

Quick Facts About the Dispute Resolution System

- ◆ The Dispute Resolution System (DRS) is non-adversarial. Through mediation, the DRS focuses on agreement between the parties and results in a "win-win" settlement reached and agreed upon by the parties themselves.
- ◆ Mediation is faster than litigation. A lawsuit can take anywhere from several months to several years to be decided. As a rule, the Dispute Resolution System can help parties reach a settlement in about 60 days, from beginning to end.
- ◆ Parties who agree to mediate retain the right to pursue other legal remedies. If the parties cannot reach a mutually acceptable settlement during a mediation conference, they are free to arbitrate or litigate their dispute.
- ◆ Mediators can be licensed attorneys in the Commonwealth of Pennsylvania, licensed real estate brokers or others who have received formal training.
- ◆ Statistics show that mediation is successful nearly 70 percent of the time.

The Lancaster County Association of Realtors®

Since its inception in 1917, the Lancaster County Association of Realtors® (LCAR) has become a major force in the promotion and development of industry professionalism. Now over 1,500 members strong, this distinguished organization of professionals remains committed to providing buyers and sellers with knowledgeable, ethical and competent agents.

LCAR offers its members a computerized MLS to share property information, while providing increased market exposure to sellers. An electronic lock box system gives members the ability to safely provide maximum marketing exposure on occupied homes.

The Association administers a professional standards program that adheres to the principles of professionalism, integrity and competence, as outlined in the National Association of Realtors® Code of Ethics. This program assures the public that LCAR members believe in fair business practices, and the just rules that govern their professional conduct.

The Association's community outreach efforts have aided in the fight for fair and affordable housing. Its long-standing commitment to Transitional Living Center, a local provider of transitional housing, has translated into more than \$285,000 in funding through the proceeds of an annual charity dinner. As an active participant on regulatory bodies, LCAR has addressed equal housing opportunity and land development issues.

The Association subscribes to the code for equal opportunity and believes that it can best be accomplished through leadership, education and mutual cooperation. Members are accepted without regard to race, color, religion, sex, handicap, familial status or national origin.

Lancaster County
Association of Realtors®

Dispute

Resolution

System

**A Mediation Program
for
Home Buyers and Sellers**



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What is the Dispute Resolution System?

It's a fact that the vast majority of real estate transactions proceed through settlement without incident. However, there are times when dedicated real estate professionals and consumers have business disputes.

More often than not, these disputes are successfully resolved through better communications. Occasionally, disputing parties need another venue to resolve their disagreements. In the past, parties took their "case" to court. Today, via a program offered by the Lancaster County Association of Realtors®, disputes can be resolved through mediation and the help of a mediator.

A mediator is an impartial, trained third party, who does not offer opinions, pass judgement or render legally binding decisions. The mediator's only function is to help parties identify their differences and reach agreement on how to resolve them.

When a mutually acceptable solution has been reached, the parties sign a written agreement which outlines the terms of the settlement. Once the agreement is signed, both parties are legally bound to abide by its terms. If a settlement cannot be reached, the parties are free to arbitrate or litigate their dispute.

Unlike in arbitration and litigation, there are no losing parties in a mediation because the parties have been part of the process and together have agreed on the terms of the settlement.



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Dispute Resolution System: Who Can Participate?

The Lancaster County Association of Realtors® Dispute Resolution System (DRS) is available to all parties to a real estate transaction including, but not limited to, sellers, buyers, brokers, builders and home inspectors. Mediation can only take place when all parties to the dispute have agreed to submit the matter to the DRS.

Parties can pre-commit to mediation by signing an Agreement for the Sale of Real Estate which either contains a mediation clause or is accompanied by a mediation addendum. Parties who do not pre-commit to mediation when the sales contract is executed may agree to submit disputes by signing a written Agreement to Mediate after the dispute arises.

Indicating Mediation in the Dispute Resolution System

The decision to initiate mediation under the LCAR Dispute Resolution System should be made only after all attempts to negotiate an acceptable solution have been exhausted.

Any party can initiate a DRS mediation by submitting a written request to the Lancaster County Association of Realtors®. Upon receipt of the request, the Association will send each party a copy of the correspondence and a list of qualified mediators and their fee schedules.

Within 10 days, each party must review the list, cross off the name of any mediator to whom the party objects and return the list to LCAR. The Association will then appoint the first available mediator who is acceptable to all parties to the dispute.

The appointed mediator will contact all parties for the purpose of scheduling a conference, which must be held within 60 days of initiation of the process. Typically, the mediation conference is scheduled within 30 days and lasts between one and three hours.

The mediation conference is conducted in accordance with the *Rules and Procedures of the Dispute Resolution System*. These "rules of play" ensure fairness, uniformity and expediency. A copy of the *Rules and Procedures* will be sent to all parties engaged in the mediation.

Mediators, Attorneys and Fees for Service

DRS mediators can be licensed attorneys in the Commonwealth of Pennsylvania, licensed real estate brokers or others who have received formal training and agreed to participate in the LCAR program. As stated previously, parties have the opportunity to object to the selection of any mediator, particularly one who has any financial or personal interest in the results of the mediation.

Although parties to the mediation have the right to be represented by counsel, attorneys do not have to participate in the conference. Parties should consult legal counsel if they have any questions or concerns about mediation.

Mediation fees are divided equally among the parties to mediation and are payable in advance of the conference.



Should you have any questions about the Dispute Resolution System, consult with your broker or sales associates, or contact the Lancaster County Association of Realtors®.