

CONSUMER GUIDE: REALTORS® DUTY TO PUT CLIENT INTERESTS ABOVE THEIR OWN

A REALTOR® is a special kind of real estate agent: one who follows NAR's strict Code of Ethics, including the first and primary pledge to protect and promote the interests of their clients. This obligation means that a REALTOR® cannot make decisions or provide representation in a way that puts their own interests or commissions ahead of their clients' interests.

What does it mean for a REALTOR® to act in a BUYER's best interest? A REALTOR® has an ethical duty to tell a buyer about every home available for sale that meets their criteria. That means that REALTORS® will let you know about all available homes, regardless of whether the seller or listing broker is offering compensation to your buyer's agent—even if compensation offered by a seller or listing broker is less than what you agreed to pay your agent in your written buyer agreement.

What does it mean for a REALTOR® to act in a SELLER's best interest? A REALTOR® should explain to their seller the benefits and costs of the various types of marketing that can be done for a listing, and how potential buyers might respond to such marketing. A REALTOR® is ethically prohibited from telling a seller that their home will be hidden from buyers unless the seller pays a particular type or amount of compensation.

What is wrongful "steering"? The REALTOR® Code of Ethics prohibits "steering" buyers toward homes because the REALTOR® will be paid more, or away from homes because the REALTOR® will be paid less. Similarly, the REALTOR® Code of Ethics prohibits a REALTOR® from telling a seller that buyers will be "steered" toward homes because the REALTOR® will be paid more, or away from homes because the REALTOR® will be paid less.

How do written agreements protect me from steering? As of August 17, 2024, you will be asked to sign a written buyer agreement before touring a home with the professional you want to work with. NAR's ethical rules have long encouraged REALTORS® to enter into written agreements with their clients because these agreements promote clarity and transparency. They also help protect you from wrongful "steering" by specifying the amount of compensation the REALTOR® will receive and the services they will provide. Since a broker working with a buyer receives the amount the buyer has agreed to, the amount of any offer of compensation is irrelevant to the buyer-broker's compensation.

Where can I learn more about buyer agreements? NAR has created a dedicated resource on written buyer agreements [here](#).

What can I do if I think a REALTOR® is violating NAR's Code of Ethics? If a REALTOR® acts in a way that places their interests before yours, this is a violation of NAR's Code of Ethics and should be reported to your [state or local REALTOR® Association](#) for investigation and potential disciplinary action.

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](#) for more information and resources.

CONSUMER GUIDE: OPEN HOUSES AND WRITTEN AGREEMENTS

As of August 17, 2024, many real estate professionals nationwide will be asking buyers to enter into a written agreement prior to touring a home. But what if you are just attending an open house? Here's what you should know:

I am attending an open house without an agent. Do I need a written buyer agreement in order to tour the home? No. If you are simply visiting an open house on your own or asking a real estate professional about their services, you do not need to sign a written buyer agreement.

Is an agent who is hosting an open house required to enter into written agreements with the potential buyers who attend the open house? No. In this case, since the agent is only there at the direction of the listing broker or seller, the agent is not required to have a written agreement with the buyers touring the home.

When will I be asked to sign an agreement with an agent? After you begin “working with” an agent and at any point before you tour your first house together.

What does “working with” an agent mean? A buyer is “working with” an agent as soon as the agent begins to provide services, such as identifying potential properties and arranging tours. Agents who are simply marketing their services or speaking to a buyer—at an open house or by providing a buyer access to a house they have listed—are not considered to be working with the buyer.

What does it mean to “tour” a home? Under the terms of the settlement, a “tour” is when a buyer who is working with an agent enters a home that is for sale or directs their agent to enter the home on their behalf. This includes when the buyer's agent provides a live, virtual tour to a buyer not physically present.

What is the purpose of written buyer agreements? Clarity and transparency. Written buyer agreements lay out the services your real estate professional will provide and what they will be paid. Buyers should not sign anything that includes terms they do not agree with or do not understand. You are in the driver's seat with these agreements, which are fully negotiable.

Where can I learn more about buyer agreements? NAR has created a dedicated resource on written buyer agreements [here](#).

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](https://www.factsrealtor.com) for more information and resources.

CONSUMER GUIDE: WHAT VETERANS NEED TO KNOW ABOUT BUYING A HOME

The National Association of REALTORS® is proud to support those who serve our country on their journey to achieve the American Dream of homeownership. Veterans and active servicemembers often have unique needs when looking for a home, and agents who are REALTORS® are committed to helping ensure those needs continue to be met following the real estate practice changes that went into effect on August 17, 2024. Here is what you need to know:

I'd like to take advantage of my Department of Veteran Affairs (VA) Home Loan benefit. Am I allowed to pay for a real estate agent under VA rules? Yes. On August 10, 2024, the VA enacted a temporary policy allowing buyers with VA home loans to pay for real estate professional representation. NAR advocated extensively for this outcome to give veterans greater access to professional representation in their pursuit of homeownership. NAR's efforts include meeting directly with VA officials, engaging lawmakers, and gathering support from our industry partners, as well as submitting a [letter](#) urging the department to lift the ban.

Why is the policy only temporary? Will it be made permanent? The VA will decide if a formal rulemaking is necessary to make this policy permanent. NAR is advocating for this policy to become permanent through continued engagement with lawmakers and the VA, sharing examples of how this policy change is helping consumers.

Why am I being asked to sign a written agreement? Written buyer agreements lay out the services your real estate professional will provide and what they will be paid for those services. The practice changes require written agreements for many real estate professionals nationwide. You are in the driver's seat with these agreements, which are fully negotiable. You should not sign anything that includes terms you do not agree with or do not understand. For more information on written buyer agreements, NAR has created a dedicated resource [here](#).

How does my buyer's agent get paid? This is determined in your written buyer agreement. Methods of paying a buyer's agent may include, but are not limited to, the seller or their listing broker offering to compensate the buyer's agent, the buyer requesting that the seller pay the buyer broker as part of the purchase offer, or the buyer paying their agent directly out of pocket.

What has NAR done to promote access to financing for veterans?

- NAR has been a strong supporter of the VA Home Loan Guaranty program, which has helped American veterans obtain more than 24 million home loans.
- NAR continues to advocate for the VA to offer flexible and competitive loan products. For example, some veterans are still losing out due to VA's strict appraisal requirements for properties they insure.
- NAR continues to work with the VA and Congress to ensure that the descendants of certain veterans may use an unused home loan benefit.
- NAR advocates for allowing a veteran to sell their home to a buyer who can assume their existing interest rate.

Why should veterans and active servicemembers work with an agent who is a REALTOR®? REALTORS® are obligated under NAR's Code of Ethics to work in your best interest. Additionally, many REALTORS® have obtained NAR's [Military Relocation Professional \(MRP\) certification](#) to better prepare them to work with veteran buyers. Find a REALTOR® who has earned the MRP certification [here](#).

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](#) for more information and resources.

CONSUMER GUIDE: OFFERS OF COMPENSATION

As a home seller, you have a wide range of choices when deciding how to market your property. This includes whether you'd like to offer—or authorize your agent to offer—compensation to a buyer's agent as a way to attract potential buyers. Here's what you need to know as you consider your options related to offering compensation:

What is an offer of compensation and why make one? An offer of compensation is when you—the seller—or your agent compensate another agent for bringing a buyer to successfully close the transaction. Offers of compensation help reduce out-of-pocket costs for prospective buyers, which in turn may bring more potential buyers for the transaction. These costs can be especially significant for first-time buyers, lower- to middle-income buyers, or those from underserved communities.

Are offers of compensation mandatory? No. It is up to you to determine if making an offer of compensation is the best approach for selling your property. Agents who are REALTORS® are here to help answer your questions and guide you to make a decision that works for you.

As a seller, does my agent need my permission to offer compensation to a buyer's agent? Yes. Your agent can only offer compensation or make a payment to a buyer's agent if they have your written approval and signoff on the amount.

What types of compensation can I offer? There are many options available to you as a seller to discuss with your agent. These could include a flat fee paid directly to the buyer's agent or allowing your agent to share a part of their compensation with the buyer's agent. Beyond compensation, you could also consider offering a buyer certain concessions, such as covering closing costs, to make the total home purchase more affordable for them.

How will a buyer's agent know if there is an offer of compensation? Offers of compensation can be advertised in many ways. If you approve an offer of compensation, it can be shared through common marketing methods such as flyers, signs, brokerage websites, social media posts, or simply through a phone call or email. Offers of compensation cannot be listed on Multiple Listing Services (MLSs), online platforms that compile home listings from many different sources.

Do I have to advertise an offer of compensation if I decide to make one? No, it's up to you to decide. Advertising can help get the word out to bring more buyers to the table, but you can also choose not to advertise and instead negotiate the offer in a purchase agreement.

You mention concessions—what does that mean? A seller concession is different than an offer of compensation. It is when a seller covers certain costs associated with purchasing a home for the buyer. Concessions can make home ownership more accessible for buyers by reducing upfront expenses. These can cover things like some transaction costs or property repairs.

How do I know what option is best for me? When you work with an agent who is a REALTOR®, you are working with a professional guided by ethical duties under the REALTOR® Code of Ethics, including the pledge to protect and promote the interests of their clients. Your agent will work with you to weigh your options, answer questions, and develop a strategy you are confident in. You can read more about REALTORS'® duty to put client interests above their own [here](#).

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [factsrealtor](https://www.factsrealtor.com) for more information and resources.

CONSUMER GUIDE: WHY AM I BEING ASKED TO SIGN A WRITTEN BUYER AGREEMENT?

If you're a homebuyer working with an agent who is a REALTOR®, it means you are working with a professional ethically obligated to work in your best interest. As of August 17, 2024, you will be asked to sign a written buyer agreement after you've chosen the professional you want to work with. Here's what you should know about these agreements:

What is a "written buyer agreement?" What does it do? A written buyer agreement is an agreement between you and your real estate professional outlining the services your real estate professional will provide you, and what they will be paid for those services.

Why am I being asked to sign an agreement? Written buyer agreements became a nationwide requirement for many real estate professionals as a part of the National Association of REALTORS®' proposed settlement of litigation related to broker commissions. The requirement went into effect on August 17, 2024.

Are these agreements new? In some places, yes. Many states have required them for years, while some have not. As a result, it is entirely possible you or others you know have not used them in the recent past. Regardless, they are now a nationwide requirement for many real estate professionals.

Are these agreements negotiable? Yes! You should feel empowered to negotiate any aspect of the agreement with your real estate professional, such as the services you want to receive, the length of the agreement, and the compensation, if any. Compensation between you and your real estate professional is negotiable and not set by law. In the written agreement, the compensation must be clearly defined (e.g., \$0, X flat fee, X percent, X hourly rate)—and not open-ended or a range. Only sign an agreement that reflects what you have agreed to with your real estate professional.

How do I benefit from these agreements? These agreements clearly lay out what services you (as a homebuyer) expect your real estate professional to provide, and what your real estate professional will be paid. These agreements make things clear and reduce any potential confusion at the outset of your relationship with your real estate professional.

When do I need to sign an agreement? You will be asked to enter into a written buyer agreement with your real estate professional before "touring" a home with them, either in-person or virtually. If you are simply visiting an open house on your own or asking a real estate professional about their services, you do not need to sign a written buyer agreement.

Does this mean I have to pay my real estate professional out of pocket? Not necessarily. While you are responsible for paying your real estate professional as outlined by your agreement, you can still request, negotiate for, and receive compensation for your real estate professional from the seller or their agent.

Do agreements dictate a specific type of relationship I need to have with my real estate professional? No—you are allowed to enter into any type of business relationship with your real estate professional allowed by state law where you live.

Can I change or exit an agreement? Yes. You and your real estate professional can mutually agree to change your agreement. Agreements may have specific conditions under which they can be exited, so read the text of the agreement and speak with your real estate professional if you would like to change or exit your agreement.

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [factsrealtor](https://www.factsrealtor.com) for more information and resources.

CONSUMER GUIDE: NEGOTIATING WRITTEN BUYER AGREEMENTS

You've decided it's time to buy a home and want to work with an agent to guide you through the process. The next step is to interview agents and negotiate a written agreement that includes the services the agent will provide and the compensation they will receive. Here's what you need to know about negotiating an agreement with an agent who is a [REALTOR®](#):

When will I be able to negotiate? Written buyer agreements are required for many real estate professionals before you tour a home with them, either in-person or a live virtual tour. These agreements help ensure both you and your agent are clear about roles, responsibilities, and agent compensation. If you are simply visiting an open house on your own or asking a real estate professional about their services, you do not need to sign a written buyer agreement. Learn more about written buyer agreements [here](#), and learn more about open houses and tours [here](#).

What can I negotiate? Agreements with your agent are negotiable, including terms about the services your agent will provide, how much your agent will be paid, how long your agreement will last, and more. You and your agent will work together to reach an acceptable agreement that allows you to get the value and services you need in the homebuying process, while also enabling your agent to pursue fair compensation for their work. Remember: compensation is fully negotiable and not set by law. You should consult an attorney if you have any questions or concerns regarding an agreement.

How is my agent compensated? Agent compensation can take many forms, such as a flat fee, a percentage of the purchase price, or an hourly fee. Agents cannot agree to an open-ended amount or range of compensation such as "the agent's compensation will be whatever amount the seller is offering" or "between X and Y percent." You can also ask the seller to offer compensation to your agent, which can be sought in the purchase agreement. More info can be found in our offers of compensation guide [here](#).

What types of services can my agent provide? Agents may offer many types of services such as finding and showing you homes that meet your criteria, accompanying you to showings, sharing their analysis of available properties, negotiating on your behalf, and more. For more, read about the [179 Ways Agents Who Are REALTORS® Are Worth Every Penny](#).

How do I start the conversation? You may want to talk to a few agents to find the best match to help you on your homebuying journey. Start by asking questions about the options available to you. If you are working with a REALTOR®, they are bound by a Code of Ethics to have open and transparent conversations with you about your options. You can read more about REALTORS'® duty to put client interests above their own [here](#).

What if we can't agree? You don't have to sign an agreement that you don't agree with, and you or the agent can walk away from a negotiation at any time. Keep looking for the right fit—another agent may be able to better meet your needs.

Can we change the terms of the agreement after we make it? Yes. You and your agent can mutually agree to change the terms of your agreement. But your agreement and/or state law may govern when it can be changed or terminated. Read your agreement closely and speak with your agent if you would like to change or exit your agreement.

Practices may vary based on state and local law. Consult your real estate professional and/or consult an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](#) for more information and resources.