

Federal Trade Commission/Office of the Secretary
Room 135-H (Annex F)
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"Competition Policy and the Real Estate Industry."

Competition within the real estate industry is being eliminated in many states because of the "minimum services laws" that state legislatures are allowing themselves to be misled into passing by special interest groups. Restraining the level of services provided by real estate companies that have broken out of the box, and now are able to provide the consumer with a menu of services, is in no way a benefit to the economy or the consumer. It is the "Fee For Service" and "Discount" real estate models that create the competition within this industry. The "Traditional" real estate model has been practiced the same for over 100 years. As these bills pass, state by state, the only thing that is being written into law is the "Traditional" real estate business model. We have laws that prohibit the fixing of commissions in our industry, yet legislatures are being fooled, by allowing and supporting bills that mandate specific services be provided within a transaction which in itself opens a back door to price fixing and ingraining the "Traditional" real estate model in to law.

State and local boards, as well as MLS's throughout the country are adapting rules and regulations that are blatantly restricting the ability of the "Fee For Service" and "Discount" real estate industry, and I urge the DOJ and FTC to crack down on these boards to prevent the further growth of competition.

The NAR's ILD policy is perfect example of the elimination of our individual rights as Real Estate Brokers and Salespersons by omitting the "Selective Opt Out" option from the IDX and Vow rules that they are trying to replace. If anything, when considering competition in this industry, this ILD policy if implemented will play a huge part in the elimination of competition in this entire industry. Already we can see how these policies, or rules, IDX, VOW, have only created a platform for a monopoly by the largest companies such as Prudential and their association with the world wide website of Yahoo.com. If put into affect, the ILD policy will make Prudential's edge even greater. It is very important that the effect of this policy has at the selling level of real estate practitioners. The "old yahoo.com prior to its affiliation with Prudential." Each Brokers listings used to appear on the yahoo site in such a way that if the viewer consumer would click on a listing found on the yahoo site, they would then be taken directly to the "listing

Brokers” site. The “new yahoo site,” sense its affiliation with Prudential, now the consumer/viewer are taken directly to Prudential’s site. It can be said in this arrangement that Prudential is steeling or sucking up all the buyer leads that we used to get from our listings published on Yahoo.com. Competition! This eliminates competition. This creates a format for a monopoly.

If I had the “Selective Opt Out” ability, I could at least restrict my listings from being published on this specific site. I would have the right to decide if I felt it best for my company to forfeit all my buyer leads to another company that does not necessarily have the goal of selling that listing, but only to come into contact with a buyer that they can sell one of their own listings.

Rather than allowing special interest groups to lead law makers down a path that restrains trade, and cast into stone rules and laws of the “traditional” real estate models, that restrict competition in the real estate industry, as well as laws said to “protect” the consumer, why don’t we do the one thing that will not only “protect” the consumer but reduce competition in a positive way. That is increase the requirement to acquire a real estate salespersons and Brokers license. The state of Michigan only requires a 40hr. class and passing of a test to become a licensee. I am here to tell you “that’s a joke”! It should be 10 times what it is. Licensees in this industry are for the most part stumbling through their job. I have never seen an industry that has so many misunderstandings or different interpretations of the laws and rules as this industry.

I urge you, national and state lawmakers, STOP CREATING BAND AIDE LAWS that do nothing but create more confusion, and really do not do what they are intended to do. Understand the nuts and bolts before you pass a law that will not do what it is intended to do. I site Michigan bills HB 4849 & HB 4850. These bills are proof that law makers really do NOT UNDERSTAND how they actually apply to the “practice” of real estate.

Sincerely
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