

SAFEMLS UPDATE: Protecting Your MLS and Your Value to Buyers and Sellers

November 14, 2008: Over the past couple of weeks, we have communicated information about the upcoming SAFEMLS security initiative that will greatly improve the security of access to NorthstarMLS. The MLS service exists to benefit the brokerage community (i.e., those that pay for its existence). As such, there are many components of MLS that should retain their Business-to-Business exclusiveness. High level MLS access security is a critical aspect of protecting and promoting this B2B exclusiveness. Far too many people (e.g. consumers, businesses, non-subscriber real estate licensees, etc.) are currently gaining unauthorized access to NorthstarMLS, including its full array of information, utilities and privileges. Below is a list of the most common concerns that have been expressed by our subscribers about the SAFEMLS initiative. Please take a moment to read our responses and let us know if you have additional feedback.

What is so special about the data that it needs to be protected to this extent?

The biggest part of the Board of Governor's decision to deploy SAFEMLS is to make it clear that the **only** path to the information resources of the MLS is through a Realtor and that professional quality information combined with professional quality advice, counseling and negotiation is worth every penny of the commission earned. The information in our databases is special in that it is created by and belongs to the brokers and their agents. It is one of your major assets that allows you to offer value to the consumer looking to sell or buy a house. The Board of Governors approved SAFEMLS back in May after several years of research. The objective of assessing and approving methods of securing access to our databases is to assure that only authorized subscribers can employ the information assets of MLS.

Aren't the Associations and RMLS doing this just to make money? Agents don't need the additional cost, especially during this market.

Our primary goal is to protect **your** ability to earn an income and to cut off those who exploit pirated access to our systems so that they cannot use **your** resources to avoid working with a real estate professional (also those who use unauthorized access to promote their own business, or extract fees from Realtors). SAFEMLS is in service in over 50 of the largest, most progressive MLS's in the country (including MRIS on the east coast—the country's largest MLS, greater LA/Orange County, Atlanta, North Texas/Dallas, NE Florida, San Diego, South Carolina, to name just a few). There are other competitive solutions out there, but none as widely adopted as SAFEMLS. Overall, there are an estimated 600,000+ agents in the country currently using some variation on the theme, with more continuing to be added.

Why? Because more than half of the accesses into “private” MLS’s are coming from non-subscribers. This fact alone means that those who do pay their MLS fees, pay more to cover the cost of delivering our core services. Unauthorized access falls into at least two categories: Non-paying agents/appraisers and the public. If we capture the “free-loaders,” it helps us keep costs down for everyone who plays fair. If we cut off consumer access to information resources that are intended for real estate professionals, we improve the likelihood of the consumer calling you when they are buying or selling.

We invested a considerable amount of money so that any member of a local Realtor Association as of early January would not have to go out of pocket **at all** for the security tools that will be necessary to access MLS. Ongoing cost of the program is included in the \$12.00 per member per year that is incorporated into your MLS fees but also includes the upcoming BookAShowing scheduling system, WEBForms online forms, REsearch back-up MLS system and expansions to our county tax database. Although we have had a 25% drop in MLS subscribers over the past two years, we have been able to hold subscription increases to a very small amount while still adding these new services.

I don’t have to have a security token to access my online bank account. Why do I need one for the MLS?

Our current password-based login authentication system is inadequate to protect the information entrusted to us by you and your clients. When you access your online bank or credit card account, you are accessing your personal information only, not the information of all the bank’s customers. When you access the MLS, you are accessing the entire database of all the information everyone has contributed. It’s more than just bathroom counts, square footage and other property details available to the public on Broker Web sites. It contains personal information on clients, confidential financial information, dates/times when properties are vacant, and access to the Home Base add/edit system and other tools.

The SAFEMLS system is in fact analogous to your banking experience whenever you use an ATM. Something you have (the ATM/debit card) and something you know (the PIN) combine to allow you to get money out of your account. One of the reasons that this level of access security works is because most people won’t give out their ATM card and disclose the PIN. If you lose the card, your account remains secure unless the PIN is written on it. Similarly, your online banking experience is protected by security measures that seem like the same kind of User ID and Password as you use to access the MLS; however, there is an overriding consideration affecting the likelihood of anyone sharing their passwords as occurs in our MLS world...it is your money at risk.

Many of us have experienced much inconvenience with the electronic key boxes. Why are you introducing another device that is just as inconvenient?

Those who will be most inconvenienced will be those that are getting MLS access free and will now have to start paying for it, and those that have no business on the system in the first place. We will offer alternatives to the push-button key fob security device. If you prefer, you will be able to have your passwords text messaged to your cell phone or through your Supra E-key. The key-fob device is different from the electronic key box in that it does not require any kind of connection or update. It is a self contained-device with up to an 8-year battery life. No matter where you are at, it will give you your password at the touch of a button. If you forget it at home, lose it, or break it, you will be able to quickly get a temporary password online until you can retrieve your device or get a new one. If you instead choose the "Text-Pass" service, all you need is your cell phone and the ability to text message.

The SAFEMLS program affects every subscriber of NorthstarMLS. Why were we not consulted before this decision was made? Why did we not have a vote?

We have representative groups that are part of every decision we make. For SAFEMLS, this included our Agent Advisory Committee (an annually rotating group of up to 40 agents that meets quarterly to provide feedback on MLS initiatives) and Boards of our shareholder Associations. These groups are made up of working agents and NorthstarMLS users, same as our subscriber base. In addition, we consulted with many of the 50+ MLS's throughout the U.S. and Canada that are successfully using these systems, some for years. Our Board of Governors (also consisting of broker, managers and agents appointed by the Associations and brokers), took all of this mostly supportive feedback into consideration when making their decision. With so many subscribers, we understand that we cannot make everyone happy with every decision, but RMLS and its Board do make their decisions based on the best interests of the membership and the industry.