
WHAT THE NAR SETTLEMENT MEANS FOR YOU

You've probably heard about the significant changes happening in real estate that will change some aspects of how homebuying and selling are done. These changes will benefit both homebuyers and sellers, bringing more transparency and clarifying what REALTORS® do for you during your homebuying journey.

For **homebuyers**, the settlement means:

- You will sign a written agreement with your agent before touring a home.
- Before signing this agreement, you should have a discussion with your agent about its duration and terms, including what services and value the agent will provide you and how much they will cost.
- The buyer agreement must include four components concerning compensation:
 - A specific and conspicuous disclosure of the amount or rate of compensation the real estate agent will receive or how this amount will be determined.
 - The compensation set forth in the agreement must be objective and not open-ended, meaning that it will be expressed in terms of specific fees, percentages or hourly rates. It cannot be vague such as "whatever the amount the seller is offering to the buyer."
 - A term that says the agent may not receive compensation above and beyond the amount or rate negotiated in the agreement, from any source.
 - A conspicuous statement that the agent's and broker's commissions and fees are fully negotiable and not set by law. It is important to keep in mind there is no pre-determined compensation for the agents, and you are free to negotiate the amount due to the agent for the work they will perform.
- Written agreements apply to 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.
- You can still accept concessions from the seller, such as offers to pay your closing costs.
- You may negotiate with the seller to have them pay all or a portion of your agent's compensation.

For **home sellers**, the settlement means:

- Properties listed for sale in multiple listing services (MLSs) will no longer be able to include an offer of compensation to the buyer's broker.
- However, if allowed by your listing broker's MLS, you can use the MLS to communicate to buyer agents that you are open to making concessions to a buyer. Concessions are generally a credit to the buyer at closing to use for whatever they need - such as paying closing costs, paying the buyer's agent, or as a repair credit.
- You can also negotiate with the buyer if, as part of their purchase offer, they request that you pay all or part of their broker's compensation. Such a request can be in addition to or in lieu of other requests for concessions.

What remains the same:

REALTORS® help you navigate the process of buying or selling your home and they are ethically and fiduciarily obligated to work in your best interest. Compensation for your agent remains fully negotiable, and you can work with your agent to understand the range of your choices when buying your home.

