

# Navigating Real Estate after August 17th!

# NAR SETTLEMENT

## COMMISSIONS

- » The process of "co-broker compensation" has been determined as unlawful.
- » Seller and buyer agents will have individual pre-determined agreements for their compensation.
- » The listing broker can still offer compensation to the buyer's agent, but those offers are required to be communicated outside of the MLS.

## RESIDENTIAL BUYER REPRESENTATION AGREEMENT

Required written agreement before a REALTOR® tours homes, educates, acts as a fiduciary, etc. on behalf of their buyer and must include the following:

- » Rate of Compensation and how it's determined; AND
- » Definitive compensation (cannot be open-ended); AND
- » Compensation is capped at amount in this agreement and, if compensation exceeds capped amount, an addendum to the compensation agreement must be added for the additional amount; AND
- » REALTOR® cannot state their services are "free" unless they will not be collecting any compensation for the transaction.

## MLS CHANGES

- » No longer allowing mentions of "shared" commissions in MLS.
- » Has the authority to ask for the Buyer-Broker Agreement.
- » Each local board or association will develop standards and be the disciplinarian for violations.
- » Sellers can continue to offer buyer concessions like buyer closing costs on MLS.

**TEXAS REALTORS**  
AMENDMENT TO REPRESENTATION AGREEMENT

This Amendment modifies Texas REALTORS® real estate representation agreements to comply with certain National Association of REALTORS® Multiple Listing Service policies. This Amendment may be used with the following representation agreements with a version date before 09-24-24: Listing Agreements, TXR 1101, TXR 1102, or TXR 1201 and Buyer/Broker Representation Agreement TXR 1501.

Client and Broker entered into a Texas REALTORS® representation agreement.

Client and Broker amend the above-referenced representation agreement as follows:

**A. For All Representation Agreements**

1. Broker compensation or the sharing of compensation between brokers is not set by law nor fixed, certified, recommended, or suggested, by the Association of REALTORS®, MLS, or any listing service. Broker compensation is fully negotiable. Brokers independently determine their fees.

**B. For Listing Agreements**

1. "Client" means the Seller or Landlord concerning the following Property:

2. Paragraph 8A includes payment of compensation to the other broker working with a buyer or tenant. Client authorizes Broker to compensate the other broker as indicated in Paragraph 8A.

3. Paragraph 8B is deleted. Fees stated in Paragraph 8A are payable regardless of whether the other Broker is a participant in the MLS in which the Listing is filed.

**C. For Buyer/Broker Representation Agreements**

1. Broker is prohibited from receiving compensation for brokerage services from any source that exceeds the amounts stated in the representation agreement.

Broker's Printed Name License No. Client's Printed Name License No.  
 Broker's Signature Date Client's Signature Date  
 Broker's (or Broker's Associate's) Signature Date Client's Printed Name License No.  
 Broker's Associate's Printed Name, if Applicable License No. Client's Signature Date

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**TEXAS REALTORS**  
COMPENSATION AGREEMENT BETWEEN BROKERS

1. PARTIES: The parties to this Agreement are:  
 Listing/Principal Broker: Full Address: Phone: E-Mail/Fax:  
 Cooperating Broker: Full Address: Phone: E-Mail/Fax:

2. PROPERTY: Property means the following real property in Texas, together with all its improvements and fixtures, all as described in an attached addendum.

3. REGISTRATION: Cooperating Broker registers \_\_\_\_\_ (Client) with Listing/Principal Broker. Listing/Principal Broker represents the owner of the Property (Owner), and Cooperating Broker represents Client.

4. TERM: This Agreement begins on \_\_\_\_\_ and ends at 11:59 pm on \_\_\_\_\_.

5. COOPERATING BROKER'S FEES:

A. Fees, when Earned and Payable. Listing/Principal Broker will pay Cooperating Broker (complete all that apply):  
 (1) Base: \_\_\_\_\_ % of the sales price of \$ \_\_\_\_\_  
 (2) Earned: \_\_\_\_\_ % of one full month's rent Client is obligated to pay under the lease or \$ \_\_\_\_\_

B. Earned and Payable. Cooperating Broker's fees are Earned when Client enters into a binding agreement during the Term to buy or lease all or part of the Property at any price. Cooperating Broker's fees are Payable (1) if Cooperating Broker is the procuring cause of the sale or lease and (2) when a lease is executed or when a sale closes, either during the Term or after it ends. Listing/Principal Broker is not obligated to pay Cooperating Broker any fee if, through no fault of the Listing/Principal Broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the Listing/Principal Broker to order its fee under the separate agreement with Client. Any rescission or closing agent is authorized to pay Cooperating Broker's fee from Listing/Principal Broker's fee at closing.

C. Related Parties. If a related party of Client agrees to purchase or lease all or part of the Property during the Term, Cooperating Broker will be entitled to all compensation under this Agreement as if Client had acquired the Property. "Related party" means any assignee of Client, any family member or relation of Client, any officer, director, or partner of Client, any entity owned or controlled by Client, in whole or part, and any entity that owns or controls Client, in whole or part.

6. ENTIRE AGREEMENT: This Agreement is the entire agreement of the parties and may not be changed except by written agreement. This Agreement supersedes any prior agreement between the parties concerning the same subject matter.

Listing/Principal Broker's Printed Name License No. Cooperating Broker's Printed Name License No.  
 Listing/Principal Broker's Signature Date Cooperating Broker's Signature Date  
 Listing/Principal Broker's Associate's Printed Name License No. Cooperating Broker's Associate's Printed Name License No.  
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**TEXAS REALTORS**  
ADDENDUM REGARDING BROKERS' FEES TO CONTRACT CONCERNING THE PROPERTY AT:

(Address of Property)

Note: This addendum should not be used with the Farm and Ranch Contract (TRC 25-15), TXR 1791, or other contracts.

A. ADDENDUM CONTROLS: If any part of this addendum conflicts with a provision in the contract, this addendum will control.

B. FEES: Cash fees as specified in this addendum will be paid in \_\_\_\_\_ County, Texas.

C. LISTING BROKER'S FEE: Seller shall pay Listing Broker the fee specified in a separate written representation agreement between Seller and Listing Broker.

D. OTHER BROKER'S FEE: Other Broker's fees will be paid as specified below, and Buyer shall pay any remaining amount due to Other Broker under a separate written representation agreement between Other Broker and Buyer.

(1) Listing Broker shall pay \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price as contained in a separate written compensation agreement between Listing Broker and Other Broker (such as TXR 2421).

(2) Other shall pay: (Check one box only)  
 \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price as contained in a separate written compensation agreement between Seller and Other Broker (such as TXR 2421).  
 (1) \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price as contained in a separate written compensation agreement between Seller and Other Broker (such as TXR 2421).  
 Amounts in (1) and (2)(a) are for informational purposes only and do not change compensation owed to the addendum or other separate written compensation agreements. Any amount stated in (2)(b) creates a new obligation for Seller.

E. AUTHORIZATION: Other and Buyer authorize Electronic Agent to pay Listing and Other Broker at closing in accordance with the addendum or other separate written compensation agreements.

BROKER FEES ARE NOT SET BY LAW AND ARE FULLY NEGOTIABLE. This addendum confirms or creates an obligation for the Buyer of funds to be CONVEYED TO AN ATTORNEY BEFORE SIGNING. TRC rules prohibit real estate brokers and sales agents from going legal ahead. READ THIS FORM CAREFULLY.

Buyer's Printed Name License No. Seller's Printed Name License No.  
 Buyer's Signature Date Seller's Signature Date  
 Buyer's Printed Name License No. Seller's Printed Name License No.  
 Buyer's Signature Date Seller's Signature Date

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More helpful info on following page



# Some things to KEEP IN MIND

- » REALTOR® COMPENSATION HAS ALWAYS BEEN NEGOTIABLE.
- » REALTOR® and buyer can always ammend, rewrite, revise Buyer Representation Agreement.
- » Communication and education is key — with your buyer, the seller, and/or the builder if applicable.
- » The ABR (Accredited buyers representative) designation is now FREE to REALTORS® to help communicate their value to buyers in this ever-evolving real estate landscape.
- » Rely on your broker for continued education, changes, advice, etc.
- » The local markets will determine how these changes affect pricing and negotiations moving forward.

## Additional Helpful Resources

SCAN OR CLICK TO VIEW

### NAR WEBSITE:

*NAR Settlement  
FAQS*



*Competition in  
Real Estate*



*NAR Settlement  
Library of Resources*



### LOCAL MLS:

*ABoR FAQs from  
NAR Settlement*



*HAR: Buyer Impact  
of NAR Settlement*



### TOM FERRY:

*Embracing Change  
& Navigating New  
Real Estate Rules*



*New Buyer  
Presentation  
Strategies*



*Make Adjustments  
Before Commission  
Changes*



*Adapt Listing  
Strategies for  
NAR Settlement*

