



27 April 2011

Pat Callan, Chairman
Multiple Listing Issues and Policies Committee
National Association of Realtors
430 North Michigan Avenue
Chicago, Illinois 60611

Dear Pat,

The Board of Directors of The Realty Alliance formally requests that the National Association of Realtors Multiple Listing Issues and Policies Committee consider our concerns and not adopt the recommendations of the IDX Data Use Work Group as outlined in the report and recommendations dated March 2011.

The work group recommendation allows for RSS syndication from IDX. We believe this allows anyone to obtain all data in an MLS area with no permission required and allows situations where another broker, who does not have a contract with the seller to broadly publish another broker's listing data with no limitations. This creates a condition where the legally responsible broker is no longer in compliance with their contract with the seller and their MLS rules and regulations. RSS and other electronic means of syndication allow any third party to obtain the broker's listing content without permission from the procuring broker and with no guarantee from the third party that they will conform to the rules and conditions of IDX.

Listing contracts hold brokers liable for listing content. In addition, the relationship between the broker and the MLS holds each party responsible for managing the listing to preserve the rights of the seller and the representing broker. Furthermore, the broker also legally perfects copyright ownership of the listing content when submitting it to the MLS and is responsible for the accuracy of the listing. Sellers acknowledge this copyrighted content will be shared by the broker with other broker participants in the MLS in ways that protect the seller. Unless otherwise indicated, the seller also consents to allow the broker to accurately advertise the listing for sale on the Internet through IDX. As you know, IDX has specific rules that indicate that other participating brokers may display the listing for sale on their website(s) – and in many markets on agent websites. IDX restricts the listing display of another broker's listing to the website of another MLS participant broker. Rules and regulations exist that exclude marketing any listing that is not active.

Some brokers also may advertise their own listings, not listings of other brokers, by sending that listing to other websites. The broker enters into an agreement to do this – an agreement that is in line with the listing agreement. The broker only advertises the listing during the term of the listing contract with the seller, ceasing all advertising activity when the listing changes status from active to any other status. Currently, listing syndication is performed only when brokers opt in, and listing data goes only to places the broker affirmatively directs.

As you know, the report confirms the issues and limitations of various forms of electronic media, such as no capacity to keep the listing content “refreshed” on social networking sites and the data limitations on posting vehicles that allow only portions of listing data to be displayed before those mediums run out of “space.” Definitions in the policy of permitted engines of transmission and display are overly broad and vague. Allowing agents to send data to social networking sites in this way circumvents necessary controls in place for other

distributions of data – controls that are necessary and prudent. In addition, that state laws and regulations likely conflict with these allowances should be a huge red flag.

Somehow MLSs still will be responsible for providing assurances to participating brokerages that IDX rules and regulations are being maintained. This duty likely will be untenable in light of limitless display and syndication of IDX content – beyond the reach of the MLS participants and subscribers.

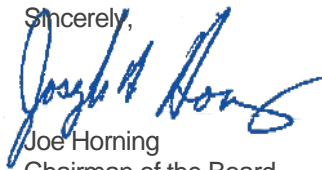
The burden – in expense, in workload and liability – falls on practitioners and MLSs. Those on the outside get the benefit of the use of the data, without the same responsibility and recourse and off the backs of practitioners laboring to secure listings and curate that data. We find that those voices pushing to spread our data far and wide tend to come from those not actively engaged in day-to-day real estate brokerage. We also question the case that some are making that the more places our data is displayed the better. In fact, we find the return on investment drops dramatically after just a handful of websites and that the problems and liabilities increase in the same significant fashion the more widely our data is displayed. There is no consumer outcry for more sources of listing data, as there exists today a bewildering amount of options, and they tend to concentrate their time on a small number of reliable sites. Too often the obscure, third-party websites have old, expired and inaccurate data and do not produce meaningful leads for our firms anyway.

In summary, the recommendations in this work group proposal raise significant issues of legality, liability and fairness. We strongly believe fundamentally that the issues and burdens created by this policy proposal do NOT outweigh the negligible value of increased availability of listings through these additional IDX channels.

As you know, The Realty Alliance represents more than 60 of the largest residential real estate companies in the United States, comprising close to 100,000 licensed salespeople, all of whom are members of the National Association of Realtors and participants in literally hundreds of MLSs. Our members combined to participate in more than half a million transaction sides last year, so we are very familiar with handling listing data.

We realize this is a separate agenda item, but since it dovetails and extends the policy we asked last week to be repealed, we likely will mention our concerns with the work group's proposal during our presentation to the full committee next week. If the order of your main committee meeting agenda is such that this proposal is addressed first for some reason, we would hope to be able to comment at the appropriate time. Thanks again for including us on the official agenda.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Horning".

Joe Horning
Chairman of the Board