


Correcting the Record: NAR Does Not Set Commissions

March 19, 2024

Media Contact: Suzanne Bouhia 202-383-1050

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Following recent inaccuracies in media coverage, including the false representation or suggestion that the National Association of REALTORS® (NAR) requires a standard 6% commission, NAR has issued the following statement:

CHICAGO (March 19, 2024) – The National Association of REALTORS® (NAR) does not set commissions – they are negotiable. The rule that has been the subject of litigation requires only that listing brokers communicate an offer of compensation. That offer can be any amount, including zero. And other rules throughout the MLS Handbook and NAR policy expressly prohibit MLSs, associations, and brokers from setting or suggesting any such amount that should be included in that field. The text of the current rule is linked [here](#) and excerpted below, the text of our MLS Antitrust Compliance Policy is linked [here](#) and excerpted below, and a notice included in NAR’s MLS Handbook is below.

Again, the current rule that has been the subject of litigation does not set commissions.

As reflected in our [release](#) about the proposed settlement agreement, NAR has agreed to put in place a new MLS rule prohibiting offers of broker compensation on the MLS. Commissions remain negotiable, as they have been.

**Excerpt from Handbook on Multiple Listing Policy –
Commission/Cooperative Compensation Offers, Section 1: Information
Specifying the Compensation on Each Listing Filed with a Multiple**

Listing Service of an Association of REALTORS®

In filing property with the multiple listing service, participants make blanket unilateral offers of compensation to the other MLS participants and shall therefore specify on each listing filed with the service the compensation being offered by the listing broker to the other MLS participants. This is necessary because cooperating participants have the right to know what their compensation will be prior to commencing their efforts to sell.

The listing broker retains the right to determine the amount of compensation offered to subagents, buyer agents, or to brokers acting in other agency or nonagency capacities, which may be the same or different.

Excerpt from Handbook on Multiple Listing Policy – MLS Antitrust Compliance Policy

The purpose of multiple listing is the orderly correlation and dissemination of listing information to participants so they may better serve the buying and selling public. Boards and associations of REALTORS® and their multiple listing services shall not enact or enforce any rule which restricts, limits, or interferes with participants in their relations with each other, in their broker/client relationships, or in the conduct of their business in the following areas.

Boards and associations of REALTORS® and their MLSs shall not:

1. Fix, control, recommend, or suggest the commissions or fees charged for real estate brokerage services (Interpretation 14).
2. Fix, control, recommend, or suggest the cooperative compensation offered by listing brokers to potential cooperating brokers.

Excerpt from Handbook on Multiple Listing Policy – Notice to Association Members

Under the long-established policy of this association, the (state) association of REALTORS®, and the National Association of REALTORS®:

1. The broker's compensation for services rendered in respect to any listing is solely a matter of negotiation between the broker and his or her client, and is not fixed, controlled, recommended, or maintained by any persons not a party to the listing agreement.
2. The compensation paid by a listing broker to a cooperating broker in respect to any listing is established by the listing broker and is not fixed, controlled,

recommended, or maintained by any persons other than the lister broker.
(Amended 4/92)

About the National Association of REALTORS®

The National Association of REALTORS® is America's largest trade association, representing more than 1.5 million members involved in all aspects of the residential and commercial real estate industries. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict [Code of Ethics](#).

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NAR Reaches Agreement to Resolve Seller Claims

MARCH 15, 2024

The agreement would resolve claims against NAR, 1m+ NAR members, state and local REALTOR® associations, association-owned MLSs, and some brokerages.

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