



NAR Settlement FAQ

Understanding Broker Commission Changes

Q1: What is the NAR agreement regarding home seller class action lawsuits?

A1: The NAR has reached a proposed settlement agreement to resolve litigation related to claims brought on behalf of home sellers regarding broker commissions. This agreement aims to end disputes against NAR, over one million NAR members, state and local REALTOR® associations, association-owned Multiple Listing Services (MLSs), and certain qualifying brokerages.

Q2: What prompted the need for this agreement?

A2: The Sitzer-Burnett verdict and subsequent similar cases raised concerns about real estate practices and consumer compensation in the industry. NAR has been working to address these concerns and provide a resolution for its members and the broader industry.

Q3: What are the main goals of this proposed settlement?

A3: The settlement aims to secure a release of liability for as many NAR members, associations, and MLSs as possible, and to maintain consumer choice regarding real estate services and compensation.

Q4: What are the significant changes proposed by this settlement?

A4: In the proposed settlement, NAR agreed to put in place several practice changes, including:

- Prohibiting offers of compensation on the MLS. Offers of compensation could continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. This rule will not prevent sellers from offering buyer concessions on an MLS (for example – concessions for buyer closing costs).



- Additionally, NAR has agreed to require MLS participants working with buyers to enter into written representation agreements with their buyers before touring a home.

Q5: What is the timeline for implementing these changes?

A5: The new rules regarding offers of compensation and written agreements are set to go into effect in mid-July 2024.

Q6: What are the next steps in the settlement process?

A6: The settlement is subject to court approval, which is expected to take several months or more. Interested parties may raise objections during this process. NAR will provide updates as the settlement process unfolds.

Q7: How does NAR justify settling these claims?

A7: While NAR continues to deny any wrongdoing, settling the lawsuits aims to provide closure for over one million NAR members and other parties involved. Exploring other legal options like appeals or reorganization could have prolonged uncertainty for members and consumers.

Q8: What is the MLS's role in the real estate market moving forward?

A8: Despite these changes, the MLS will remain a vital resource, providing accurate and timely information for professionals and consumers alike. It will continue to serve as the foundation upon which housing decisions are made, offering clarity and insight into the market.

Q9: What is the outlook for the MLS and its members amidst these changes?

A9: While NAR's announcement marks the beginning of a period of change, we are prepared to respond and adapt. The MLS will remain a cornerstone of the real estate market, facilitating transactions and ensuring its continued functionality. The MLS will uphold its mission to make the real estate market work. It will continue to provide essential information and support transactions, fostering transparency and competitiveness in the housing market.



Q10: What changes will The MLS make as a result of the NAR settlement?

A10: Our Board of Directors and relevant Committees are thoroughly reviewing the situation and its implications. We understand the significance of aligning with industry best practices, including those set forth by the National Association of Realtors®. Rest assured, as we navigate through this process, we will keep our membership well-informed every step of the way. Any changes that The MLS will make will be communicated to membership well in advance of the mid-July 2024 date provided by NAR.



Additional Resources:

[See NAR's full announcement](#) *March 15, 2024*

[NAR Provides FAQs and Resources Regarding Settlement](#) *March 19, 2024*