



Mississippi Real Estate Commission

LEFLEUR'S BLUFF TOWER, SUITE 300
4780 I-55 NORTH, JACKSON, MS 39211

P.O. BOX 12685
JACKSON, MS 39236

(601) 321-6970 – Office
(601) 321-6955 – Fax

www.mrec.ms.gov

MREC GUIDELINES

Use of Artificial Intelligence Tools by Real Estate Licensees

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IMPORTANT NOTICE TO LICENSEES:

These Guidelines do not constitute Mississippi Real Estate Commission Rules, legal advice, or official policy statements of the State of Mississippi. MREC may update this document periodically as warranted by new developments or state policy.

MREC is aware of the increasing use of Artificial Intelligence (AI) tools in real estate practice by Mississippi licensees. While AI can be a useful addition to a licensee's toolbox, the fundamental legal duties and responsibilities of licensees remain unchanged.

The following cautionary guidance is not an attempt to comprehensively address AI use in the real estate field but seeks to heighten licensee awareness of problems arising from this new technology.

Licensee Responsibility Unchanged

Licensees are always responsible for their individual real estate activity/work product, regardless of the tools used. AI is a powerful but imperfect tool, and its use will not excuse licensee responsibility for resulting mistakes or misrepresentations.

- AI is known to exaggerate, “[hallucinate](#),” and fabricate its own version of reality when asked to edit photos (example: removing or adding furniture in a room), create marketing text (example: listing descriptions), or analyze documents.
- Licensees should always double-check AI-generated text, graphics and other work products for accuracy.
- The licensee, not the AI tool, will be accountable for any errors.

- The supervisory responsibility of Principal Brokers for the work of their agents applies in every circumstance. Brokers should be aware of whether and how your agents are using AI. [Establishing an AI use policy](#) (numerous resources available online) is recommended.
- Obtaining consent from clients/customers in whose service you utilize AI is advisable. This can be accomplished in your brokerage agreement.
- Licensees are encouraged to seek independent legal advice, as necessary.

Privacy/Confidentiality Issues

Any client/customer information inserted into an AI platform is likely retained and used in some manner by the platform. Licensees are encouraged to carefully read the end-user license agreement for any such platform and to seek independent legal advice, as necessary. Licensees should avoid entering personally identifiable information (PII) into such platforms, including but not limited to: name, DOB, SS#, address, phone, email, income estimates, or other private or sensitive information, unless fully disclosed and with the informed consent of the individual whose information is used.

The same warning applies to key brokerage documents. Private or proprietary business information in documents fed into an AI for any reason increases the chance of exposure.

Valuation Distortions

Automated Valuation Models (AVMs) use algorithms and statistical modeling to estimate the market value of a property but lack the nuance and local context a human would likely interject. AI cannot assess physical property conditions, neighborhood atmosphere, or recent unrecorded renovations.

Overreliance on AI for pricing discussions and negotiations between buyers and sellers could expose licensees to negligence claims.

Legal Issues

AI should not be relied on for legal answers or legal advice, its spectacular failures in this field being [well-documented](#). Reliance on AI for a legal opinion or review could expose a licensee to significant liability.

Conclusion

MREC and licensees share a common goal: to harness the benefits of technology while protecting both consumers and the reputation of the industry, enabling progress with integrity. If you have questions or concerns, contact us.