



# **NAR Settlement Changes August 6, 2024**



Practice changes will go into effect **August 17, 2024**

NAR recommends all MLSs implement changes by August 17<sup>th</sup>

REALTOR® MLS must implement the changes by this date to remain in compliance with NAR policy

Class notice will be sent on or after August 17, 2024

The settlement is subject to final court approval – hearing set for November 26, 2024



# HOW DID WE GET HERE

Since 2019

4 major lawsuits filed against NAR and a number of corporate brokerages

Fall 2023

Burnett case went to trial

October 31, 2023, jury sided with plaintiffs (home sellers)

Jury awarded a \$1.78 Billion in Damages

Antitrust cases damages can be tripled making the damages over \$5 Billion

March 15, 2024

NAR announces a proposed \$418 million settlement to settle the home seller lawsuits

June 17, 2024

SmartMLS notifies plaintiffs' counsel of its decision to opt-in to the settlement

August 17, 2024

New "practice changes" in accordance with the NAR settlement go into effect

November 26, 2024

Final approval hearing on NAR settlement



# KEY PRACTICE CHANGE AREAS

Offers of compensation

Listing Agreements

Written Buyer Agreements



# OFFERS OF COMPENSATION

- Effective August 17, offers of compensation are **PROHIBITED** on a REALTOR® association owned MLS, per new MLS policies
  - Includes all listing types (residential, commercial, rental) that appear on the MLS
  - Cannot post a link on MLS directly to a listing on the broker's site which includes an OOC
- Offers of compensation remain an option, **off-MLS**
- Consumers will continue to have choices regarding real estate services



# QUESTIONS AND ANSWERS

**Q. When will the compensation fields be removed from the MLS?**

**A. The compensation fields for all Active, Under Contract, Under Contract - Continue to Show, Temp off Market and Withdrawn listings will be removed on Friday, August 16, 2024.**



# QUESTIONS AND ANSWERS

**Q. Can attachments or the remarks fields include any broker-to-broker compensation offers? Or, can we add compensation information to ShowingTime?**

**A. No, a reference to compensation is not allowed anywhere in the MLS. In addition to the above examples, compensation cannot be on photos or virtual tours.**



# QUESTIONS AND ANSWERS

**Q. Where will we be allowed to show compensation if not on the MLS?**

**A. Compensation cannot be on the MLS. There is no prohibition of mentioning compensation for your own listings off the MLS.**





# OFFERS OF COMPENSATION

Listing brokers may advertise an offer of cooperative compensation in any way off-MLS, including:

- On the listing, on their own website
- Signs and sign riders
- Flyers
- Social media posts
- Text, email, phone calls

MLS/IDX may not be used to facilitate, or support any mechanism to offer compensation



# QUESTIONS AND ANSWERS

**Q. What is the value of the MLS if compensation is not offered via the MLS?**

**A. SmartMLS remains committed to equipping real estate practitioners, homebuyers and sellers with a transparent marketplace and the most concise, comprehensive and up-to-date information possible.**

**SmartMLS remains committed to actively monitoring the impact of the practice changes mandated by the agreement to determine whether they harm historically disadvantaged communities, low down payment buyers and first-time homebuyers.**



# Listing Agreements

Required terms:

1. State conspicuously that broker commissions are not set by law and are fully negotiable.
2. Conspicuously disclose to sellers and obtain seller approval for any payment or offer of payment that a listing broker will make to another broker or representative (e.g., real estate attorney) acting for buyers, and specify the amount or rate of such payment.



# Written Buyer Agreements

## Required Terms:

1. A specific and conspicuous disclosure of the amount or rate of consumption the Participant will receive or how this amount will be determined to the extent that the Participant will receive compensation from any source.
2. The amount of compensation in a manner that is objectively ascertainable and not open ended.
3. A term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer
4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.



# What Types of Agreements?

Any type of written agreement can be used\*

- Exclusive buyer representation agreement
- Non-exclusive buyer rep agreement
- Non-Agency
- Transactional
- Limited service
- Designated agency
- Dual Agency
- One property, one weekend.

*\*Must comply with state law*



# What Types of Agreements?

NAR policy does not dictate:

What type of relationship the professional has with the potential buyer (e.g. agency, non-agency, exclusive, non-exclusive, customer)

The term agreement (e.g. one day, one month, one house, one zip code).

The services to be provided (e.g. ministerial acts, a certain number of showings, negotiations, presenting offers)

The compensation charged (e.g. \$0, X flat fee, X percent, X hourly rate)



## **How Can Brokers Prepare?**

Have an updated listing agreement ready to go before August 17<sup>th</sup>

Amend listing agreements in effect before August that mention offers of compensation in the MLS; otherwise, a separate disclosure can satisfy the requirements

Understand and be ready to talk to sellers about options for offering compensation

Have an effective way to post offers of compensation on their listings on their website, and other efforts to communicate offers off MLS.



**53. Should active listing or buyer agreements—meaning there is no accepted offer—entered into before the MLS policy changes go into effect on August 17, 2024 be amended to include a conspicuous disclosure that compensation is not set by law and is fully negotiable?**

- **MLS Participants must make this disclosure. Active agreements can either be amended or a separate disclosure can be provided to satisfy the requirement. (Added 5/29/2024)**





# How Can Brokers Prepare?

Have a written buyer agreement ready to go before August 17!  
All new buyer clients/customers will need to enter into one before touring a home.

Existing buyer rep agreements in effect before August 17 do not need to be amended if they have the required terms 1-3, a separate disclosure can satisfy requirement #4.

1. A specific and conspicuous disclosure of the amount or rate of consumption the Participant will receive or how this amount will be determined to the extent that the Participant will receive compensation from any source.
2. The amount of compensation in a manner that is objectively ascertainable and not open ended.
3. A term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer
4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.



## 36. Can buyers and buyer brokers rely on an offer of compensation that was on an MLS prior to the effective date of the MLS policy changes?

- If the sales contract is executed before the MLS policy change, the buyer broker should be able to rely upon the offer of compensation even if closing occurs after the date of the policy change.
- But if a sales contract is not executed before the date the participant's MLS implements the policy changes, the offer on an MLS will not be valid and buyers and buyer brokers may wish to protect themselves in writing with the listing broker or seller through a broker agreement or by including the offer of compensation in the sales contract.



## **How Can Brokers Prepare?**

Be ready to explain the written buyer agreement requirement.

Become comfortable with the compensation conversation.

Understand their value and how to communicate that to consumers.



# What is Class Notice?

Following a preliminary approval of a proposed class action settlement agreement, the court will direct notice in a reasonable manner to all class members who would be bound by the proposed settlement.



# Class Notice – What to Expect

Expect direct notice to settlement class members, targeted digital efforts, and other means to reach class members

Expect questions from consumers

Always direct these questions to the Claims Administrator website:

[www.realestatecommissionlitigation.com](http://www.realestatecommissionlitigation.com)



ADDENDUM TO EXCLUSIVE RIGHT TO REPRESENT BUYER AGREEMENT



Buyer's Name: \_\_\_\_\_

Brokerage Name: \_\_\_\_\_

Exclusive Right to Represent Buyer Agreement dated: \_\_\_\_\_

The above-referenced Exclusive Right to Represent Buyer Agreement is amended as follows:

1. The expiration date is changed to: \_\_\_\_\_

2. The following geographical areas are added or removed:  
\_\_\_\_\_

3. The following property addresses are added:  
\_\_\_\_\_  
\_\_\_\_\_

4. **NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.**

The compensation is changed to:  
\_\_\_\_\_  
\_\_\_\_\_

5. Other: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
Name of Brokerage Firm

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exclusive Right to Represent Buyer Agreement**

Paragraphs 1, 4, & 5

Additions/Revisions:

Added "Geographical Area" to describe a Buyer's preferred home search location as the term is used later in the agreement.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Revised the language relating to keeping buyer information confidential and when it is appropriate to disclose.

Added language stating that a broker will search diligently for a home for buyer regardless of the offer of compensation, or absence of, to buyer brokers.

Added language memorializing Broker's fiduciary relationship to Buyer with the caveat that it may be limited should the parties' consent to the broker acting as a dual agent in a transaction.



EXCLUSIVE RIGHT TO SELL AGREEMENT



The undersigned Seller(s) \_\_\_\_\_ herein grants to \_\_\_\_\_ (Broker) the EXCLUSIVE right to sell real property located at \_\_\_\_\_, Connecticut (Property address). The Seller and Broker agree to list the real property for \$ \_\_\_\_\_ (hereinafter the "List Price"). The term of this Agreement shall commence on \_\_\_\_\_ (start date) and will remain in effect through 11:59 p.m. EST on \_\_\_\_\_ (expiration date).

1. Fees:

NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.

Compensation to Broker: Seller(s) agrees to pay Broker a service fee of \_\_\_\_\_ percent of the sales price or \_\_\_\_\_ (a) if Broker or its agent(s) produces a Buyer who is ready, willing and able to purchase the Property listed above, hereinafter referred to as "the Property," at the List Price and on the terms stated, or at such other price or such other terms as may be acceptable to Seller(s); or (b) if a sale or exchange of said Property is made by Seller(s) to any other buyer during the term of this Exclusive Right to Sell Agreement or any Protection Period set forth below.

- Seller(s) DOES NOT retain the right to sell the Property themselves without obligation to Broker.
• Seller(s) is obligated to pay the service fee to Broker regardless of how Buyer was introduced to the Property.
• If a fee is to be computed with reference to the sale or purchase price, the sale or purchase price shall be the greater of the amount shown as purchase or sale price on the Purchase and Sale Contract between Seller(s) and Buyer without reference to any credits or pro-rations, or the amount on which the conveyance tax due the Commissioner of Revenue Services is calculated, whichever is greater.

Listing Broker Compensation to Buyer Brokers: Listing Broker compensation to Buyer Brokers refers to the portion of the Listing Broker's commission paid by the Listing Broker to the Buyer Broker. Seller(s) understands that Buyer Brokers owe undivided fiduciary duties to the buyer, NOT to the Seller(s).

- Seller(s)  does  does not authorize Listing Broker to offer compensation to Buyer Brokers.
• If Seller(s) does authorize Listing Broker to offer compensation to Buyer Brokers, the Listing Broker shall offer Buyer Brokers from the above service fee an amount equal to \_\_\_\_\_ percent of the sales price or \_\_\_\_\_.

Additional Compensation Provisions: \_\_\_\_\_

- 2. Protection Period: Seller(s) agrees to pay the above stated service fee to Broker should a sale be made directly or indirectly to any party Broker has submitted the Property to during the term of this Exclusive Right to Sell Agreement or within \_\_\_\_\_ days following the term. This paragraph shall not apply if Seller(s) subsequently executes a valid exclusive listing with any other real estate broker.
3. Marketing: Broker agrees to market the Property for sale and to make a diligent effort to sell at the List Price and on the Terms stated herein until there is an enforceable contract for the sale of the Property or this Exclusive Right to Sell Agreement expires, whichever occurs first.
4. Signs and Keys: Seller(s) gives Broker the right to place a "For Sale" sign on the Property and to remove all other "For Sale" signs during the term of this Exclusive Right to Sell Agreement. Seller(s) agrees to furnish Broker with a key to the Property and to permit the Broker to place a key box or lockbox on the door.
5. Entry and Control: Broker or any of its agent(s) may enter the Property at reasonable times for the purpose of showing it to prospective buyers in accordance with any Special Showing Instructions as noted herein. Seller(s) acknowledges that Broker has a duty under State Regulations and the Code of Ethics to cooperate with other brokers to show the Property. Seller(s) and Broker agree that Seller(s) shall at all times have control over the Property, its maintenance and preparation for showing to prospective buyers. Seller(s) agrees to indemnify and hold Broker, its

Exclusive Right to Sell Agreement

Opening Paragraph and Paragraph 1

Additions/Revisions:

Added "List Price" to describe the agreed upon sales price as the term is used later in the agreement.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Revised the format of the broker compensation provision using bullets rather than paragraph form.

Revised the broker-to-broker compensation provision to more clearly describe seller options when deciding whether to authorize the Listing Broker to make an offer of compensation to Buyer Brokers. Check boxes were added for the seller to select whether they authorize an offer of compensation or not.

agent(s), successors, and assigns, harmless from all suits, claims, demands or damages related to or arising from the physical condition of the Property.

Special Showing Instructions: \_\_\_\_\_

**6. Seller(s) Agrees:**

- a. To complete and keep updated a Connecticut Residential Property Condition Disclosure Report. Seller(s) must provide this to prospective buyers prior to executing a written offer to purchase the property. Otherwise, Seller(s) must credit the buyer \$500.00 at closing. Conn. Gen. Stat. §§ 20-327b and 20-327c
- b. To provide the lead-based paint disclosure (if applicable) and authorizes Broker to disclose the information contained therein.
- c. Seller(s) is either Owner(s) of the Property or has full authority to enter into this Agreement.
- d. Seller(s) has no other listings or agreements in effect concerning this Property, including but not limited to Open Listings.
- e. Seller(s) understands that names of attorneys, contractors, and other professionals are furnished as a convenience to Seller(s) and are not an endorsement, or guaranty of those professionals or their work product, and that Seller(s) is not required to utilize the services of any of these companies or individuals.
- f. To pay reasonable attorney's fees that Broker may incur to collect any monies due under this Agreement.
- g. Broker reserves the right to terminate this Agreement unilaterally by written notice to Seller(s) if Broker has reasonable cause to believe Seller(s) may be unable to consummate a sale of the Property for the List Price set forth above by reason of liens, encumbrances, title disputes or other matters affecting title to the Property, or legal authority to convey the Property.
- h. To refer to Broker all requests for information about showings or offers for the Property, and to advise Broker of any contacts made by any prospective buyer, tenant, or other broker.
- i. Broker may represent a Buyer interested in the Property which may give rise to the potential for a dual agency relationship. Dual agency requires the signed consent of both parties. In dual agency, the Broker acts in a fiduciary capacity for both parties. While the Broker does not represent either party exclusively, the Broker may not disclose confidential information without the consent of the party and may not use information shared by a party to gain an advantage for the other party.
- j. Seller(s) represents the existence of (check as applicable)  audio and/or  video surveillance or other recording devices/ equipment present anywhere in, around, at or on the Property, inside or outside.

7. **Property Information:** Seller(s) has reviewed the information contained in this Exclusive Right to Sell Agreement, the property data sheet, and any other disclosure of information forms where Seller(s) supplies information. To the best of Seller's knowledge and belief, Seller(s) represents that any material defects regarding the Property have been disclosed to Broker and the information contained in such information forms are complete and accurate. Seller(s) agrees to indemnify and hold Broker or its agent(s) harmless from any claim, action, damage or cost, including attorney fees, that Broker or its agent(s) may incur resulting from an incorrect or inaccurate representation, a misrepresentation or lack of representation of any of the information contained in such forms. Any representations made by Seller(s) are not warranties of any kind and may not be a substitute for an inspection or warranties that a prospective buyer may obtain. Seller(s) authorizes Broker as Seller's agent to disclose any information that Seller(s) provides Broker concerning the Property.

Seller(s) understands potential serious health risks can occur due to the presence of environmentally hazardous conditions (such as lead, asbestos, and radon); and, therefore, Seller(s) and Broker must disclose any known evidence of knowledge. Further information can be obtained at [ct.gov/dcp](http://ct.gov/dcp), [ct.gov/dph](http://ct.gov/dph) and [epa.gov](http://epa.gov).

Seller(s) hereby represents Seller(s) has complete, valid legal authority to sell, exchange or otherwise convey the Property and further agrees Seller(s) shall hold Broker and its agent(s) harmless against any and all liability arising from this representation.

8. **Multiple Listing Service and Internet Display:** Seller(s) acknowledges and agrees that all images, graphics, video recordings, virtual tours, written descriptions, remarks, narratives, pricing information, disclosures, and other elements relating to the Property provided by Seller(s) to Broker or Broker's agent(s) (the "Seller Listing Content"), or otherwise obtained or produced by Broker or Broker's agent(s) in connection with this Agreement (the "Broker Listing Content"), and any changes to such Content may be included in compilations of listings, and otherwise distributed, displayed and reproduced to any applicable Multiple Listing Service ("MLS") for publication to and use by its participants. Broker may display the Property on its website(s). Seller(s) agrees to permit other Brokers to display Seller Listing Content on their website(s) as part of an internet listing display, similar program offered by the MLS or otherwise, or with other media, at Broker's option. Seller(s) agrees that neither the provider of the MLS nor Broker are responsible for errors or omissions appearing in the MLS. Seller(s) authorizes Broker to provide timely notice of status changes of this Exclusive Right to Sell Agreement and to provide sales information including selling price upon sale of the Property to any agreed upon MLS(s).



No change to this page

Seller(s) hereby grants to Broker for the term of this listing, as may be extended from time-to-time, a non-exclusive, irrevocable, worldwide, royalty free license to use, sublicense through multiple tiers, publish, display, compile with other content and reproduce the Seller Listing Content, to prepare derivative works of the Seller Listing Content, and to distribute the Seller Listing Content or any derivative works of it. Seller(s) acknowledges and agrees that as between Seller(s) and Broker, all Broker Listing Content is owned exclusively by Broker, and Seller(s) has no right, title, or interest in or to any Broker Listing Content.

9. **Other Terms, Conditions, or Special Instructions:** \_\_\_\_\_  
\_\_\_\_\_

10. **Statements Required by Law:**
- a. This Agreement is subject to the Connecticut General Statutes prohibiting discrimination in commercial and residential real estate transactions (Connecticut General Statutes Title 46a, Chapter 814c). **It is unlawful under federal and/or state law to discriminate on the basis of race, creed, color, national origin, ancestry, sex, gender identity or expression, sexual orientation or civil union status, marital status, age, lawful source of income, familial status, learning disability, physical or mental disability, status as a veteran, status as a victim of domestic violence, or erased criminal history record information.** Seller(s) have read and understand this section and agree to comply with the Fair Housing laws. Seller(s) Initials: \_\_\_\_\_
  - b. The real estate broker may be entitled to certain lien rights pursuant to section (d) of section 20-325a of the Connecticut General Statutes.
  - c. Federal law requires the Seller(s) of "target property," which is generally property built prior to 1978, to disclose the presence of lead-based paint or lead-based paint hazards and to furnish any records, reports, inspections, or other documents in the Seller's possession concerning these items.
  - d. While Broker shall generally act as the agent for Seller(s), it may be necessary or appropriate for Broker to act as agent of both Seller(s) and Buyer(s), exchange party, or one or more additional parties. Broker shall provide agency disclosure(s) as required by law. Seller(s) understands that Broker may have or obtain listings on other properties and that potential buyers may consider, make offers on, or purchase other property through use of Broker's services.
  - e. Broker has disclosed to all affected parties whether Broker or its agents have a present or contemplated interest in the Property.

11. **Electronic Signatures:** Broker and Seller(s) may use electronic signatures to execute and change agreements.

12. **Heirs, Successors and Assigns:** Both Seller(s) and Broker agree that this Agreement will continue to bind heirs, successors and assigns of both. In the event the Broker ceases the practice of real estate brokerage, whether through sale or otherwise, Broker or Broker's heirs, successors or assigns may assign this Agreement to another brokerage unless Seller(s) submits a written request to terminate this Agreement within ten (10) calendar days of the date of written notice of such assignment.

13. Seller(s) and Broker acknowledge, agree, and understand that although this form has been made available by the Connecticut Association of REALTORS®, Inc., the Association assumes no responsibility for its content and is not a party to this Agreement.

14. **This Contract is binding and legal.** Seller acknowledges receipt of a copy of this Agreement.

_____ SELLER	_____ DATE	_____ BROKER/AGENCY NAME
_____ SELLER	_____ DATE	_____ STREET
_____ ADDRESS		_____ CITY/STATE/ZIP
_____ CITY/STATE/ZIP		_____ AUTHORIZED AGENT                      DATE
_____ E-MAIL ADDRESS		_____ E-MAIL ADDRESS



EXCLUSIVE AGENCY RIGHT TO SELL AGREEMENT



The undersigned Seller(s) \_\_\_\_\_ herein grants to \_\_\_\_\_ (Broker) the EXCLUSIVE agency right to sell real property located \_\_\_\_\_, Connecticut (Property address). The Seller and Broker agree to list the real property for \$ \_\_\_\_\_. The term of this Agreement shall commence on \_\_\_\_\_ (start date) and will remain in effect through 11:59 p.m. EST on \_\_\_\_\_ (expiration date).

1. Fees:

NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.

Compensation to Broker: Seller(s) agrees to pay Broker a service fee of \_\_\_\_\_ percent of the sales price or \_\_\_\_\_ (a) if Broker or its agent(s) produce a buyer who is ready, willing and able to purchase the Property listed above, hereinafter referred to as "the Property," at the List Price and on the terms stated, or at such other price or such other terms as may be acceptable to Seller(s); or (b) if sale or exchange of said Property is made by Seller(s) to any other buyer who became interested in the Property through an account of Broker during the term of this Exclusive Agency Right to Sell Agreement or any Protection Period set forth below. Seller retains the right to sell the Property themselves without obligation to Broker. Seller(s) is not obligated to pay the service fee to Broker unless Broker has introduced Buyer to the Property. If a fee is to be computed, with reference to the sale or purchase price, the sale or purchase price shall be the greater of the amount shown as purchase or sale price on the Purchase and Sale Contract between Seller(s) and Buyer without reference to any credits or pro-rations, or the amount on which the conveyance tax due the Commissioner of Revenue Services is calculated, whichever is greater.

Compensation to Cooperating Brokers: Broker has explained Cooperative Compensation and Seller(s) understands that buyer brokers owe undivided fiduciary duties to the buyer, NOT to the Seller(s). Seller(s) authorizes Broker to offer cooperating compensation to buyer brokers from the above service fee in an amount equal to \_\_\_\_\_ percent of the sales price or \_\_\_\_\_. Seller(s) Initials: \_\_\_\_\_

Additional Compensation Provisions: \_\_\_\_\_

- 2. Protection Period: Seller(s) agrees to pay the above stated service fee to Broker should a sale be made directly or indirectly to any party Broker has submitted the Property to during the term of this Exclusive Agency Right to Sell Agreement or within \_\_\_\_\_ days following the term. This paragraph shall not apply if Seller(s) subsequently executes a valid exclusive listing with any other real estate broker.
- 3. Marketing: Broker agrees to market the Property for sale and to make a diligent effort to sell at the List Price and on the Terms stated herein until there is an enforceable contract for the sale of the Property or this Exclusive Agency Right to Sell Agreement expires, whichever occurs first.
- 4. Signs and Keys: Seller(s) gives Broker the right to place a "For Sale" sign on the Property and to remove all other "For Sale" signs during the term of this Exclusive Agency Right to Sell Agreement. Seller(s) agrees to furnish Broker with a key to the Property and to permit the Broker to place a key box or lockbox on the door.
- 5. Entry and Control: Broker or any of its agent(s) may enter the Property at reasonable times for the purpose of showing it to prospective buyers in accordance with any Special Showing Instructions as noted herein. Seller(s) acknowledges that Broker has a duty under State Regulations and the Code of Ethics to cooperate with other brokers to show the Property. Seller(s) and Broker agree that Seller(s) shall at all times have control over the Property, its maintenance and preparation for showing to prospective buyers. Seller(s) agrees to indemnify and hold Broker, its agent(s), successors, and assigns, harmless from all suits, claims, demands or damages related to or arising from the physical condition of the Property.

Special Showing Instructions: \_\_\_\_\_

Exclusive Agency Right to Sell Agreement

Opening Paragraph and Paragraph 1

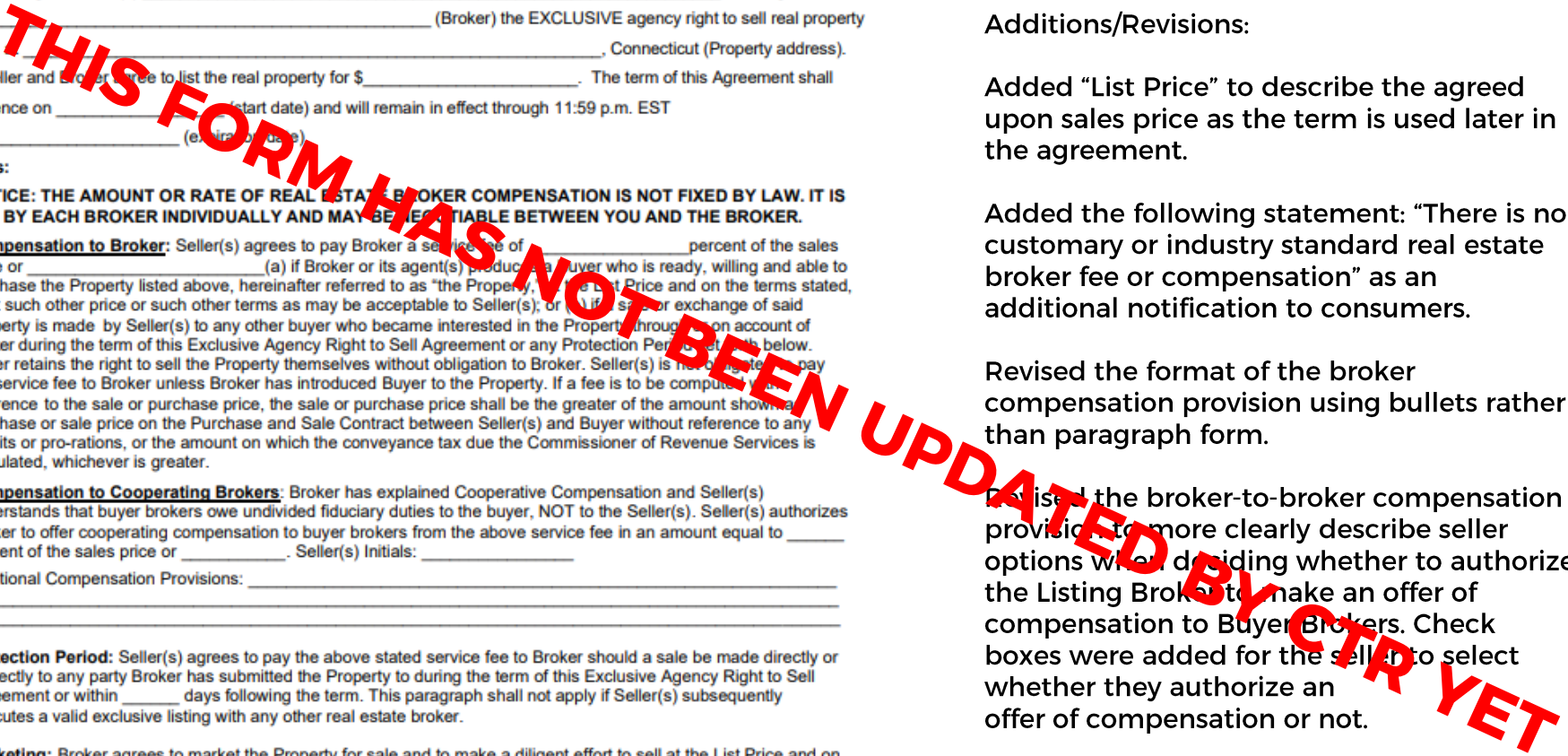
Additions/Revisions:

Added "List Price" to describe the agreed upon sales price as the term is used later in the agreement.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Revised the format of the broker compensation provision using bullets rather than paragraph form.

Revised the broker-to-broker compensation provision to more clearly describe seller options when deciding whether to authorize the Listing Broker to make an offer of compensation to Buyer Brokers. Check boxes were added for the seller to select whether they authorize an offer of compensation or not.



**Exclusive Agency Right to Sell Agreement**

No change to this page.

- 6. **Seller(s) Agrees:**
  - a. To complete and keep updated a Connecticut Residential Property Condition Disclosure Report. Seller(s) must provide this to prospective buyers prior to executing a written offer to purchase the property. Otherwise, Seller(s) must credit the buyer \$500.00 at closing. Conn. Gen. Stat. §§ 20-327b and 20-327c
  - b. To provide the lead-based paint disclosure (if applicable) and authorizes Broker to disclose the information contained therein.
  - c. Seller(s) is either Owner(s) of the Property or has full authority to enter into this Agreement.
  - d. Seller(s) has no other listings or agreements in effect concerning this Property, including but not limited to Open Listing and Exclusive Agency Listing Agreements.
  - e. Seller(s) understands that names of attorneys, contractors, and other professionals are furnished as a convenience to Seller(s) and are not an endorsement, or guaranty of those professionals or their work product, and that Seller(s) is not required to utilize the services of any of these companies or individuals.
  - f. To pay reasonable attorney fees that Broker may incur to collect any monies due under this Agreement.
  - g. Broker reserves the right to terminate this Agreement unilaterally by written notice to Seller(s) if Broker has reasonable cause to believe Seller(s) may be unable to consummate a sale of the Property for the List Price set forth above by reason of liens, encumbrances, title disputes or other matters affecting title to the Property, or legal authority to convey the Property.
  - h. Broker may represent a Buyer interested in the Property, which may give rise to the potential for a dual agency relationship. Dual agency requires the signed consent of both parties. In dual agency, the Broker acts in a fiduciary capacity for both parties. While the Broker does not represent either party exclusively, the Broker may not disclose confidential information without the consent of the party in question and may not use information shared by a party to gain an advantage for the other party.
  - i. Seller(s) represents the existence of (check as applicable)  audio and/or  video surveillance or other recording devices/ equipment present anywhere in, around, at or on the Property, inside  outside.

7. **Property Information:** Seller(s) has reviewed the information contained in this Exclusive Agency Right to Sell Agreement, the property data sheet, and any other disclosure of information forms where Seller(s) supplied information. To the best of Seller's knowledge and belief, Seller(s) represents that any material defects regarding the Property have been disclosed to Broker and the information contained in such information forms are complete and accurate. Seller(s) agrees to indemnify and hold Broker or its agent(s) harmless from any claim, action, damage or cost, including attorney fees, that Broker or its agent(s) may incur resulting from an incorrect or inaccurate representation, a misrepresentation or lack of representation of any of the information contained in such forms. Any representations made by Seller(s) are not warranties of any kind and may not be a substitute for an inspection or warranties that a prospective buyer may obtain. Seller(s) authorizes Broker as Seller's agent to disclose any information that Seller(s) provides Broker concerning the Property.

Seller(s) understands potential serious health risks can occur due to the presence of environmentally hazardous conditions (such as lead, asbestos, and radon); and, therefore, Seller(s) and Broker must disclose any known evidence of knowledge. Further information can be obtained at [ct.gov/dcp](http://ct.gov/dcp), [ct.gov/dph](http://ct.gov/dph) and [epa.gov](http://epa.gov).

Seller(s) hereby represents Seller(s) has complete, valid legal authority to sell, exchange or otherwise convey the Property and further agrees Seller(s) shall hold Broker and its agent(s) harmless against any and all liability arising from this representation.

8. **Multiple Listing Service and Internet Display:** Seller(s) acknowledges and agrees that all images, graphics, video recordings, virtual tours, written descriptions, remarks, narratives, pricing information, disclosures, and other elements relating to the Property provided by Seller(s) to Broker or Broker's agent(s) (the "Seller Listing Content"), or otherwise obtained or produced by Broker or Broker's agent(s) in connection with this Agreement (the "Broker Listing Content"), and any changes to such Content may be included in compilations of listings, and otherwise distributed, displayed and reproduced to any applicable Multiple Listing Service ("MLS") for publication to and use by its participants. Broker may display the Property on its website(s). Unless otherwise indicated under "Special Showing Instructions" herein, Seller(s) agrees to permit other Brokers licensed in Connecticut to display Seller Listing Content on their website(s) as part of an internet listing display, similar program offered by the MLS or otherwise, or with other media, at Broker's option. Seller(s) agrees that neither the provider of the MLS nor Broker are responsible for errors or omissions appearing in the MLS. Seller(s) authorizes Broker to provide timely notice of status changes of this Exclusive Agency Right to Sell Agreement and to provide sales information including selling price upon sale of the Property to any agreed upon MLS(s).

Seller(s) hereby grants to Broker for the term of this listing, as may be extended from time-to-time, a non-exclusive, irrevocable, worldwide, royalty free license to use, sublicense through multiple tiers, publish, display, compile with other content and reproduce the Seller Listing Content, to prepare derivative works of the Seller Listing Content, and to distribute the Seller Listing Content or any derivative works of it. Seller(s) acknowledges and agrees that as

THIS FORM HAS NOT BEEN UPDATED BY CTR YET

No change to this page.

9. **Other Terms, Conditions, or Special Instructions:** \_\_\_\_\_

10. **State Requirements Required by Law:**

- a. This Agreement is subject to the Connecticut General Statutes prohibiting discrimination in commercial and residential real estate transactions (Connecticut General Statutes Title 46a, Chapter 814c). **It is unlawful under federal and state law to discriminate on the basis of race, creed, color, national origin, ancestry, sex, gender identity, or expression, sexual orientation or civil union status, marital status, age, lawful source of income, familial status, learning disability, physical or mental disability, status as a veteran, status as a victim of domestic violence, or erased criminal history record information.** Seller(s) have read and understand this section and agree to comply with the Fair Housing laws. Seller(s) Initials: \_\_\_\_\_
- b. THE REAL ESTATE BROKER MAY BE ENJOINED TO CERTAIN LIEN RIGHTS PURSUANT TO SUBSECTION (d) OF SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES.
- c. Federal law requires the Seller(s) of "target property" which is generally property built prior to 1978, to disclose the presence of lead-based paint or lead-based paint hazards and to furnish any records, reports, inspections, or other documents in the Seller's possession concerning these items.
- d. While Broker shall generally act as the agent for Seller(s), it may be necessary or appropriate for Broker to act as agent of both Seller(s) and Buyer(s), exchange party, or one or more additional parties. Broker shall provide agency disclosure(s) as required by law. Seller(s) understands that Broker may have to obtain listings on other properties and that potential buyers may consider, make offers on, or purchase other properties through use of Broker's services.
- e. Broker has disclosed to all affected parties whether Broker or its agents have a present or contemplated interest in the Property.

11. **Electronic Signatures:** Broker and Seller(s) may use electronic signatures to execute and change agreements.

12. **Heirs, Successors and Assigns:** Both Seller(s) and Broker agree that this Agreement will continue to bind heirs, successors and assigns of both. In the event the Broker ceases the practice of real estate brokerage, whether through sale or otherwise, Broker or Broker's heirs, successors or assigns may assign this Agreement to another brokerage unless Seller(s) submits a written request to terminate this Agreement within ten (10) calendar days of the date of written notice of such assignment.

13. Seller(s) and Broker acknowledge, agree, and understand that although this form has been made available by the Connecticut Association of REALTORS®, Inc., the Association assumes no responsibility for its content and is not a party to this Agreement.

14. **This Contract is binding and legal.** Seller acknowledges receipt of a copy of this Agreement.

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

BROKER/AGENCY NAME \_\_\_\_\_

SELLER \_\_\_\_\_ DATE \_\_\_\_\_

STREET \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

AUTHORIZED AGENT \_\_\_\_\_ DATE \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

**THIS FORM HAS NOT BEEN UPDATED BY CTR YET**



REPRESENTED SELLER COMPENSATION AGREEMENT WITH BUYER BROKERAGE RIDER



Buyer(s): \_\_\_\_\_

Seller(s): \_\_\_\_\_

1. BUYER BROKERAGE FEE:

NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.

There is no customary or industry standard real estate broker fee or compensation.

The Seller agrees to pay the Buyer Brokerage fee in the amount of \$\_\_\_\_\_ and/or \_\_\_\_\_% of the contract sales price of the above-described property. The Seller agrees the fee shall be due and payable upon closing or transfer of title.

2. TOTAL COMPENSATION: This fee represents the total compensation that is being paid to the Buyer Brokerage by the Seller unless otherwise disclosed.

3. AGENCY: Each party is represented by a real estate licensee. Each licensee owes fiduciary duties to their respective party and not to the other party. Neither party will share confidential information with anyone other than their licensee.

4. STATEMENT REQUIRED BY LAW: THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES.

5. ENTIRE AGREEMENT: This Agreement contains the entire understanding of the parties relating to Seller Compensation to the Buyer Brokerage. This Agreement may not be modified except in writing and signed by all parties. The compensation to the Seller's Brokerage is outlined in a separate document and not impacted by this Agreement.

6. Other: \_\_\_\_\_

BUYER

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

SELLER

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

REPRESENTED SELLER COMPENSATION AGREEMENT WITH BUYER BROKERAGE RIDER

Paragraphs 1 & 3

Additions/Revisions:

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Added an "and" in the compensation provision to allow for a combination compensation structure.

In the agency provision, the words "fiduciary duties" have been bolded.

In the agency provision, the word "should" has been revised to "will" to further encourage and remind parties not to disclose confidential information.



# UNREPRESENTED SELLER COMPENSATION AGREEMENT FOR BUYER BROKERAGE



This Compensation Agreement is entered into on \_\_\_\_\_ (Date) between \_\_\_\_\_  
 \_\_\_\_\_ (the "Seller") and  
 \_\_\_\_\_ (the "Buyer Brokerage")  
 (collectively "the Parties") regarding the sale of real property owned by Seller located at \_\_\_\_\_  
 \_\_\_\_\_ (Property address) to \_\_\_\_\_ (the "Buyer").

1. **WARRANTY:** The Seller warrants that Seller has the legal capacity and full authority to enter into this Agreement and consummate the sale of real property contemplated herein.
2. **BUYER BROKERAGE FEE:**  
**NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.**  
 The Seller agrees to pay the Buyer Brokerage fee in the amount of \$ \_\_\_\_\_ or \_\_\_\_\_ % of the contract sales price of the above-described property. The Seller agrees the fee shall be due and payable upon closing or transfer of title.
3. **AGENCY: The Seller acknowledges and agrees the Buyer Brokerage represents the Buyer and not the Seller. The Buyer Brokerage therefore owes fiduciary duties to the Buyer only.**
4. **STATEMENT REQUIRED BY LAW:** The real estate broker may be entitled to certain lien rights pursuant to section 20-325a of the Connecticut General Statutes.
5. **FAIR HOUSING:** This agreement is subject to the Connecticut General Statutes prohibiting discrimination in commercial and residential real estate transactions (C.G.S. Title 46a, Chapter 814c).
6. **RIGHT TO REPRESENTATION: The Seller acknowledges and agrees the Buyer Brokerage has advised the Seller that the Seller has the right to be represented by a real estate licensee who will represent the Seller and the Seller's best interests. Further, the Seller acknowledges and agrees that any and all work performed by the Buyer Brokerage that may assist the Seller in the transaction is intended to benefit the Buyer only.**
7. **PROFESSIONAL ADVICE:** The Seller is urged to seek professional advice on legal, tax or other questions Seller may have prior to signing this Compensation Agreement.
8. **DISPUTE:** The parties agree that disputes arising prior to or after the closing related to this Compensation Agreement shall first be submitted to mediation through a mediation provider mutually agreed upon by the parties, within \_\_\_ days of the dispute. The parties agree to share the cost of the mediation equally. If the parties cannot agree on a mediation provider, or if the mediation is unsuccessful, the dispute shall be submitted to the American Arbitration Association within \_\_\_ days of one of those two events occurring. Each party agrees to share the cost of the arbitration equally.
9. **ELECTRONIC TRANSMISSION:** Signatures on this Compensation Agreement, whether wet signed or digitally signed, shall be deemed original signatures and have the same legal effect as original signatures.
10. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding of the parties relating to Seller Compensation to the Buyer Brokerage. This Agreement may not be modified except in writing and signed by all parties.
11. Other: \_\_\_\_\_

SELLER: \_\_\_\_\_ Date: \_\_\_\_\_ BUYER BROKERAGE FIRM: \_\_\_\_\_

SELLER: \_\_\_\_\_ Date: \_\_\_\_\_ BY: (AUTH. REP.): \_\_\_\_\_ Date: \_\_\_\_\_

No. & Street: \_\_\_\_\_ No. & Street: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

# UNREPRESENTED SELLER COMPENSATION AGREEMENT FOR BUYER BROKERAGE

Paragraphs 1 & 3

Additions/Revisions:

Added "the Parties" to refer to the parties in the transaction as the term is used later in the agreement.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

The language in paragraphs 3 & 6 has been bolded.



# ADDENDUM TO EXCLUSIVE RIGHT TO REPRESENT BUYER AGREEMENT



# ADDENDUM TO EXCLUSIVE RIGHT TO REPRESENT BUYER AGREEMENT

Buyer's Name: \_\_\_\_\_

Brokerage Name: \_\_\_\_\_

Exclusive Right to Represent Buyer Agreement dated: \_\_\_\_\_

The above-referenced Exclusive Right to Represent Buyer Agreement is amended as follows:

1. The expiration date is changed to: \_\_\_\_\_

2. The following geographical areas are added or removed:  
\_\_\_\_\_

3. The following property addresses are added:  
\_\_\_\_\_  
\_\_\_\_\_

4. **NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.**

The compensation is changed to:  
\_\_\_\_\_  
\_\_\_\_\_

5. Other: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
Name of Brokerage Firm

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Paragraphs 1, 2, & 4

Additions/Revisions:

Revised the expiration date provision to clarify that the agreement can be changed, i.e., extended or shortened.

Revised the geographical areas provision to clarify that search areas can be added or removed.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.



# EXCLUSIVE AGENCY RIGHT TO REPRESENT BUYER AGREEMENT



(Connecticut law requires that the real estate broker furnish you with a written agreement should you wish to be represented.)

**I. Exclusive Right Appointment.** Buyer(s) \_\_\_\_\_ appoints \_\_\_\_\_ (Broker) as Buyer's exclusive real estate Broker to assist Buyer(s) to locate and purchase or exchange any property acceptable to Buyer(s) and generally described as:

\_\_\_\_\_ (the "Property"). Buyer(s) retains the right to locate and purchase or exchange any property themselves without obligation to compensate Broker or its agent(s).

**II. Term of Agreement.** This Agreement is in effect from \_\_\_\_\_ through 11:59 p.m. on \_\_\_\_\_ (expiration date) unless the Buyer client is represented by Broker in a pending transaction with a valid purchase agreement, then this representation agreement will automatically extend through the closing of the agreement date of that pending transaction.

**III. Buyer(s) Certification:** \_\_\_\_\_ [Initials] Buyer(s) certifies that Buyer(s) has not signed and agrees to not sign an Exclusive Right to Represent Buyer or Exclusive Agency Right to Represent Buyer with any other brokerage firm covering the same time period, the same Property and/or the same Geographical Area as stated above. Buyer understands that multiple agreements can result in financial obligations to two brokerage firms and, should this certification not be accurate, Buyer agrees to pay Broker as required under this Agreement.

**IV. Fees. NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS GOVERNED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.**

- A. In consideration of Broker's services to be provided, as listed in Section V "Broker Agrees" below, Buyer(s) agrees to pay Broker a Professional Service Fee calculated as follows:
  - 1. If Buyer(s) is purchasing real estate, Broker's Professional Service Fee shall be calculated as follows: \$ \_\_\_\_\_ or \_\_\_\_\_ % of the purchase price of the Property purchased by Buyer(s), or of the value of Property the Buyer(s) obtained in an exchange. Buyer will pay Broker a non-refundable retainer fee of \$ \_\_\_\_\_ due and payable upon execution of this contract, to be applied to any Professional Service Fee Broker earns under this contract.
  - 2. Broker earns the Professional Service Fee if Buyer(s) (a) enters into a contract for the purchase or exchange of real property during the term of this Agreement and all material conditions have been met or are subsequently met; or (b) Buyer(s) obtains title to real property introduced to Buyer(s) by Broker during the term of this Agreement; or (c) Buyer(s) makes an offer for purchase or exchange, enters into a contract for the purchase or exchange, or obtains title to any property Broker has introduced to Buyer(s), within \_\_\_\_\_ (\_\_\_\_) days after the expiration of this Agreement, provided, however, that no fee will be due and payable if Buyer(s) signs an Exclusive Agreement with another real estate broker after the expiration of this Agreement.
  - 3. Buyer(s) authorizes Broker to seek compensation from the seller or listing agency. Buyer(s) will pay all or any part of the Professional Services Fee not paid by the seller or the listing agency.
  - 4. Broker may not receive compensation from any source that exceeds the amount or rate agreed to herein.
  - 5. \_\_\_\_\_ (Other)
- B. The Professional Service Fee shall be due and paid in full no later than the date on which title to the real property transfers to Buyer(s). If the Professional Service Fee is an hourly fee, it shall be payable within 30 days of Broker(s) invoice.

**V. Broker Agrees:**

- A. To keep information Buyer(s) provides Broker concerning Buyer's assets, liabilities, income and expenses or motivations to buy and previous offers made confidential unless Buyer(s) gives permission for disclosure or when mandated by law.
- B. To provide Buyer(s) with the benefit of our advice and experience.
- C. To make a diligent effort to find the Property described above.
- D. To negotiate on Buyer's behalf for terms and conditions agreeable to Buyer(s).
- E. To assist Buyer and represent Buyer's interest throughout the transaction.

**VI. Buyer(s) Agrees:**

- A. To cooperate with Broker and be reasonably available to examine real property.
- B. Upon request, Buyer(s) will give Broker financial and personal information regarding Buyer's purchase abilities and needs.

# EXCLUSIVE AGENCY RIGHT TO REPRESENT BUYER AGREEMENT

Paragraphs 1, 4, & 5

Additions/Revisions:

Added "Geographical Area" to describe a Buyer's preferred home search location as the term is used later in the agreement.

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Revised the language relating to keeping buyer information confidential and when it is appropriate to disclose.

Added language stating that a broker will search diligently for a home for buyer regardless of the offer of compensation, or absence of, to buyer brokers.

Added language memorializing Broker's fiduciary relationship to Buyer with the caveat that it may be limited should the parties consent to the broker acting as a dual agent in a transaction.

**THIS FORM HAS NOT BEEN UPDATED BY CTR YET**



**EXCLUSIVE AGENCY RIGHT TO REPRESENT BUYER AGREEMENT**

No change to this page.

- C. Buyer(s) understands that Broker is providing real estate services and any names of attorneys, contractors, home inspectors and other professionals have been furnished as a convenience to Buyer(s) and are not an endorsement, or guaranty of those professionals or their work product. Buyer(s) is not required to utilize the services of any of these companies or individuals.
- D. To order any tests, inspections, and investigations related to the Property purchase as Buyer(s) deems necessary to determine the suitability of the Property for Buyer's purchase and identify or verify facts important to Buyer's buying decision.
- E. Buyer(s) acknowledges that Buyer(s) may be recorded on audio and/or video surveillance or otherwise transmitted and/or recorded by means of electronic devices anywhere in, around, at or on the Property, inside or outside. Buyer(s) consents to any such audio and/or video surveillance, recording or transmission. [ ] Initials
- F. To the best of Buyer's knowledge, Buyer(s) authorizes Broker to disclose Buyer's identity to third parties related to the transaction.
- G. Questions or requests for information concerning the legal title to property, the residence of convicted persons, tax considerations, wood destroying pests, environmental conditions, properties where shooting sports are conducted, property and building inspections, engineering, or the uses or planned uses of neighboring properties should be referred to Buyer(s) attorney, tax advisor, building inspector or appropriate governmental agency.

**VII. Other Terms and Conditions.**

- A. Buyer(s) understands and agrees that Broker may also become a seller's agent for the Property. In that event, Broker would become a dual agent, representing both Buyer(s) and Seller(s). Broker shall present Buyer(s) with all disclosures required by law, including but not limited to a Dual Agency Consent Agreement, for Buyer's review and signature.
- B. Buyer(s) understands that Broker represents other buyers who may also be interested in purchasing the same Property as Buyer(s).
- C. Buyer(s) agrees to pay any costs and attorneys' fees Broker incurs to collect any monies due Broker under this Agreement.
- D. This Agreement may only be modified, amended, waived, or discharged by a written agreement signed by all parties.

**VIII. Statements Required by Law.**

- This Agreement is subject to the Connecticut General Statutes prohibiting discrimination in commercial and residential real estate transactions (Connecticut General Statutes Title 46a, Chapter 814c). Federal and state laws also prohibit discrimination.
- THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES.

**IX. Electronic Signatures:** Broker and Buyer(s) may use electronic signatures to execute and change agreements.

**X. Heirs, Successors and Assigns:** Both Buyer(s) and Broker agree that this Agreement will continue to bind heirs, successors and assigns of both. In the event the Broker ceases the practice of real estate brokerage, whether through sale or otherwise, Broker or Broker's heirs, successors or assigns may assign this Agreement to another brokerage unless Buyer(s) submits a written request to terminate this Agreement within ten (10) calendar days of the date of written notice of such assignment.

**XI. This Contract is binding and legal.** Buyer acknowledges receipt of a copy of this Agreement. Buyer(s) and Broker acknowledge, agree, and understand that although this form has been made available by the Connecticut Association of REALTORS®, Inc., the Association assumes no responsibility for its content and is not a party to this Agreement.

_____ BUYER	_____ DATE	_____ BROKER/AGENCY NAME
_____ BUYER	_____ DATE	_____ STREET
_____ ADDRESS		_____ CITY/STATE/ZIP
_____ CITY/STATE/ZIP		_____ AUTHORIZED REPRESENTATIVE
_____ BUYER E-MAIL ADDRESS		_____ DATE
_____ BUYER E-MAIL ADDRESS		_____ E-MAIL ADDRESS

**THIS FORM HAS NOT BEEN UPDATED BY CTR YET**

**THIS IS NOT  
A CONTRACT**

## REAL ESTATE DISCLOSURE NOTICE FOR USE WITH PROSPECTIVE PARTIES AND UNREPRESENTED PERSONS

Do not share confidential information until you enter into a written representation agreement.

CT law requires you to be given this notice to enable you to make informed choices about real estate transactions.

**IMPORTANT NOTE:** The real estate broker or salesperson ("Licensee") who represents another party in a transaction has undivided fiduciary duties to that **OTHER** party and will negotiate the best terms and conditions for them, **NOT FOR YOU**. You have the responsibility to protect your own interests.

As a prospective party or unrepresented party, you can expect a real estate Licensee to:

- Tell you all the material physical defects of the property that the Licensee knows;
- Treat you and the other party honestly and not knowingly give false information; and
- Comply with all state and federal laws related to real estate brokerage activity and fair housing.

As a prospective party, you can further expect a real estate Licensee to not reveal confidential information.

### TYPES OF AGENCY RELATIONSHIPS

You can become a client by entering into a written agency agreement requiring the Licensee to act as an agent on your behalf and promote your best interests. You may also choose to be "**unrepresented**" in a transaction without having client-level representation with any Licensee.

**A seller/landlord becomes a client** of a real estate brokerage firm by signing a listing agreement. **A buyer/tenant becomes a client** of a real estate brokerage firm by signing a buyer/tenant representation agreement.

There are three types of agent-client relationships permitted in Connecticut:

- **SINGLE AGENCY:** The brokerage firm and all the Licensees with the firm represent one party as a client and do not represent any other party in the transaction.
- **DUAL AGENCY:** The brokerage firm and all the Licensees (unless designated agency is chosen) act in a fiduciary capacity for both buyer and seller (or tenant and landlord). In dual agency, the brokerage firm does not represent either the buyer or seller (or tenant or landlord) exclusively, and the parties cannot expect the brokerage firm's undivided loyalty.
- **DESIGNATED AGENCY:** The brokerage firm is a dual agent and appoints one agent in the firm to solely represent the buyer (or tenant) and one agent to represent the seller (or landlord). Each designated agent has complete fiduciary obligations and a duty of loyalty to the party they were designated to represent.

### REMEMBER:

Unless you enter into a **WRITTEN** agreement for agency representation, you are a prospective party or unrepresented party – **NOT** a client.

### FAIR HOUSING NOTICE

It is unlawful for ANY property owner, landlord, property manager or other person who sells, rents or leases housing, to discriminate **AT ANY TIME** based on certain protected characteristics, including race, color, national origin, sex (gender), religion, children or family status, disability (mental, learning, or physical), ancestry, marital status, age (except minors), sexual orientation, gender identity or expression, legal source of income, veteran status, domestic violence victim, and clean slate (erased criminal record). To report a potential violation, contact the CT Commission on Human Rights and Opportunities at [www.ct.gov/CHRO](http://www.ct.gov/CHRO).

### COMPENSATION NOTICE

**THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.**

You have been given this information about brokerage relationships so you may make an informed decision as to the relationship you wish to establish with the Licensee. If you need additional advice on legal, tax, insurance, or other matters, it is your responsibility to consult a professional.

### To be Completed by Licensee:

Presented on (date): \_\_\_\_\_

To: \_\_\_\_\_  
*Name of Buyer(s), Seller(s), Landlord(s), Tenant(s)*

By: \_\_\_\_\_  
*Licensee's Name*

on behalf of \_\_\_\_\_  
*Brokerage Firm/Company*

## PROSPECTIVE PARTIES FORM

### Compensation Notice

Addition:

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.





**BROKER TO BROKER PROFESSIONAL SERVICES FEE AGREEMENT**



**BROKER TO BROKER PROFESSIONAL SERVICES FEE AGREEMENT**

Listing Brokerage: \_\_\_\_\_

Buyer Brokerage: \_\_\_\_\_

Property: \_\_\_\_\_

**1. BROKER TO BROKER COMPENSATION:**

**NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER. There is no customary or industry standard real estate broker fee or compensation.**

The Listing Broker agrees to pay the Buyer Broker a professional services fee in the amount of \$ \_\_\_\_\_ or \_\_\_\_\_% of the contract sales price of the above-described property. The Brokers agree the fee shall be due and payable upon closing or transfer of title. Brokers agree no compensation is due without a closed transaction.

2. **TOTAL COMPENSATION:** This compensation represents the total compensation that is being paid to the Buyer Broker from the Listing Broker unless otherwise disclosed in writing.

3. **VARIABLE RATE AGREEMENT BETWEEN SELLER AND LISTING BROKER:** Yes  No

4. **STATEMENT REQUIRED BY LAW:** THE REAL ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS PURSUANT TO SECTION 20-325a OF THE CONNECTICUT GENERAL STATUTES.

5. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding of the brokers relating to Listing Broker Compensation to the Buyer Broker. This Agreement may not be modified except in writing and signed by the brokers.

6. Other: \_\_\_\_\_

\_\_\_\_\_

**LISTING BROKERAGE**

**BUYER BROKERAGE**

\_\_\_\_\_  
(Signature of designated broker)

\_\_\_\_\_  
(Signature of designated broker)

\_\_\_\_\_  
(Print name of designated broker)

\_\_\_\_\_  
(Print name of designated broker)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Compensation Notice**

**Addition:**

Added the following statement: "There is no customary or industry standard real estate broker fee or compensation" as an additional notification to consumers.

Addition of a check box for the Listing Broker to disclose whether they have entered into a variable rate agreement with the Seller.



## 28. Does this mean buyers won't have to use a buyer broker to purchase a property?

- As always, the consumer chooses whether to use a real estate professional. Research has confirmed that consumers find great value in the services provided by a buyer broker, and we continue to believe it is imperative for buyer brokers to clearly articulate what services and value they are providing to consumers.



## 29. Does this mean buyer brokers may have to work for free?

- No. We have long believed that it is in the interest of the sellers, buyers, and their brokers to make offers of compensation—but using an MLS to communicate offers of compensation will no longer be an option.
- The types of compensation available for buyer brokers would continue to take multiple forms, including but not limited to:
  - Fixed-fee commission paid directly by consumers
  - Concession from the seller
  - Portion of the listing broker's compensation
  - Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they represent



## 30. How will buyer brokers get paid now?

- Offers of compensation will continue to be an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals.
- The types of compensation available for buyer brokers would continue to take multiple forms, including but not limited to:
  - Fixed-fee commission paid directly by consumers
  - Concession from the seller
  - Portion of the listing broker's compensation
  - Compensation would continue to be negotiable and should always be negotiated between agents and the consumers they represent



## 36. Can buyers and buyer brokers rely on an offer of compensation that was on an MLS prior to the effective date of the MLS policy changes?

- If the sales contract is executed before the MLS policy change, the buyer broker should be able to rely upon the offer of compensation even if closing occurs after the date of the policy change.
- But if a sales contract is not executed before the date the participant's MLS implements the policy changes, the offer on an MLS will not be valid and buyers and buyer brokers may wish to protect themselves in writing with the listing broker or seller through a broker agreement or by including the offer of compensation in the sales contract.



**38. If the seller or the listing broker offers a bonus or financial incentive in addition to the offer of broker compensation, can the buyer broker accept the extra compensation?**

- The buyer broker may not receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer.





### 39. Does Standard of Practice 16-16 prohibit the negotiation of buyer broker compensation in a buyer's purchase offer?

- No. A buyer can always ask their buyer broker to make it a term of an offer to purchase that the seller pay certain compensation to the buyer broker.
- Standard of Practice 16-16 prohibits a REALTOR® from attempting to modify the terms of a listing agreement through the terms of an offer because the listing agreement is a contractual matter between the seller and the listing broker. However, the seller and the listing broker may independently choose to amend the listing agreement or take any other action they deem appropriate based on the seller's negotiations with the buyer. Standard of Practice 16-16 also prohibits a REALTOR® from delaying or withholding delivery



40. Can a buyer request the listing broker to pay compensation to the buyer broker?

- Yes



**43. Can an MLS Participant use or share their MLS data or data feeds to establish or maintain a platform for offers of compensation from multiple brokers and buyer brokers or other buyer representatives?**

- No, use of MLS data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers to buyer brokers or other buyer representatives is prohibited.



## 49. Can a broker tell a potential buyer the amount of broker commissions and explain who is paying those commissions?

- Yes. In fact, REALTORS® must provide this information to potential buyers under NAR’s Code of Ethics.
- Written buyer agreements, required by the NAR practice changes that will be implemented on August 17, 2024, will also outline that MLS Participants may not receive compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer.
- The NAR Settlement also requires that “to the extent that such a REALTOR® or Participant will receive compensation from any source, the agreement must specify and conspicuously disclose the amount or rate of compensation it will receive or how this amount will be determined.” (Added 5/29/2024)



## 55. What provisions must be included in written buyer agreements?

- The written agreement must include:
  1. A specific and conspicuous disclosure of the amount or rate of compensation the Participant will receive or how this amount will be determined, to the extent that the Participant will receive compensation from any source.
  2. The amount of compensation in a manner that is objectively ascertainable and not open-ended.
  3. A term that prohibits the Participant from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the buyer; and
  4. A conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.



## 58. What does it mean to tour a home?

- Written buyer agreements are required before a buyer tours a home.
- Touring a home means when the buyer and/or the MLS Participant, or other agent, at the direction of the MLS Participant working with the buyer, enter the house. This includes when the MLS Participant or other agent, at the direction of the MLS Participant, working with the buyer enters the home to provide a live, virtual tour to a buyer not physically present.
- A “home” means a residential property consisting of not less than one nor more than four residential dwelling units.



## 60. What does it mean to be “inconsistent with state or federal law or regulation”?

- All MLS Participants working with a buyer must have a buyer written agreement prior to touring, unless state law requires an agreement earlier in time.



**61. If an MLS Participant hosts an open house or provides access to a property, on behalf of the seller only, to an unrepresented buyer, will they be required to enter into a written agreement with those buyers touring the home?**

- **No. In this case, since the MLS Participant is only working for the seller, and not the buyer, the MLS Participant does not need to enter into a written agreement with the buyer.**





**62. Are written buyer agreements required when listing agents talk with a buyer on behalf of a seller only or as subagents of the seller?**

- **No. An agreement is not required because the participant is performing work for the seller and not the buyer.**



## 83. What does it mean to “filter-out” a listing?

- Filtering out listings means to remove listings or block MLS listings from being communicated to customers or clients based on the amount of compensation offered, the existence of an offer of compensation, or based on the listing firm or listing agent.
- Participants have the duty to cooperate which is to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interest of their clients.



## 88. Does the requirement to use a written agreement before showings apply to commercial transactions?

- No. The settlement and the practice changes it requires are focused on residential transactions, not commercial transactions, or leases.

\*Connecticut law differs



## 94. What are interested party contributions?

- Fannie Mae, Freddie Mac, and the FHA specify limits on how much a seller or broker can contribute to the buyer to pay for services typically paid by the buyer. These payments are called interested party contributions (IPCs).



## 95. Is compensation paid by a seller or listing broker to a buyer broker considered an IPC?

- No. Cooperative compensation is considered a fee that is “customarily” or “traditionally” paid by the seller. The FHA, Fannie Mae, and Freddie Mac exclude these types of fees from the IPC calculation.



## 98. What about VA loans and the prohibition on buyers paying commissions directly?

- The Department of Veterans Affairs (VA) recently announced that it has temporarily lifted its ban on buyers paying for real estate agent representation. Veteran buyers now have more options, ensuring they can have professional access to representation in their home buying process. The VA's policy takes effect on August 10.
- The VA is evaluating the need for a formal rulemaking process on this issue.
- NAR has strongly advocated for this change as we want to ensure veterans maintain access to the VA home loan program, which has been a significant tool in helping service members achieve the American dream of homeownership.
- NAR recently submitted a letter to VA urging them to make this revision to their policies. (Updated 7/8/2024)



## 99. Can real estate commissions be financed?

- No. Financing commissions is not feasible under the current structure of the residential mortgage finance system, and there is no clear short-term legislative or regulatory fix.
- Banks would treat such a loan as a personal loan that would have higher rates and they would limit access to those loans to borrowers with better credit profiles. That personal loan would add to the buyers' liabilities and make it harder to qualify for the mortgage they are seeking.
- Fannie Mae, Freddie Mac, and the FHA do not allow commissions to be added to the balance of the mortgage.
- Several rules that make up the foundation of mortgage finance would need to be changed by the regulators and Congress to make this change.

# TOWN STATS

## Single Family

**Transactions in 46 towns**

**8 Up**

**33 Down**

**5 Unchanged**



# TOWN STATS

## Single Family

Median Sales Price in 46 towns

42 Up

3 Down

1 Unchanged

# Local Market Update – June 2024

A Research Tool Provided by SmartMLS



	Fairfield County			New Haven County			Hartford County		
<b>SINGLE FAMILY</b>	January 1 - June 30			January 1 - June 30			January 1 - June 30		
Key Metrics	2023	2024	% Change	2023	2024	% Change	2023	2024	% Change
New Listings	4,112	4,243	↑3.2%	3,513	3,523	↑0.3%	3,650	3,644	↓0.2%
Pending Sales	3,208	3,095	↓3.5%	2,948	2,684	↓9%	3,166	3,016	↓4.7%
Closed Sales	2,868	2,673	↓6.8%	2,769	2,411	↓12.9%	2,914	2,689	↓7.7%
Median Sales Price	\$660,000	\$735,000	↑11.4%	\$338,500	\$380,000	↑12.3%	\$325,000	\$367,000	↑12.9%
Percent of List Price Received	102.5%	103.10%	↑0.6%	101.8%	102.6%	↑0.8%	104.3%	105.7%	↑1.3%

	Fairfield County			New Haven County			Hartford County		
<b>TOWNHOUSE/CONDO</b>	January 1 - June 30			January 1 - June 30			January 1 - June 30		
Key Metrics	2023	2024	% Change	2023	2024	% Change	2023	2024	% Change
New Listings	1,486	1,377	↓7.3%	1,181	1,153	↓2.4%	971	1,110	↑14.3%
Pending Sales	1,299	1,157	↓10.9%	1,044	954	↓8.6%	894	998	↑11.6%
Closed Sales	1,240	1,062	↓14.4%	963	878	↓8.8%	856	919	↑7.4%
Median Sales Price	\$345,000	\$375,500	↑8.8%	\$225,000	\$262,111	↑16.5%	\$231,233	\$260,000	↑12.4%
Percent of List Price Received	101.2%	101.70%	↑0.5%	101.9%	102.3%	↑0.4%	104.9%	104.8%	↓0.1%

County	Jan	Feb	March	April	May	June
Fairfield	101.10%	101.30%	101.90%	102.20%	102.80%	103.10%
New Haven	101.30%	101.30%	101.3%	101.30%	102.20%	102.6%
Hartford	102.60%	103.10%	103.8%	104.60%	105.20%	105.7%



# RE/MAX Right Choice Confidence Building Dates

- August 8<sup>th</sup>                      11 - 12
- August 12<sup>th</sup>                     10 - 11
- August 13<sup>th</sup>                     10 - 11
- August 15<sup>th</sup>                     11 - 12

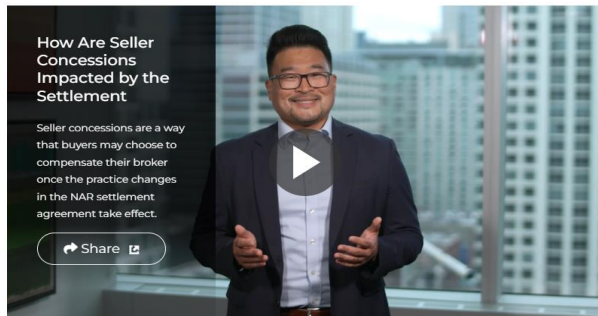


## Education Resources

- RMRC Intranet: NAR Tab
- ABR Course through NAR for Free  
**become.abr.realtor**
- RE/MAX University  
BAP Designations \$169 thru 8/31 (\$199 after)
- Buffini Designation

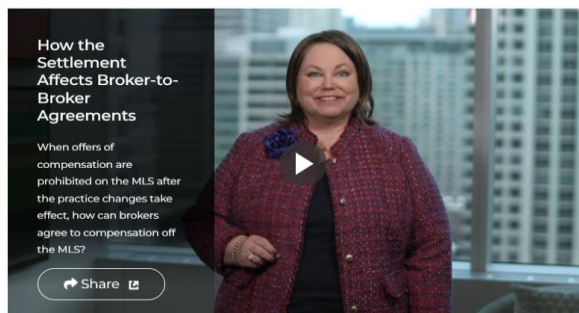
# Education Resources

## Facts.realtor



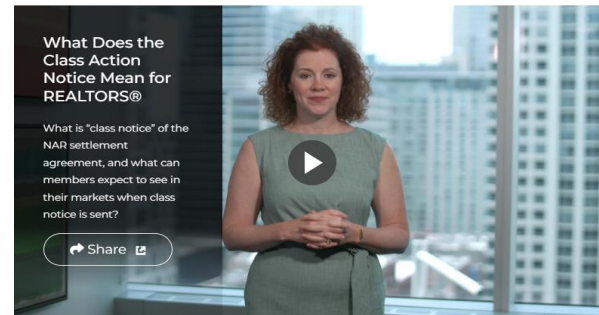
**Window to the Law: How Are Seller Concessions Impacted by the NAR Settlement Agreement**

<https://www.nar.realtor/videos/window-to-the-law/how-are-seller-concessions-impacted-by-the-nar-settlement>



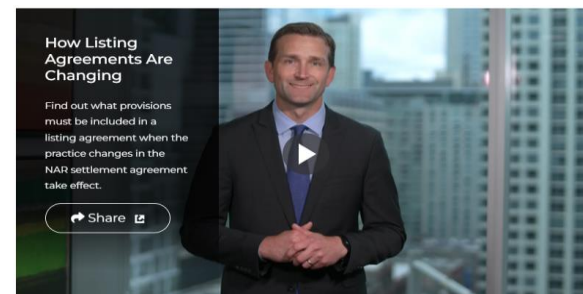
**Window to the Law: How the NAR Settlement Affects Broker-to-Broker Agreements**

<https://www.nar.realtor/videos/window-to-the-law/how-the-nar-settlement-affects-broker-to-broker-agreements>



**Window to the Law: What Does the NAR Class Action Notice Mean for REALTORS® and Their Business**

<https://www.nar.realtor/videos/window-to-the-law/what-the-nar-class-action-notice-means-for-realtors>



**Window to the Law: How Listing Agreements Are Changing Following the NAR Settlement Agreement**

<https://www.nar.realtor/videos/window-to-the-law/how-listing-agreements-are-changing>



***You don't have to be great to start,  
but you have to start to be great.***

**Joe Sabah**

SUCCESS IS A JOURNEY,  
NOT A DESTINATION

