MINUTES

CHAIR
Tom Berge, Jr. (Alhambra, CA)

COMMITTEE LIAISON
Merle Whitehead (Orchard Park, NY)

STAFF EXECUTIVE
Rodney Gansho (Chicago, IL)

CALL TO ORDER:
The meeting of the MLS Technology and Emerging Issues Advisory Board was called to order at 2:00 p.m. by Advisory Board Chair Tom Berge, Jr.

APPROVAL OF PREVIOUS MEETING MINUTES:
The minutes of the August 2017 Advisory Board meeting were approved as written.

SPECIAL GUEST:
Opening remarks were provided by John Smaby, 2018 President-Elect, National Association of REALTOR®. REALTOR® Smaby stressed the significance of serving on the Advisory Board and the importance of its work for the MLS industry.

TECHNOLOGY:

Realtor Property Resource® update
Jeff Young, Chief of Operations, Realtors Property Resource® discussed the latest developments with RPR, Upstream, and the recent decision to suspend RPR’s Advanced Multi-List Platform (AMP) to reduce costs and to allow for greater focus on RPR’s core initiatives.

Advisory Board members expressed interest in obtaining tax data directly from RPR to reduce local costs.

RESO (Real Estate Standards Organization) Standards compliance update
Advisory Board Members received a RESO Standards Report for February 2018 summarizing the number of MLSs compliant with the Data Dictionary and Web API, including the recent steps taken by NAR to enforce RESO standards for noncompliant MLSs. The group also received information about RESO’s efforts toward: 1) a universal property ID, 2) event modeling, and 3) Internet tracking.
EMERGING ISSUES:

Right to be Forgotten / Data Privacy

Mark Lesswing, Chief Technology Officer, National Association of REALTORS® discussed privacy issues around the concept known as the “Right to be Forgotten.” Put into practice in Europe, adoption is being debated in the United States, Canada, and elsewhere, in response to individuals who want greater control over their personal information online. The primary concern is the potential for a person’s online presence to exist indefinitely without ever being removed.

Artificial Intelligence

Dr. Aleksander Velkoski, Data Scientist, National Association of REALTORS® explained the history behind image-driven valuations and artificial intelligence (AI) in real estate. The future of valuations may lie within property photos, through the use of mathematical modeling to identify features and assign valuations to common attributes. Further, the future of AI will include a shift to Cloud and APIs, augmented discovery, algorithm marketplaces, and Human-in-the-Loop crowdsourcing, leading to real estate practitioners using AI-driven systems to do more, better and faster.

Cryptocurrencies

The group discussed the use of cryptocurrencies in local markets and the business models speculating on their continued use in real estate. It was decided that NAR staff should continue to monitor cryptocurrency use, and if appropriate raise it as a discussion topic again at a future Advisory Board meeting.

POLICY ISSUES:

Discussion of changes to MLS Policy Statements 7.42 and 7.43 (aka “MLS of Choice”) / July 1, 2018 deadline for adoption

The Advisory Board discussed implementation efforts and available resources to assist MLSs with adopting the changes to MLS Policy Statements 7.42 and 7.43 by the July 1, 2018 deadline. In addition to the existing information online, the group received information about an anticipated webinar with CMLS in early May, and helped refine content for a new webpage with specific waiver and billing options to comply with the policy change.

With the deadline to adopt changes only a few short months away, NAR staff and MLS leadership will continue work to inform and educate MLS staff, brokers and others about the necessary steps that must be taken before the July 1, 2018 deadline and beyond.

Ability to file listings of waived licensees

Advisory Board members discussed the ability of principal brokers to file property listings of waiver recipients under the changes to MLS Policy Statement 7.43. Based on previous discussions by the
Advisory Board and the Multiple Listing Issues and Policies Committee, the online FAQs related to this matter indicated that listings of waiver recipients could not subsequently be filed with an MLS by the principal broker.

The Advisory Board expanded that interpretation to provide local discretion for MLSs to prohibit submission through the waiver agreement, voluntarily accept submission at the broker’s discretion, or allow the MLS to require submission of the property listing based on the principal broker’s participation in the service. MLSs will want to consider carefully the consequences of the local policy adopted on encouraging or discouraging requests for MLS subscription waivers.

The online FAQ concerning this matter will be adjusted accordingly to reflect the expanded interpretation by the Advisory Board.

Proposal to establish a mandatory waiver option for CIE subscription fees

It was moved, seconded and carried:

Motion:

That Policy Statements 7.33 and 7.43 be revised to establish the benefits of a no cost waiver of subscription fees for CIEs.

Policy Statement 7.33: Information Related to Listings of Commercial and Industrial Property

An association or association MLS may also publish a compilation of commercial and industrial properties listed with association or MLS members so that prospective cooperating brokers will have the opportunity to contact the listing broker to learn the terms of any cooperative relationship the listing broker wishes to establish. Such a mechanism is not a multiple listing service. If an association or association MLS provides this type of informational function (commonly referred to as a commercial information exchange or CIE) to its members, it shall not publish either the total commission negotiated between the listing broker and the seller or any offers of compensation to cooperating brokers. If a relationship is established between the listing broker and a prospective cooperating broker, it is strongly recommended that the terms and conditions be established in writing prior to the time the cooperating broker commences any efforts to produce a prospective purchaser or lessee. None of the foregoing is intended to preclude a CIE from providing, as a matter of local determination, access to information from CIE compilations to affiliate members of associations or to others engaged in recognized fields of real estate practice or in related fields. (Revised 11/04) M

CIE fees, dues and changes: CIE participants must be given the option of a no-cost waiver for any licensee or licensed or certified appraiser who does not use the service and who can demonstrate subscription to a different CIE or MLS where their principal is a CIE participant. Waiver recipients and their participant may, at local discretion, be required to sign a
Policy Statement 7.43: Waivers of MLS Fees, Dues, and Charges

Recurring MLS fees, dues, and charges may be based upon the total number of real estate brokers, sales licensees, and licensed or certified real estate appraisers affiliated with or employed by an MLS participant. (Amended 11/17)

However, MLSs must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE where the principal broker participants. MLSs may, at their discretion, require waiver recipients and their participants to sign a certificate of non-use of its MLS services, which can include penalties and termination of the waiver if violated.

GENERAL DISCUSSION:

Brokers/licensees using expired listings in the MLS for lead generation / contacting unsuccessful sellers

Advisory Board members discussed the used of expired MLS listings to generate leads. Comments from Committee members via the HUB, NAR's online Committee communication platform, were also shared with the group in response to a post from Sam DeBord, Vice Chair, Multiple Listing Committee. These comments and the Advisory Board’s discussion indicate that the use of third party vendors to utilize the MLS’s expired listings to contact unsuccessful sellers via phone, and on occasion to even contact relatives of the seller(s), is increasing to the frustration of some property owners.

While it does not appear to be an issue of MLS policy, these concerns will be shared with the Interpretations and Procedures Advisory Board of the NAR Professional Standards Committee for possible consideration and action under the ethical duties of the NAR Code of Ethics.

Review of Committee member comments from the HUB Survey

Shad Bogany, Chair, Multiple Listing Issues and Policies Committee, used the HUB to survey Committee members on their most pressing local MLS issues. Below are some of the topics raised. The Advisory Board will continue its discussion of these topics at future meetings.

- Off MLS listings
- Disparity in local MLS rules within similar markets
- Inventory shortage
- Coming soon listings
CMLS / NAR Cooperation Agreement update

NAR continues to work collaboratively with the Council of Multiple Listing Services (CMLS). In addition to frequent conferences calls to discuss MLS related matters, NAR and CMLS are working specifically to assist MLSs in implementing the changes to MLS Policy Statements 7.42 and 7.43.

*NEW* SEO Fundamentals for Real Estate Videos

The Advisory Board received a preview of the new video series about SEO Fundamentals for Real Estate hosted by subject matter expert Rand Fishkin, which is available on nar.realtor.

The group also reviewed an analysis by Rand Fishkin of the potential change in IDX policy to require linking back to listing broker websites as suggested by Glen Kelman, CEO, Redfin, last year. No specific proposal was considered at this time.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 1:44pm on Tuesday, August 29, 2017.

Optional CRT Labs Tour

After the meeting, several Advisory Board members attended an optional tour of the CRT Lab located on the 5th floor of the NAR offices, 430 N Michigan Ave.

Members Present:

James Adams
Robert J. Bailey
Tom Berge, Jr.
Brad Bjelke
Shad Bogany
Chris Carrillo
Jonathan R. Coile
Matthew Consalvo
Sam DeBord
Carl DeMusz
Rick Harris
Jim Harrison
Cathy Holefelder
David Howe
Tracy Kasper
Michelle M. Kitzman
John Mosey
Veronica R. Mullenix
Cary Allen Sylvester
Debbie Wey
Greg Zadel

Members Excused:

Staff:
Rodney Gansho
Caitlin McCrory
Kevin Milligan
Diane Mosley
Mark Lesswing
Alexsander Velkoski