

Q&A for answering buyers questions



WHAT'S THE SETTLEMENT ALL ABOUT?

The recent industry changes are designed to enhance transparency and clarity around how and why REALTORS® get paid. As your dedicated fiduciary bound by a Code of Ethics, our commitment to finding your perfect home, negotiating on your behalf, and guiding you through the entire process remains the same. Our clients are our top priority, and ensuring you are protected, well-informed, and treated ethically through this most important transaction will remain at the core of what we do. The settlement is pending approval, and a decision is anticipated on Tuesday, Nov. 26th, 2024.

HOW WILL THE SETTLEMENT AFFECT AGREEMENTS BETWEEN REALTORS® AND CONSUMERS?

This settlement will preserve the choices consumers have always had 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 the MLS. REALTORS® using the MLS on behalf of buyers are required to enter into written agreements with their buyers before touring a home. These agreements will help consumers understand exactly what services and value will be provided, and for how much.

WHAT EXACTLY IS CHANGING BECAUSE OF THE SETTLEMENT?

When you're a buyer working with an agent using the MLS, you must sign a written agreement with your agent before touring a home, ensuring you know the exact services to be provided and their cost. This requirement applies to both in-person and virtual tours. However, no written agreement is needed for casual conversations at an open house or inquiries about services. Remember, agent compensation is fully negotiable, so don't hesitate to ask questions when selecting an agent to work with.



HOW WILL COMPENSATION BE DETERMINED?

Brokers/Brokerages determine the services that they will provide and identify a schedule of fees for the services provided. That could be a percentage, flat fee, fee per service, hourly rate, or any other structure that the Brokerage determines. These fees are then discussed and are negotiated between the Client and the Broker. The fees may be paid by each party to their own Broker, by one party to both Brokers, by one party to their Broker with the direction to provide cooperative compensation to another Broker, or by any combination of these or other compensation models that the Client agrees upon with their Broker. **IT'S ALL NEGOTIABLE.**

AS A BUYER, DO I REALLY NEED AN AGENT TO REPRESENT ME?

As always, the consumer chooses whether to use a real estate professional. It does, however, benefit you to choose a REALTOR® to represent you. Working as a fiduciary, your agent will advocate in your best interest as a partner on your side every step of the way throughout the transaction.

WITH AGENT COMMISSIONS CHANGING, WILL HOME PRICES DECREASE AS A RESULT?

Sale prices are determined by the buyers and sellers of properties and influenced by supply and demand. The terms of the settlement and agent commissions do not determine home prices.

HOW WILL THE BUYER'S AGENT GET PAID IN THE NEW MODEL?

Offers of compensation between a seller agent and buyer agent will continue to be an option consumers can pursue through negotiation and consultation with real estate professionals, as long as the offers take place outside of the MLS.

The types of compensation available for REALTORS® 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

All compensation will continue to be negotiable and should always be negotiated between agents and the clients they represent.



Q&A for home sellers & consumers receiving notices

I RECEIVED A NOTICE SAYING THAT I'VE BEEN IMPACTED BY THE SETTLEMENT. WHAT DOES THAT MEAN? WHAT SHOULD I DO?

Thank you for reaching out. We are aware of the class action notices that are being sent to consumers affected by the recent NAR settlement. As a recipient of this notice, you are included as a member of the class, and you have certain rights and options available to you. Please visit www.realestatecommissionlitigation.com for more information.

I RECEIVED A POSTCARD IN THE MAIL ABOUT THE CLASS ACTION SETTLEMENT. WHY DID I RECEIVE THIS?

Receiving a class action postcard indicates that you may be a potential member of a class action lawsuit involving the National Association of REALTORS® and home sellers. The court requires that potential members of the class are notified about the lawsuit, and it is a part of the legal process. Please visit www.realestatecommissionlitigation.com for more information.

I'VE RECEIVED A POSTCARD ABOUT THE CLASS ACTION SETTLEMENT. WHAT DO I NEED TO DO NOW?

Receiving this class action postcard does not require immediate action. It is primarily informative, to keep you in the loop about the legal proceedings and your rights. Please visit www.realestatecommissionlitigation.com for more information and details about options available to you.