

Dear consumers,

On March 15, 2024, the National Association of REALTORS® (NAR) – the national organization REALTORS® belong to— proposed a settlement agreement in hopes of reaching a resolution in the *Burnett v. NAR et al* case. NAR has had two main goals in the litigation, which began in 2018:

- Preserve the choices consumers have regarding real estate services and compensation; and
- Move forward in a positive way for both NAR members and consumers.

This proposed settlement achieves both of those goals and allows REALTORS® to continue to protect and advance private property rights. This settlement is in no way an admittance of wrongdoing but provides a way to change the consumer experience. As the local REALTOR® association, Boise Regional REALTORS® will continue emphasizing the importance of industry training, negotiation skills, and customer service.

Education for our members is vital to us and we would also like to extend that education to consumers so they can navigate the new changes. Since the announcement, there has been a flood of opinions and speculations presented via social media and press. Our intention through this letter is to shed light on the facts surrounding the proposed settlement and what it may mean for consumers.

Here are a few facts we feel are important for those entering the real estate market (on either side of the transaction):

General:

- While still subject to final court approval, preliminary approval of the settlement was granted as of April 24, 2024, kickstarting a 60-day deadline for Multiple Listing Services (MLSs) (the platform widely used by real estate professionals to market properties) and protected brokerages to agree to relevant affidavits.

Impact on Buyers & Sellers:

- Negotiable commission is not a new concept to the real estate market, but we applaud efforts to increase transparency for that process by moving those negotiations off the MLS. Compensation will continue to be negotiable between agents and the consumers they serve.
- Nothing in NAR's current policies has increased costs for buyers or sellers. This settlement reiterates the choices consumers have regarding real estate services and the compensation they pay. After the new rule goes into effect, listing brokers and sellers may continue to offer compensation for buyer broker services (such as concessions for buyer closing costs), but such offers could not be communicated via the MLS.
 - The services a REALTOR® provides during a transaction are always negotiable, but the consumer should understand the weight and value of each task completed by their REALTOR®.
- If a seller agrees to pay the buyer's agent's commissions (within a reasonable amount and all other requirements are met), the Federal Housing Administration's current policy states that the payments will not be treated as "interested party contributions" (IPCs). If they were considered an IPC, the contribution could have affected loan approval amounts.
 - Visit <https://bit.ly/fha-announcement> for more information.
- Additional information was provided by financial giants Fannie Mae and Freddie Mac.
 - Fannie Mae: <https://bit.ly/fanniemaesellernotice>
 - Freddie Mac: <https://bit.ly/freddieamacsellernotice>

We invite our BRR members, as well as consumers, to engage with our NAR Settlement Update webpage for more information (<https://boirealtors.com/nar-settlement-updates>). You are also welcome to contact BRR with any questions you may have.

With gratitude,