Comment #: 70 February 18 2004

Mr. Kerry Beach Keller Williams Realty North Carolina United States

I am an associate with Keller Williams Realty, and my comments are my own and do not necessarily represent the opinion of my Keller Williams office or Keller Williams International. I fully support the principle of the Do-Not-Call rules, and my own home number is on the list. My wife and I believe strongly in respecting the privacy of our clients and prospects, and we do not cold-call prospects. Since the list and rules were enacted, we have been careful to check each prospect's number against the list for our area codes, and make sure that any call we make to a prospect is in compliance with the rules, to the best of our interpretation and the advice of our franchisor and trade associations. The majority of real estate offices are small independently owned businesses or locally-owned franchises of national firms. The vast majority of offices simply do not make millions of dollars in profit each year, and remember, the expenses of the office ultimately have to be passed as fees to the agents. As agents, we advise clients about a very complex process, subject to stringent legal statutes and rules. As a group, those of us who are members of the National Association of Realtors (NAR) comply with a comprehensive Code of Ethics that has been referenced by courts as an excellent example of such a code. We are under constant pressure to cut our charges but still provide excellent service and take full liability for our actions. My understanding is that each download of the Do-Not-Call list costs each organization (in our case, each office) several thousand dollars. On a quarterly basis, this has already created a significant new cost burden for our industry. There are many unanswered questions surrounding full legal compliance with the rules, which will take time to work out. It seems to me that we should stabilize for a while to work out the bugs of this new system before enacting a requirement that literally could force more Realtors out of business. While I recognize that the recent recession, coupled with record levels of home buying, has created a potential surplus of real estate agents, I cannot imagine that either the Federal government or state governments would be happy to see the industry forced out of the traditional fiduciary role and into a fee-for-service or "facilitator" model because of inceasing costs and pressure on commissions. Yet, I believe there is a definite chance of such a change sweeping across our industry in the next few years unless we do a better job of educating the public about the benefits of a fiduciary, continue to promote even higher standards within our industry, and avoid any extra burden to real estate companies and agents making a reasonable profit for the fiduciary service they provide. Before I became a Realtor, I bought and sold several houses. I learned first-hand how valuable a good agent is. My wife and I both strive to be responsible to our clients for our actions on their behalf. It will be very difficult for us to continue to do that, or to even be available as agents a year, or two or three from now, when our clients need us. Please think carefully before placing another cost burden on us. I strongly recommend that further rule-making be postponed until more time has passed to fully understand all the issues and all the impact of this system and rules.