



Department of Justice

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WEST VIRGINIA REAL ESTATE COMMISSION PERMITS REAL ESTATE BROKERS TO OFFER REBATES AND OTHER DISCOUNTS

Rescission of Regulation Will Benefit Consumers of Real Estate Services

WASHINGTON — In response to a Department of Justice antitrust investigation, the West Virginia Real Estate Commission has rescinded a regulation that prohibited West Virginia real estate brokers from offering rebates, inducements and other discounts to consumers. The Department said that abolishing the regulation will enable consumers to receive the full benefits of competition — lower prices and better services.

The Commission voted, on March 15, 2006, to repeal Commission Rule CSR §174-1-11 to permit real estate brokers to offer rebates, inducements, gifts and other discounts immediately. By state law, the amended rule enters into effect today, May 4, 2006.

“Rescinding the regulation is a good result for consumers in West Virginia,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

“Consumers in West Virginia can expect to benefit from increased competition through broker-offered rebates, incentives, and discounts. The Antitrust Division is pleased that the Commission, like the real estate commissions in Kentucky and South Dakota, took quick action to address the competition issues raised during the Division’s investigation.”

In August 2005, in response to an investigation by the Antitrust Division, the South Dakota Real Estate Commission rescinded two rulings that prohibited South Dakota real estate

brokers from offering rebates, inducements and other discounts to consumers. In March 2005, the Department filed a lawsuit against the Kentucky Real Estate Commission challenging the Commission's regulations that prohibited Kentucky real estate brokers and sales associates from offering rebates and other inducements to consumers. In July 2005, the Department reached a settlement with the Kentucky Real Estate Commission that resolved the Antitrust Division's competitive concerns. The Division continues to examine competition issues in the real estate brokerage service industry.

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