is discussed only with other CAAR staff or Board members in the context of the Violation Review.

If a violation is found, the REALTOR® and principal broker will be notified.

**Non Member Cooperating Key Holders**

All non-member cooperating key holders must agree to abide by the terms of this policy through cooperating your lockbox key with CAAR and our Supra system for opening lockboxes. Please sign below and return along with a letter in good standing from your primary Board when cooperating a key with CAAR's Supra service. Please retain a copy for your records.

\_\_\_\_\_  
Cooperating Agent Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Broker Signature

\_\_\_\_\_  
Date

CAAR members are not required to sign this form but are bound to the policy as stated.