

#### **MLS Working Group Statement of Principles**

(Adopted by the C.A.R. Board of Directors 9/24/2005)

(The accompanying explanations are the product of the MLS Working Group's discussions, but were not included in the motion adopted by the C.A.R. Board of Directors)

### 1. MLS data needs to be fully standardized with local options for data field variation.

We believe that local customization of MLS data fields has made the comparison of data between MLS's unnecessarily complex. A lack of uniformity has created artificial boundaries that impede the efficient operation of the market and the ability of REALTORS® to service their clients. We support universal data fields that are standard across all MLS's while also recognizing the need for adding local descriptors.

#### 2. California REALTORS® should have universal access to all MLS data.

C.A.R. members are licensed by the state Department of Real Estate and as such are able to sell property throughout California. Consumers have access to statewide and even nationwide listings through a variety of data aggregation sites on the Internet. In order for REALTORS® to provide their clients with the information they want, California REALTORS® should have access to all listing data in the state. Shared databases and reciprocal agreements should be strongly encouraged.

## 3. Use of MLS data and its distribution to third parties should be controlled by the brokers who provide the data.

We believe that a listing represents intellectual capital and that the process of creating a listing is a value-enhancing activity. Brokers entering into an exclusive agreement with sellers accept the responsibility for marketing the property and should have control over distribution of the listing data. The rampant and uncontrolled dissemination of valuable listing information on the Internet has increased the cost of doing business and devalued the role of the agent and broker in this process.

### 4. MLS entities should exist for the benefit of the participants and subscribers.

We believe that MLS fees should be set at a rate that gives the MLS and/or the Local Association a fair return for delivery of MLS services. We believe that local Associations of REALTORS® provide valuable services to their members. These include services and activities that advocate for homeownership, ethics and professionalism in the industry. We believe that local AOR's should be adequately and fairly compensated for these services, including those that may be directly associated with an MLS.

### 5. MLS rules should be uniform and enforced consistently.

Over the years the relevant market area for many brokers and agents has expanded beyond the artificial boundaries of now out-dated MLS regions. As a result brokers are increasingly operating in multiple MLS environments and facing complex issues related to the disparities in rules, regulations and enforcement governing different MLS's. We believe rules should be established that simplify and enhance the experience of MLS users across systems. To that end we believe that the C.A.R. Model MLS Rules should form the basis to develop statewide rules and standards of enforcement.

# 6. MLS Boards of Directors should include broker owners with appropriate regional representation.

We believe that broker involvement in MLS governance is critical. The MLS is the single most important business tool in the real estate industry and as such the provision of MLS services should be accountable to all participants. We believe it is imperative that brokers from both large and small firms be given representation on MLS Boards.