



NAR Settlement: Fact Sheet

- The National Association of REALTORS® reached a proposed settlement agreement that would end litigation related to broker commissions.
- The settlement is subject to court approval, which will likely take several months.
- The proposed settlement would release liability for over one million NAR members, member-owned brokerages, state and local REALTOR associations, and association-owned MLSs.
- The proposed settlement will not release liability for brokerages with residential transaction volumes over \$2 billion, agents affiliated with HomeServices of America and its related companies, and employees of the remaining corporate defendants named in the cases covered by this settlement.
- Two major practice changes will impact REALTOR members: (1) a rule prohibiting offers of compensation on the MLS, and (2) a rule that MLS participants working with buyers must enter into written representation agreements with those buyers.
- The two practice changes are only a REALTOR member rule. Regulators and license law officials only have to follow state laws. If an ARELLO member is not a member of NAR, then NAR's changes and requirements do not apply to them.
- If the settlement is approved, NAR would pay \$418 million over approximately four years.
- When considering settling, NAR also explored two other legal options: appealing or Chapter 11 reorganization. NAR believed that both of these options would leave REALTOR members with continued uncertainty and potential liability risk.
- The practice changes will go into effect for REALTOR members in mid-July 2024.