

Homebuyers: Here's What the NAR Settlement Means for You



Buying a home is one of the largest financial transactions most people will ever undertake. Brokers who are REALTORS® are a trusted source of advice and stand ready to help you navigate your homebuying journey and make the choices that work best for you. NAR's recent settlement has led to several changes that benefit homebuyers, and we wanted to clearly lay them out for you.

Here is what the settlement means for homebuyers:

- You will sign a written agreement with your broker before touring a home.
- Before signing this agreement, you should ensure it reflects the terms you have negotiated with your broker and that you understand exactly what services and value will be provided, and for how much.
- The buyer agreement must include four components concerning compensation:
 1. A specific and conspicuous disclosure of the amount or rate of compensation the real estate broker will receive or how this amount will be determined.
 2. Compensation that is objective (e.g., \$0, X flat fee, X percent, X hourly rate)—and not open-ended (e.g., cannot be “buyer broker compensation shall be whatever the amount the seller is offering to the buyer”).
 3. A term that prohibits the broker from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer; and,
 4. A conspicuous statement that broker fees and commissions are fully negotiable and not set by law.
- Written agreements apply to both in-person and live virtual home tours.
- You do not need a written agreement if you are just speaking to a broker at an open house or asking them about their services.
- The seller may agree to offer compensation to your broker. This practice is permitted but the offer cannot be shared on a Multiple Listing Service (MLS)—MLSs are local marketplaces used by both buyer brokers and listing brokers to share information about properties for sale.
- You can still accept concessions from the seller, such as offers to pay your closing costs.

Practice changes will go into effect for the Greater Albuquerque Area on August 1, 2024.

Here is what the settlement doesn't change:

- Brokers who are REALTORS® are here to help you navigate the homebuying process and are ethically obligated to work in your best interest.
- Compensation for your broker remains fully negotiable, and if your broker is a REALTOR®, they must abide by the REALTOR® Code of Ethics and have clear and transparent discussions with you about compensation. When finding a broker to work with, ask questions about compensation and understand what services you are receiving.
- You have choices. Work with your broker to understand the full range of these choices when buying a home, which will help you make the best possible decision for your needs.

More details about these changes and what they mean can be found at facts.realtor.