



Here are some frequently asked questions (FAQs) a listing agent should be prepared to address with their seller or potential sellers following the NAR settlement and practice changes:

1. How does the settlement affect listing agreements?

Listing Agents should explain how the settlement changes the structure or content of listing agreements, particularly regarding commission sharing and the unilateral offer of compensation to a buyer's broker. **The amount or rate of real estate commissions is not fixed by law. They are set by each broker individually and may be negotiable between Seller and Broker.** The seller should negotiate the fee for listing services with their listing agent and this fee will be reflected in the listing agreement. A seller is not obligated to offer compensation to a buyer's broker and these offers of compensation can no longer be advertised on the MLS.

2. How can a seller incentivize buyers to come to their property?

Offering buyer concessions may work a seller's favor as it can give them flexibility in negotiations and the marketing strategy for their property. It allows us to tailor the terms in a way that aligns with your best interests and the market dynamics.

3. What are buyer concessions?

A Buyer Concession is essentially an amount that the seller agrees to credit the buyer at the closing of the transaction. This credit can be used by the buyer to cover part of their closing costs or other expenses associated with purchasing the property.

4. What if my seller wants to offer concessions to the buyer?

Seller concessions should be negotiated at time of offer. This gives the seller the opportunity to negotiate the amount of concessions based on the offer. The seller may give their agent permission to market if they are open to offers that include concessions. This can be marketed in some MLS's where permitted. Best practice is to only be a yes/no and should not be any set amount (percentage or flat fee) unless otherwise directed by the seller in writing.

5. What happens if the seller chooses not to offer buyer concessions?

A seller may choose not to offer concessions at all; however, remember, each real estate transaction is unique, and buyers may request concessions as part of their offer. Always advise the seller to consult with their legal advisor to understand the specifics of the offer and how it affects their property sale.

6. How will the settlement impact home buyers?

It will now be up to buyers to negotiate what and how they compensate their agent. Listing agents will need to be prepared to explain the implications for buyers, particularly in terms of transparency and potentially the buyers' costs. Buyers might need to include their agent's compensation in their closing costs. Additionally, they may request the seller to cover some or all of these closing costs via buyer concession from the seller. Buyers and sellers should negotiate the amount of buyer concessions during the offer process.

7. What changes should sellers expect in the marketing of their property?

Sellers will no longer be able to instruct their agent to offer blanket, unconditional, or unilateral offers of compensation to buyer's agents. Sellers will be able to direct listing agents to market buyer concessions and will be able to negotiate, on a case-by-case basis, potential buyer's agent compensation.

8. Does the settlement affect the relationship between listing and buyer's agents?

Sellers will no longer be able to instruct their agent to offer blanket, unconditional, or unilateral offers of compensation to buyer's agents. Sellers will be able to direct listing agents to market buyer concessions and will be able to negotiate, on a case-by-case basis, potential buyer's agent compensation. This open negotiation aims to ensure transparency and fairness, allowing for compensation that reflects the value and complexity of the services provided.

9. Are there new obligations for agents regarding ethics or fairness?

The settlement does not change the core ethical standards and professional duties of agents. However, it adds responsibilities, especially regarding transparency and fairness in real estate transactions.

Agents are now required to ensure an elevated level of openness concerning deals and compensation arrangements. This push towards greater transparency is designed to protect consumers by providing them with all necessary information to make informed decisions about property transactions.



The settlement also highlights the importance of treating all parties equally in a real estate transaction. This means committing to non-discrimination and fairness, regardless of the terms agreed upon between buyers (or sellers) and their agents.

Agents must clearly disclose the level of service they provide and ensure that any compensation arrangements are clearly stated and agreed upon in writing. This clarity helps all parties understand the terms of service and compensation, fostering trust and accountability.

10. What are the legal implications for sellers under the new settlement?

Sellers are not obligated to offer compensation to an agent who represents a buyer. While it may still be advantageous to offer concessions to a buyer for the purpose of compensating their agent and or closing cost, the amount will be negotiable at the time of purchase and included in the purchase contract.

11. How can sellers ensure their property is competitive under the new rules?

There are many factors that come into play when making a property competitive including market conditions, seller needs, realistic pricing, and flexibility in negotiation including buyer concessions. It is critical to partner with a skilled agent who is knowledgeable in the local market, understands the new rules, and can effectively develop a strategy to market your property.

12. What if the buyer is unrepresented / does not have a buyers agent?

An unrepresented buyer is a buyer who chooses not to enlist the services of a buyer's agent to purchase property. In such cases, it is crucial for the seller and listing agent to negotiate and determine if any additional compensation is warranted and payable should the unrepresented buyer present an offer.

13. What resources are available for further information?

[National Association of Realtors](#)



FAQ on Amendment to Real Estate Listing Agreement

1. What is an Amendment to Real Estate Listing Agreement?

An amendment to Real Estate Listing Agreement is an additional document attached to and forming part of the original Listing Agreement between a property seller and a real estate brokerage firm (e.g., eXp Realty). It allows modification to the current listing agreement to comply with NAR settlement requirements and updated MLS rules. Additionally, the listing amendment removes the offer of broker to broker compensation from the listing agreement.

2. What does the "Compensation" section cover?

The "Compensation" section details the financial arrangements between the Seller and eXp Realty, including the Listing Broker Compensation. **This fee is negotiated between the Seller and eXp and is not fixed by law.** This section outlines how much the Seller will pay eXp for their services and under what conditions.

3. How is the Listing Broker Compensation Fee determined?

The Listing Broker Compensation is a negotiated percentage of the gross purchase price of the property or a fixed dollar amount agreed upon by the Seller and eXp Realty. This fee compensates eXp for their services in listing and selling the property.

4. How do conflicts between the Amendment and the original Listing Agreement get resolved?

If there are any conflicts between the terms in the Amendment and those in the original Listing Agreement, the terms in the Amendment take precedence and control. Except for these conflicts, the original Listing Agreement remains effective and unchanged.

5. Can this Amendment be signed electronically?

Yes, the Amendment can be signed electronically, and such electronic signatures are considered as valid and binding as traditional handwritten signatures. The document can also be executed in multiple counterparts, all of which are equally original and together form one document.