



Outline of Form Changes (NAR Settlement)
July 2024

Listing Agreement

Section 11 – Listing Broker Compensation

1. Additional required language has been added to make it clear to sellers that compensation is not set and is fully negotiable.
2. Additional language was added to ensure attorney fee reimbursement to a listing broker if the listing broker must sue the seller for compensation.
3. New language was added to clarify if listing broker charges an additional amount for working with unrepresented buyers.

Section 12 – Buyer Broker Compensation

1. Listing brokers will still have the option of offering a portion of their compensation to a buyer's broker, with consent of the seller.
2. New language was added "up to" since buyer brokers cannot accept more compensation than what is agreed upon in the Buyer Agreement. This amount could vary on every transaction depending on the Buyer Agreement.
3. Additional language has been added to explain why "up to" is added to the Listing Agreement instead of a specific amount. The exact amount must be agreed to in writing prior to an offer being accepted. This would be done on the new Broker to Broker Compensation Form. All parties will sign the Broker to Broker compensation form to meet the standard of consent from all parties.
4. This section was expanded to affirmatively include compensation for Dual Agency.
5. This section now has clear language for sellers who choose NOT to offer buyer broker compensation.
6. Sellers that choose not to allow listing brokers to share a portion of their compensation with buyer's brokers can still be asked whether they will directly pay for the buyer's broker fees in the NEW section 6 of the Purchase Agreement.
7. Additional required language has been added to make it clear that offering buyer broker compensation is not set and fully negotiable.
8. Listing brokers can no longer offer buyer broker bonus', even with prior consent of a seller due to the fact that buyer brokers cannot accept more compensation than what is agreed to in the Buyer Agreement.

Section 13 – Seller Concessions

1. A new section was added for instances where sellers want to offer seller concessions prior to an offer being written. Specific authorization is required before listing brokers can discuss with buyer brokers whether concessions will be an option.



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2. Seller concessions may be published as long as seller concessions are not conditioned on or limited to Broker Compensation. Seller concessions are not the same thing as broker compensation and should not be used in the same manner.

Purchase Agreement

Section 6 – Buyer Broker Compensation

1. This section mirrors seller concessions but represents different fees.
2. Buyer broker compensation should be separate from seller concessions since seller concessions are considered interested party contributions (IPC) and have limits when using FHA, Fannie and Freddie backed financing. At the present time, broker compensation is not part of the IPC calculation
3. This section will be used if the listing broker and buyer broker do not have an agreement to share a portion of the listing broker's commission using the Broker to Broker Compensation Form.
4. This section should not be used to reflect the amount agreed upon in the Broker to Broker Compensation Agreement.
5. Additional language was added to this section to make all parties aware that buyer brokers cannot accept more compensation than what they have agreed to in a Buyer Agreement.

Section 18 – Release

1. Listing broker and selling broker are added as intended beneficiaries, this is important if the Seller is directly compensating the buyer for the Buyer Broker in Section 6.

Exclusive Buyer Agency

Section 5 – Compensation of Buyer's Broker

1. Additional required language has been added to make it clear to buyers that compensation is not set and is fully negotiable.
2. Additional language was added to inform that the buyer's broker may not receive compensation exceeding the amount agreed to in the Exclusive Buyer Agency Agreement.
3. Addition forms of compensation have been added to address different business models.
4. Clarifications on whether fees are refundable or if any of the fee is applied to a total amount due were added.
5. Designated agency brokerages should continue to include the Addendum to Buyer Broker Contract.



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Broker to Broker Compensation Form – NEW FORM

1. This form was created to assist brokers who, with seller permission, wish to share a portion of their compensation with a buyer's broker.
2. This form must be acknowledged by ALL parties to the transaction and MUST be presented to the seller prior to an offer being submitted.
3. Listing brokers will need to make certain they explain to their sellers that this form is separate from the Purchase Agreement and understand that a seller may be asked to pay the buyer's broker fees even if there is a Broker to Broker Compensation Agreement Form. This may happen if the Broker to Broker compensation is less than the buyer broker Agreement and the buyer is requesting assistance from the seller to close on their property.
4. All parties should understand that buyer broker's cannot accept compensation that exceeds the amount in their Buyer Agreement.
5. Broker to Broker compensation binds all brokers to arbitration in accordance with the Code of Ethics and Arbitration Manual.