

# WHERE TO IMPLEMENT PRACTICE CHANGES

## TIPS FOR ADJUSTING YOUR BUSINESS OPERATIONS AHEAD OF THE AUG. 17 IMPLEMENTATION DATE.

By Lynn Madison

The real estate industry has been through many paradigm shifts just in the past 30 years—the dawn of buyer agency in the '90s, the elimination of subagency by some states and the rise of the internet to name a few. Agents survived those turns, and they'll survive the practice changes coming down the pike from the National Association of REALTORS® [proposed settlement agreement](#). Let's look at some things you can be doing now to hit the ground running.

### COLLEAGUE SUPPORT

You can always work with others in your office to help you through this transition but be cautious. The settlement and practice changes are nuanced and require careful attention. If you are listening to or networking with people who are sharing incorrect information, it can set your business back. Never ask a business-related question on a public group site because you may get answers from people who work in other states and adhere to different laws. Instead, get together with agents from your office who are willing to brainstorm ideas and share what's working and what isn't working. To get a broad perspective, your brainstorming group should include agents who are at different points in of their career.

### RELATIONSHIP MANAGEMENT

Use conversations with potential clients to [show your value](#) in the transaction. Explain how and why representation is important in the sale or purchase of their home. The compensation conversation must build on the value discussion. Getting those two points out of order could make it harder for you to communicate successfully.

Most agents are practiced at communicating their value to sellers during a listing presentation. Be just as prepared when you talk with buyers.

### SALES MEETINGS & TRAINING

Under the license law of every state, brokerages—and specifically managing brokers—have an obligation to train and supervise their agents. So, brokers: Take the lead in making sure your agents understand and comply with the practice changes. It's a good idea for every managing broker—in fact, every NAR member—to take NAR's Accredited Buyer's Representative (ABR®) designation course. It's being offered to members at no cost through the end of 2024. Brokerages can use the course as basic training for their agents. Learn more and register at [become.abr.realtor](https://www.nar.realtor/become.abr.realtor).

### REAL ESTATE DOCUMENTS

Many forms you use will need modifications, and there are a few forms that you may need to create.

- Listing agreements should no longer refer to offers of compensation on the MLS, since communicating such offers on MLSs is prohibited moving forward. If an active listing agreement (meaning there is no accepted offer) instructs the listing broker to make an offer of compensation on the MLS, take steps to amend the agreement to comply with the practice changes. Brokers should work with sellers to determine whether they authorize an offer of compensation to be made off-MLS and in what amount, and that authorization should be put in writing before any offer or payment is made. Going forward, make it clear you will not make an offer of compensation on an MLS. If the seller instructs you to make an offer of compensation outside of an MLS, put that in writing as part of the amended agreement. You must disclose to your seller in conspicuous language in the listing agreement (or a disclosure if using a government-specified form) that broker commissions are not set by law and are fully negotiable.
- If you currently use written buyer agreements, you should assess those documents based on the new requirements. For a list of what to include in your agreements, read NAR's "[Written Buyer Agreements 101](#)."
- In addition to ensuring new and revised forms align with new requirements, make sure your forms are user-friendly and easy to understand. Sale contracts/offers to purchase may need revisions to allow the buyer to ask the seller to pay the buyer broker compensation. This will help certain buyers, for instance those who do not have extra funds after they have paid their down payment and closing costs.
- If a buyer and seller agree to an offer of compensation, the listing and selling brokers may choose to enter into an agreement to memorialize the compensation agreement and help reduce uncertainty. Read NAR's "[Broker-to-Broker Agreements 101](#)."

### MARKETING

Create a simple, bulleted overview of the industry changes. Share it on your website, in social media and in emails to potential buyers and sellers. Educating potential clients early in their home search will help to instill confidence and transparency. These materials should also be part of both your buyer and seller counseling packets. Keep the language consumer-friendly, e.g., "The Real Estate Brokerage Business Is Changing: Here's Why It Matters to You."

NAR has guides for [homebuyers](#) and [sellers](#) to help you get started.

### ASSOCIATION SUPPORT

NAR, state and local REALTOR® associations and MLSs have been communicating the practice changes and what brokerages need to do to prepare and thrive. Visit [facts.realtor](https://www.facts.realtor) often for updates, and check your local and state association websites to learn what education they have available on changes in listing agreements, written buyer agreements and other ancillary forms the association has created. But remember: There will be resources and training support that must come from the brokerage level.

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