



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Advertising Practices

May 4, 2007

John Taylor
President and Chief Executive Officer
National Community Reinvestment Coalition
727 15th Street, Suite 900
Washington, D.C. 20005

Dear Mr. Taylor:

I am writing regarding the National Community Reinvestment Coalition's ("NCRC") October 2006 petition asking the Federal Trade Commission to look into representations made by Zillow.com concerning the Zestimate™, the estimated market value that is produced by Zillow's real estate valuation algorithm. Specifically, NCRC contended that Zillow.com was misleading consumers and others concerning the accuracy of results produced by the Zestimate.™

Zillow's website states that the Zestimate™ is not an appraisal and should be used only as a starting point to determine a home's value. See www.zillow.com (last visited April 18, 2007). Since the filing of NCRC's petition, the Zillow.com website has been modified to make information about the Zestimate™ and its limitations more apparent and accessible to people who visit the website. For example, links on the home page and elsewhere take visitors to website pages stating, among other things, that the Zestimate™ is computed using a mathematical formula, without taking into consideration the features and condition of a particular home. *Id.*

The FTC staff believes that no further Commission action is warranted at this time. The decision not to recommend formal action in this matter should not be construed as a formal Commission determination of whether the actions challenged in the NCRC petition comply with Section 5 of the FTC Act. We invite NCRC to continue to bring to our attention real estate-related advertising practices that you believe may cause consumer injury.

Very truly yours,

Mary Koebel Engle
Associate Director
Division of Advertising Practices

cc: Liam Lavery, Esquire
Zillow.com