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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Original: 2051
Cocodrilli
cc: Coccodrilli
McGinley
Harbison
Bush
Sandusky
Wilmarth
Jewett, Legal, Notebooks

November 29, 1999

Mr. Robert Nyce
Executive Director
Independent Regulatory Review Commission
14th Floor, Harristown 2
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Harrisburg, PA 17101

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RECEIVED
NOV 29 PM 1:45
INDEPENDENT REGULATORY
REVIEW COMMISSION

RE: Adoption of Consumer Notice Provisions Regulation
for Real Estate Licensees

BY MESSENGER

Dear Mr. Nyce:

I just learned recently that IRRC will meet later this week to consider adoption of the notice form and regulations for real estate licensees pursuant to section 608 Act 112 of 1998.

I have reviewed the proposed notice developed by the Real Estate Commission, and I do not believe that it expresses or comports with any understanding held by the legislators when considering Act 112:

- ✓ it is excessively detailed;
- ✓ it is unnecessarily formal and legalistic;
- ✓ and it is **so long** that it is unreasonable to believe that any normal, potential client would read through the entire thing before signing.

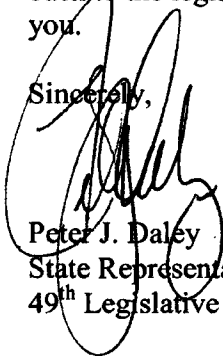
That leaves only two likely prospects for how this form will really work: either consumers will not read it any more than they read the voluminous disclosures they sign in hospitals (where there are just as many issues to consider about profit motive and trust as there are here); or, they will terminate the sales interview to take the form home, disrupting the ability of the licensee to begin development of the trust that is pivotal to a

professional business relationship. Why couldn't a short summary card expressing the fundamental intent of the legislature – that consumers be aware that they can have more than one kind of business relationship with an agent -- have been developed, with more detail available upon request? Section 608 (1), in my opinion, does not require this overwhelming level of detail; good writing could provide an adequate, on-point summary that expresses the sum of the parts and produce a document that will be read.

What is being proposed is not only likely to be detrimental to the reasonable business interests of the agents, but will clearly not achieve its intended purpose of consumer education – unless, of course, our real purpose here is solely to go through the motions to show that the consumer has signed a paper showing that he/she has been put on notice.

I ask you to send the Commission back to the drawing board and, if they feel it necessary, back to the legislature for any clarifications that will aid in a better effort than this. Thank you.

Sincerely,



Peter J. Daley
State Representative
49th Legislative District

Cc: Mr. Lucero
Ms. Barbara Harr
Judy Schulder, Esq.