



NAR/DOJ SETTLEMENT FAQ

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WHAT ARE THE NEW RULES AND WHAT WILL CHANGE?

Although final language is still being determined, most of the changes seek to more explicitly state what is already the spirit and intent of NAR's Code of Ethics and MLS policies regarding providing information about commissions and MLS participation.

In accordance with the MLS system's long-standing focus on creating an efficient, transparent marketplace for home buyers and sellers, the amount of compensation offered to buyers' agents for each MLS listing will be made publicly available. Publicly accessible MLS data feeds will include offers of compensation, and buyers' agents will have an affirmative obligation to provide such information to their clients for homes of interest.

The rule changes re-affirm that MLSs and brokerages, as always, must provide consumers all properties that fit their criteria regardless of compensation offered or the name of the listing brokerage.

While NAR has long encouraged buyers' agents to explain how they expect to be paid, typically through offers of cooperative compensation from sellers' agents, there will be a rule that more specifically states that buyers' agents cannot represent that their services are free to clients.

The new rules will require, with the seller's prior approval, a licensed real estate agent will have access to the lockboxes of properties listed on an MLS even if the agent does not subscribe to the MLS.

WHY ARE YOU MAKING THESE RULE CHANGES?

While NAR disagrees with the DOJ's characterization of our rules and policies, and NAR admits no liability, wrongdoing, or truth of any allegations by the DOJ, NAR has agreed to make certain changes to its rules to address the questions raised by the DOJ. By reaching this agreement, NAR will be able to remain focused on supporting our members as they preserve, protect, and advance the American dream of homeownership.

Why did the DOJ challenge these rules? While we can't speak for the DOJ, these rule changes will further our policies designed to ensure fair and competitive real estate markets for home buyers and sellers. Although final language is still being determined, most of the changes seek to more explicitly state what is already the spirit and intent of NAR's Code of Ethics and MLS policies regarding providing information about commissions and MLS participation.



IS THIS SOMEHOW AN ADMISSION OF LIABILITY OR THAT WE DID SOMETHING WRONG?

No. While NAR disagrees with the DOJ's characterization of our rules and policies, and NAR admits no liability, wrongdoing, or truth of any allegations by the DOJ, we have agreed to make certain changes to our rules to address the questions raised by the DOJ. This allows NAR to remain focused on supporting our members as they preserve, protect, and advance the American dream of homeownership.

WHY IMPLEMENT THESE RULE CHANGES NOW?

Our rules and policies have long sought to ensure fair and competitive real estate markets for home buyers and sellers, and we believe the Code of Ethics and other policies already empower consumers with information. We view these changes as more explicitly stating what is already the spirit and intent of the Code of Ethics and MLS policies regarding providing information about commission and MLS participation.

WHY DID NAR NOT TELL MEMBERS ABOUT THE DOJ REVIEW BEFORE?

How long was the DOJ investigating NAR? It is customary for organizations like ours to cooperate confidentially with the DOJ until the findings of the DOJ inquiry become apparent. It would not have been appropriate for us to divulge the inquiry, or our response, while the DOJ's inquiry was ongoing.

WHAT ARE THE NEXT STEPS FOR NAR AFTER ENTERING THE FINAL JUDGMENT WITH THE COURT?

NAR will work with the DOJ to agree on exact rule changes, and then the Board of Directors will have to approve the new rules. We anticipate that the new rules will take effect in the first quarter of 2021.

WHAT ARE THE ROLES AND RESPONSIBILITIES OF NAR, THE DOJ, AND THE COURT TO IMPLEMENT THE RULES? HOW DOES EACH GROUP'S PROCEDURE(S) DIFFER?

NAR will work with the DOJ to agree on exact rule changes, and then the Board of Directors will have to approve the new rules. The court reviews and approves the agreement, and then the new rules will be implemented. The DOJ will monitor our progress in implementing the rules and, once completed, NAR will confirm compliance to the DOJ quarterly.

WHEN WILL WE SEE THE FINAL LANGUAGE ON THE RULE CHANGES?

NAR will work with the DOJ to agree on exact rule language changes within 45 days, and we will provide them to our Board of Directors shortly thereafter.

