September 16, 2026

The Honorable William Tong, Attorney General of Connecticut
President, National Association of Attorneys General
1850 M Street NW, 12th Floor
Washington, DC 20036

Dear Attorney General Tong and Member Attorneys General:

We speak for millions of Americans who depend on fair housing markets, transparent transactions, and enforcement of laws that keep essential markets competitive. We write today because the housing market is broken in ways that cause real harm to families in every state — and because state attorneys general are uniquely positioned to begin implementing structural fixes that will improve market conditions nationwide.

In a bellwether case, the FTC and five states separately sued Zillow and Redfin last fall, alleging that Zillow struck a $100 million deal with Redfin to induce it to exit the online rental listings market.[1] This month, Zillow effectively conceded its conduct was harmful by agreeing to settlement terms that will modify that deal and put Redfin back in the listings market. That settlement also resolved the parallel claims brought by Arizona, Connecticut, New York, Virginia and Washington. But it stops short of restoring the market that existed before the deal. Zillow keeps the syndication partnership, the customer relationships and the scale the arrangement produced, while Redfin is left to rebuild competitive pressure from scratch. The Zillow-Redfin agreement as adopted significantly encumbered market competition: Zillow commands roughly two-thirds of U.S. real estate web traffic, and when a platform with that reach pays a rival to disappear, renters and property managers pay the price. But even with Redfin back in the listings market, Zillow has vowed to maintain its Redfin partnership,[2] and Redfin has said the settlement allows it to maintain that partnership through at least 2030.[3] The underlying issue is not resolved.

In any case, Zillow is only one of the most visible arms of a much larger beast. Housing affordability is among the most urgent economic issues facing families in every state. The Zillow litigation is important, but it is not nearly enough.

The evidence of broader distortion is everywhere. In January 2026, the brokerage Compass completed its $1.6 billion acquisition of Anywhere, creating a single entity

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[1] Federal Trade Commission, "FTC Sues Zillow and Redfin Over Illegal Agreement to Suppress Rental Advertising Competition" (2025), https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-sues-zillow-redfin-over-illegal-agreement-suppress-rental-advertising-competition; https://www.reuters.com/world/five-us-states-file-antitrust-lawsuit-against-zillow-redfin-2025-10-01/; https://www.multifamilydive.com/news/zillow-redfin-listing-lawsuits-merge/807095/

[2] https://x.com/DouglasLFarrar/status/2091951456995733839

[3] "Redfin ordered to reinstate listings, hire staff for the service under FTC settlement in Zillow case," Fortune (Aug. 25, 2026), https://fortune.com/2026/08/25/zillow-redfin-deal-ftc-competition-rental-market/

responsible for nearly one in five U.S. home sales.[4] A central pillar of Compass's growth has been its "pocket listing" strategy: marketing properties inside its own network before — or instead of — exposing them to the public market. Buyers who do not engage a Compass agent cannot see the inventory. Sellers reach a narrower pool of buyers and may receive lower offers. And the same brokerage frequently steers both sides of a transaction into dual representation, a practice that enriches the firm while leaving buyers and sellers without an unconflicted advocate.[5]

Led by Connecticut, some states have moved to force public listing of properties concurrent with any private marketing, because legislators recognize that information-hoarding distorts the market.[6] But state-by-state legislation is a patch on a national problem.

And then there are the fees that consumers never see coming. When a prospective homebuyer clicks "Contact Agent" on a dominant listing platform, they are typically routed not to the listing agent but to a buyer's broker who has paid the platform a referral fee — often up to 40 percent of the commission.[7] The buyer believes they are inquiring about a specific property, but they are actually being sold as a lead.

Reps. Jennifer McClellan and Don Beyer raised these very concerns with the FTC in May of this year, urging scrutiny of whether platform design misleads consumers into relationships they did not choose and obligations they did not understand.[8] State attorneys general possess independent authority to investigate these practices right now, under consumer protection and UDAP statutes, without waiting for federal action.

These problems compound one another. The National Association of Realtors settled landmark antitrust litigation in 2024 for more than $400 million after a jury found its rules suppressed price competition and artificially inflated transaction costs.[9] The settlement was supposed to make buyer's agent commissions negotiable, letting competition push fees down. Instead, dominant platforms have captured the commission structure through referral fee requirements that leave agents with no room

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[4] Ashley Nowicki, "Trump's Corrupt Gift to Big Real Estate," *The Economic Populist* (Mar. 25, 2026), https://economicpopulist.substack.com/p/trumps-corrupt-gift-to-big-real-estate.
[5] "Megamerger to Propel Compass's Strategy of Private Home Listings," *Wall Street Journal*, https://www.wsj.com/real-estate/megamerger-to-propel-compasss-strategy-of-private-home-listings-2a667309
[6] Conn. S.B. 340 (signed May 27, 2026); Wash. S.B. 6091 (2026); N.Y. S.B. S10274 (passed June 1, 2026); Lillian Dickerson, "Connecticut Governor Signs Bill Restricting Private Listings," *RealEstateNews.com* (June 1, 2026), https://www.realestatenews.com/2026/06/01/connecticut-governor-signs-bill-restricting-private-listings
[7] Elizabeth A. Harris, "Real Estate Giants Compass and Zillow Fight Over the Future of the Market," *New York Times* (June 6, 2026), https://www.nytimes.com/2026/06/06/realestate/zillow-compass-real-estate-consolidation.html; Yoram (Jerry) Wind, "Does Zillow Deceive Homebuyers? Evidence from a Controlled Experiment" (Jan. 27, 2026), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6140990
[8] Jake Indursky, "Lawmakers urge FTC scrutiny of real estate marketplaces," *The Real Deal* (June 4, 2026), https://therealdeal.com/new-york/2026/06/04/congressmembers-urge-ftc-scrutiny-of-real-estate-marketplaces/
[9] "The $1.8 billion 'conspiracy' verdict that rocked the real-estate industry has turned into a groundbreaking $418 million settlement," *Fortune* (March 15, 2024), https://fortune.com/2024/03/15/nar-settles-lawsuits-real-estate-commissions-threat/

to discount. The consumer pays full price for an agent who cannot compete on price — the precise outcome the litigation set out to end.[10]

This is not a functioning market. It is a series of toll booths, each operated by an entity that has captured a chokepoint in the transaction flow. And at every point in the process, families must either pony up another fee, or find themselves monetized in a way they did not anticipate and to which they would never consent without the coercion inherent in needing a place to live.

The families who are cost-burdened by housing in every state are not statistics. They are constituents who rely on their attorneys general to ensure that the markets they depend on are fair, competitive, and honest. We urge the National Association of Attorneys General to take up housing market integrity as a coordinated enforcement priority — and we call on you to take on the following specific actions:

- Investigate Zillow's compliance with the August settlement moving forward and launch consumer protection investigations into dominant listing platforms for the full range of anticompetitive and deceptive practices that have made housing less affordable and less accessible – including business practices that mislead consumers by routing "Contact Agent" inquiries to paying brokers rather than listing agents – and bring deceptive practices enforcement actions against platform design that obscures the true agent relationship. The rentals case is closed, but the conduct it exposed is not confined to rentals.

- Investigate patterns and practices of "mortgage kickbacks" between large online platforms and mortgage companies.

- Investigate Compass's "pocket listing" strategy and enforce state laws requiring properties marketed privately to be listed concurrently on public platforms; review the Compass-Anywhere acquisition under state merger review statutes and challenge it where it reduces competition.

- Establish a multistate working group to share evidence, coordinate litigation strategy, and align enforcement across state lines so that platform operators cannot exploit jurisdictional gaps.

State consumer protection statutes, unfair and deceptive acts and practices laws, and antitrust enforcement authority provide every tool necessary to act. The only question is whether those tools will be used — and you should use them.

[10] Consumer Federation of America, "Real Estate Referral Fees: Do They Harm Consumers?" (2020), https://consumerfed.org/news/reports/real-estate-referral-fees-do-they-harm-consumers/

Sincerely,

American Economic Liberties Project

Americans for Financial Reform Education Fund

Arkansas Community Organizations

Children’s Advocacy Alliance

Consumer Action

Consumer Federation of America

Demand Progress Education Fund

Economic Empowerment Center DBA Lending Link

Lake Research Partners

Native Voters Alliance Nevada

Nevada Chapter of the National Organization for Women

Nevada Justice Association

New Jersey Citizen Action

Open Markets Institute

Oregon Consumer League

Progressive Leadership Alliance of Nevada

Revolving Door Project

Virginia Citizens Consumer Council

William E. Morris Institute for Justice