

CONSUMER GUIDE: MULTIPLE LISTING SERVICES (MLSs)

When buying or selling a home, your real estate professional may use a Multiple Listing Service (MLS) to find homes for sale or market your property. Here is what you need to know:

What is an MLS? MLSs provide online platforms that compile home listings from brokerages in a given market. They enable agents to efficiently see available homes for sale and get helpful marketplace data and typically share listing information to national and local websites that advertise property information. There are many MLSs across the U.S., and each has its own rules to make sure its information is complete, accurate, and transparent.

What value does an MLS provide? MLSs allow real estate professionals to see, share, and promote homes for sale so they can be found by the largest pool of potential buyers. MLSs provide the most accurate, reliable, and detailed information about properties (both that have sold and are for sale), including listing price, address, features, disclosures, and square footage. MLSs also help promote fair housing and equal opportunity by giving real estate professionals and their clients access to consistent information.

As a buyer, how can an MLS help me buy a home? Using an MLS allows your agent to access many homes for sale and connect with agents working to sell their clients' homes.

As a seller, how can an MLS help me sell my home? MLSs are the most trusted source for real estate data because their information is verified by real estate professionals. Listing on an MLS will help a seller reach the largest pool of buyers and potentially attract the best offer.

Am I required to market my home through an MLS? No. You should discuss the pros and cons with your agent. If you decide to have your agent not list your home on an MLS, you may be asked to sign a document verifying that you as the seller have made this choice.

Can I make an offer to compensate a buyer's agent on an MLS? An offer of compensation is when the seller or the seller's agent offers to compensate another buyer's agent for bringing a buyer to successfully close the home purchase. As of August 17, 2024, offers of compensation are no longer allowed on MLSs. However, offers of compensation can still be made off-MLS and shared through common marketing vehicles such as flyers, signs, emails or other communication mechanisms. Read more about offers of compensation [here](#).

Can I offer concessions on an MLS? To attract more buyers, sellers may offer concessions, which are certain costs associated with the buyer's home purchase that a seller agrees to pay. MLSs may allow communications about a seller's concessions, but it depends on local rules. Read more about concessions [here](#).

How do I access MLS information? Many MLSs share data with websites that consumers can access. If you are a buyer, your agent will provide you with MLS property listings that may meet your criteria. For both buyers and sellers, when you work with an agent who has access to an MLS, you can discuss how the MLS can benefit you. Remember, agents who are a REALTORS® are guided by ethical duties under the Code of Ethics, including the pledge to [protect and promote](#) the interests of their clients. Your agent will help you to weigh your options and develop a strategy you are confident in.

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: LISTING AGREEMENTS

If you choose to work with a real estate professional to sell your home, one of the first things you'll do is negotiate and sign a listing agreement with the agent you've selected. Here's what you need to know:

What is a listing agreement? A listing agreement is a contract between you and your agent that says the agent can represent you and market your property to potential buyers and their agents and establishes the sales price for your home. It will also lay out the type of professional representation and services your agent will provide and what they will be paid for those services. Agent compensation is fully negotiable and not set by law.

What are my options for agent representation? The options available may vary based on where you are selling your home or who you are working with. Some of the most common arrangements include:

- **Exclusive Agency Listing Agreement:** You work with just one agent and agree to compensate them if they sell your home. This allows you to retain the option to sell your home yourself without having to compensate your agent for the sale.
- **Exclusive Right-to-Sell Listing Agreement:** You work with just one agent, but you are responsible for your agent's compensation no matter who sells the property.
- **Limited-Service Listing Agreement:** You work with just one agent who provides a limited set of services, such as publicly marketing your home on a Multiple Listing Service (MLS)—an online platform that compiles home listings from different sources—but may not provide other services, such as arranging showings, providing input on purchase offers, or supporting the negotiation process.
- **Non-Exclusive Listing Agreement:** You work with one agent or multiple agents and agree to compensate the agent who ultimately sells your home.

What services might be included in a listing agreement? The listing agreement typically lays out the agreed upon methods your agent will use to sell your home. Your agreement might include information on how your property will be marketed. This could include listing on an MLS, offering a seller concession covering some costs associated with purchasing a home for the buyer, or offering compensation to a buyer's agent. Read more about MLSs [here](#), offers of compensation [here](#), and seller concessions [here](#).

Are offers of compensation mandatory? No. It is up to you to determine if making or authorizing an offer of compensation is the best approach for selling your property. Agents who are REALTORS® are here to help guide you on marketing strategies so that you can make a decision that works for you.

How do I know what will work best for me? When you work with 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 help you understand the market and to weigh your options, answer questions, and reach an agreement that you are confident in. If you have any concerns about your agreement or don't understand it, you should consult an attorney.

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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](#).

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CONSUMER GUIDE: SELLER CONCESSIONS

As a home seller, you have choices when deciding how to market your property, including whether you'd like to offer concessions to attract buyers or close a deal. Here's what you need to know as you consider whether this approach is right for you:

What are seller concessions and why make them? A concession is when a seller pays for certain costs associated with purchasing a home for the buyer. Concessions could make your property more attractive to buyers or lead to a better or faster offer. Concessions also help make home ownership more accessible for buyers by reducing upfront expenses, so buyers with limited cash reserves may be able to stretch their budget further.

What are some examples of concessions I can offer? You have options. Concessions can include covering costs associated with a title search, loan origination, inspection, homeowners' associations, real estate taxes, or home repairs and updates. They can also be used to cover fees for professionals like agents and appraisers.

How do seller concessions work? Concessions can be advertised upfront or negotiated as part of a home purchase agreement. In the agreement, a concession is often written as a specific dollar amount. Seller concessions usually aren't binding until they are put in a contract like a purchase agreement.

What's the difference between a concession and an offer of compensation? Concessions can cover a variety of costs or fees for a buyer associated with purchasing a home, whereas an offer of compensation is specifically when the seller or their agent agrees to compensate a buyer's agent for bringing a buyer who successfully closes the transaction. Read more about offers of compensation [here](#).

How do I tell buyers I'm offering concessions? Concessions can be advertised publicly, shared on a Multiple Listing Service (MLS)—an online platform that compiles home listings from different sources—or discussed during purchase negotiations. Keep in mind that not all MLSs allow concessions to be advertised, and some only allow you to indicate whether you are offering a concession with a simple "yes" or "no." If you choose to put a concession on an MLS, it must be written as the total sum of all concessions offered and can't be conditioned on the use of, or payment to, a buyer's agent.

Is there a limit to the concessions I can offer? Yes. The limit on the total value of concessions you can offer depends on the terms set by the buyer's lender and state law. However, any payment you offer toward the buyer's broker's fee is excluded from this amount and must be made off-MLS.

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](#).

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