

What Does the Requirement for Written Agreements Mean for Sellers? Do I Have to Do Anything Different?

First, as a home seller, this settlement agreement does not require you to do anything different than before the settlement. The two biggest changes under the new rules are:

- MLS participants working with buyers must enter into written agreements with their clients before touring homes. This ensures that all terms, services, and compensation are clearly defined and agreed upon upfront, enhancing clarity and protecting all parties involved.
- The commission amount to the buyer's agent from the seller cannot be placed on the MLS form.

Can I Receive Some of the Settlement Amount and How Much Would It Be?

All homeowners who sold a house after April 29, 2014, may be eligible for a portion of the settlement money. You can get all the information, including the claim form, at

www.realestatecommissionlitigation.com.

In Conclusion, the NAR settlement has brought about pivotal changes in how homes are sold...

with a strong emphasis on transparency and consumer choice. By understanding these changes and utilizing available resources, homeowners can navigate the selling process more effectively, ensuring they achieve the best possible outcomes in this new real estate landscape.

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NAVIGATING NEW NORMS:

*A Seller's Guide to
Today's Real
Estate Market*





What Was the Lawsuit About?

The lawsuit centered on allegations that the National Association of REALTORS® (NAR) and several large real estate brokerages engaged in anticompetitive practices that inflated commission rates for home sellers. Plaintiffs argued that NAR's rules required sellers to offer commissions to buyer agents, which kept commission rates artificially high and limited consumer choice.

However, many, including the homeowners listed as plaintiffs, have claimed it was not about that at all, but rather about attorneys getting rich. For example, the settlement amount came to over \$950 million, with the plaintiffs' attorneys receiving a 40% commission, which they call a contingency fee, plus billable expenses. Altogether, the law firm will receive almost \$400 million, while each homeowner will receive about \$30.

Does This Mean the Standard Commission Is Gone?

There was never a standard commission set by any federal or state law. Commissions vary from company to company, and sometimes from agent to agent. When a company or agent sets their fee standard, it is up to the individual agent to decide if they want to adjust their fee or not.

Does This Mean I No Longer Have to Pay a Commission to a Listing Agent or the Selling Agent (Also Referred to as the Buyer's Agent)?

Of course, a homeowner needs to pay the agent they list with. The major shift was not on the listing agent side of the commission but on the buyer agent side of the transaction. Homeowners are no longer required to offer compensation to buyer agents. However, doing so may make it harder to sell a house because it will lower the number of buyers who can afford to buy a house. If the buyer side of the fee is not included in the contract price somehow, then the buyer will be forced to use their cash needed to close on a house in order to pay their agent.

How Does the Settlement Impact the Multiple Listing Service (MLS)?

The settlement prohibits the inclusion of broker compensation offers on the MLS. Instead, compensation terms will be handled off-MLS through direct negotiations between consumers and their agents.

What Are the New Rules Regarding Commission Disclosure?

The settlement mandates transparent commission disclosure. REALTORS® must now provide clear, upfront information about the commission they will receive from each transaction. This increased transparency helps homeowners understand exactly what they are paying for, fostering trust and enabling more informed decisions.

How Can I Ensure I Get the Best Value for My Property in This New Environment?

Make sure you hire an agent that you trust has the skill set to navigate this new real estate reality.