

The Real Estate Consumer Bill of Rights

Preamble

Buying and selling houses has become an increasingly complex proposition for consumers. Consumers and brokers struggle with practicing full disclosure. Consumers worry that their broker doesn't represent their best interests. To make the real estate industry all we want it to be, we have to protect consumers' ability to make informed choices by acknowledging a basic set of rights upon which everyone can agree. We thus hope to build a coalition of brokers committed to these rights so that consumers can buy or sell houses through any of us with confidence.

Bill of Rights

- 1. Choose the services you pay for:** Every real estate buyer and seller is unique. They each require a level of service consistent with their individual needs. They should be allowed to choose what services they need and those they don't and compensate the broker accordingly.
- 2. Know how your broker makes his/her money:** In real estate, the seller pays both his own broker and the buyer's broker a percentage of the sale. If a house seems difficult to sell, the seller may even offer buyers' brokers an especially high percentage. Buyers' brokers should be required to disclose this fact and explain to their clients how they are paid.
- 3. Know when you are committed to an agent and his/her brokerage:** The relationship between an agent and a consumer should always be explicit, so that both parties know when they're committed to one another.
- 4. Know what services your broker provides:** Much of the work of a buyer's broker begins after the buyer has agreed to buy a house. This work includes coordinating inspections, repairs, mortgages, title reviews and escrow services.
- 5. Have an agent that represents only your interests:** Most states allow an agent to represent the buyer and seller in one transaction, and get both sides of a commission. But an agent can't fairly represent the interests of two parties to the same transaction. Attorneys don't represent both plaintiff and defendant. An agent should represent only one party.
- 6. Know the qualifications of your agent:** Most 5th graders could pass the state real estate licensing examination. Simply having a license to represent buyers and sellers doesn't make an agent qualified. You should know when your agent was licensed, how many transactions they have completed, what area of expertise is their focus, and what continuing education and designations they hold.
- 7. See all the houses for sale:** Many of the multiple listing services set up to share listings between brokerages forbid participating Web sites from displaying for-sale-by-owner (FSBO) houses alongside broker-listed houses. Many brokers discourage buyers from touring FSBO listings because those sellers can be more difficult to work with. Ensure that your broker will show all houses for sale.
- 8. Have an open discussion about a house for sale:** On the Web, you can openly discuss almost any product for sale except a house. The rules of some MLSs discourage real estate Web sites from publishing independent reviews and preclude owners from distributing MLS marketing materials outside MLS-sanctioned Web sites. Once a house is for sale, everyone in the market should be able to discuss it.
- 9. See all the information available about a house for sale:** Many MLSs make it difficult for buyers to see recent past sales data, how long a house has been for sale, or whether its price has been reduced. Once a house is for sale, you should be able to see all the information available about it on your own, without becoming anyone's client. The only exception to this rule is information whose publication jeopardizes the seller's safety.
- 10. Recognize the value proposition the agent provides:** Brokers and their agents review houses and information concerning the real estate market every day. Although you should have access to all of the data, you need help interpreting that data. You need help understanding the complexities of a real estate transaction. A qualified and experienced broker is worth their weight in gold, but shouldn't hoard information.