



## DISPUTE RESOLUTION SYSTEM

### MEDIATION PROGRAM

*A Fast, Easy and Inexpensive Alternative to Litigation*

#### WHAT IS DRS?

The Dispute Resolution System, or DRS, is a voluntary alternative to litigation. It uses an efficient mediation procedure to resolve disputes between homebuyers and home sellers.

#### WHY IS THIS PROGRAM NEEDED?

Each year in Alaska, thousands of homes are sold. Although most of these transactions result in satisfied buyers and sellers, disputes occasionally occur. The DRS was designed to meet consumers' needs in resolving these disputes.

#### WHO BENEFITS?

Everyone who voluntarily agrees to use the DRS will benefit. Their disputes will be resolved fairly, economically, quickly, and privately.

#### WHAT TYPES OF DISPUTES CAN BE MEDIATED?

Almost any type of dispute between or among buyers, sellers, brokers and other parties to a real state transaction can be mediated.

#### HOW IS THE DRS INITIATED?

The DRS may be initiated only after the parties involved in the real estate transaction have agreed in writing to use DRS. One of the parties to a transaction may call the Anchorage Board of REALTORS office and say they would like to resolve a dispute. The Board office will call the other parties to the transaction and ask if they would like to use DRS. When both parties have agreed to use DRS they will be asked to choose a mediator from a list of trained mediators supplied by the Anchorage Board of REALTORS. The mediator will call the parties to arrange a convenient time for a meeting. At this meeting, the mediator will explain the mediation procedure.

#### WHAT IS THE PROCEDURE?

The mediator will explain a set of standard guidelines to be followed. The parties may make suggestions and when all the parties agree to the guidelines, the mediation can begin. Each of the parties explains his/her position and his/her goals for a solution to the dispute. During the course of the mediation, the mediator will meet in private with the disputants to discuss all possible solutions.

#### HOW IS AN AGREEMENT REACHED?

When the disputing parties have reached and agreed on a mutually acceptable solution, they sign a written agreement, which outlines the terms of the settlement. Once the agreement is signed, the parties are legally bound to abide by its terms. If the parties cannot reach a mutual agreement settlement, they are free to arbitrate

#### WHO SERVES AS THE MEDIATOR?

DRS mediators are qualified, trained mediators who are members of the Anchorage Board of REALTORS who have agreed to participate in the program.

#### WHAT ARE THE FEES?

**\$300 per party**, for REALTORS or their clients, **payable at the time that the DRS package is submitted.**

**\$500 per party**, for Non-REALTORS or their clients, **payable at the time that the DRS package is submitted.**

#### IS THIS TOO GOOD TO BE TRUE?

This procedure is successfully working in several states to solve disputes arising from real estate transactions. DRS will save time, money, and emotional stress to all parties. Remember, nothing is lost and much can be gained by using DRS.

#### FACTS ABOUT MEDIATION

- Mediation is **FASTER** than litigation. A lawsuit can take anywhere from several months to several years to be decided. As a rule, mediation takes about thirty days from beginning to end. Statistics show that **MEDIATION IS SUCCESSFUL 80% - 90%** of the time.
- Mediation is **LESS EXPENSIVE** than litigation. Mediation fees are established by the Anchorage Board of REALTORS. Mediation is **NON-ADVERSARIAL**. Arbitration and litigation focus on disagreements between the parties and result in win-lose decisions imposed by the arbitrator or judge. Mediation, on the other hand, focuses on agreement between the parties and results in a win-win settlement reached and agreed by the parties themselves.
- Parties who agree to mediate **RETAIN THE RIGHT TO PURSUE OTHER LEGAL REMEDIES**. If parties cannot reach a mutually acceptable settlement during the mediation conference, they are free to arbitrate or litigate their dispute as if mediation never took place.