



May 12, 2014

MLS Issues & Policies Committee  
National Association of REALTORS®  
430 North Michigan Ave  
Chicago, IL 60611

Re: Proposed Policy on AVM's

Dear Committee Member:

UtahRealEstate.com (URE) is a regional MLS that provides service for over 90% of Utah REALTORS®. We are owned by three REALTOR® associations, and our Board of Directors is entirely comprised of REALTORS® including brokers from large franchise firms and local brands. We do not currently provide a feed of our entire off-market or sold database to anyone. We allow software controlled by our subscribers to connect to our RETS server and download a limited number of off-market or sold listings to complete CMAs or BPOs for individual subject properties. We do not allow the systematic download of all MLS data by third parties.

Our Board of Directors, shareholder association leadership, and subscriber focus groups have evaluated this policy on many different occasions. Our policy has been thoroughly debated numerous times. Once we saw the proposed NAR policy change, we posted a survey to our brokers asking if they support or oppose it, and why. Over 85% of our brokers **opposed** this policy change by NAR. Although there were many areas of concern, several recurring issues were prominent and are outlined below. We have also included direct quotes submitted by our brokers, through this survey:

**Issue #1 - Utah REALTORS® do not feel this policy change is in the best interest of their clients.**

“That is confidential information that our sellers have given us as REALTORS to use but not to distribute to everyone.”

“SOLD data is personal information. Let's keep it private!”

“I believe our data is going to be sold to companies that will profit from it and possibly misuse our clients and their privacy they trusted us with within our client /agent relationship.”

"I disagree [with the policy change] because this is a blatant violation of our clients' rights to choose whether they want that information posted or not posted."

"Information needs to be kept private, especially when we tell our clients that is what they should expect. NAR needs to cease following the example of the NSA and allow us our Constitutional rights of privacy."

"There is no benefit to our agents or clients in doing this. Who will this action serve? It seems to me that we are providing information to services such as [redacted] and I don't see that we have that responsibility. I am very opposed to this policy. Don't agree to it."

"The MLS should protect what we offer as a professional service to our clients."

"I feel that too much private information is available on individuals already. To make this information available would make consumers vulnerable to still more calls, junk mail, etc."

"This data belongs to our profession and in no way do we or our clients benefit by them selling it to third parties or selling it back to us."

**Issue #2 – Utah is a non-disclosure state and this policy change undermines the hard work that Utah REALTORS® have performed to maintain that status.**

"We have fought hard to remain a non-disclosure state because we want to make sure the information out there is accurate & not being used to put our Realtors at a disadvantage for the information they help provide."

"The UAR and the local associations have worked tirelessly for years to maintain our data as proprietary and to remain a non-disclosure state. Allowing NAR to require a complete feed would undermine that work and cause irreversible damage."

"[The policy change] diminishes our value and [there is] no control of what is done with the info. It's the reason we are a non-disclosure state...keep it that way!!!"

"Utah is a non disclosure State and as a broker we want to protect the distribution of our data."

"We are a non disclosure State and fight to remain that way. This would be the first step in losing that status. Do Not Cave"

### **Issue #3 – Automated valuations are notoriously unreliable and create problems for REALTORS®.**

“AVM’s will result in misinformation and banks denying loans that would otherwise be approved had they used a BPO instead.”

“I think that getting a real value comes from the local agents that work in the real areas daily. This same value cannot be produced by a digital automated system without personal input.”

“Automating property valuations does a disservice to the public by removing the people from the process.”

“Information could be easily misconstrued or slanted to fit a particular situation.”

“I feel like my doctor can read a medical transcription a lot better than I can. I feel like there needs to be a professional to present such sold data. To explain a little better I would say when an agent takes your average consumer through such data it is much easier for the customer to understand all factors in value. We all know that there is much more to sold value than just a number.”

“This will very definitely cause headaches for appraisers and lenders. No No No.”

“CMAs require a professional to adjust for subjective information. Automated data isn't accurate by itself.”

“This is part of our jobs as Realtors and if given to an AVM, it won't give reliable valuations leading to more problems with unrealistic and mistaken seller information. Just as medical lab tests need read and evaluated by professionals, so do property valuations.”

“Automated property valuations are sometimes crap and this is our livelihood they are messing with.”

### **Issue #4 – This policy change would effectively disable the security systems the MLS has in place to police the use of sold data.**

“Once a third party has all the data, how is the MLS to know what they are really doing with it? The MLS has done a good job using technology to secure access to this information for Realtor use only. This change would create a gaping security hole for unauthorized use.”

“Where does this end? Who else will have access to this data?”

“Our data is critical to our business in Utah. We should protect this data so that it is not shared with others that do not intend on protecting it!”

“You never know who will get the info and how it will be used.”

“Need to control who receives the data.”

**Issue #5 – Brokers own the data, not the MLS. Brokers should not be forced to give their data to third parties against their will.**

“We need to keep our info private and our own!!! This is craziness!! Please don't let NAR give away our data!!!”

“If you don't control your data, you don't control your business. It's our data and our MLS.”

“My business is my business. It will lead to taxation issues and prevent the privacy I demand.”

“This data is owned by us and is private.”

“Why anyone would want us to pay to collect the data and then provide it to the world, so that other interests can aggregate that same data, use it to promote their business and then sell the compilation and the leads generated from their business endeavors back to us, makes no sense. We have been good stewards of the public interest in our digital society, but this crosses the line. NAR should not be involved in the position of strong arming subordinate associations and independent brokers. If brokerages choose to provide their data, allow them to do so. NAR needs to remember whom they represent or should be representing.”

“I don't like the practices of the companies like [redacted] that would benefit from this information. It won't help our organization to participate.”

“We are a non-disclosure state yet more importantly we own our data and in no way should we be forced to simply hand our data over to NAR or any entity. As a MLS member I have spent years in time and in money creating our sold data, for NAR to simply demand it is WRONG!”

“This information is paid for by Realtors for private use.”

“There is a reason why we are a non-disclosure state. This looks like a veiled attempt to sell data to places like [redacted] who can then sell it to others. It would also open up the data to misuse. Another reason is that we pay to maintain the data for our use to provide expert market analysis data for our listings and for appraisal purposes. I firmly oppose the Big Brother, NAR, deciding to unilaterally tell us what we are going to do in each state.”

“We should have the flexibility to decide which information we choose to share that is in our

best interest.”

### **Request from Utah REALTORS®**

An AVM is a product that does nothing more than strip out the knowledge and expertise of local REALTORS® in order to derive a questionable property valuation, which could threaten the very life-blood of the industry: the successful real estate transaction. This proposal undermines the right to privacy and the spirit of Utah’s non-disclosure status that we have worked so hard to maintain. The vast majority of URE’s brokers oppose this policy change. They own the data and should be allowed to decide what is a permitted use, and what is not.

**We ask that the MLS Policy Committee leave the adoption of this policy up to the local discretion of each MLS.**

“NAR does not own the MLS and decisions for it should be made local to best reflect the needs of the communities that it serves.”

“It should be up to the board members and their views.”

“Don't let the NAR make this change!”


“Our current feed is sufficient there is no need to change it.”

“Shouldn't be mandatory.”

“We should have choice.”

We appreciate you taking into consideration the thoughts and opinions of Utah’s REALTOR® members.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Jensen", written in a cursive style.

Rebecca Jensen  
President and CEO  
UtahRealEstate.com