

BROKER BEACHBAG GUIDEBOOK



Introduction

This guidebook provides guidance on the mandatory MLS policy changes, modifications to the Outer Banks Association of REALTORS® rules, and business practice adjustments necessary considering the implementation of the NAR settlement agreement terms.

OBAR is dedicated to supporting you through this transition. We are dedicated to equipping you with the resources that will assist you in reviewing, updating and implementing how you and your agents operate ahead of the August 15th deadline.

Your adaptability is crucial as we navigate this path together. The Broker Beachbag guidebook is designed to help you understand and implement the upcoming changes so that you can continue to serve clients and customers now and into the future.

As always, REALTORS® provide representation and consumer value in helping clients navigate the biggest transaction of their lives.

As we strive to elevate our profession in a dynamic and competitive marketplace, consumers are watching. Together we can seize this chance to meet the challenge and rise to the peak of professional excellence to strengthen relationships and grow our client base.

Ultimately, we are confident this transition will serve to bolster the significant value you offer as a real estate professional. Our industry will emerge stronger and improved by these changes.

Most importantly, remember you are not alone and never without support. OBAR is here for you and will remain steadfast by your side.



Download the
Broker Beachbag
here!



The Turning Tide

Effective midnight on Thursday August 15, 2024, **compensation fields will no longer be available** in any status (active, under contract or sold) for any property type (residential, land or commercial) within Paragon.

You will NOT be allowed to share any compensation information in any part of the MLS. This includes public remarks, broker notes, headlines, associated documents, images and videos in Paragon, as well as showing instructions and messaging in Showing time. Just don't do it.

After August 15, agents who include prohibited compensation information in any part of the MLS will be subject to the following disciplinary action:

- 1st Offense: \$500 fine
- 2nd Offense: \$1000 fine
- 3rd Offense: Immediate 30-day suspension of MLS access

In addition to the changes regarding the communication of compensation, NAR Policy Statement 8.13 requires all agents working with a buyer be required to have a written Buyer Representation Agreement in place prior to touring a home.

After August 15th, agents failing to have an executed, compliant Buyer Representation Agreement prior to touring a residential for sale property will be subject to the following disciplinary action:

- 1st Offense: \$500 fine
- 2nd Offense: \$1000 fine
- 3rd Offense: Immediate 30-day suspension of MLS access

Violations may be reported as any other MLS violation, by contacting the MLS Director at daniels@outerbanksrealtors.com.

In the event a fine is not paid within 20 days of the issue date, MLS access will be suspended immediately.

But wait, there is some good news! On August 15, the MLS will add a new checkbox called **“Pre-sale Concessions”**. A listing agent can check this box to indicate that their seller will consider offers that include buyer concessions. Checking the box is not binding.

See the QR code on the next page for NAR Settlement FAQs, and scroll down to the Concessions section starting at number 75.

In Summary

Starting August 15th:

- You must have a signed Buyer Representation Agreement in place prior to touring a home. Violations of this policy will incur a fine, followed by suspension of MLS access.
- The form you use is a decision to be made at the broker level, but you can view guidance and a sample form from NC REALTORS® with the QR code below.
- Compensation disclosures must be made to prospective sellers and buyers.
- OBAR must eliminate and prohibit offers of compensation within the MLS.

How we're supporting you:

- We have assembled this guide as well as a landing page with tools and resources to assist you in this transition.
- We have reimaged REALTORfest as the CYA Summit: Protect Yourself and Know Your Value.
- Information on this event can be found later in this guide or at outerbanksrealtors.com/calendar



NAR Settlement FAQs



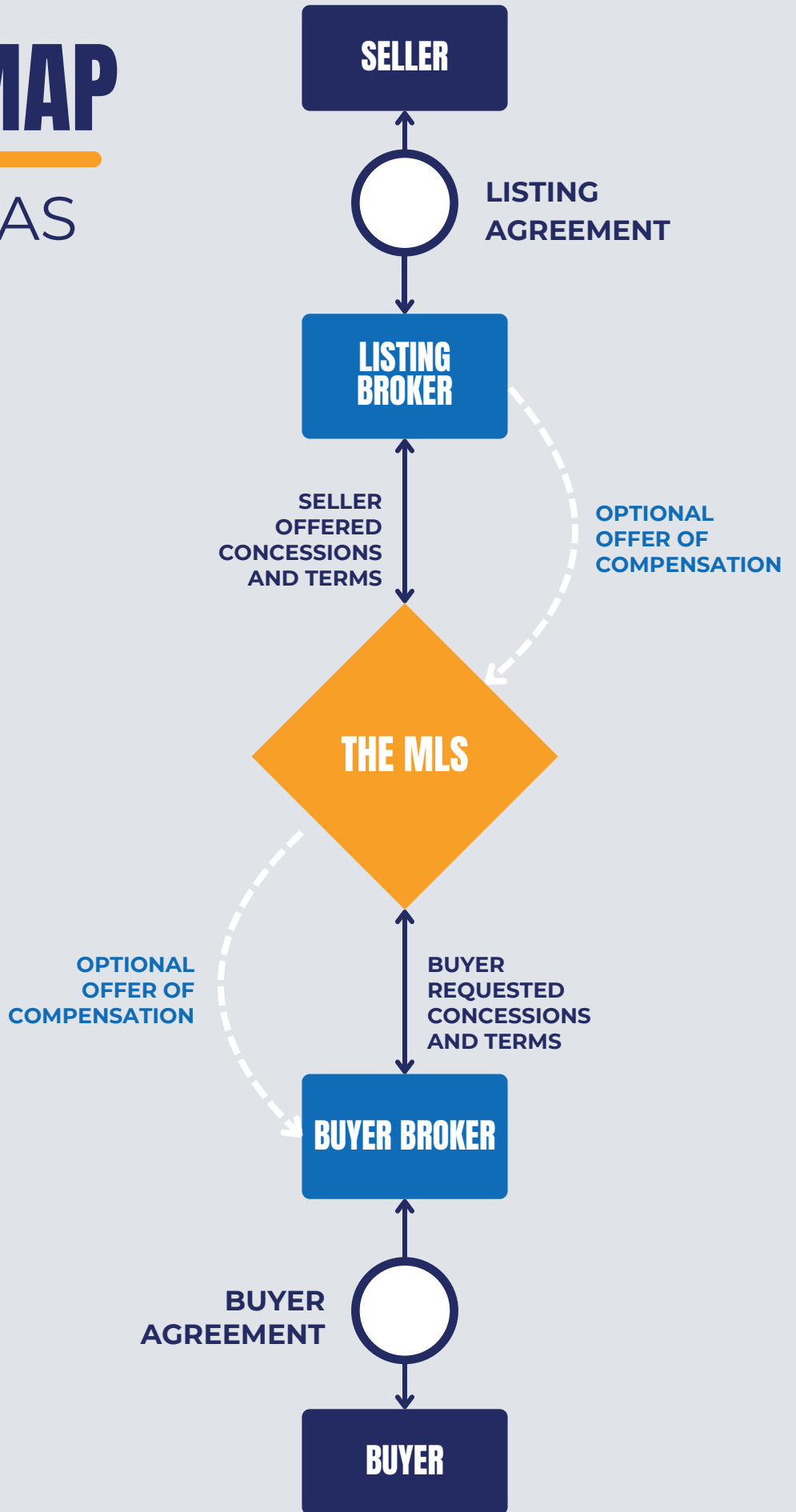
NC REALTORS® Buyer Agency (pdf)

THE OLD MAP

HOW IT WAS



Under the old norms of business, a Buyer Agreement was only required by the time of offer. Terms, seller-offered concessions, buyer requested concessions, and optional offers of compensation were all funneled through the local housing marketplace, which we know as the MLS.

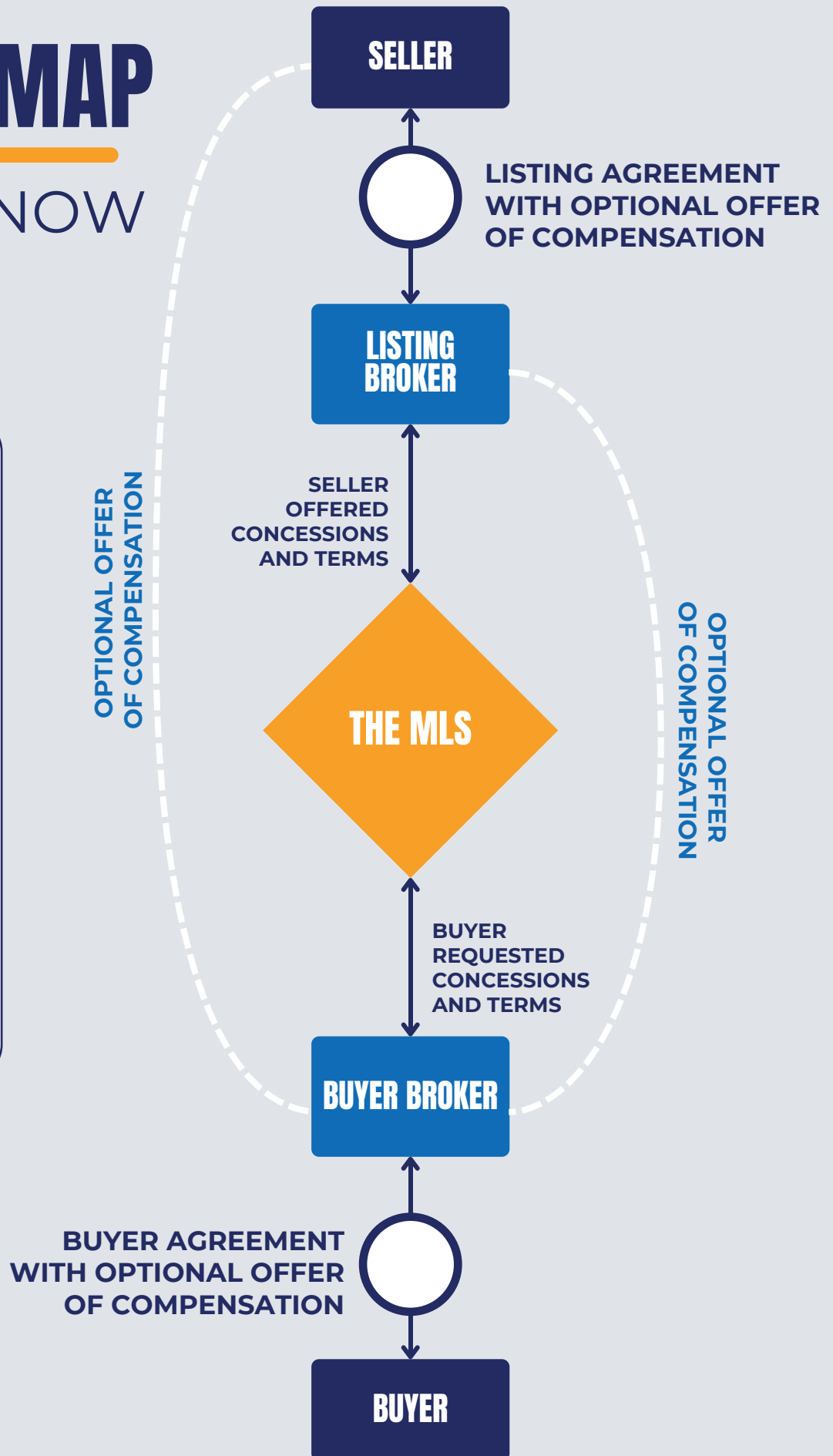


THE NEW MAP

HOW IT IS NOW



Under the new rules, Buyer Brokers must enter into a written agreement with their client before touring a home. The MLS still serves as the marketplace where listings are shared, and where information, terms, and concessions are established. What's changed is that broker compensation must be negotiated outside of the marketplace, from Broker to Broker and from consumer to Broker.



BUYER AGREEMENTS 101

Beginning **August 15th**, the use of written agreements will become mandatory for OBAR participants when working with a buyer, before touring a home.



WHAT COUNTS AS A TOUR?

When you enter a residential home of at least one and no more than 4 units to show it to the buyer, virtually or in-person, under your direction.

NOT A TOUR:

- ✗ An open house
- ✗ Showing an unrepresented buyer one of your listings at their request

Other Brokerage Services you may chose to provide:



RESEARCH

Identifying potential properties

SHOWINGS

Arranging for the buyer to tour a property



NEGOTIATIONS

Performing or facilitating negotiations on behalf of the buyer

OFFERS

Presenting offers from the buyer to the seller



Source: "Settlement FAQs #56 and #57", National Association of REALTORS®

BUYER AGREEMENTS 101

What does a compliant Buyer/Broker agreement contain?

4

CORE ELEMENTS

Source: "MLS Policy 8.13", National Association of REALTORS®

1

THE DISCLOSURE

Specific and conspicuous disclosure of the amount or rate of compensation or how this amount will be determined.

2

THE AMOUNT

The amount of compensation you will receive, stated in a concrete, objective manner that is not open-ended.

3

THE AGREEMENT

A term that prohibits you from receiving compensation for brokerage services from any source that exceeds the agreed upon amount or rate.

4

THE DISCLAIMER

Conspicuous statement that broker fees and commissions are not set by law and are fully negotiable.

BUYER AGREEMENTS 101

What else can you incorporate when establishing a Buyer/Broker agreement?

OTHER CONSIDERATIONS

FORMAT

Organized, understandable, clearly written, legible. Avoid changing any provisions without legal advice.

SERVICES

What specific brokerage services will you provide to the buyer?

TERMS

What will be the duration of the agreement? Will there be an automatic extension? Buyer agreements may also include provisions addressing termination with cause and without cause by both you and the buyer.

CONFLICTS OF INTEREST

How will you resolve potential conflicts of interest during the term of the agreement?

MORE INFORMATION



Source: "Written Buyer Agreements 101", National Association of REALTORS®



NC REALTORS® Q&A on what to do if a buyer won't sign before touring a home

REPRESENTATION TYPES

Short form, limited service, agency, non-agency, transactional, customer, among others.

PROTECTIONS & DISCLOSURES

Common additions include contractual obligations of the buyer, duties of confidentiality owed to the buyer, the Equal Housing Opportunity statement, warnings regarding wire fraud as well as video and audio recording by sellers while touring a home for sale.

ADDITIONAL COMPENSATION & FEES

In addition to the mandatory provisions, you may negotiate a retainer fee with the buyer, which may be included in total compensation, credited against compensation and/or refundable.

DISPUTE RESOLUTION

Will you include a provision regarding mandatory or optional alternative dispute resolution? Some options include mediation, arbitration, and/or a waiver of the right to trial by jury and class.



CYA Summit November 14, 2024

What does it look like for REALTORS® to work and advocate while continuing to elevate the profession in the "New Normal" of the post-settlement world? That's the question we will help you answer at our inaugural CYA Summit on November 14.

CYA Summit - Protect Yourself and Know Your Value!

This OBAR signature event, being held at the **Hilton Garden Inn Pier House**, is scheduled for **Thursday, November 14th** from 1 to 5 pm, with a VIP reception for attendees, speakers and sponsors immediately following.

Nationally renowned real estate guru and motivational/leadership speaker **REALTOR® Leigh Brown** will be kicking off the event to inform, engage, and empower you in navigating a new era in real estate. Covering your assets - your value, brand, and real estate industry knowledge is more important than ever heading into 2025!

Afternoon sessions will feature expert panelists and interactive discussions on: "Paving the Broken Road to Short Term Rental Closings - Navigating the Curves, Potholes, and Obstacles along the Way"; "Real Estate Scams on the Rise - Don't Be a Victim" with real-life, local examples; and "What Happens in Raleigh Doesn't Always Stay There - Proposed Rules, Regs, and Laws That Impact YOU!"



Registration open now!

