

## Topline Key Messages

- **Consumers have the choice to work with a real estate professional or not. Most do, recognizing that technology is no substitute for an expert helping them to navigate risk, avoid pitfalls, and obtain results.**
  - Without a real estate professional acting in their best interests, consumers must:
    - Wade through and interpret voluminous information and data they find online or elsewhere;
    - Get and understand inspections, title reports, disclosures, and forms and other reports;
    - Find and deal directly with lenders, inspectors, sellers/buyers, other agents, escrow companies, title companies, appraisers, and other professionals;
    - Represent their own interests in pricing and negotiation;
    - Prepare and finalize complex paperwork, including legally binding contracts;
    - Manage the escrow and closing process; and
    - Navigate unexpected twists and turns.
  - Americans overwhelmingly choose to work with real estate professionals rather than navigate this complexity alone.
  - Nine out of ten people who work with an agent say they would use their same agent again or recommend him or her to others.
- **Real estate compensation is always negotiable between agents and their clients. The practice of listing brokers offering compensation to buyer brokers emerged in the free market over decades. It benefits both sellers and buyers.**
  - There is a lot of misinformation about how real estate professionals are compensated, particularly from plaintiffs' lawyers, who are the ones who actually stand to profit from the cases against the industry.
  - NAR rules do not require any particular amount or type of compensation—compensation can be a percentage, fixed rate, hourly rate, or any other arrangement.
    - In fact, NAR's policies expressly prohibit MLSs, associations, and brokers from setting or suggesting real estate commissions or fees.
    - The practice of listing brokers offering compensation to buyer brokers emerged in the free market. NAR's rule followed, with the goal of bringing transparency to marketplaces that already existed.
  - NAR's compensation rule is about transparency: it requires only that listing brokers communicate the amount they are offering to pay a buyer's broker for their work.
  - The compensation rule does not tell listing brokers and their clients how much to offer a buyer broker. They can offer \$0.
  - This model of compensation benefits both buyers and sellers.
    - It means that sellers can have their home seen by more buyers, ensure they receive the best offer, and ultimately sell it for the best price.
    - Buyers benefit from professional representation in what for many will be the most significant, complex purchase of their lives.

- Critically, this compensation model promotes access to homeownership. For lower- and middle-income buyers in particular, saving for a down payment can be difficult enough. Adding broker compensation on top of closing costs would push the dream of homeownership even further out of reach.
  - The same would be true for veteran home buyers because VA loans prohibit them from paying buyer broker fees.
- **NAR has led our industry forward for more than 100 years by focusing on ethics, professionalism, advocacy, and putting consumers first. The result is transparent and competitive marketplaces, satisfied clients, and stronger communities.**
    - NAR sets the standard for ethics and professionalism in the industry and advocates for the right to real property ownership for all.
    - NAR has consistently evolved over the course of its history to meet the demands of an ever-changing real estate landscape.
    - For example, when consumer protection advocates argued that buyers should have their own agents, NAR convened a group to study the issues and make recommendations, and ultimately adopted new policy language to accommodate buyer agents.
    - REALTORS® are bound by NAR's Code of Ethics. This means REALTORS® commit to putting client interests first.
    - Agents who are REALTORS® know that delivering value is the only way to earn, and keep, our clients' trust.
    - In keeping with this commitment to professional service, agents who are REALTORS® are foundational to communities across the country and consistently engage in impactful volunteer work across a wide spectrum of activities and programs.