



NAR Settlement: Questions You May Have

What's the overview?

On Friday, March 15, 2024, the National Association of REALTORS® proposed a settlement ending landmark antitrust lawsuits, agreeing to pay \$418 million in damage, pending court approval. This move redefines the real estate market with two major changes predicted to go into effect for NAR members mid-July 2024: the prohibition of compensation offers on multiple listing services (MLS), and a mandate of written buyer-broker agreements.

What will change?

If the proposed settlement is accepted, starting mid-July 2024, NAR will enforce the following:

- **Removal of compensation offers from MLS:** These offers will be continued between the client and the real estate professional.
- **Enforcement of buyer-broker agreements:** Agents representing buyers must have a written agreement with their clients, defining exactly what services and value will be provided, and for how much.

Why did NAR settle?

Although the proposed settlement is not the perfect outcome, NAR believes that this was the best possible outcome. If NAR did not choose to settle, the \$418 million agreement could have been a judgment of more than \$5 billion. The proposed settlement is not solely beneficial to NAR - it benefits real estate professionals, buyers, sellers, and all other consumers likewise. NAR agreed to this settlement to avoid extended legal battles, secure a broad release from liability nationwide, and ensure that consumer choices remain protected.

How does this impact regulators and license law officials?

At face value, the proposed settlement does not impact regulators and license law officials; it is important to recognize that these changes apply specifically to NAR members and not to real estate regulations at the state value. With that being said, though, ARELLO® members remain at the forefront of protecting consumers and ensuring that the real estate industry operates with transparency and fairness.

What is ARELLO doing?

ARELLO will be providing oversight and support - offering guidance, resources, and updates to regulators through every step of the proposed settlement. In coming weeks, ARELLO will be hosting town halls with industry experts, releasing detailed impact statements, and continuously delivering crucial information to keep all members well-informed about the settlement's effects and implications.

What happens next?

ARELLO will be closely monitoring and reporting along the way of the NAR settlement. The proposed settlement marks a significant turning point for the real estate industry, and ARELLO anticipates a shift towards greater transparency and fairness. The settlement is now subject to court approval, which is expected to take several months or longer.