



The Settlement & What's Next?

March 2024



THE NAR SETTLEMENT

HIGHLIGHTS

1

Over 1 Million Members Nationwide (not affiliated with HomeServices of America & Related Companies)

2

Any officers, directors & other participants in NAR Activities are released from liability nationwide, of local/state associations & REALTOR® Owned MLS

3

Practice changes will be implemented mid July 2024

4

NAR will pay \$418 Million over 4 years

5

This includes the 3 main lawsuits by sellers and all copy cats. NOT covered are the buyer plaintiffs suits

In Practice

Prior to Friday's 3/15 News

- Buyer Broker commission displayed in the MLS, it couldn't be changed (unilateral offer)
- Most states only required Agency Disclosure to represent a buyer
- Offer of Dual or Limited Dual Representation is common (ex. Open Houses, Sign Calls)
- Opening a door for any buyer if it's convenient
- Limited discussion with buyers on the services you provide during the transaction

Updated Practice & Moving Forward

JULY 2024

- No offer of buyer broker compensation in the MLS
- Sellers may offer concessions via MLS that could include Buyer Broker Compensation
 - Must be asked for in the contract
 - Subject to open negotiations in the purchase contract
 - Buyer Agent may not be paid more than pre-negotiated amount on the Buyer Broker Agreement
- May not offer services as “free” unless there are NO financial compensation from any source

Buyer Broker to negotiate fee and services prior to showing a property

- Compensation may not be considered “open” (ex. *“whatever the seller is paying”*)
- No requirement of blanket, unconditional, unilateral offer of compensation to a Buyer Broker
 - Sellers may negotiate buyer-to-buyer if asked for as a concession (subject to price & other factors)

Seller Can Pay Commission via Concessions...

You ***MUST*** ask for the
concession in the contract.

Note: Many MLS's are in development
of Concession fields to be published.

Verbiage to consider:

**“Seller to credit buyer
XXX at close of escrow
to satisfy buyers
contractual agreement
with buyers broker.”**



Treat your
Buyers like you
do your Sellers.

Give them a *consultation* of
what they can expect from
engaging your services.



What You Can Do Today?

Working with **Sellers**

→ **Are you using the eXp Rider to the listing that breaks out compensation?**

Take a look at your listing presentation. What are you explaining to the sellers to take them “beyond the headlines”?

- How does compensation to a buyer broker work?
- Many MLSs are reporting 50% or more of sales have concessions
- Concessions should be part of the pricing conversation going forward
- Who is your buyer? (FHA,VA buyer agent will be asking for compensation)
- Are you going to offer showings to any buyer?
Or Are you going to refer sign calls?
- Dual rate commission or variable rate commission
- Update your listing packet/menu of services & fee for those services

What You Can Do Today?

Working with **Buyers**

→ **Are you telling them about eXp Exclusives and how YOU can get them access?**

What is your process for buyer strategy sessions?

- How do you meet buyers for the first time?
At the property, over the phone, via email?
 - There should be a strategy for how to win the buyer. Show your value.
- Does your website, social media channel or blog clearly illustrate the Buyer Services that you provide?
 - Explain the process, what's changing and how to take care of them moving forward
- Update your resume & stats with key terms:
 - # of Contracts written and accepted the 1st time
 - Average # of homes shown to find the "right one"
 - Closing days or average money saved by client off list price.

WHAT'S NEXT to watch for in the Industry Changes?

1

Updates to your REALTOR® Forms Locally

2

Updates to your MLS Rules
and Forms

3

Likely changes within lending for FHA and
VA borrowers as they are impacted by
concessions and credits from the sellers
to offset paying for buyer representation

4

Updates to the Relocation market, pending
those clients and how buyers representation
will be provided & compensated

WHAT'S NEXT from eXp



In the coming weeks we will be updating the Listing Rider Addendum for the language needed to comply with the settlement

Updates to the eXp Buyer Broker Agreement to assist you in presenting & getting it signed up front and training with scripts to support you

Updates in the eXp Marketing Center for your buyer presentation & value proposition

Updates in the eXp Marketing Center for your seller presentation

SO MUCH MORE TO SEE WITH **eXp** EXCLUSIVES.

We're providing as many ways as possible to create inventory and sell homes for our agents and clients.

exp[®] | EXCLUSIVES

Get on the train.

Here's how you sign up.

Your standard eXp Exclusives account is available to you for FREE.

1. Go to exclusives.exprealty.com **from your desktop**
2. Click "Get Started" to set up your account
 - a. **IMPORTANT:** choose eXp Realty as your MLS during the signup process
3. Check your email for confirmation and to sign up for a training (Scan QR code for more training info)
4. Download the app for on-the-go access

