



JEAN SCHMIDT
STATE REPRESENTATIVE

Chair Reynolds, Vice Chair Johnson, and Members of the Senate Select Committee on Housing, thank you for allowing me to present sponsor testimony on House Bill 466 before you today.

House Bill 466 will establish minimum standards for written real estate representation agreements between real estate professionals and their clients. This legislation comes as a result of the recent settlement announced by the National Association of REALTORS (NAR) related to nationwide litigation that came from homebuyer complaints about commissions. As part of that settlement, NAR will put into place new rules requiring realtors using the Multiple Listing Service to have written agreements with their clients.

This bill will set minimum standards that will help protect all parties throughout the homebuying process. Under this legislation, parties will be required to enter into these agreements before a seller may show a property or a buyer may make an offer to purchase a property. The agreements will be required to include: 1) an expiration date, 2) information on fair housing and blockbusting laws, 3) whether the relationship is exclusive or nonexclusive, and 4) terms of compensation.

It is vital that Ohio establishes standards for these agreements so that both the real estate professional and the buyer have a transparent understanding of the services being provided, compensation, and the responsibilities of both parties.

This bill is supported by the Ohio REALTORS and Zillow. It will directly improve the homebuying process and help Ohioans achieve the goal of homeownership.

Thank you for your time. I am happy to answer any questions you may have.