

National Association of Realtors mulls MLS fee change

The change would require that the charge be 'reasonably related to the actual costs of serving those members'

BY ANDREA V. BRAMBILA

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WASHINGTON — The [National Association of Realtors](#) may allow multiple listing services to charge different fees to agents that don't belong to a Realtor association that owns the [MLS](#).

On Thursday morning, the trade group's Multiple Listing Issues and Policies Committee voted to approve a policy change that would give MLSs the option of charging subscribers that don't hold primary or secondary membership in a Realtor association that owns the MLS a different amount than it charges to those that do.

The policy change would require that the charge be "reasonably related to the actual costs of serving those members." The fee proposal does not address fees paid to MLSs by non-Realtors.

The current policy, MLS Policy Statement 7.9, allows MLSs to charge different fees to participants (principal brokers), but does not mention subscribers (generally, agents).

At the committee meeting and an MLS forum held just before, several attendees spoke in favor or against the measure.



"It feels like this is a protectionist measure to keep MLS membership within a local defined territory," said [Cameron Paine](#), senior vice president of industry relations at eXp Realty, noting that his large brokerage extended across multiple MLS territories. "The way I read this it could be detrimental to our business."

Cameron Paine



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Committee chair Greg Zadel said the policy amendment was meant to ensure broker access at a reasonable cost.

"The impetus behind this is not to force charges or try to keep brokers out of other MLSs," he said. "It's quite the opposite."

"It's to make sure brokers can get access to other MLSs."

A Realtor from New York State urged the committee to approve the amendment, noting that MLSs would be able to charge more or less, and that a broker with only a few agents would have the option of not joining the Realtor association but still join the MLS.

Rosemary Scardina, vice president of MLS and professional conduct at New Orleans-based Gulf South Real Estate Information Network (GSREIN), noted that some MLSs have been offering differential pricing for some time.

"This is not a new issue. And it has always proven to be useful because the amount of time it takes for someone who's not a member of the association to have to go back and track this person to make sure they're licensed etc. takes a little more time," she said.

"I've never known an organization to charge exorbitant rates," she added.



Rosemary Scardina

Rodney Gansho, NAR's director of engagement, said the policy proposal was intended to provide guidance to MLSs to make sure that if and when MLSs implement differential pricing for non-members of the local association, that the charge be "reasonable" and relate to the cost of providing services.

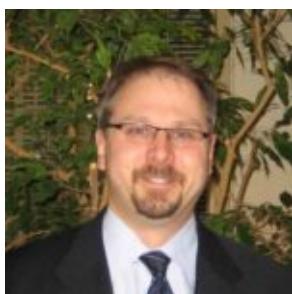
But Mary Smith, a Realtor from Monmouth County, New Jersey, said she had an issue with the term "reasonable charge."

"What does that mean and who's policing it?" she said.

"I'm not getting anything different than somebody who's primary board," she added. "We're all getting the same service."

The charge would be related to the administrative cost associated with having a subscriber who doesn't belong to the local association, "which is going to vary from MLS to MLS," according to MLS Forum Chair Brandy Guthrie.

"Who's going to police that [the charge] is justified?" Smith asked.



Rodney Gansho

NAR is not going to do tell MLSs what to charge, Gansho said.

"This is a guidance. If an MLS is charging egregious fees, then you can contact NAR. NAR will contact that MLS and make sure they're aware of this guidance as well," he said.

An exec from Monmouth Ocean Regional MLS said half-jokingly that based on a "10-second study," he was pleased to report that it cost his MLS no more to deliver services to members of his Realtor association than non-members. He suggested removing "reasonably related" from the proposal and replacing it with something like "directly related" because of the subjectivity of "reasonably."

"I don't think we should be giving MLSs carte blanche to charge a fee that's not related," he said.

But Rick Harris of Southern Oregon MLS opposed that suggested change, noting that it might cost an MLS differently to serve a non-association member if, for example, there is a dispute between

subscribers and the MLS has to serve as the arbiter rather than the association.

He also noted that brokers are not shy about saying if a fee is unreasonable and “what this actually does is you have to tie it back to specific costs you can show,” he said. The suggested change was voted down.

Chris Carrillo, CEO of Wisconsin-based Metro MLS, said the policy proposal stemmed from the committee’s decision in November 2017 to institute “[MLS of Choice](#),” which was intended in part to free MLSs to compete with one another.



Chris Carrillo

“As an organization we cannot on one hand say, ‘You can compete,’ but also come back and say, ‘You must compete [with] the rules that we tell you you must compete,’” he said, prompting some clapping from attendees.

Another attendee disagreed, however. “This isn’t about MLS of Choice, it’s really about Board of Choice,” he said, referring to a policy in which NAR members can choose which local Realtor association they belong to without regard to where their office is located.

The attendee said that some of his association’s members had found out they were paying 30-plus percent more for their MLS and subsequently thought they belonged to the “wrong” association.

“That is disgraceful,” he said.

Now that the MLIP Committee has approved the policy amendment to allow differential pricing among agents, it moves to NAR’s Executive Committee and if approved there, will be voted on by the 800-member NAR board of directors on Saturday.

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Rick Harris