



## DATA SHARING UPDATE FROM REALCOMP PRESIDENT

AS OF JANUARY 31, 2008

Dear Realcomp REALTOR®:

On January 23, Realcomp II attended a meeting at the Ann Arbor Area Board of REALTORS®, also attended by members and staff of several other boards, associations and MLSs to explore different options for sharing MLS data between our organizations.

Presented at the meeting was a concept proposed by MiRealSource that has been closely and carefully examined by the Realcomp Board of Governors. It was determined that this model is not in the best interest of our REALTOR® members. It was unanimously decided to pursue an alternate course of action. Our primary concerns with the MiRealSource proposal include the following:

- Non-REALTORS® are able to access this MLS information. This goes against the philosophy and mission of Realcomp, which is to promote REALTORS® in all that we do. It is our membership in the REALTOR® trade association that assisted Realcomp in our victory over the Federal Trade Commission late last year. Our REALTOR® membership in the NAR provides errors and omissions insurance to Realcomp. This insurance along with contributions directly from the NAR covered \$800,000 of Realcomp's legal expenses in this landmark case.
- The fee structure, while at face value may appear more desirable in the short-term, is fraught with the potential for long-term negative impact on Realcomp subscribers. MiRealSource and the Down River Association of REALTORS® have both indicated a desire to move forward with this concept. Realcomp already provides full services to a majority of the Down River and MiRealSource members including nearly all listings from these two entities. The cost financially and in human resources necessary to see this concept to reality, including technology, infrastructure and administrative, could cause monthly fees to rise substantially. These additional costs cannot be justified for the remaining number of non-members or data, especially since many of our subscribers may experience an increase in their monthly fee.
- The proposed model would not contain important "checks and balances" that assure data accuracy and integrity. Various modules within Realcomp Online® have built-in programs to validate all of the listing information as it is entered against established business rules, field requirements and our extensive public record database.
- The Realcomp Board agrees that providing one database containing all available properties would be a benefit to our subscribers. The MiRealSource concept is very similar to that of Realcomp I. This model worked well at the time but was greatly enhanced to become the model that Realcomp II currently provides. The Board of Governors feels that this concept would not be a forward step for our subscribers.

We continue to respect and appreciate our current data share agreements. These agreements have recognized millions of dollars in savings to our subscribers. We will be working with our data share partners to move forward with enhancements such as more complete data with our exchange partners and a single log on which could eliminate the need for agents to request guest access and to remember several different passwords. We believe this plan to be a step in the right direction; allowing our respective REALTOR® subscribers the opportunity to realize an even greater benefit with our sharing arrangements.

This year will be another challenging year for our industry. It is the goal of Realcomp to not only provide the best service and technology available to our members but also to champion new initiatives that strengthen Realcomp and our industry.

Sincerely,

Douglas Hardy  
President, Realcomp II Ltd.

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