November 17, 2026

The Honorable Rohit Chopra, Secretary
California Business and Consumer Services Agency
500 Capitol Mall, Suite 1850
Sacramento, CA 95814

The Honorable Chika Sunquist, Commissioner
California Department of Real Estate
651 Bannon Street, Suite 500
Sacramento, CA 95811

Dear Secretary Chopra and Commissioner Sunquist:

We speak for millions of Californians who depend on fair housing markets, transparent transactions, and enforcement of laws that keep essential markets competitive. We write because the California housing market is broken in ways that leave families suffering dire economic harm — and one of the most aggressive actors in distorting the market, to its own profit and to the detriment of the public, has been Zillow. We ask that you protect the public you serve — and exert your regulatory authority and statutory powers to rein this company in.

Given the sums of money involved in the residential purchase market, the real opportunity for Zillow is to soak homebuyers, and the company has used its market weight to secure a dominant position in all three components of a sales transaction: real estate listings, representation, and financing.

On the listings side, in March 2026 Zillow launched Zillow Preview, a program under which it pre-markets valuable listings under exclusive agreements with major brokerages — Keller Williams, RE/MAX, HomeServices of America, Side, and United Real Estate among them.[1] Over 400 brokerages have now signed exclusive deals, shutting every competing platform out of the freshest inventory, and Zillow has extended Preview

[1] Brooklee Han, *Keller Williams, REMAX, HomeServices, Side, United Counter Compass–Redfin–Rocket Push with Zillow's New Listing Preview Platform*, HousingWire (Mar. 17, 2026), https://www.housingwire.com/articles/zillow-preview-public-premarketing/; Press Release, Zillow Grp., Inc., Zillow Launches Zillow Preview to Bring Pre-Market Home Listings into the Open (Mar. 17, 2026), https://www.zillow.com/news/zillow-launches-zillow-preview-to-bring-pre-market-home-listings-into-the-open/.

listings to its purported rival Realtor.com[2] — leaving competing platforms shut out of the freshest inventory.

Zillow then capitalizes on this exclusive access to inventory by monetizing both the homebuyers and the listing. For instance, when homebuyers seeking representation click "Contact Agent" or "Request a Tour" on many Zillow listings, they are routed not to the listing agent but to Zillow-affiliated agents.[3] This is deliberate consumer deception. A Wharton study confirmed that, as common sense would suggest, people clicking those buttons expected to be contacted by an agent associated with the property, and almost none of the study participants could correctly identify who they would hear from based on Zillow's interface.[4]

These "Preferred" agents pay Zillow handsomely: Zillow extracts up to 40% of the buy-side commission from those agents as a "success fee" through its Flex program, removing any incentive to compete on price.[5] The Zillow Preferred Agent is essentially an interloper paying Zillow to execute a man-in-the-middle attack. This has triggered class-action litigation that includes RICO claims, alleging that Zillow and the participating brokerages meet the definition of a criminal enterprise.[6]

Zillow also pays listing agents 10% of the buy-side commission earned on sales that are closed through leads from Preview listings, including purchases of a different property from the one advertised.[7] This arrangement could encourage listing agents to simply park listings on Preview in hopes of collecting commissions on other sales. And the 10% commission is a rate Zillow sets unilaterally — violating the spirit and possibly the letter of the settlement the National Association of Realtors (NAR) reached in 2024 over the

---

[2] Jessi Healey, *Zillow's Preview Listings Go Live on Realtor.com,* Inman (Sep. 17, 2026), https://www.inman.com/2026/09/17/zillow-preview-listings-realtor-com.
[3] Brooklee Han, *Zillow Faces Class-Action Suit over Premier Agent, Flex Commissions*, HousingWire (Sep. 19, 2025), https://www.housingwire.com/articles/zillow-faces-lawsuit-over-agent-referral-practices/.
[4] Jerry Wind, Does Zillow Deceive Homebuyers? Evidence from a Controlled Experiment (Jan. 27, 2026) (unpublished manuscript), https://ssrn.com/abstract=6140990.
[5] *Zillow Preferred Pricing*, Zillow, https://www.zillow.com/preferred/pricing/ (last visited Nov. 9, 2026).
[6] Stephanie Reid-Simons, *Zillow Hit with Expanded Class Action Adding RICO Claims*, Real Est. News (Nov. 19, 2025), https://www.realestatenews.com/2025/11/19/zillow-hit-with-expanded-class-action-adding-rico-claims.
[7] Han, *supra* note 3; *Zillow Preview and Zillow Showcase FAQ*, REMAX (Mar. 17, 2026), https://resources.remax.com/remax-and-zillowpreview-faq/; *Zillow Preview Terms and Conditions* §§ 3.1–3.3, Zillow (Sept. 10, 2026), https://www.zillow.com/pro/zillow-preview-product-terms/.

industry's commission practices after a $1.8 billion adverse jury verdict.[8] This is just one tentacle of the Zillow octopus that has extended itself over the agent ecosystem.

Once the deal is signed and the search for a mortgage begins, Zillow coerces its affiliated buyer agents to steer consumers toward Zillow Home Loans, on pain of losing leads or expulsion from the Flex program.[9] And 72% of buyers submit only one mortgage application[10] — even though Zillow's own research validates the proposition that shopping around can save borrowers tens of thousands of dollars over the life of a loan.[11]

The reality of Zillow's mortgage steering bears this out. Georgetown University Law Center Professor Steven Salop found that Zillow Home Loans charges borrowers approximately $4,600 more on average than comparable lenders, amounting to a projected $186 million in consumer overcharges between 2025 and 2027.[12] Some borrowers pay even more: Salop's research found that the overcharge borne by military veteran, Black, and Asian borrowers amounted to $7,279, $8,225, and $6,417 respectively.

We note that under President Joe Biden, the Consumer Financial Protection Bureau sued Rocket Homes in 2024 alleging that an in-house mortgage referral scheme with similar terms violated the Real Estate Settlement Procedures Act (RESPA).[13] (The Trump administration dropped that case shortly after it undertook its illegal effort to dismantle the CFPB in 2025.)[14]

Needless to say, all those initial referrals to Zillow materially raise Zillow's mortgage-product market share and revenue, which in turn disproportionately raise the company's profits, given how much more expensive its mortgage products are than those of competitors. Above-market mortgages impose $65 billion a year in excess costs

---

[8] Hal Singer, *Zillow's Latest Scheme Warrants Antitrust Scrutiny*, Nat'l L. Rev. (Apr. 9, 2026), https://natlawreview.com/article/zillows-latest-scheme-warrants-antitrust-scrutiny.
[9] Amended Class Action Complaint ¶¶ 5, 61–64, Dupuis v. Zillow Grp., Inc., No. 3:26-cv-05049-JLR (W.D. Wash. May 4, 2026), ECF No. 27.
[10] Edward Berchick, *Buyers: Results from the Consumer Housing Trends Report 2026*, Zillow Rsch. (Oct. 14, 2026), https://www.zillow.com/research/buyers-housing-trends-report-2026/.
[11] Kara Ng, *Rate Shopping Can Save Buyers Hundreds a Month*, Zillow Rsch. (Dec. 11, 2025), https://www.zillow.com/research/mortgage-rate-shopping/.
[12] Steven C. Salop, Empirical Analysis of Zillow Home Loans Pricing (Dec. 21, 2025) (unpublished manuscript), https://ssrn.com/abstract=5951355.
[13] Press Release, Consumer Fin. Prot. Bureau, CFPB Files Lawsuit to Stop Illegal Kickback Scheme to Steer Borrowers to Rocket Mortgage (Dec. 23, 2024), https://wayback.archive-it.org/23481/20250102080229/https://www.consumerfinance.gov/about-us/newsroom/cfpb-files-lawsuit-to-stop-illegal-kickback-scheme-to-steer-borrowers-to-rocket-mortgage/.
[14] Memorandum from Protect Borrowers et al. to Interested Parties, CFPB Enforcement Actions Dismissed or Terminated Under Trump's CFPB (July 13, 2026), https://protectborrowers.org/wp-content/uploads/2025/10/CFPB-Pending-Enforcement-Actions-Memo.pdf.

on Americans,[15] and in line with Zillow's outsized presence, the company walks away with a large share of that.[16]

Zillow also has been expanding its practices in the rental market. Renters — who on average have lower incomes, less economic stability, and weaker negotiating positions than buyers — are obviously easy marks for Zillow, and for years the company has squeezed them, primarily by attempting to place its own listings in front of renters and block their access to those of competitors. In February 2025, Zillow took it a step further by "partnering" with Redfin in a deal where Zillow paid Redfin $100 million dollars to close its multifamily rental advertising business and transfer its clients to Zillow.[17]

In September 2025, the Federal Trade Commission and five states sued Zillow and Redfin, alleging that Zillow illegally paid Redfin to exit the online rental listings market.[18] The evidence was clear: FTC enforcers estimated that Zillow's customers paid an average of 14.5% more per listing after the anticompetitive deal.[19] And renters across the country — who, in many markets, find Zillow difficult to avoid due to its huge market presence — paid that cost.

In August of this year, Zillow settled[20] — but the settlement is far less than California consumers deserve. Zillow has vowed to maintain its Redfin partnership in some form

---

[15] Veronica Dagher, *Why You're Probably Overpaying for Your Mortgage*, Wall St. J. (June 26, 2026), https://www.wsj.com/personal-finance/why-youre-probably-overpaying-for-your-mortgage-0f5a5cfa.

[16] Zillow's conduct is one piece of a broader distortion in the housing listings market. In January 2026, the brokerage Compass completed its $1.6 billion acquisition of Anywhere, creating a single entity responsible for nearly one in five U.S. home sales. 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.

[17] Press Release, Off. of the N.Y. Att'y Gen., Attorney General James Stops Illegal Scheme to Eliminate Competition Between Zillow and Redfin (Aug. 24, 2026), https://ag.ny.gov/press-release/2026/attorney-general-james-stops-illegal-scheme-eliminate-competition-between-zillow.

[18] Press Release, Fed. Trade Comm'n, FTC Sues Zillow and Redfin over Illegal Agreement to Suppress Rental Advertising Competition (Sept. 30, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-sues-zillow-redfin-over-illegal-agreement-suppress-rental-advertising-competition; Press Release, Fed. Trade Comm'n, FTC Secures Order Resolving Antitrust Concerns with Zillow-Redfin Agreement (Aug. 24, 2026), https://www.ftc.gov/news-events/news/press-releases/2026/08/ftc-secures-order-resolving-antitrust-concerns-zillow-redfin-agreement.

[19] Jody Godoy, *Zillow Settles FTC Claims It Paid Redfin to Stop Competing on Apartment Listings*, CNBC (Aug. 24, 2026), https://www.cnbc.com/2026/08/24/zillow-settles-ftc-claims-it-paid-redfin-to-stop-competing-on-listings.html.

[20] Fed. Trade Comm'n, FTC Secures Order, *supra* note 17.

through at least 2030.[21] It retains the customer relationships the illegal arrangement produced and continues to benefit from the market consolidation it achieved during its term. And Redfin is left to rebuild its competitive position from scratch, in a market where Zillow remains the 800-pound gorilla.

All of this taken together portrays a company that will strike any deal in pursuit of market share and profit. California has the strongest toolkit in the nation to confront this conduct, and we urge you to use it by:

- Exercise the Department of Real Estate's disciplinary and rulemaking authority: investigate licensee steering that violates fiduciary duty, and adopt rules requiring properties marketed privately to be listed concurrently on public platforms, following the model of Connecticut's SB 340 (which was enacted)[22] and New York's S.10274 (which passed the Legislature but has yet to be enacted).[23]
- Investigating and, where warranted, filing suit under the Cartwright Act and Unfair Competition Law to challenge Zillow Preview's exclusive vertical agreements, the Zillow-Realtor.com arrangement, and the monopsonistic capture of pre-market listings — including Zillow's unilateral re-coupling of commissions after the NAR settlement.
- Bringing California Legal Remedies Act (CLRA) and Unfair Competition Law (UCL) enforcement actions for the deceptive "Contact Agent" and "Request a Tour" interfaces, undisclosed Flex commissions, and the failure to disclose that agent recommendations reflect Zillow's financial interests, not the consumer's.
- Coordinate with the multistate coalition that brought the Redfin action so that Zillow cannot exploit jurisdictional gaps between state enforcers.

The FTC settlement closed one case (and with an inconclusive resolution), but it did nothing to address the pattern of conduct that case exposed — a pattern now aimed squarely at the nation's largest homeownership market. California families deserve better than toll booths at every stage of finding a home. State consumer protection statutes, the Cartwright Act, the CLRA, and the Department of Real Estate's licensing power provide every tool necessary to act. The only question is whether those tools will be used — and they should be.

Sincerely,

---

[21] Godoy, *supra* note 18.
[22] Lillian Dickerson, *Connecticut Governor Signs Bill Restricting Private Listings*, Real Est. News (June 8, 2026), https://www.realestatenews.com/2026/06/01/connecticut-governor-signs-bill-restricting-private-listings..
[23] Fair and Transparent Real Estate Listings Act, Assemb. B. 10679-B, 249th Leg., Reg. Sess. (N.Y. 2026), https://www.nysenate.gov/legislation/bills/2025/A10679/amendment/B.

Demand Progress Education Fund
Americans for Financial Reform Education Fund
Children's Advocacy Alliance
Consumer Federation of America
Revolving Door Project