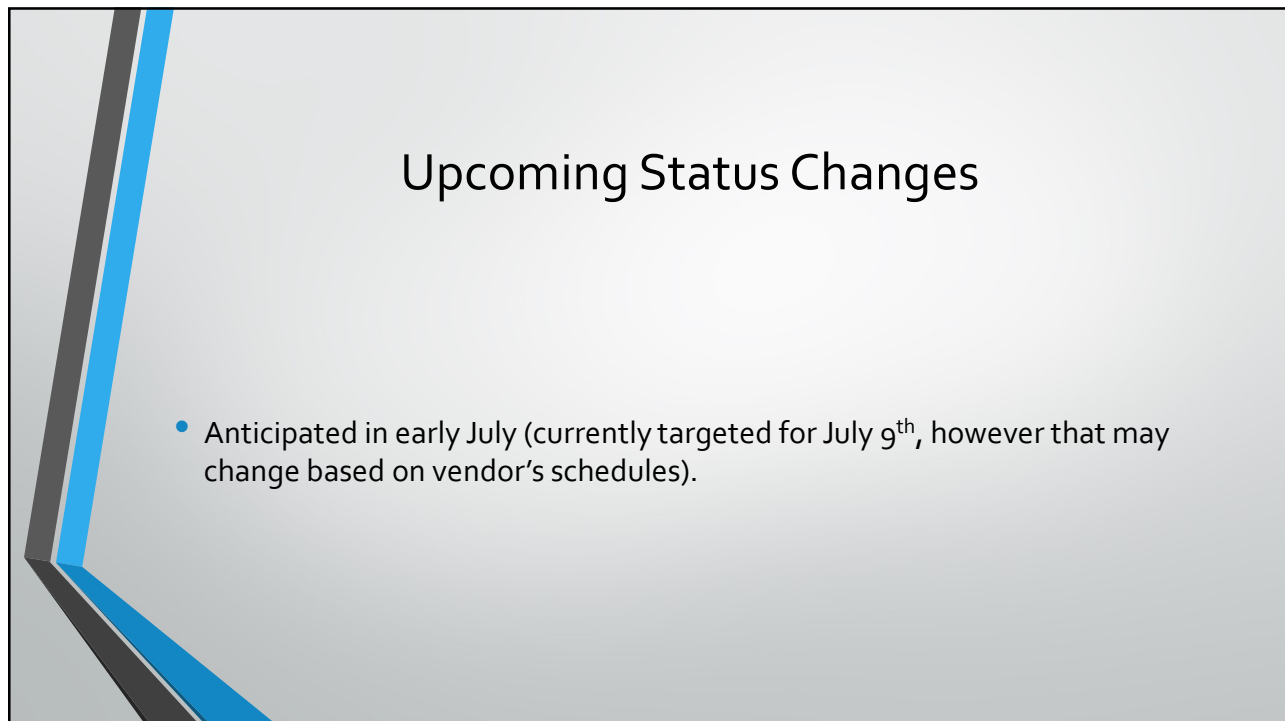




MLS Update GBRAR Broker Briefing

1




Upcoming Status Changes






- Anticipated in early July (currently targeted for July 9th, however that may change based on vendor's schedules).

2

Active


 **ACTIVE** (No change)

- The listing is on-market, and an offer has not been accepted.






-  **Can** schedule on ShowingTime
-  **On** Market
-  DOM Accrues
-  **NOT** Solicitable
-  Under a Listing Agreement

3

Pending


 **PENDING** (no change)

- An offer has been accepted and **the listing is off-market.**






-  **CAN** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  **NOT** Solicitable
-  Under a Listing Agreement

4

Pending Continue to Show


 **PENDING CONTINUE TO SHOW** (No change)

- An offer has been accepted but the listing is still being marketed. **This status is on-market.**






-  **Can** schedule on ShowingTime
-  **On** Market
-  DOM **DOES NOT** Accrue
-  **NOT** Solicitable
-  Under a Listing Agreement

5

Expired


 **EXPIRED** (no change)

- The listing contract has expired, and **the listing is off-market.**



-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  Solicitable
-  **NOT** Under a Listing Agreement

6

Contingent


 **OPEN PREDICATION CONTINGENCY**

- An offer has been accepted but the purchase agreement is contingent upon the sale of another property by the buyer. Under the terms of an Open Predication clause included in the purchase agreement, the Buyer has agreed to, within a specified period of time after seller receives another acceptable offer, either **1)** remove the contract contingency for the sale of another property, or **2)** release all rights under the agreement, permitting the Seller to accept the other acceptable offer that has been received. **This status is on-market.**






-  **Can** schedule on ShowingTime
-  **On** Market
-  DOM Accrues
-  **NOT** Solicitable
-  Under a Listing Agreement

7

Sold


 **CLOSED**

- The purchase contract has been fulfilled or the lease agreement has been executed and **the listing is off-market.**






-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  Solicitable
-  **NOT** Under a Listing Agreement

8

Rented


 **CLOSED**

- The purchase contract has been fulfilled or the lease agreement has been executed and **the listing is off-market.**






-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  Solicitable
-  **NOT** Under a Listing Agreement

9

Temporary Off Market


 **HOLD**

- A contract exists between the seller and the listing Participant. The listing is temporarily off-market with the intent to return to market. **Withdrawn is similar to the Hold status but conveys the intent NOT to go back on-market.**






-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  **NOT** Solicitable
-  Under a Listing Agreement

10

Withdrawn

 **CANCELED**

- The listing contract has been terminated prior to the expiration date and **the listing is off-market.**






-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  Solicitable
-  Under a Listing Agreement

11

NEW STATUS:

WITHDRAWN

- A contract exists between the seller and the listing participant. The listing has been taken off-market with the intent not to return to market. **Hold is a similar status but conveys the intent to go back on-market.**

-  **CANNOT** schedule on ShowingTime
-  **OFF** Market
-  DOM **DOES NOT** Accrue
-  **NOT** Solicitable
-  Under a Listing Agreement

12

Key Updates

- On April 15 Fannie and Freddie published explicit confirmations that buyers whose agent is compensated by the seller will continue to have access to financing.
- Plaintiffs filed motion for preliminary approval on April 19.
- Preliminary approval of the proposed settlement agreement on April 23.
- Deadline for specific entities to opt in to the settlement is June 18, 2024.
- New FAQs on buyer written agreements posted last week.
- MLS rule changes and FAQs posted May 3.
- VA signals intention to suspend prohibition on compensation payments on May, 21

13

What Changes?

- Broker to Broker Offers of Cooperative compensation will no longer be allowed on the MLS.
- The settlement provides that MLS Participants working with buyers must enter into written agreements with those buyers.

14

What triggers the “requirement” for a written agreement?”

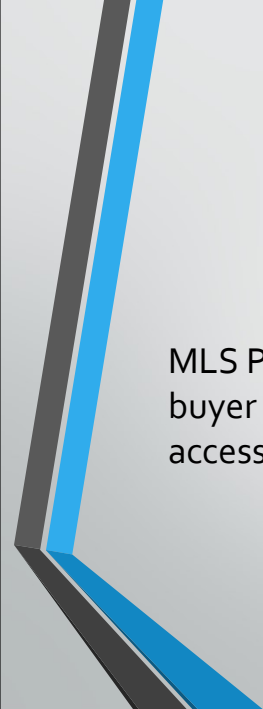
- “WORKING WITH A BUYER”
- “TOURING A HOME”

15

WORKING WITH A BUYER

- MLS Participants who **provide brokerage services** to a buyer
 - Identifying potential properties
 - Arranging for the Buyer to tour a Property
 - Negotiating on behalf of the Buyer
 - Writing and presenting offers

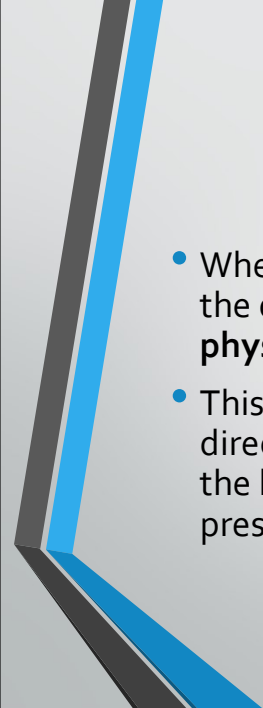
16



As opposed to . . .

MLS Participants who simply market their services or just talk to a buyer -- like at an open house or providing an unrepresented buyer access to one of their listed homes.

17



"TOURING A HOME"

- When the buyer and/or the MLS Participant, or other agent at the direction of the MLS Participant working with the buyer, **physically enters the home.**
- This includes when the MLS Participant or other agent, at the direction of the MLS Participant, working with the buyer enters the home to provide a **live virtual tour** to a buyer not physically present.

18

When does it need to be signed?

- "BEFORE TOURING A HOME"
 - *Unless, State Law dictates an EARLIER time*

19

WHAT ARE THE REQUIRED TERMS

- State **conspicuously** the specific amount or rate of compensation the buyer broker will receive or how this amount will be determined. **MUST BE OBJECTIVELY ASCERTAINABLE AND NOT OPEN ENDED!** (*whatever the seller/listing broker is giving*)
- State **conspicuously** that commissions are **fully negotiable and not fixed by state law, a multiple listing service or association of REALTORS®**.
- State **conspicuously** that the buyer may not receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer.

20

WTheck is "Conspicuously?"

- Presented in a way that is noticeable to a reasonable person.
- Larger type than surrounding text.
- Contrasting type like **bold** or **ALL CAPS BOLD**
- Different **color** than surrounding text.
- "Set off" from surrounding text.

21

What types of agreements?

- Exclusive buyer representation agreement
 - Non-exclusive buyer rep agreement
 - Non-agency
 - Transactional
 - Limited Service
 - Designated agency
 - Dual agency
 - One property, one weekend
- *Anything that complies with state law

22

WHAT IS NOT DICTATED?

- What type of relationship the professional has with the potential buyer (e.g., agency, non-agency, sub agency, transactional, customer).
- The term of the agreement (e.g., one day, one month, one house, one zip code).
- The services to be provided (e.g., ministerial acts, a certain number of showings, negotiations, presenting offers).
- The compensation charged (e.g., \$0, X flat fee, X percent, X hourly rate).

23

NEXT STEPS ?

- The settlement is subject to final court approval, which is a process that we can expect to take several months or more.
- Hearing set for November 26, 2024.
- In large class action settlements like this one, objections and opt outs are common, and the plaintiffs and NAR will handle them as they come.
- Practice changes **MUST** go into effect by **AUGUST 17th, 2024**

24

What does this mean for us?

- GBRAR and ROAM have already opted into the settlement.
- We are targeting implementation of these changes for:

AUGUST 15th, 2024

25

How to Prepare

- Have a written buyer agreement ready to go by:

AUGUST 15th, 2024

**ALL NEW BUYER CLIENTS/CUSTOMERS WILL
NEED TO SIGN ONE BEFORE TOURING A HOME!**

26

How to Prepare

- Have a “pitch deck” ready to go to explain the written agreement requirement.
- Become comfortable with the compensation conversation
- Understand **YOUR VALUE** and how to communicate that with consumers
- Take advantage of ABR / SRS Trainings

27

What we are working on . . .

- Full Exclusive Buyer Rep Agreement based on LR Model
- A shorter touring agreement
- Interbroker Cooperative Compensation Agreement
- Related Non-Represented Disclosures
- Modifications to the Board Listing Agreement
- Sample Listing Agreement Addendum

28

What about agreements in process?

*August 15th date is based on planned implementation/adoption of the changes prescribed by the ROAM Board of Managers for August 15th.

29

If I have a BUYER agreement entered into BEFORE August 15,2024*:

- *You should amend the agreement to make sure that any compensation expressed is not open ended and is objectively ascertainable. (FAQ 67)*
- *You should amend the agreement to remove any provision that authorizes the buyer broker to keep any offers of compensation exceeding the amount of compensation agreed with the buyer. (FAQ 68)*
- *You should provide and document additional conspicuous disclosure that, “compensation is not set by law and is fully negotiable.” (FAQ 37)*

30

**If you have an active LISTING agreement entered into
BEFORE August 15, 2024*:**

- *If the listing agreement instructs the listing broker to make an offer of compensation without reference to the MLS, no change to the listing agreement is needed, as the listing broker can comply with that instruction without violating the MLS policy change. If you are using the current GBRAR listing agreement no change is necessary.*
- *But if the listing agreement specifies that offers of compensation be made “on the MLS,” then the listing broker should work with the seller to amend the listing agreement before the MLS policy change is implemented, to make it clear the listing broker will not make an offer of compensation on the MLS and will not be violating the listing agreement by failing to make an offer of compensation on the MLS. (FAQ 38)*
- *You should provide and document additional conspicuous disclosure that, “compensation is not set by law and is fully negotiable.” (FAQ 37)*

31

**If you have a listing UNDER CONTRACT
BEFORE AUGUST 15, 2024*:**

- *The buyer broker should be able to rely upon the offer of compensation, even if closing occurs after the date of the policy change. (FAQ 39)*

32

If you have a **Purchase Agreement contract that is executed ON or AFTER AUGUST 15, 2024***:

- ***The offer previously on the MLS will NOT BE VALID*** and Buyers and Brokers may wish to protect themselves in writing with the listing broker or seller through a broker agreement, or by including the offer of compensation in the sales contract. (FAQ 39)

33

OFFICE VISITS
or
ZOOMS
reach out to us to set-up
for your offices!

34



35