


# National Association of REALTORS® Reaches Agreement to Resolve Nationwide Claims Brought by Home Sellers

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CHICAGO (March 15, 2024) – The National Association of REALTORS® (NAR) today announced an agreement that would end litigation of claims brought on behalf of home sellers related to broker commissions. The agreement would resolve claims against NAR, over one million NAR members, all state/territorial and local REALTOR® associations, all association-owned MLSs, and all brokerages with an NAR member as principal that had a residential transaction volume in 2022 of \$2 billion or below.

The settlement, which is subject to court approval, makes clear that NAR continues to deny any wrongdoing in connection with the Multiple Listing Service (MLS) cooperative compensation model rule (MLS Model Rule) that was introduced in the 1990s in response to calls from consumer protection advocates for buyer representation. Under the terms of the agreement, NAR would pay \$418 million over approximately four years.

“NAR has worked hard for years to resolve this litigation in a manner that benefits our members and American consumers. It has always been our goal to preserve consumer choice and protect our members to the greatest extent possible. This settlement achieves both of those goals,” said Nykia Wright, Interim CEO of NAR.

Two critical achievements of this resolution are the release of most NAR members and many industry stakeholders from liability in these matters and the fact that cooperative compensation remains a choice for consumers when

buying or selling a home. NAR also secured in the agreement a mechanism for nearly all brokerage entities that had a residential transaction volume in 2022 that exceeded \$2 billion and MLSs not wholly owned by REALTOR® associations to obtain releases efficiently if they choose to use it.

NAR fought to include all members in the release and was able to ensure more than one million members are included. Despite NAR's efforts, agents affiliated with HomeServices of America and its related companies—the last corporate defendant still litigating the Sitzler-Burnett case—are not released under the settlement, nor are employees of the remaining corporate defendants named in the cases covered by this settlement.

In addition to the financial payment, NAR has agreed to put in place a new MLS rule prohibiting offers of broker compensation on the MLS. This would mean that offers of broker compensation could not be communicated via the MLS, but they could continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. Offers of compensation help make professional representation more accessible, decrease costs for home buyers to secure these services, increase fair housing opportunities, and increase the potential buyer pool for sellers. They are also consistent with the real estate laws in the many states that expressly authorize them.

Further, NAR has agreed to enact a new rule that would require MLS participants working with buyers to enter into written agreements with their buyers. NAR continues, as it has done for years, to encourage its members to use buyer brokerage agreements that help consumers understand exactly what services and value will be provided, and for how much. These changes will go into effect in mid-July 2024.

“Ultimately, continuing to litigate would have hurt members and their small businesses,” said Ms. Wright. “While there could be no perfect outcome, this agreement is the best outcome we could achieve in the circumstances. It provides a path forward for our industry, which makes up nearly one fifth of the American economy, and NAR. For over a century, NAR has protected and advanced the right to real property ownership in this country, and we remain focused on delivering on that core mission.”

“NAR exists to serve our members and American consumers, and while the settlement comes at a significant cost, we believe the benefits it will provide to our industry are worth that cost,” said Kevin Sears, NAR President. “NAR is focused firmly on the future and on leading this industry forward. We are committed to innovation and defining the next steps that will allow us to

continue providing unmatched value to members and American consumers. This will be a time of adjustment, but the fundamentals will remain: buyers and sellers will continue to have many choices when deciding to buy or sell a home, and NAR members will continue to use their skill, care, and diligence to protect the interests of their clients.”

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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