

LITIGATION UPDATE:

NAR Reaches Agreement to Resolve Nationwide Claims Brought by Home Sellers

The agreement would resolve claims against NAR, over one million NAR members, all state/territorial and local REALTOR® associations, all association-owned MLSs, and all brokerages with an NAR member as principal that had a residential transaction volume in 2022 of \$2 billion or below.

RELEASE OF LIABILITY:

The agreement would release -

- Over one million NAR members
- State/territorial and local REALTOR® associations
- Association-owned MLSs
- Brokerages with an NAR member of principal that had a residential transaction volume in 2022 of \$2B or below

SETTLEMENT PAYMENT:

NAR would pay \$418M over approximately four years. NAR's membership dues for 2024 and 2025 will not change because of this payment.

WRITTEN AGREEMENTS FOR MLS PARTICIPANTS ACTING FOR BUYERS:

NAR has agreed to require MLS participants working with buyers to enter into written representation agreements with their buyers.

COMPENSATION OFFERS MOVED OFF THE MLS:

Offers of compensation could continue to be an option consumers if they are pursued off-MLS through negotiation and consultation with real estate professionals.

NAR'S CONTINUED DENIAL OF WRONGDOING:

The settlement agreement states that NAR denies any wrongdoing, as well as that NAR continues to maintain that cooperative compensation and NAR's current policies are good things that benefit buyers and sellers. They promote access to property ownership, especially for lower- and middle- income buyers.

MOVING FORWARD:

The proposed settlement is subject to court approval. The terms of the settlement would not go into effect until July 2024.

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LITIGATION FAQS:



WHY DID NAR ENTER INTO THIS SETTLEMENT?

- Secure a release of liability for as many of our members, associations, and MLSs as possible.
- Preserve the choices consumers have regarding real estate services and compensation.

WHAT ARE THE KEY TERMS OF THE AGREEMENT?

- Release of liability for more than 1 million NAR members, associations, association-owned MLSs, and many brokerages
- Compensation offers moved off the MLS
- Requires written agreements for MLS participants acting for buyers
- Settlement payment of \$418 million over four years
- NAR continues to deny any wrongdoing

CAN OFFERS OF COMPENSATION BE CONVEYED THROUGH OTHER CHANNELS?

Offers of compensation could continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. Sellers can continue to offer buyer concessions on an MLS.

WILL THIS PROHIBITION SAVE MONEY FOR SELLERS OR BUYERS?

This settlement would preserve the choices consumers have regarding real estate services and compensation. Listing brokers and sellers could continue to offer compensation for buyer broker services, but such offers could not be communicated via the MLS.

HOW DOES THE SETTLEMENT AFFECT MLSs?

NAR has agreed to put in place a new rule prohibiting offers of compensation on the MLS and to require MLS participants working with buyers to enter into written representation agreements with their buyers. These changes will go into effect in mid- to late-July 2024.

HOW WILL BUYER BROKERS GET PAID NOW?

Compensation available for buyer brokers would continue to take multiple forms, including:

- Fixed-fee commission paid directly by consumers
- Concession from the seller
- Portion of the listing broker's compensation

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