



# 179 WAYS

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## **AGENTS WHO ARE REALTORS® ARE WORTH EVERY PENNY OF THEIR COMPENSATION.**

Here's a look at all the things — big and small — that an agent who is a REALTOR® may do to help clients when buying and selling a home.

You know you earn every penny you get when you sell a home. This list can help you show your customers exactly what you do to help them buy or sell their home.

# PRE-LISTING ACTIVITIES



1. Make appointment with seller for listing presentation
2. Send seller a written or e-mail confirmation of listing appointment and call to confirm
3. Review pre-appointment questions
4. Research all comparable currently listed properties
5. Research sales activity from Local MLS Broker Marketplaces and public records databases
6. Research *Average Days on Market* for property of this type, price range, and location
7. Download and review property tax roll/assessor information
8. Prepare preliminary Comparable Market Analysis (CMA) to establish fair market value
9. Obtain copy of subdivision plat/complex lay-out
10. Research property's ownership and deed type
11. Research property's public record information for lot size and dimensions
12. Research and verify legal description
13. Research property's land use coding and deed restrictions
14. Research property's current use and zoning
15. Verify legal names of owner(s) in county's public property records
16. Prepare listing presentation package with above materials
17. Perform exterior Curb Appeal Assessment of subject property
18. Compile a formal file on property
19. Confirm current public schools and explain impact of schools on market value
20. Review listing appointment checklist to ensure all steps and actions are completed
21. Review Obsolete Property Rehabilitation Act (OPRA) Report from Township for all permitted records
22. Add client into your database



# LISTING APPOINTMENT PRESENTATION



23. Give seller an overview of current market conditions and projections
24. Tour property
25. Review agent's and company's credentials and accomplishments in the market
26. Present company's profile and position or niche in the marketplace
27. Present preliminary CMA to seller, including comparable properties, sold properties, current listings, and expired listings
28. Offer pricing strategy with updates to CMA based on tour of home and updates, upgrades professional judgment, and current market conditions
29. Discuss goals with seller to market effectively
30. Explain market power and benefits of Local MLS Broker Marketplaces
31. Explain market power of web marketing, IDX and REALTOR.com
32. Explain the work you do behind the scenes and your availability on weekends
33. Explain role in screening for qualified buyers and protect seller from curiosity seekers
34. Present and discuss strategic master marketing plan
35. Explain transaction/agency brokerage relationship
36. Review and explain all clauses in listing contract and addendum, then obtain seller's signature once property is under listing agreement
37. Review current title information
38. Gather square footage/measure overall and heated square footage as required
39. Measure interior room sizes
40. Confirm lot size via owner's copy of certified survey, if available
41. Note all unrecorded property liens, agreements, easements
42. Obtain house plans, if applicable and available
43. Review house plans and make copy
44. Prepare showing instructions for buyers' agents and showing times with seller
45. Discuss possible buyer financing alternatives and options with seller
46. Review current appraisal if available
47. Identify Homeowner Association manager if applicable
48. Verify Homeowner Association Fees with manager—mandatory or optional, plus fees
49. Order copy of Homeowner Association bylaws, if applicable
50. Research electricity availability, supplier's name, and phone number

# LISTING APPOINTMENT PRESENTATION (CONTINUED)



51. Have utility companies provide average utility usage from last 12 months of bills
52. Research and verify city sewer/septic tank system
53. Calculate average water fees or rates from last 12 months of bills
54. Confirm well status, depth and output from Well Report
55. Natural Gas: Research/verify availability, supplier's name, and phone number
56. Verify security system, current terms of service and whether owned or leased
57. Verify if seller has transferable Termite Bond
58. Ascertain need for lead-based paint disclosure
59. Prepare detailed list of property amenities and assess market impact
60. Prepare detailed list of property's inclusions and conveyances with sale
61. Compile list of completed repairs and maintenance items
62. Send vacancy checklist to seller if property is vacant and register the property with the township if it is vacant or a rental home
63. Explain benefits of Homeowner Warranty to seller
64. Assist sellers with completion and submission of Homeowner Warranty Application
65. Place Homeowner Warranty in property file for conveyance at time of sale
66. Have extra key made for lockbox and one for your file
67. Verify if property has rental units involved.
68. If the property does have rental units, make copies of all leases for retention in listing file
69. Verify all rents and deposits
70. Inform tenants of listing and discuss how showings will be handled



# LISTING APPOINTMENT PRESENTATION (CONTINUED)



71. Arrange for installation of yard sign
72. Complete new listing checklist
73. Review curb appeal assessment and provide suggestions to improve saleability
74. Review interior décor assessment and suggest changes to shorten time on market
75. Load listing into transaction management software program
76. Prepare Local MLS Broker Marketplaces Profile Sheet
77. Enter property data from Profile Sheet into Local MLS Broker Marketplaces Database
78. Proofread Local MLS Broker Marketplaces database listing for accuracy—including proper placement in map
79. Add property to company's active listings list
80. Provide seller copies of the listing agreement and Local MLS Broker Marketplaces Profile Sheet within 48 hours or within the time period of Local MLS Broker Marketplace guidelines
81. Take additional photos for upload into Local MLS Broker Marketplaces and use in fliers
82. Create print and internet ads with seller's input
83. Coordinate showings with owners, tenants, and other agents.
84. Return all calls
85. Install electronic lock box if authorized. Program agreed-to showing times
86. Prepare mailing and contact list
87. Generate mail-merge letters to contact list
88. Order *Just Listed* labels and reports
89. Prepare fliers and feedback reports
90. Review comparable Local MLS Broker Marketplaces regularly to ensure property remains competitive
91. Prepare property marketing brochure for seller's review
92. Arrange for printing or copying of marketing brochures or fliers
93. Place marketing brochures in all company agent mailboxes
94. Upload listing to company and agent Internet site, if applicable
95. Mail out *Just Listed* notice to all neighborhood residents
96. Advise network referral program of listing
97. Provide marketing data to buyers through international relocation network buyers
98. Provide marketing data to buyers coming from referral network
99. Provide *Special Feature* cards for marketing, if applicable

# LISTING APPOINTMENT PRESENTATION (CONTINUED)



- 100.** Submit ads to company's participating internet real estate sites
- 101.** Price changes conveyed promptly to all internet groups
- 102.** Reprint/supply brochures promptly as needed
- 103.** Feedback e-mails sent to buyers' agents after showings
- 104.** Review weekly market study
- 105.** Discuss with sellers any feedback from showings to determine if changes are needed
- 106.** Set up marketing reports on showing-time application and company website
- 107.** Place regular weekly update calls to seller to discuss marketing and pricing
- 108.** Promptly enter price changes in the Local MLS Broker Marketplaces database



## OFFERS

109. Receive and review all *Offer to Purchase* contracts submitted by buyers' agents.
110. Evaluate offer(s) and prepare a net sheet for the owner for comparison purposes
111. Explain merits and weakness of each offer to sellers
112. Contact buyers' agents to review buyer's qualifications and discuss offer
113. Deliver *Seller's Disclosure* to buyer upon request and prior to offer if possible. Upload to the Local MLS Broker Marketplaces additional documents at time of listing
114. Confirm buyer is pre-qualified by calling loan officer
115. Obtain buyers' pre-qualification letter from loan officer if not submitted with offer
116. Negotiate all offers per seller's direction on seller's behalf, set time limit for loan approval and closing
117. Prepare and convey counteroffers, acceptance or amendments to buyer's agent
118. Create excel spreadsheets for easy review on multiple bids
119. Email or send copies of contract and all addendum's to the closing attorney or title company
120. When *Offer to Purchase* contract is accepted, deliver to buyer's agent

## CONTRACTS

121. Record and promptly deposit buyer's earnest money in escrow account
122. Disseminate under-contract showing restrictions as seller requests
123. Deliver copies of fully signed *Offer to Purchase* contract to seller
124. Deliver copies of *Offer to Purchase* contract to lender
125. Provide copies of signed *Offer to Purchase* contract for office file
126. Advise seller of additional offers submitted between contract and closing
127. Change status in Local MLS Broker Marketplaces to *Sale Pending*
128. Update transaction management program to show *Sale Pending*
129. Provide credit report information to seller if property will be seller-financed
130. Assist buyer with obtaining financing, if applicable, and follow-up as necessary
131. Coordinate with lender on discount points being locked in with dates

# INSPECTIONS

- 132.** Deliver unrecorded property information to buyer
- 133.** Order septic system inspection, if applicable
- 134.** Receive and review septic system report, and assess any possible impact on sale
- 135.** Deliver copy of septic system inspection report lender and buyer
- 136.** Deliver Well Flow Test Report copies to lender and buyer, and property listing file
- 137.** Verify termite inspection ordered
- 138.** Verify mold inspection ordered, if required
- 139.** Confirm verifications of deposit and buyer's employment have been returned
- 140.** Follow loan processing through to the underwriter
- 141.** Add lender and other vendors to your management program so agents, buyer, and seller can track progress of sale
- 142.** Contact lender weekly to ensure processing is on track
- 143.** Relay final approval of buyer's loan application to seller





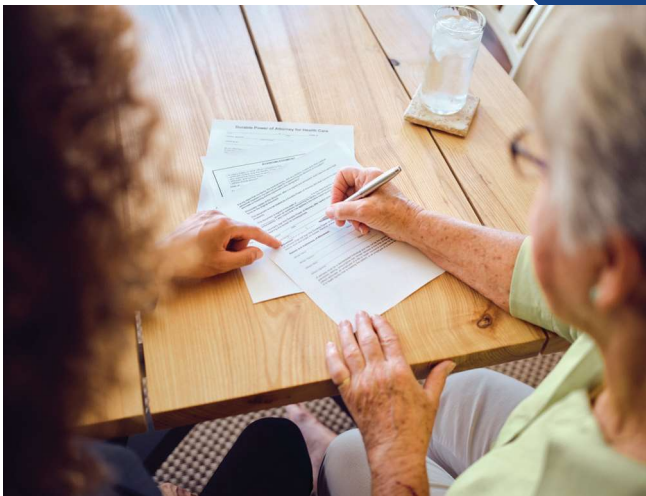
# HOME INSPECTIONS

- 144. Coordinate with seller for buyer's professional home inspection
- 145. Review home inspector's report
- 146. Enter completion into transaction management tracking program
- 147. Explain seller's responsibilities, and recommend an attorney interpret any clauses in the contract
- 148. Ensure seller's compliance with *Home Inspection Clause* requirements
- 149. Assist seller with identifying contractors to perform any required repairs
- 150. Negotiate payment, and oversee all required repairs on seller's behalf, if needed



# THE APPRAISAL

- 151. Schedule appraisal
- 152. Provide to appraiser any comparable sales used in market pricing
- 153. Follow-up on appraisal



# PROCESSING FOR CLOSING

154. Enter completion into transaction management program
155. Assist seller in questioning appraisal report if it seems too low
156. Get contract signed by all parties
157. Coordinate closing process with buyer's agent and lender
158. Update closing forms and files
159. Ensure all parties have all forms and information needed to close the sale
160. Select location where closing will be held
161. Confirm closing date and time, and notify all parties
162. Assist in solving any title problems or in obtaining death certificates
163. Work with buyer's agent in scheduling buyer's final walk-thru prior to closing
164. Double check all tax, homeowners' association dues, utility, and applicable prorations
165. Request final closing figures from closing agent (attorney or title company)
166. Receive and carefully review closing figures to ensure accuracy of preparation
167. Confirm buyer and buyer's agent have received title insurance commitment
168. Provide homeowners warranty for availability at closing
169. Forward closing documents to absentee seller as requested
170. Review documents with closing agent (attorney)
171. Coordinate closing with seller's next purchase, and resolve any timing problems
172. Have a *no-surprises* closing so seller receives a net-proceeds check at closing
173. Refer sellers to one of the best agents at their destination, if applicable
174. Change Local MLS Broker Marketplaces status to *Sold*. Enter sale date, price, selling broker, etc.



# FOLLOW-UP AFTER CLOSING



- 175. Share the warranty paperwork for claims in the future
- 176. Attempt to clarify and resolve any conflicts about repairs if buyer is not satisfied
- 177. Respond to any calls and provide any information required from office files
- 178. If a rental, verify all deposits and prorated rents are reflected accurately on the closing statement
- 179. Close out listing in your management program



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Print this out and use it in your listing presentation to show prospective sellers all that you do to earn your compensation.



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# NAR SETTLEMENT FAQs

Last Updated: July 31, 2024

## TABLE OF CONTENTS

NAR SETTLEMENT FAQs.....	7
SETTLEMENT OVERVIEW AND KEY TERMS.....	2
WHO IS COVERED.....	4
PRACTICE CHANGES & MLS INFORMATION.....	8
EFFECTIVE DATE CHANGE.....	9
OFFERS OF COMPENSATION.....	10
STEERING.....	14
WRITTEN LISTING AGREEMENTS.....	16
WRITTEN BUYER AGREEMENTS.....	17
CONCESSIONS.....	21
NON-FILTERING OF LISTINGS.....	22
COMMERCIAL NON-RESIDENTIAL LISTINGS.....	23
IMPACT.....	23
FINANCING.....	25
NAR OPERATIONS.....	27

*Note: New or revised FAQs are noted with the date added or updated.*

## SETTLEMENT OVERVIEW AND KEY TERMS

### 1. Why did NAR enter into this settlement?

- From the beginning of this litigation, we had two goals:
  - Secure a release of liability for as many of our members, associations, and MLSs as we could; and
  - Preserve the choices consumers have regarding real estate services and compensation.
- This proposed settlement achieves both of those goals and provides a path for us to move forward and continue our work to preserve, protect, and advance the right to real property for all.

### 2. What are the key terms of the agreement?

- **Release of liability:** The agreement would release NAR, over one million NAR members, all state/territorial and local REALTOR® associations, all REALTOR® MLSs, and all brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2 billion or below from liability for the types of claims brought in these cases on behalf of home sellers related to broker commissions.
  - NAR fought to include all members in the release and was able to ensure more than one million members are included.
  - Despite NAR's efforts, agents affiliated with HomeServices of America and its related companies—the last corporate defendant still litigating the Sitzer-Burnett case—are not released under the settlement, nor are employees of the remaining corporate defendants named in the cases covered by this settlement.
  - The agreement provides a mechanism for nearly all brokerage entities that had a residential transaction volume in 2022 that exceeded \$2 billion, and MLSs not wholly owned by REALTOR® associations to obtain releases efficiently if they choose to use it. Individual members and all brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2 billion or below are released by the agreement and not required to opt in.
- **Compensation offers moved off-MLS:** NAR has agreed to put in place a new rule prohibiting offers of compensation on an MLS. Offers of compensation could continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. And sellers can offer buyer concessions on an MLS (for example—concessions for buyer closing costs). This change will go into effect August 17, 2024.
- **Written agreements for MLS Participants acting for buyers:** While NAR has been advocating for the use of written agreements for years, in this settlement we have agreed to require MLS Participants working with buyers to enter into written agreements with their buyers before touring a home. This change will go into effect August 17, 2024.
- **Settlement payment:** NAR would pay \$418 million over approximately four years. This is a substantial sum, and it will be incumbent on NAR to use our remaining resources in the most effective way possible to continue

delivering on our core mission. NAR will not change membership dues for 2024 or 2025 because of this payment.

- **NAR continues to deny any wrongdoing:** NAR has long maintained—and we continue to believe—that cooperative compensation and NAR’s current policies are good things that benefit buyers and sellers. They promote access to property ownership, particularly for lower- and middle-income buyers who can have a difficult-enough time saving for a down payment. With this settlement, NAR is confident it and its members can still achieve all those goals.

### **3. Does this settlement mean that NAR is admitting that plaintiffs’ allegations are true?**

- No. The settlement makes clear that NAR continues to deny any wrongdoing in connection with the MLS cooperative compensation model rule (MLS Model Rule).
- It has always been NAR’s goal to resolve this litigation in a way that preserves consumer choice and protects our members to the greatest extent possible. This settlement achieves both of those goals.
- This agreement significantly reduces liability nationwide for over one million NAR members, all state/territorial and local REALTOR® associations, REALTOR® MLSs, and all brokerages with an NAR member as principal that had a residential transaction volume in 2022 of \$2 billion or below. Ultimately, continuing to litigate would have hurt members and their small businesses.
- The agreement provides a path forward for our industry and NAR.

### **4. By changing the cooperative compensation policy, aren’t you admitting that it was problematic?**

- No. The settlement makes clear that NAR continues to deny any wrongdoing in connection with the MLS cooperative compensation model rule (MLS Model Rule).
- NAR has long maintained—and we continue to believe—that cooperative compensation and NAR’s current policies are good things that benefit buyers and sellers. They promote access to real property ownership, particularly for lower- and middle-income buyers who can have a difficult-enough time saving for a down payment. Real estate laws in many states authorize offers of compensation.
- With this settlement, NAR is confident it and its members can still achieve all those goals.

### **5. What were the key factors that influenced NAR’s decision to choose the legal path it did for the settlement?**

- NAR explored settling throughout the litigation and carefully considered all legal options. These included:
  - **Appealing:** A win on appeal would only have addressed the verdict in the Sitzer-Burnett case (not any of the copycat cases) and may only

have resulted in a new jury trial, leaving members and consumers with continued uncertainty.

- **Chapter 11 reorganization:** In theory, Chapter 11 would have enabled NAR to eliminate its own liabilities while pursuing an appeal of the Sitzer-Burnett verdict. But we believe that would have left members with continued uncertainty and potential liability risk. Chapter 11 would also have paused the litigation against NAR but not the other defendants in the cooperative compensation cases.
- Ultimately, while NAR continues to believe that it is not liable for the home seller claims related to broker commissions and that we have strong arguments challenging the Sitzer-Burnett verdict, we decided to reach this settlement to put claims to rest for over one million NAR members and other parties who would be released under the agreement.

#### **6. How quickly do you expect the settlement to be reviewed and/or approved by the court?**

- The court granted preliminary approval on April 24, 2024.
- The practice changes set forth in the settlement agreement will take effect August 17, 2024, and class notice will take place no earlier than that date.
- The settlement is subject to final court approval. The final approval hearing is scheduled to take place on November 26, 2024.
- There are strong grounds for the court to approve this settlement because it is in the best interests of all parties and class members.

## **WHO IS COVERED**

#### **7. How do I know if I'm covered by the settlement?**

- If you are an NAR member as of the date of the class notice, you are covered by the settlement unless you are an employee of a remaining defendant (at the time of the settlement) in the *Gibson/Umpa* litigations (many of which have announced their own settlements) or you are associated with HomeServices of America or one of its affiliates. HomeServices of America announced its own settlement on April 26, 2024.
- Class notice will be sent out no earlier than August 17, 2024.
- Individual NAR members and their brokerages with 2022 total transaction volume for residential home sales below \$2 billion do not need to take any action to be covered by the settlement. *(Updated 5/29/2024)*

#### **8. Will I be covered by the settlement if I only became a member shortly before the date of class notice? Or, alternatively, dropped my membership shortly before the date of class notice?**

- To be covered by the settlement, you must be an NAR member as of the date of class notice.



- You will not be covered by the settlement—regardless of prior membership length—if you resign your membership, if your membership is terminated, or if your membership becomes inactive prior to the date of class notice.
- Class notice will be sent out no earlier than August 17, 2024.

**9. Brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2+ billion are not covered by the release. What about members affiliated with those brokerages?**

- Except for members affiliated with HomeServices of America and employees of the remaining corporate defendants named in the cases covered by this settlement, members affiliated with brokerages with an NAR member as principal whose transaction volume in 2022 was \$2+ billion are covered by the release.
- Individual members and all brokerages with an NAR member as principal with a residential transaction volume in 2022 of \$2 billion or below are released from liability in the proposed settlement agreement. No further affirmative steps are required.

**10. How does the settlement affect corporate brokerages and any brokerages that are carved out from the release?**

- The agreement provides a mechanism for nearly all brokerage entities that had a residential transaction volume in 2022 that exceeded \$2 billion, and MLSs not wholly owned by REALTOR® associations to obtain releases efficiently if they choose to use it.
- While we would have preferred to protect all industry players, ultimately NAR could not persuade the plaintiffs to include the largest brokerages, particularly given the significant settlements that other corporate defendants have already reached.
- Individual members and all brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2 billion or below are released from liability in the proposed settlement agreement. No further affirmative steps are required.

**11. Why does the release of liability carve out some co-defendants and some of their affiliated agents?**

- NAR fought to include all members in the release and was able to ensure more than one million members were included.
- Despite NAR's efforts, agents affiliated with HomeServices of America and its related companies—the last corporate defendant still litigating the Sitzer-Burnett case—are not released under the settlement, nor are employees of the remaining corporate defendants named in the cases covered by this settlement. HomeServices of America announced its own settlement on April 26, 2024.
- Plaintiffs would not agree to include these members and employees of the corporate defendants in the NAR's release.
- NAR secured in the agreement a mechanism for nearly all brokerage entities that had a residential transaction volume in 2022 that exceeded \$2 billion,

and MLSs not wholly owned by REALTOR® associations to obtain releases efficiently if they choose to use it.

**12. How does the settlement affect state/territorial and local associations?**

- State/territorial and local associations do not need to opt-in to the settlement agreement. The agreement would release all state/territorial and local REALTOR® associations from liability for the types of claims brought in these cases on behalf of home sellers related to broker commissions.
- State/territorial and local associations are required to comply with the practice changes agreed to in the settlement. *(Updated 5/29/2024)*

**13. Are institutes, societies, and councils affiliated with NAR included in the release in the settlement agreement?**

- Yes.

**14. Does the fact that the release does not cover everybody mean that NAR has left large corporate brokerages and affiliated agents to fend for themselves?**

- Absolutely not. NAR fought to include as many people and companies in the release as possible and achieved a release for everyone it could. Over one million members are covered, as are tens of thousands of REALTOR® businesses.
- The scope of the release makes clear that NAR looked out for its members. Ultimately, NAR was able to ensure that agents, even those at brokerages that are not covered, are among the more than one million members released.
- Despite NAR's efforts, plaintiffs would not agree to include everybody.
- Those that are not released—the largest companies in our industry—are no worse off now than they were before the settlement.
- In fact, many are better off, as thousands of their independent contractor real estate agents are released by the settlement.
- However, they can choose whether to use the mechanism NAR negotiated.
- Our options included reaching a settlement or continuing to appeal the Sitzer-Burnett verdict and litigate the related cases. The latter could have led to our filing for Chapter 11 protection, leaving all members, associations, MLSs, and brokerages exposed.

**15. What is required for brokerages with residential transaction volume in 2022 that exceeded \$2 billion to obtain releases?**

- NAR secured in the agreement a mechanism for nearly all brokerage entities that had a residential transaction volume in 2022 that exceeded \$2 billion to obtain releases efficiently if they choose to use it. However, the remaining defendants in the actions covered by the Agreement cannot use the opt-in mechanism.
- Broadly speaking, the opt-in provides two paths:

- **Option 1:** A brokerage can elect to pay an amount based on a predetermined formula based on that brokerage's residential transaction volume.
- **Option 2:** A brokerage can elect to participate in non-binding mediation within 110 days following preliminary approval of the settlement.
- Brokerages can also choose not to participate in this settlement.
- In order to be released under the settlement, eligible brokerages must agree to and execute Appendix C – Brokerage “Opt In” Agreement and return it—along with the required documentation and indication noted in paragraph 20 of Appendix C—to the email addresses [realtorsoptin@jndla.com](mailto:realtorsoptin@jndla.com), [realtorsoptin@cohenmilstein.com](mailto:realtorsoptin@cohenmilstein.com), and [nargovernance@nar.realtor](mailto:nargovernance@nar.realtor) within 60 days of the filing of the motion for preliminary approval (by June 18, 2024).
- All agreements reached through this mechanism would be subject to court approval.

## 16. What is required for non-REALTOR® MLSs to obtain releases?

- For MLSs that are not wholly owned by a REALTOR® association, the agreement includes a mechanism to obtain a release efficiently if they so choose.
- The agreement provides two paths:
  - **Option 1:** An MLS can elect to pay an amount based on a predetermined formula based on number of MLS subscribers.
  - **Option 2:** An MLS can elect to participate in non-binding mediation within 110 days following preliminary approval of the settlement.
  - **Non-REALTOR® MLSs** can also choose not to participate in this settlement.
- Under both options, participating non-REALTOR® MLSs would agree to be bound by the practice changes set forth in the settlement agreement, including and not limited to the adoption of a rule prohibiting offers of compensation on that MLS.
- Non-REALTOR® MLSs must:
  - Execute Appendix D—Non-REALTOR® MLS “Opt In” Agreement—by June 18, 2024, which is 60 days from the filing of the Motion for Preliminary Approval.
  - Return the executed Agreement—along with the required indication noted in paragraph 20 of Appendix D—to the email addresses [realtorsoptin@jndla.com](mailto:realtorsoptin@jndla.com), [realtorsoptin@cohenmilstein.com](mailto:realtorsoptin@cohenmilstein.com), and [nargovernance@nar.realtor](mailto:nargovernance@nar.realtor)
  - Choose between the options to either pay a per-subscriber fee to the Settlement Fund or pay an amount agreed to in a non-binding mediation.
  - NAR recommends implementing practice changes by August 17, 2024. In any event, those opting in must implement practice changes no later than September 16, 2024, which is 150 days from the filing of the Motion for Preliminary Approval, to be a Released Party under the settlement.

- NAR recommends all MLSs opting into the settlement implement the practice changes by August 17, 2024.

### **17. What is required for REALTOR® MLSs to obtain releases?**

- REALTOR® MLSs must:
  - Execute Appendix B by June 18, 2024, which is 60 days from the filing of the motion for preliminary approval.
  - Return the executed REALTOR® MLS “Opt In” Agreement Appendix B to the email addresses [realtorsoptin@jndla.com](mailto:realtorsoptin@jndla.com), [realtorsoptin@cohenmilstein.com](mailto:realtorsoptin@cohenmilstein.com), and [nargovernance@nar.realtor](mailto:nargovernance@nar.realtor)
  - Implement the practice changes by August 17, 2024, to be in compliance with mandatory NAR policy.

### **18. What happens if a non-REALTOR® MLS doesn’t opt-in to the proposed settlement agreement?**

- An MLS would not be covered by the release of the proposed settlement agreement.

## **PRACTICE CHANGES & MLS INFORMATION**

### **19. What MLS policies have changed?**

- The policy changes, agreed to by NAR leadership, were reviewed and updated with the changes as outlined below:
  - Eliminate and prohibit any requirement of offers of compensation on an MLS between listing brokers or sellers to buyer brokers or other buyer representatives.
  - Retain, and define, "cooperation" for MLS Participation.
  - Eliminate and prohibit MLS Participants, Subscribers, and sellers from making any offers of compensation on an MLS to buyer brokers or other buyer representatives.
  - Require an MLS to eliminate all broker compensation fields and compensation information on an MLS.
  - Require an MLS to not create, facilitate, or support any non-MLS mechanism (including by providing listing information to an internet aggregator’s website for such purpose) for Participants, Subscribers, or sellers to make offers of compensation to buyer brokers or other buyer representatives.
  - Prohibit the use of MLS data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers or other buyer representatives. Such use must result with an MLS terminating the Participant’s access to any MLS data and data feeds.
  - Reinforce that MLS Participants and Subscribers must not, and MLSs must not enable the ability to filter out or restrict MLS listings that are communicated to customers or clients based on the existence or level

of compensation offered to the cooperating broker or the name of a brokerage or agent.

- Require compensation disclosures to sellers, and prospective sellers and buyers.
- Require MLS Participants working with a buyer to enter into a written agreement with the buyer prior to touring a home.

## **20. What is the value of an MLS?**

- MLSs have always provided significant value beyond communicating offers of compensation.
- MLSs:
  - Enable comprehensive marketplaces: Access to inventory and widespread advertising incentivizes local broker participation.
  - Ensure reliable data access: NAR guidelines for local MLS broker marketplaces enable hubs of trusted, verified information where all participants have equitable access.
  - Create connections: Local MLS broker marketplaces create the largest opportunity for connections between real estate agents with properties to sell and those with clients looking to buy.
  - Advance small business: Compiling housing information that is accessible to all businesses, in one place, allows smaller real estate brokerages to compete with larger ones.
  - Encourage entrepreneurship: Because of lower barriers to entry enabled by local MLS broker marketplaces, new market entrants can advance technology, consumer service and other innovations.

## **21. How has the definition of an MLS Participant been changed?**

- The definition has been amended to remove any references to offers of compensation and to establish that a Participant has the duty to cooperate, which is to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients.

## **22. Are all other MLS policies that were not amended still in effect?**

- Yes, all MLS policies will continue to be in effect and subject to enforcement by their local MLSs.

## **EFFECTIVE DATE CHANGE**

### **23. When will the practice changes take effect?**

- NAR's mandatory MLS policy changes, which implement the settlement's required practice changes, will take effect on August 17, 2024.
- Our settlement requires NAR to implement the practice changes no later than the date of class notice. Through the preliminary settlement approval process, we now know the earliest date of class notice is August 17, 2024.
- Additionally, to comply with NAR's mandatory national MLS policies, REALTOR® MLSs must implement the practice changes by August 17.

- NAR shared these practice changes in early May to provide a three-month window for NAR members and MLSs to prepare to implement these changes.

**24. NAR originally planned for the practice changes to take effect in “late July.” Why the change?**

- Our settlement requires NAR to implement the practice changes no later than the date of the class notice. Through the preliminary settlement approval process, we no longer have to estimate the date of the rule change, and now know the earliest date of the class notice is August 17, 2024.

**25. The opt-in agreements in the appendices indicate that MLSs that opt in to the NAR settlement have until September 16, 2024, to implement changes. Should MLSs also implement the practice changes by August 17, 2024?**

- MLSs that have opted into the settlement agreement have until September 16, 2024, to implement the necessary policy changes and to be considered Released Parties under the settlement, as provided in the relevant appendices they executed. However, in accordance with mandatory NAR policy, REALTOR® MLSs must implement the practice changes by August 17, 2024. If they do not, they will not be in compliance with NAR mandatory policy. NAR recommends all MLSs opting into the settlement implement the practice changes by August 17, 2024. NAR’s accelerated rule change process, during which it released the exact language of the practice changes in early May, gives MLSs over three months to implement the changes by August 17, 2024.

**26. Why is NAR putting the practice changes in place prior to receiving final approval?**

- Our settlement requires NAR to implement the practice changes no later than the date of the class notice. Through the preliminary settlement approval process, we no longer have to estimate the date of the rule change, and now know the earliest date of the class notice is August 17, 2024.

## **OFFERS OF COMPENSATION**

**27. Why was prohibiting the publication of compensation offers on an MLS part of the settlement?**

- While NAR has long maintained—and we continue to believe—that cooperative compensation and NAR’s current policies are good things that benefit buyers and sellers, we also acknowledge that continuing to litigate would have hurt members and their small businesses, so have agreed to put in place a new rule prohibiting offers of compensation on an MLS.
- This is consistent with NAR’s long-maintained position that prohibiting all offers of cooperative compensation entirely would harm consumers and be inconsistent with real estate laws in the many states that authorize them.
- We believe this agreement provides a path forward for our industry and NAR.

**28. Does this mean buyers won't have to use a buyer broker to purchase a property?**

- As always, the consumer chooses whether to use a real estate professional. Research has confirmed that consumers find great value in the services provided by a buyer broker, and we continue to believe it is imperative for buyer brokers to clearly articulate what services and value they are providing to consumers.

**29. Does this mean buyer brokers may have to work for free?**

- No. We have long believed that it is in the interest of the sellers, buyers, and their brokers to make offers of compensation—but using an MLS to communicate offers of compensation will no longer be an option.
- The types of compensation available for buyer brokers would continue to take multiple forms, including but not limited to:
  - Fixed-fee commission paid directly by consumers
  - Concession from the seller
  - Portion of the listing broker's compensation
  - Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they represent

**30. How will buyer brokers get paid now?**

- Offers of compensation will continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals.
- The types of compensation available for buyer brokers would continue to take multiple forms, depending on broker-consumer negotiations, including but not limited to:
  - Fixed-fee commission paid directly by consumers
  - Concession from the seller
  - Portion of the listing broker's compensation
  - Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they serve.

**31. Does this prohibition affect the compensation amount paid to the listing broker?**

- Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they represent.

**32. What should listing brokers advise their clients about the prohibition of offers of compensation on an MLS?**

- Listing brokers should inform their clients that offers of compensation will no longer be an option on an MLS.
- This change will not prevent offers of cooperative compensation off-MLS. And it will not prevent sellers from offering buyer concessions on an MLS (ex. concessions for buyer closing costs).
- Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they serve.

**33. Does this prohibition affect the compensation amount paid to the listing broker?**

- No. Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they represent, as NAR's policy has required for decades.

**34. How will offers of compensation be communicated if brokers can't use MLSs? Doesn't this just make broker compensation less transparent?**

- Offers of compensation could continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. And sellers can offer buyer concessions on an MLS (for example—concessions that can be used for buyer closing costs).
- The settlement does not change the ethical duties that NAR members owe their clients.
- REALTORS® are always required to protect and promote the interests of their clients and treat all parties in a transaction, honestly (Article 1, COE).
- NAR members will continue to use their skill, care, and diligence to protect the interests of their clients.
- NAR remains dedicated to promoting transparency in the marketplace and working to ensure that consumers have access to comprehensive, equitable, transparent, and reliable property information, as well as the ability to have affordable professional representation in their real estate transactions.

**35. Won't prohibiting offers of compensation on an MLS raise fair housing issues?**

- This settlement allows compensation to remain a choice for consumers when buying or selling a home.
- NAR continues to believe that offers of compensation help make professional representation more accessible, decrease costs for home buyers to secure these services, increase fair housing opportunities, and increase the potential buyer pool for sellers.
- The settlement does not change the ethical duties that NAR members owe their clients.
- REALTORS® are always required to protect and promote the interests of their clients and treat all parties in a transaction honestly (Article 1, COE).
- NAR members will continue to use their skill, care, and diligence to protect the interests of their clients.

**36. Can buyers and buyer brokers rely on an offer of compensation that was on an MLS prior to the effective date of the MLS policy changes?**

- If the sales contract is executed before the MLS policy change, the buyer broker should be able to rely upon the offer of compensation even if closing occurs after the date of the policy change.
- But if a sales contract is not executed before the date the participant's MLS implements the policy changes, the offer on an MLS will not be valid and buyers and buyer brokers may wish to protect themselves in writing with



the listing broker or seller through a broker agreement or by including the offer of compensation in the sales contract.

**37. Are non-REALTOR® MLSs affected by the prohibition of publishing compensation offers on an MLS?**

- Only if they choose to opt into the proposed settlement.

**38. If the seller or the listing broker offers a bonus or financial incentive in addition to the offer of broker compensation, can the buyer broker accept the extra compensation?**

- The buyer broker may not receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer.

**39. Does Standard of Practice 16-16 prohibit the negotiation of buyer broker compensation in a buyer's purchase offer?**

- No. A buyer can always ask their buyer broker to make it a term of an offer to purchase that the seller pay certain compensation to the buyer broker.
- Standard of Practice 16-16 prohibits a REALTOR® from attempting to modify the terms of a listing agreement through the terms of an offer because the listing agreement is a contractual matter between the seller and the listing broker. However, the seller and the listing broker may independently choose to amend the listing agreement or take any other action they deem appropriate based on the seller's negotiations with the buyer. Standard of Practice 16-16 also prohibits a REALTOR® from delaying or withholding delivery of a buyer's offer while attempting to negotiate a buyer broker compensation.

**40. Can a buyer request the listing broker to pay compensation to the buyer broker?**

- Yes.

**41. Can an MLS have a Yes/No Compensation Field?**

- No. The new MLS policies prohibit any information about compensation on an MLS.

**42. Can a listing broker communicate offers of compensation on a broker website which has an IDX or VOW feed?**

- Yes, MLS Participants may augment MLS data or data feeds with offers of compensation to buyer brokers or other buyer representatives for only listings of their own brokerage.

**43. Can an MLS Participant use or share their MLS data or data feeds to establish or maintain a platform for offers of compensation from multiple brokers and buyer brokers or other buyer representatives?**

- No, use of MLS data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers to buyer brokers or other buyer representatives is prohibited.

**44. Can an MLS allow MLS listings to link to a listing broker's contact information (e.g., telephone number, broker's preferred communication method)?**

- Yes, an MLS may provide links or other information that allows brokers to contact each other. However, this may not be used to circumvent the prohibitions of (a) making offers of compensation on an MLS to cooperating brokers or other buyer representatives (either directly or through buyers) or (b) disclosing on an MLS broker compensation or total brokerage compensation (i.e., the combined compensation to both listing brokers and cooperating brokers).
- For example, an MLS may not allow MLS listings to have an embedded link to a website which, with a single click on the MLS listing, would immediately display an offer of compensation. *(Updated 7/31/2024)*

**45. Can disputes about an offer of compensation still be arbitrated or mediated?**

- Yes, REALTORS® are bound to arbitrate or mediate pursuant to Article 17 of the Code of Ethics, and for MLS Participants who are non-REALTORS® they are bound to arbitrate or mediate pursuant to their MLS's local rules.

**46. Does the prohibition of offers of compensation on the MLS mean that procuring cause will no longer be relevant to arbitration panels determining arbitration awards pursuant to Article 17 of the Code of Ethics or local MLS rules?**

- Procuring cause is a legal concept which exists in many states and long predates NAR and the Code of Ethics. While the number of cases with procuring cause at issue may decrease once offers of compensation are prohibited from the MLS, it will remain relevant.
- After the practice changes take effect, offers of compensation may be communicated off-MLS, and buyer brokers may wish to protect themselves through an agreement with the listing broker or by including compensation in the sales contract. However, procuring cause may still be relevant to an arbitration award determination for contractual disputes.
- For example, a buyer could enter into nonexclusive written agreements with multiple buyer brokerages, with each buyer brokerage confirming a compensation offer in writing from the listing broker or seller. In the event of a compensation dispute, an arbitration panel would be tasked with determining which buyer brokerage was the procuring cause and therefore entitled to the compensation. *(Added 7/31/2024)*

## **STEERING**

**47. What is NAR's policy on steering buyers based on the amount of broker compensation?**

- Under NAR's Code of Ethics, steering buyers based on the amount of broker compensation is prohibited.
- REALTORS® MUST pledge themselves to protect and promote the interests of their client, putting their client's best interests before their own. A REALTOR® must never put broker compensation before their client's interests.
- REALTORS® MUST be honest and truthful in their real estate communications and MUST NOT exaggerate, misrepresent, or conceal pertinent facts relating to the transaction, including facts about broker commissions.
- If a REALTOR® does anything to put their own (or another broker's) compensation before her client's interests, they are violating this primary code of ethics and potentially violating the broker's fiduciary duties to their client (depending on the broker-buyer relationship and state law). *(Added 5/29/2024)*

**48. Does NAR's settlement address the theoretical possibility of steering?**

- Yes. In the agreement, NAR reaffirms its commitment to requiring that MLS Participants must not limit the listings their client sees because of broker compensation.
- Written buyer agreements, required by the NAR practice changes that will be implemented on August 17, 2024, will also outline that MLS Participants may not receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer.
- Since a broker working with a buyer cannot receive more compensation than the buyer has agreed to in that agreement, the amount of any offer of compensation is irrelevant to the buyer-broker's compensation.
- Under these practice changes, NAR has eliminated any theoretical steering because a broker will not make more compensation by steering a buyer to a particular listing because it has a "higher" offer of compensation. *(Added 5/29/2024)*

**49. Can a broker tell a potential buyer the amount of broker commissions and explain who is paying those commissions?**

- Yes. In fact, REALTORS® must provide this information to potential buyers under NAR's Code of Ethics.
- The NAR Settlement also requires that "to the extent that such a REALTOR® or Participant will receive compensation from any source, the agreement must specify and conspicuously disclose the amount or rate of compensation it will receive or how this amount will be determined." *(Added 5/29/2024)*

**50. Can a listing broker explain to a seller that the buyer will know who is paying the commissions?**

- Yes, Articles 2 and 12 of NAR's Code of Ethics apply equally to brokers working with sellers.

- The listing broker should explain to her client the benefits and costs of the various types of marketing that can be done for a listing, and how potential buyers might respond to such marketing—including any buyer costs that the listing broker or seller may offer to pay.
- A listing broker should inform the seller about costs the buyer will incur, how the buyer might react to those costs, and how the seller can market a house considering the buyer's costs; but a listing broker must not tell a seller that a broker will steer buyers based on the amount that broker is compensated.  
(Added 5/29/2024)

## WRITTEN LISTING AGREEMENTS

### **51. What additional provisions must be included in written listing agreements because of the practice changes?**

- MLS Participants working with sellers must disclose in conspicuous language that broker commissions are not set by law and are fully negotiable.
- MLS Participants must include the disclosure in the listing agreement, if the listing agreement is not a government-specified form. If the listing agreement is a government-specified form, a separate disclosure would satisfy the requirement. (Added 5/29/2024)

### **52. Must a REALTOR® or MLS Participant acting for a seller obtain prior approval from the seller before an offer of compensation is made or compensation is paid to another broker, agent, or other representative acting for a buyer?**

- Yes. The practice changes require that a REALTOR® or MLS Participant acting for sellers to conspicuously disclose to sellers and obtain seller approval for any payment or offer of payment that a listing broker will make to another broker, agent, or other representative acting for buyers.
- The disclosure must be made to the seller in writing in advance of any payment or agreement to pay another broker, agent, or other representative acting for buyers and must specify the amount or rate of such payment.  
(Added 5/29/2024)

### **53. Should active listing or buyer agreements—meaning there is no accepted offer—entered into before the MLS policy changes go into effect on August 17, 2024 be amended to include a conspicuous disclosure that compensation is not set by law and is fully negotiable?**

- MLS Participants must make this disclosure. Active agreements can either be amended or a separate disclosure can be provided to satisfy the requirement. (Updated 5/29/24)

### **54. Should active listing agreements entered into before the MLS policy changes go into effect on August 17, 2024 be amended to address the settlement agreement's prohibition on offers of compensation being communicated on an MLS?**

- If the listing agreement instructs the listing broker to make an offer of compensation without reference to an MLS, no change to the listing agreement is needed, as the listing broker can comply with that instruction without violating the MLS policy change.
- But if the listing agreement specifies that offers of compensation be made on an MLS then the listing broker should work with the seller to amend the listing agreement before the MLS policy change is implemented, to make it clear the listing broker will not make an offer of compensation on an MLS and to determine whether the seller instructs the listing broker to make an offer of compensation outside of an MLS. *(Updated 5/29/24)*

## WRITTEN BUYER AGREEMENTS

### **55. What provisions must be included in written buyer agreements?**

- The written agreement must include:
  1. A specific and conspicuous disclosure of the amount or rate of compensation the Participant will receive or how this amount will be determined, to the extent that the Participant will receive compensation from any source.
  2. The amount of compensation in a manner that is objectively ascertainable and not open-ended.
  3. A term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer; and
  4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

### **56. Who will be responsible for enforcing the written agreements and ensuring all parties follow this new practice change?**

- MLSs will be responsible for enforcing the rule regarding written agreements, like MLSs enforce other existing rules.

### **57. The practice change requiring written agreements with buyers is triggered by two conditions: it only applies to MLS Participants “working with” buyers and is triggered by “touring a home.” What does it mean to be “working with” a buyer?**

- The “working with” language is intended to distinguish MLS Participants who provide brokerage services to a buyer—such as identifying potential properties, arranging for the buyer to tour a property, performing or facilitating negotiations on behalf of the buyer, presenting offers by the buyer, or other services for the buyer—from MLS Participants who simply market their services or just talk to a buyer—like at an open house or by providing an unrepresented buyer access to a house they have listed.
- If the MLS Participant is working only as an agent or subagent of the seller, then the participant is not “working with the buyer.” In that scenario, an agreement is not required because the participant is performing work for the seller and not the buyer.

- Authorized dual agents, on the other hand, work with the buyer (and the seller).
- A written buyer agreement is required prior to a buyer “touring a home.” An MLS Participant “working with” a buyer can enter into the written buyer agreement at any point but must do so by no later than prior to the buyer “touring a home,” unless state law requires a written buyer agreement earlier in time (See FAQ “What does it mean to tour a home?”). *(Updated 7/23/24)*

**58. What does it mean to tour a home?**

- Written buyer agreements are required before a buyer tours a home.
- Touring a home means when the buyer and/or the MLS Participant, or other agent, at the direction of the MLS Participant working with the buyer, enter the house. This includes when the MLS Participant or other agent, at the direction of the MLS Participant, working with the buyer enters the home to provide a live, virtual tour to a buyer not physically present.
- A “home” means a residential property consisting of not less than one nor more than four residential dwelling units.

**59. Does the requirement for a written agreement with buyers mean that MLS Participants and buyers must enter into a written agency agreement?**

- No. MLS Participants and buyers will still be able to enter into any type of professional relationship permitted by state law.
- NAR policy does not dictate:
  - What type of relationship the professional has with the potential buyer (e.g., agency, non-agency, subagency, transactional, customer).
  - The term of the agreement (e.g., one day, one month, one house, one zip code).
  - The services to be provided (e.g., ministerial acts, a certain number of showings, negotiations, presenting offers).
  - The compensation charged (e.g., \$0, X flat fee, X percent, X hourly rate).

**60. What does it mean to be “inconsistent with state or federal law or regulation”?**

- All MLS Participants working with a buyer must have a buyer written agreement prior to touring, unless state law requires an agreement earlier in time.

**61. If an MLS Participant hosts an open house or provides access to a property, on behalf of the seller only, to an unrepresented buyer, will they be required to enter into a written agreement with those buyers touring the home?**

- No. In this case, since the MLS Participant is only working for the seller, and not the buyer, the MLS Participant does not need to enter into a written agreement with the buyer.

**62. Are written buyer agreements required when listing agents talk with a buyer on behalf of a seller only or as subagents of the seller?**

- No. An agreement is not required because the participant is performing work for the seller and not the buyer.

**63. Are written buyer agreements required when MLS Participants perform ministerial acts?**

- Yes. The obligation to enter into a written buyer agreement is triggered just prior to an MLS Participant taking a buyer to tour a home, regardless of what other acts the MLS Participant performs for the buyer.
- An MLS Participant performing only ministerial acts—and who has not taken the buyer to tour a home—is not working with the buyer and therefore does not yet need to enter into a written buyer agreement. *(Updated 7/23/24)*

**64. If an MLS Participant enters into a non-agency relationship with a buyer, is a buyer written agreement still necessary?**

- Yes, regardless of whether it is an agency or non-agency relationship, the obligation is triggered once the MLS Participant works with and takes that buyer to tour a home.

**65. Are written buyer agreements required in a dual agency scenario when a single agent works both for the seller and for the buyer?**

- Yes. If an MLS Participant is working as an agent for a buyer, a written agreement is required.

**66. Are written buyer agreements required in a designated agency scenario, when a single broker works both for the seller and for the buyer, and designates an agent to represent the buyer?**

- Yes. If an MLS Participant is working as an agent for a buyer, a written agreement is required.

**67. Do the written buyer agreement requirements change my state's disclosure requirements to an unrepresented buyer?**

- No, you must still comply with all your state and local legal requirements. MLS policies and rules are subject to state and local laws and regulations.

**68. How will state laws affect the implementation of the practice change requiring written agreements with buyers?**

- Written buyer agreements will be required of all MLS Participants working with buyers prior to touring a home, unless state law requires a written buyer agreement earlier in time.

**69. Will MLSs be required to get a copy of buyer written agreements?**

- No, an MLS is not required to receive a copy but can request it as a matter of their local enforcement.

**70. MLS Participants may not receive compensation for services from any source that exceeds the amount or rate agreed to in the buyer agreement. Does this mean that brokerages can only have one agreement with the buyer?**

- No. The practice change empowers buyers and brokers to negotiate and agree to services and compensation that work for them. MLS Participants should work with consumers to ensure they fully understand the options available. Compensation continues to be negotiable and should always be negotiated between MLS Participants and the buyers with whom they work.
- At times, a new or amended buyer agreement may be appropriate, and the buyer and broker may agree to amended terms. However, amended agreements must also meet the requirements of the practice changes. The practice changes must be implemented fully and in good faith in the service of promoting consumer empowerment, choice, and healthy competition.
- NAR policy does not dictate:
  - What type of relationship the professional has with the potential buyer (e.g., agency, non-agency, subagency, transactional, customer).
  - The term of the agreement (e.g., one day, one month, one house, one zip code).
  - The services to be provided (e.g., ministerial acts, a certain number of showings, negotiations, presenting offers).
  - The compensation charged (e.g., \$0, X flat fee, X percent, X hourly rate). *(Updated 7/31/2024)*

**71. In the buyer agreement, can buyers and buyer brokers agree to a range of compensation?**

- No. Under the settlement, any compensation agreed to in the written buyer agreement must be objectively ascertainable and not open-ended.
- For example, a written buyer agreement cannot have a commission that is "buyer broker compensation shall be whatever amount the seller is offering to the buyer" or "between X and Y percent."
- Importantly, NAR policy will not dictate the amount of compensation agreed between buyers and buyer brokers (e.g., \$0, X flat fee, X percent, X hourly rate). *(Updated 7/15/2024)*

**72. Should active buyer agreements entered into before the MLS policy change be amended to make sure any compensation is not open-ended and is objectively ascertainable?**



- Yes. MLS Participants working with a buyer after the effective date of the policy should take steps to ensure that the buyer has agreed to the necessary terms required by the settlement agreement.

**73. Should active buyer agreements entered into before the MLS policy change be amended to remove any provision that authorizes the buyer broker to keep any offers of compensation exceeding the amount of compensation agreed with the buyer?**

- Yes. MLS Participants working with a buyer after the effective date of the policy should take steps to ensure that the buyer has agreed to the necessary terms required by the settlement agreement.

**74. Does the settlement agreement’s requirement of “objectively ascertainable” and “not open-ended” apply to listing agreements or the compensation sellers pay listing brokers?**

- No. Unlike the settlement agreement’s requirements that compensation in buyer agreements be objectively ascertainable and not open-ended, listing agreements can be structured however the seller and listing broker agree, so long as the listing agreement complies with the law, pre-existing MLS policy, and “specifies the amount or rate of any payment” from the seller to the listing broker.

## **CONCESSIONS**

**75. Is there an NAR MLS policy about seller concessions?**

- No, MLSs will continue to have local discretion on seller concessions. This includes determining what local rules to have about seller concessions, except under the settlement an MLS must ensure that the seller concessions are not limited to or conditioned upon the retention of or payment to a cooperating broker, buyer broker, or other buyer representative.

**76. Can an MLS have a Yes/No seller concession field that indicates whether a seller is offering any concession?**

- Yes, it is a matter of local discretion which may depend on an MLS’s technological capabilities and what an MLS deems to be in the interests of its market.

**77. Is an MLS required to have a seller concession field?**

- No, it is a matter of local discretion for each MLS.

**78. If my MLS removes the compensation field, can I choose to publish my cooperative commission offer in the agent remarks?**

- No. The new rule would prohibit offers of compensation on an MLS.

**79. Can MLSs allow decimal points to be used for seller concessions?**

- Yes, it is a matter of local discretion which may depend on an MLS's technological capabilities and what an MLS deems to be in the interests of its market.

**80. Will seller concessions communicated on an MLS be binding on the seller?**

- As a general matter, seller concessions usually aren't binding until they are established in an executed contract such as a listing agreement or a purchase contract.

**81. Can the seller concession be a total sum or the percentage of the purchase price?**

- This is a matter of local discretion. But an MLS must ensure that the seller concessions are not limited to or conditioned upon the retention of or payment to a cooperating broker, buyer broker, or other buyer representative.

## **NON-FILTERING OF LISTINGS**

**82. Didn't the NAR MLS policies already include a policy about the non-filtering of MLS listings based on compensation?**

- Yes, Policy Statement 8.5 was enacted in 2021. It has only been amended for clarification purposes and to ensure consistency with the proposed settlement agreement.

**83. What does it mean to "filter-out" a listing?**

- Filtering out listings means to remove listings or block MLS listings from being communicated to customers or clients based on the amount of compensation offered, the existence of an offer of compensation, or based on the listing firm or listing agent.
- Participants have the duty to cooperate which is to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients.

**84. Is "ranking" or "sorting" different from "filtering out" listings?**

- Yes, "ranking" or "sorting" listings is the ability to organize a list of MLS listings in a particular order. Examples of criteria that may be used to rank or sort may be the property sales price, the number of bathrooms or bedrooms, the property location, etc. Ranking or sorting must not involve the removal or the blocking of MLS listings which prevent the communication of those listings to a client or customer.

**85. Can an MLS have a function within its system that automatically pushes out emails to clients about available properties hitting the market and allows Participants or Subscribers to filter out listings based on the offer of compensation, listing firm or the listing agent?**

- Since offers of compensation may no longer be communicated on an MLS, it should not have any functionality related to broker compensation.
- As for filtering based on listing firm or listing agent, just like the inability of Participants or Subscribers to withhold listings based on those criteria in IDX and VOW displays, MLSs cannot enable that same ability within other MLS functions that provide listing data to consumers.
- An MLS must take appropriate action if it becomes aware that a Participant or Subscriber acts inconsistently with this MLS policy.

## COMMERCIAL NON-RESIDENTIAL LISTINGS

### **86. What do these practice changes mean for commercial practitioners?**

- The proposed settlement agreement—like the Sitzer-Burnett lawsuit and the copycat lawsuits—is focused on residential real estate transactions. That means most commercial transactions will not be affected.
- In many markets, commercial listings appear in commercial information exchanges (CIEs) and not multiple listing services (MLSs), and do not include an offer of compensation.

The settlement prohibits offers of compensation on an MLS and requires MLS Participants working with buyers to enter into written agreements with their buyers. These practice changes will go into effect August 17, 2024.

### **87. Are commercial listing services that don't pull from an MLS subject to the practice change prohibiting offers of compensation on an MLS?**

- No. That practice change prohibits offers of compensation on an MLS and it prohibits MLSs from allowing third parties to use MLS data to facilitate a platform for multiple brokerages to make offers of compensation.

### **88. Does the requirement to use a written agreement before showings apply to commercial transactions?**

- No. The settlement and the practice changes it requires are focused on residential transactions, not commercial transactions, or leases.

### **89. If a commercial broker who is a REALTOR® has access to an MLS, but is showing a property on CIE or another platform that is not associated with an MLS, does the requirement to use a written agreement apply for that property?**

- No. The settlement and the practice changes it requires are focused on residential transactions, not commercial transactions, or leases.

## IMPACT

### **90. How does the settlement affect home sellers and home buyers?**

- This settlement would preserve the choices consumers have regarding real estate services and compensation.

- After the new rule goes into effect, listing brokers and sellers could continue to offer compensation for buyer broker services, but such offers cannot be communicated via an MLS.
- MLS Participants acting for buyers would be required to enter into written agreements with their buyers before touring a home. These agreements can help consumers understand exactly what services and value will be provided, and for how much.

### **91. Will this prohibition save money for sellers or buyers?**

- As NAR has maintained throughout the litigation, nothing in NAR's current policies (including the MLS Model Rule) has increased costs for buyers or sellers.
- This settlement would preserve the choices consumers have regarding real estate services and compensation. After the new rule goes into effect, listing brokers and sellers could continue to offer compensation for buyer broker services, but such offers could not be communicated via an MLS.
- The settlement expressly provides that sellers may communicate seller concessions—such as buyer closing costs—via an MLS provided that such concessions are not conditioned on the use of or payment to a buyer broker.

### **92. What should I tell home buyers and sellers they need to know about these changes?**

- Consumers should know that after August 17, 2024:
  - If you are a buyer and your agent is using an MLS, you will need to sign a written agreement with your agent before touring a home so you understand exactly what services will be provided, and for how much.
  - Written agreements are required for both in-person and live virtual home tours.
  - You do not need a written agreement if you are just speaking to an agent at an open house or asking them about their services.
  - Agent compensation for home buyers and sellers continues to be fully negotiable.
  - When finding an agent to work with, ask questions about their services, compensation, and these written agreements.
  - More details about these changes and what they mean can be found at [competition.realtor](https://www.competition.realtor). *(Added 5/29/2024)*

### **93. Appraisers often use MLS data as an accurate source of information for appraisal reports. How are the practice changes going to impact the appraisal process?**

- Appraisers need to know the details of the transactions they are analyzing, including the sales they consider as possible comparables.
- Compensation paid on the subject property will remain readily available to the appraiser through analysis of the sales contract.
- It is imperative that NAR members facilitate open lines of communication with appraisers. This includes answering and engaging their inquiries on

what compensation was paid or will be paid at closing for a given transaction. *(Added 7/31/2024)*

## FINANCING

### **94. What are interested party contributions?**

- Fannie Mae, Freddie Mac, and the FHA specify limits on how much a seller or broker can contribute to the buyer to pay for services typically paid by the buyer. These payments are called interested party contributions (IPCs).

### **95. Is compensation paid by a seller or listing broker to a buyer broker considered an IPC?**

- No. Cooperative compensation is considered a fee that is “customarily” or “traditionally” paid by the seller. The FHA, Fannie Mae, and Freddie Mac exclude these types of fees from the IPC calculation.

### **96. Does the NAR settlement change that? Is compensation paid by a seller or listing broker to a buyer broker now an IPC?**

- The settlement would preserve the choices consumers have regarding real estate services and compensation. After the new rule goes into effect, on August 17, 2024, listing brokers and sellers can continue to offer compensation for buyer broker services, but communicating such offers is prohibited on an MLS.
- Based on our interpretation of current guidance from Fannie Mae, Freddie Mac, and the FHA, we do not expect compensation paid by a seller or listing broker to a buyer broker to become an IPC.

### **97. Does the settlement change access to mortgages for buyers?**

- No.
- Under the settlement, buyers still have the same options when it comes to compensating their real estate representatives. That is, the listing brokers can compensate the buyer broker, the seller can compensate the buyer broker, or the buyer can compensate their broker directly.
- Buyers will still be able to get financing from Fannie Mae, Freddie Mac, and the FHA under these scenarios.
- The FHA confirmed this in a letter after NAR sought to affirm our interpretation of existing guidance.
- Likewise, Fannie Mae and Freddie Mac published explicit confirmations that commissions for buyer brokers paid by the seller would not count against the buyer.
- However, none of these agencies will allow the buyer to finance a commission into the mortgage at this time. *(Updated 7/8/2024)*

**98. What about VA loans and the prohibition on buyers paying commissions directly?**

- The Department of Veterans Affairs (VA) recently announced that it has [temporarily lifted](#) its ban on buyers paying for real estate agent representation. Veteran buyers now have more options, ensuring they can have professional access to representation in their home buying process. The VA's policy takes effect on August 10.
- The VA is evaluating the need for a formal rulemaking process on this issue.
- NAR has strongly advocated for this change as we want to ensure veterans maintain access to the VA home loan program, which has been a significant tool in helping service members achieve the American dream of homeownership.
- NAR recently submitted a letter to VA urging them to make this revision to their policies. *(Updated 7/8/2024)*

**99. Can real estate commissions be financed?**

- No. Financing commissions is not feasible under the current structure of the residential mortgage finance system, and there is no clear short-term legislative or regulatory fix.
- Banks would treat such a loan as a personal loan that would have higher rates and they would limit access to those loans to borrowers with better credit profiles. That personal loan would add to the buyers' liabilities and make it harder to qualify for the mortgage they are seeking.
- Fannie Mae, Freddie Mac, and the FHA do not allow commissions to be added to the balance of the mortgage.
- Several rules that make up the foundation of mortgage finance would need to be changed by the regulators and Congress to make this change.

**100. What is NAR doing to promote access to financing for home buyers?**

- NAR is working with our partners in the lending community to gain greater clarity on guidance from the agencies and to maintain the steady flow of funding for closing home purchases.
- NAR also continues to advocate for policies that could benefit potential homebuyers and expand opportunities for Americans to achieve homeownership.

## NAR OPERATIONS

### **101. How will NAR fund the settlement?**

- One of the critical advantages of this agreement is that NAR would be able to pay the settlement amount over time.
- We will determine how to allocate funds as they become due, working closely with our Finance Committee.

### **102. How does this settlement change NAR's value proposition? Why should real estate professionals continue to be NAR members after this news?**

- We are confident that this agreement provides a path for NAR to move forward and continue our work to preserve, protect, and advance the right to real property for all.
- NAR fought to include all members in the release and was able to ensure more than one million members were included.
- We continue to deliver unparalleled value to, and advocacy on behalf of, REALTORS®, including through our learning opportunities and resources, research, and member tools.

### **103. Who at NAR signed off on the settlement and was the decision to settle subject to proper NAR governance procedures?**

- The settlement was signed off by NAR's Leadership Team, in consultation with outside legal and financial experts, and in accordance with NAR's governance procedures.
- Throughout the settlement process, we engaged with a diverse range of members and considered their perspectives and interests while fighting to protect all industry players as best we could.
- As is common in negotiating a complex settlement, there is a need to maintain confidentiality and effectively navigate complex legal considerations, which restricted the extent of the information that NAR could share more broadly.

### **104. Why is NAR paying so much more to settle than the corporate defendants did?**

- This settlement was heavily negotiated and is based on NAR's ability to pay.
- NAR has secured a release of liability for over one million NAR members, all state/territorial and local REALTOR® associations, all REALTOR® MLSs, and all brokerages with an NAR member as principal that had a residential transaction volume in 2022 of \$2 billion or below.
- There are strong grounds for the court to approve this settlement because it is in the best interests of all parties and class members.

**105. Does the settlement affect NAR's ability to continue operating?**

- We are confident that this agreement provides a path for us to move forward and continue our work to preserve, protect, and advance the right to real property for all.
- The settlement amount is a substantial sum, and it will be incumbent on NAR to use our remaining resources in the most effective way possible to continue delivering on our core mission.
- The Finance Committee and Strategic Planning Committee will remain critical in reviewing and providing guidance about NAR's operating budget to help ensure we will continue to deliver unparalleled value to and advocacy on behalf of REALTORS®, including through our learning opportunities and resources, research, and member tools.

**106. Can NAR use reserves to pay for the settlement? If so, how much?**

- This settlement was heavily negotiated, and the amount is based on NAR's ability to pay.
- One of the critical advantages of this agreement is that NAR would be able to pay the settlement amount over time.
- We will determine how to allocate funds as they become due, working closely with our Finance Committee.

**107. What does this settlement mean for NAR advocacy efforts? Is there still funding available for those efforts?**

- One of the critical advantages of this agreement is that NAR would be able to pay the settlement amount over time.
- The settlement amount is a substantial sum, and it will be incumbent on NAR to use our remaining resources in the most effective way possible to continue delivering on our core mission.
- The Finance Committee and Strategic Planning Committee will remain critical in reviewing and providing guidance about NAR's operating budget to help ensure we will continue to deliver unparalleled value to, and advocacy on behalf of, REALTORS®, including through our learning opportunities and resources, research, and member tools.

**108. Will NAR raise dues or levy an assessment on members to fund the settlement?**

- NAR will not change membership dues for 2024 or 2025 because of this payment.



# Understanding & Navigating Upcoming Practice Changes

A Guide for Real Estate Professionals

Summer 2024

*More info at [facts.realtor](https://facts.realtor)*



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# WHAT'S INSIDE?

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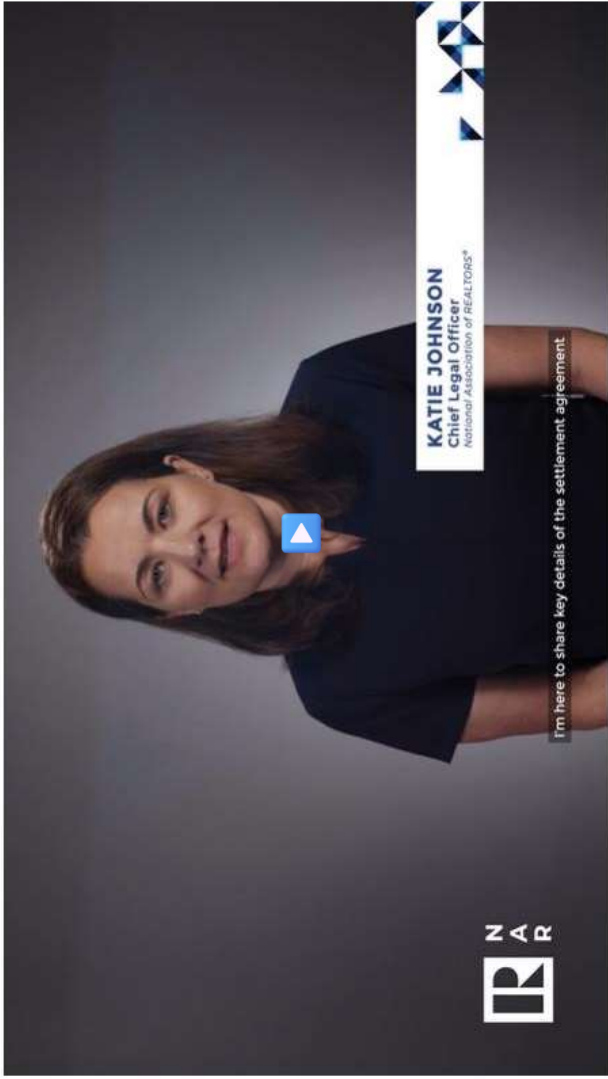
As the real estate industry adapts to coming changes following NAR's settlement agreement, we want to prepare you for a smooth transition and give you the necessary tools to speak to consumers about the new landscape. This presentation includes:

- **A review of the settlement**, touching on what the changes are and must know details on the implementation.
- **How to understand the impact**, including important considerations as the industry adjusts.
- **How to talk to consumers about the coming changes**, giving you a guide on how to help them understand what the practice changes mean for them and their residential transactions.

# SETTLEMENT OVERVIEW

# SETTLEMENT OVERVIEW

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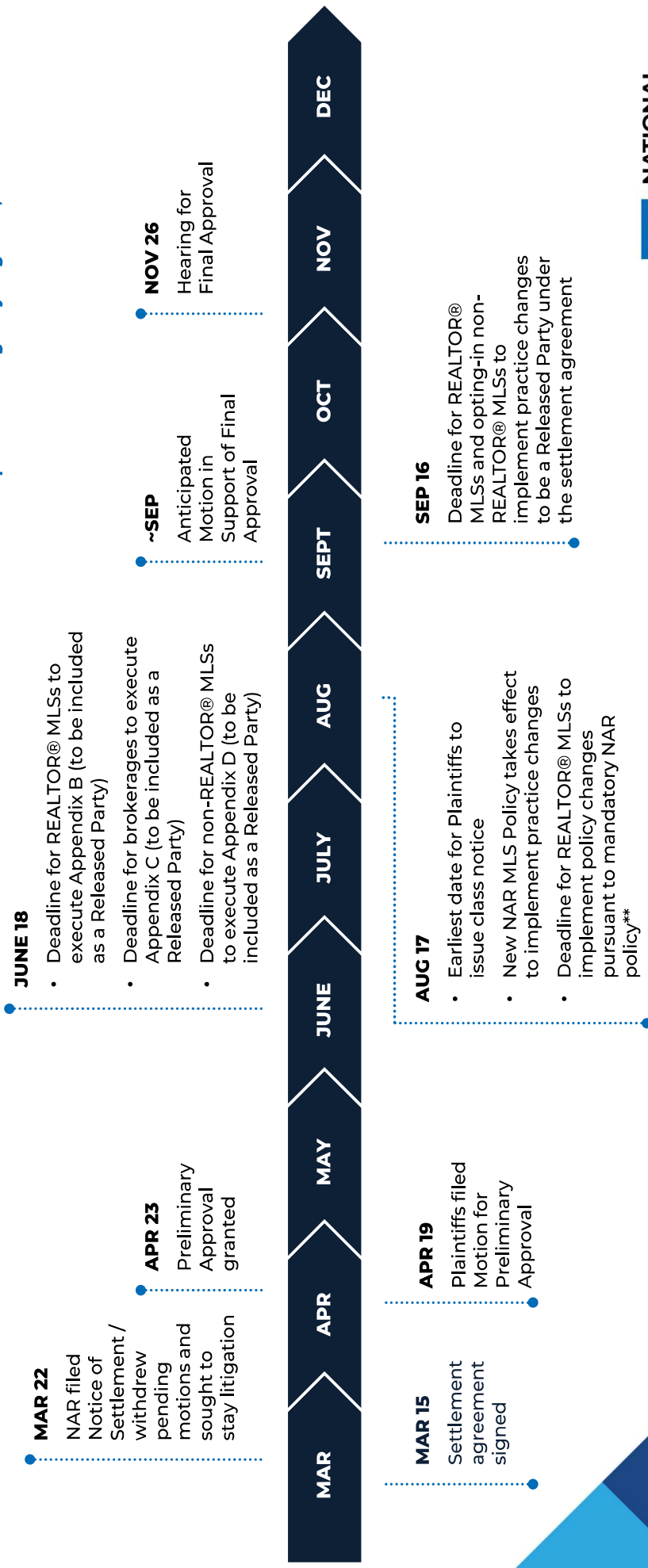


Litigation Update from NAR President Kevin Sears and CLO  
Katie Johnson

# NAR SETTLEMENT TIMELINE\*

\*As of June 24, 2024. Please refer to the settlement agreement for detailed information on deadlines.

\*\*NAR encourages all MLSs to implement the practice changes by August 17, 2024.



# RESOURCES

Settlement-related resources for NAR members are available at [facts.realtor](https://facts.realtor).

- Settlement and practice change summaries
- FAQs
- Explainer videos
- Written buyer agreement 101 guide
- Homebuyer and home seller guides

See also from REALTOR® Magazine:

- [Working with appraisers after August 17](#)



## Written Buyer Agreements 101



Written buyer agreements benefit consumers because they clearly and transparently outline the services an MLS Participant will provide and how they will be compensated.

## Homebuyers: Here's What the NAR Settlement Means for You



Buying a home is a big undertaking. Agents are ready to help you work best for you. benefit homebuyers

### Here is what the s

As a home seller, you have a wide range of choices when it comes to listing your home. Agents who are REALTORS® are a trusted source of advice and stand ready to help you navigate this complex process and make the choices that work best for you. NAR's recent settlement has led to several changes related to broker commissions that benefit sellers, and we wanted to clearly lay them out for you.

Here is what the settlement means for home sellers:

## NAR Settlement FAQs



Updated July 8, 2024

Overview & Terms Who is Covered Practice Changes & MLS Impact

Note: New or revised FAQs are noted with the date added or updated. Expand all



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# UNDERSTANDING THE IMPACT

# CONSUMER CHOICE

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The practice changes focus on empowering consumer choice in the home buying and selling process:

- Compensation remains fully negotiable.
- Offers of compensation are prohibited on-MLS but are preserved as an option off-MLS based on negotiation between consumers and real estate professionals.
- Written buyer agreements will clearly outline the services buyers will receive, and how much they will cost.
- The settlement empowers buyers and brokers to negotiate and agree to services and compensation that work for them.
- Real estate professionals should work with consumers to make sure they fully understand their options, while continuing to seek fair compensation for their services.



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# PRESERVING ACCESS TO HOMEOWNERSHIP

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A key priority of the settlement is to ensure that offers of compensation remain an option off-MLS. They are a critical tool to ensure the American Dream of homeownership remains accessible to all, including first-time, low-income, and veteran homebuyers.

- Fannie Mae and Freddie Mac have both [confirmed](#) that buyers whose agents are compensated by the seller will [continue to have access](#) to financing through the agencies.
- The Department of Veterans Affairs recently [announced](#) that it has temporarily lifted its ban on buyers paying for real estate agent representation. Veteran buyers now have more options, ensuring they can have professional access to representation in their home buying process. The VA's policy takes effect on August 10.
- Buyers can choose to compensate the buyer broker directly or seek compensation from the listing broker or seller.

# ENSURING FAIR HOUSING

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- Offers of compensation are just one part of ensuring fair housing.
- REALTORS® also must ensure that while we are negotiating with each consumer, we are not treating them differently because of their race, sex, national origin, or other protected characteristic. The settlement does not change this.
- As REALTORS® present buyer agreements, we must ensure that we are opening the conversation in the same way with every buyer.
- As before the settlement, it is the seller's decision whether to authorize offers of compensation to buyer brokers, but it is illegal to refuse to authorize compensation, or to offer different compensation, because of the buyer, or the buyer's agent's national origin, gender, race, or other protected characteristic.
- Implicit bias can influence behavior and lead to fair housing and Code of Ethics violations. Inform your clients about compliance with fair housing laws and share resources like "[What Everyone Should Know about Equal Opportunity in Housing.](#)"
- **REALTORS® have an obligation to follow the Code of Ethics and the law.**

# TRANSPARENCY THROUGH BUYER AGREEMENTS

Buyer agreements clearly outline the services to be provided and account for choice and optionality the buyer and agent have when negotiating the terms of their relationship. The written agreement must include:

1. A specific and conspicuous disclosure of the amount or rate of compensation the Participant will receive or how this amount will be determined, to the extent that the Participant will receive compensation from any source.
2. The amount of compensation in a manner that is objectively ascertainable and not open-ended.
3. A term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer; and
4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

**Video: Buyer Agreements Highlight Value**



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# TALKING TO CONSUMERS ABOUT THE PRACTICE CHANGES

**REALTORS® play a pivotal role in  
guiding and supporting home  
buyers and sellers as we adapt to  
the changing landscape.**



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# ALWAYS COMMUNICATE YOUR VALUE

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When talking to consumers, focus on what matters to them most, such as:

- Reducing stress in a highly complicated and high stakes transaction, likely one of the biggest of their lives.
- Serving as a trusted advisor through the transaction and demystifying the home buying or selling process.
- Using your extensive experience to navigate difficult negotiations, write the best offer possible, set the right price for a listing, and help consumers avoid common mistakes—all to ultimately help successfully close a transaction, saving consumers money and time.

**You have a duty under the REALTOR® Code of Ethics to have open and honest conversations with consumers throughout the home buying or selling process.**



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# EXPLAIN WHAT TO EXPECT IN PLAIN LANGUAGE

## FOR BUYERS

- Explain that they will sign a written agreement with their agent before touring a home, whether virtually or in-person.
- Note that several states already have laws requiring buyer agreements and they should check their state laws.
- Explain that they do not need a written agreement if they are just speaking to an agent at an open house or asking them about their services.
- Underscore that before signing an agreement, they should ensure it reflects the terms they negotiated with their agent and that they understand exactly what services and value will be provided, and for how much.
- Underscore that agent compensation for home buyers continues to be fully negotiable and is not set by law.
- Detail the requirements of written buyer agreements (as detailed on slide 11) and answer their questions.
- Note that the home seller may agree to offer compensation to their agent, but the offer cannot be shared on an MLS.
- Ensure they know these practice changes go into effect **August 17**.
- As always, emphasize that buyers have a right to expect that housing will be available without discrimination or other limitations based on race, color, religion, sex, disability, familial status, or national origin.
- **Note:** *MLS Participants and buyers are not required to enter into any particular relationship and will still be able to enter into any type of professional relationship permitted by state law.*



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# EXPLAIN WHAT TO EXPECT IN PLAIN LANGUAGE

## FOR SELLERS

- Explain to sellers that they still have the choice of offering compensation to buyer brokers and that it may be in the sellers' best interest to pay for buyers' commissions. Doing so attracts more buyers to their property, just like setting an accurate list price.
- Underscore that agents must conspicuously disclose to sellers and obtain their approval for any payment or offer of payment that a listing broker will make to another broker acting for buyers.
- Note that this disclosure must be made in writing in advance of any payment or agreement to pay another broker acting for buyers and must specify the amount or rate of such payment.
- Explain that if they choose to approve an offer of compensation, it cannot be included on an MLS.
- Describe to sellers how agents can advertise listings off of MLS platforms such as social media, flyers, and websites.
- Inform them they can still offer buyer concessions on an MLS (for example, concessions for buyer closing costs).
- Ensure they know these settlement practice changes go into effect **August 17**.
- As always, note that home sellers are required by law to do business with prospective buyers without regard to their race, color, religion, sex, disability, familial status, or national origin.



# EXPLAIN WHAT ISN'T CHANGING

## FOR ALL CONSUMERS

- Explain that agents who are REALTORS® are always here to help them navigate the real estate transaction process and are ethically obligated to work in their best interest.
- Note that compensation for agents remains fully negotiable, and if their agent is a REALTOR®, the agent must abide by the REALTOR® Code of Ethics and have clear and transparent discussions with consumers about compensation.
- Tell them that when finding an agent to work with they should ask questions about compensation and understand what services they are receiving.
- Underscore that they have choices and encourage them to work with their agent to understand the full range of these choices and what works best for them.

*A note to NAR members*

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**For additional learning:**

- **The Accredited Buyer's Representative course (or ABR course) is available to members at no cost in 2024. This program is typically valued at \$295. Learn more at [become.abr.realtor](https://www.nar.realtor/become.abr.realtor).**
- **View NAR Fair Housing trainings [here](#).**
- **Read why it's imperative that brokers, agents and appraisers keep [open lines of communication](#) after August 17.**



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# 105 MORE WAYS

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**AGENTS WHO ARE REALTORS®  
ARE WORTH EVERY PENNY OF  
THEIR COMPENSATION.**

Here's a look at all the things – big and small –  
that a REALTOR® may do to help clients when  
buying a home.



## Counseling Session Activities

1. Prepare the buyer for executing a buyer representation agreement
2. Explain agency relationships to the buyer and get state required legal consent to represent, if needed
3. Inform the buyer of working relationship based on state law, the REALTORS® Code of Ethics, and the broker's business policies

## Building a Relationship

4. Learn the buyer's wants and non-negotiable needs
5. Understand the buyer's budget and what will be needed financially
6. Help the buyer understand what property their chosen budget will buy
7. Consider having the buyer fill out a homebuyer's checklist
8. Assist the buyer in examining how much they can afford to spend
9. Provide quality lender resources
10. Partner with the buyer to locate suitable properties for consideration
11. Match the buyer's needs with available property
12. Constantly re-evaluate buyer's needs and refocus property showings to fit those needs
13. After ensuring the buyer understands what is done for them, how it is done, and the benefit to them, obtain signatures on the buyer representation agreement
14. Explain how compensation is paid, who pays it, and what the buyer's options are for paying it





## Educating the Buyer

15. Communicate the working relationship based on state law, the REALTORS® Code of Ethics, and the broker's business policies
16. Explain Federal and State Fair Housing laws
17. Explain what to look for in applicable property disclosures
18. Reassure the buyer that their personal information will remain confidential
19. Inform the buyer that you will always disclose all known material defects
20. In accordance with state law, provide information on checking the sex-offender registry and crime statistics for the neighborhood
21. Discuss available resources that the buyer can check to learn more about prospective neighborhoods

## Preparing the Buyer

22. Explain the timeline for house hunting, mortgage approval, and closing
23. Explain the local market and how it impacts the buyer
24. Show statistics on what percentage of list price sellers in the area are currently receiving
25. Inform the buyer on what home features are popular
26. Identify current average days on market
27. Share the dangers of using the price per square foot to figure home values
28. Explain the concept of absorption rate and how it impacts the buying process
29. Indicate current listing months of market inventory
30. Share estimated potential out-of-pocket costs to complete the transaction
31. Assist the buyer in analyzing the loan estimates
32. Qualify the buyer for financial ability to purchase
33. Help the buyer account for the complete costs of homeownership
34. Prepare lender for listing agent calls
35. Assist in comparing different financing options
36. Help the buyer select for viewing only those homes that fit their needs
37. Proceed in showing homes that fit the buyer's must-haves
38. Caution the buyer on posting information to social media
39. Review the sample sales contract so the buyer is prepared when it comes time to make an offer



## Showing Properties

40. Schedule showings and provide access to all listed properties as soon as they become available in their local MLS broker marketplaces
41. Educate the buyer on the immediacy of new listings appearing in their local MLS broker marketplaces and the lag time for them to appear on some websites
42. Collaborate with the buyer on properties they may have learned about through their sphere contacts
43. Research and assist on all unlisted properties the buyer wishes to see
44. Preview properties prior to showing if needed
45. Network with other agents to source properties not yet in their local MLS broker marketplaces
46. Contact homeowners in focus areas to see if they are considering selling
47. Set up an automated email alert system through their local MLS broker marketplaces that immediately notifies the buyer of properties that fit discussed requirements
48. Arrange a tour of areas, schools, and key points of interest
49. Provide resources containing neighborhood information on municipal services, schools, etc.
50. Inform the buyer of negative aspects like nearby venues or operations that may result in issues that could impact value
51. Collect and share any other vital information on available homes, remembering to follow all fair housing laws at all times
52. Check applicable zoning and building restrictions
53. Help the buyer decipher public property and tax information
54. Collect and share pertinent data on values, taxes, utility costs, etc.
55. Compare each property shown to the buyer's wants and needs list and remind them of what they were looking for
56. Help the buyer narrow the search until the buyer identifies top choices



## Negotiating Offers

57. Assist the buyer in getting the best property at the best price
58. Suggest that the buyer learn more about the neighborhood prior to making an offer
59. Prepare a comparative market analysis (CMA) in advance of making an offer
60. Prepare the buyer to have the most attractive offer in the current marketplace
61. Explain common contract contingencies and include approved protective clauses in the purchase offer
62. Ensure that the buyer receives and understands all state and federally-required disclosure forms
63. Prioritize contract negotiation goals with the buyer
64. Help create a negotiating strategy
65. Use strategies such as an escalation clause to maintain a competitive offer
66. Prepare the buyer for a multiple offer situation and develop negotiation strategies
67. Write an offer that has a reasonable chance of being accepted
68. Recommend optional contingencies and explain the pros and cons of using them
69. Provide information on purchasing incentives that may be available
70. Discuss financing alternatives
71. Negotiate the buyer's offers to arrive at the best price and terms
72. Utilize hyperlocal expertise and strong communication skills to assist the buyer in being the successful offer





## Advocating for the Buyer and Facilitating the Close

73. Advocate for the buyer throughout the entire process
74. Encourage the buyer to fully investigate their options in terms of a home inspector, title company, appraiser, mortgage lender, and other services
75. Present a list of the types of required and optional inspections such as environmental, roofing, and mold
76. Review and discuss home inspection concerns
77. Negotiate repair requests from home inspection
78. Guide the buyer on meeting all contract deadlines
79. Assist in coordinating communications
80. Advise the buyer to review the settlement statement
81. Inform clients that they need to transfer utilities to the new residence
82. Schedule final walkthrough
83. Accompany the buyer on the walkthrough
84. Assist the buyer in questioning the appraisal report if it affects the financing
85. Confirm clear-to-close with the lender
86. Ensure all parties have all forms and information needed to close the sale
87. Remind the buyer of the location where the closing will be held
88. Confirm the closing date and time, and notify parties if there are changes







89. Gather all required forms and documents for closing
90. Explain flood insurance to the buyer
91. Explain title insurance to the buyer and refer to qualified insurance broker
92. Order any surveys needed
93. Order the appraisal
94. Order the title search
95. Confirm the status of the loan funding
96. Check addendums and alterations for agreed terms
97. Review the buyer's closing statement to ensure accuracy
98. Explain wire fraud risks and remind clients to verify all wiring instructions before transferring funds
99. Double-check all tax, homeowners' association dues, utility, and applicable prorations, if relevant
100. Request final closing figures from the closing agent (often an attorney or title company)
101. Receive and carefully review closing figures to ensure accuracy
102. Receive and carefully review title insurance commitment with the buyer
103. Advise the buyer to re-key their locks and to consider a one-time cleaning service or landscaping before moving day
104. Review documents with the closing agent (attorney)
105. Support the buyer in any final closing activities

Actual services provided will depend on the needs of the buyer and the transaction – not all 105 things will need to be done in every transaction.

Featured content from the Center for REALTOR® Development's Accredited Buyer's Representative (ABR®) Designation Course.

Visit [crd.realtor](http://crd.realtor) to learn more.