

NAR Settlement Facts

I. Key Terms

- a. Releases from liability, for claims brought on behalf of **home sellers**:
 - i. Realtors® nationwide;
 - ii. Realtor® Associations nationwide;
 - iii. Realtor® and non-Realtor® MLSs nationwide;
 - iv. Real estate brokerages nationwide with a Realtor® principal and a transaction volume in 2022 totaling \$2B or less;
 - v. Other brokerages under other specific circumstances.
- b. Imposes various “practice changes” on MLSs.
- c. \$418 Million payment over four years.
- d. NAR admits no wrongdoing.

II. Settlement Details

- a. Canopy will need to “opt-in” to the Settlement by taking specific steps as outlined in Appendix B of the Settlement Agreement.
- b. **TIMING** – we will provide an executed version of Appendix B within 60-days of the filing of the first motion for preliminary approval of the Settlement Agreement. ***First motion EXPECTED to be filed in the next couple weeks.***
- c. Settlement covers the Moehrl, Burnett, Gibson and Umpa lawsuits.
 - i. Since it covers a nationwide class of home sellers, this Settlement, once approved by the court, will cover all **seller** copycat lawsuits.
 - ii. **Buyer lawsuits are not covered under this Settlement.**
- d. Settlement does not release Home Services of America or its affiliates, subsidiaries, franchises and affiliated agents. There is no “opt-in” option.
- e. Brokerages with a transaction volume over \$2 billion **with** a Realtor® as principal have the option of opting in.
- f. Re/Max, Anywhere and Keller Williams are operating under their own settlement agreements.

III. Practice Changes. MLSs must:

- a. Eliminate any requirement that brokers or sellers make offers of compensation through MLS.
- b. Prohibit offers of compensation on the MLS.
- c. Eliminate all broker compensation fields in the MLS.
- d. Prohibit sharing offers via any other fields in the MLS.
- e. Agree not to create, facilitate, or support any non-MLS mechanism (including by providing listing information to Internet aggregators’ website for such purpose) for listing brokers or sellers to make offers of compensation to buyer brokers.
- f. Require participants to enter into written agreements before touring a listing.
- g. Require participants to disclose to sellers and obtain approval from sellers for any payment/offer to another broker representing a buyer.
- h. Prohibit Realtors® from representing their services are free.
- i. Require Realtors® to disclose to sellers and buyers in “conspicuous language” that broker commissions are not set by law and are negotiable.
- j. Prohibit Realtors® from filtering or restricting MLS listings based on the existence or level of compensation offered to a buyer agent.
- k. Rescind any rule inconsistent with these changes.
- l. Develop educational materials consistent with each provision in the practice changes and eliminate any contrary materials.

Changes required to be in effect by mid-summer regardless of the status of the Settlement.