



THE BRBC (& a few more things)



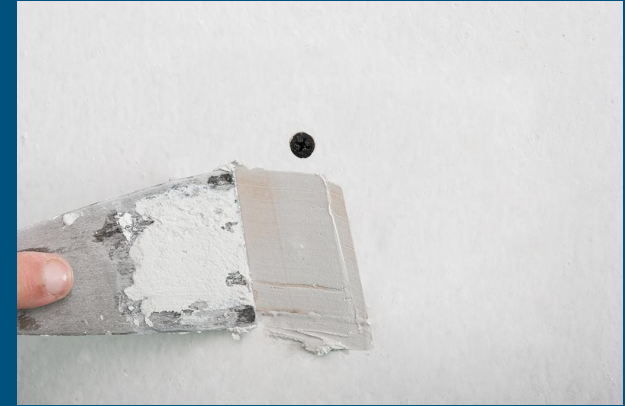
NEW UPDATES (not BRBC related)

NEW CONTINGENCY ADDED TO THE RPA: ITEM L(4): INSURANCE

L(4)	8D	Insurance	17 (or <input type="text"/>) Days after Acceptance
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- It is its own separate contingency (not a part of investigation)
- The RPA will be contingent on the "Buyer's assessment of the availability and approval of the cost for any insurance policy desired under this Agreement."
- Having a specific contingency for insurance will mean that once the Buyer has removed the insurance contingency, they will not be able to use the loan contingency to cancel if the lender denies the loan based on an inability to obtain insurance.

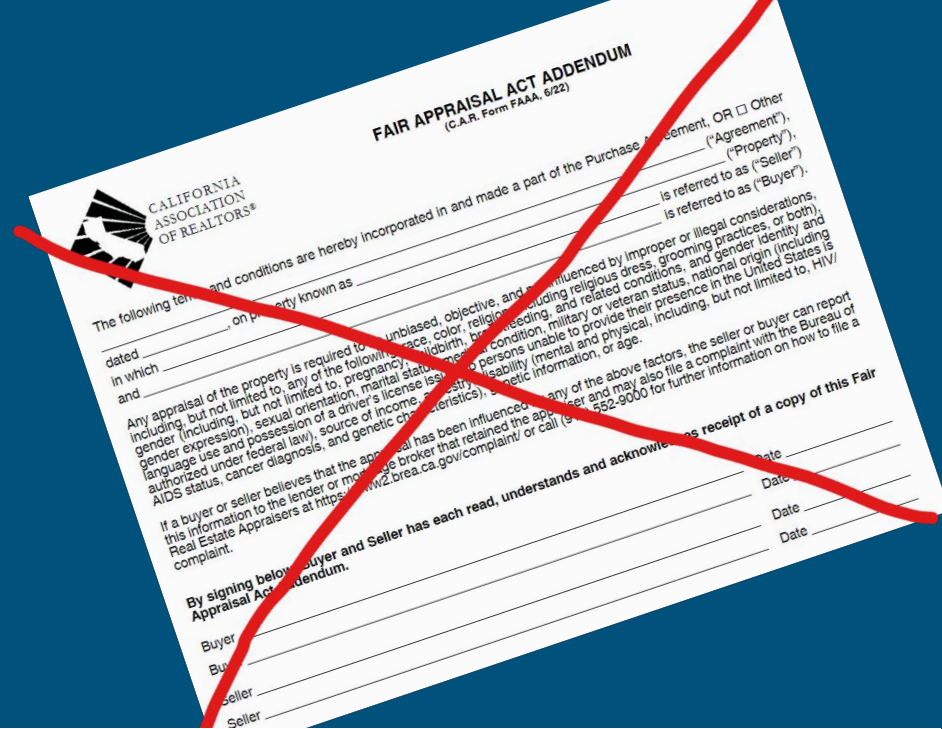
It is now written into the contract, Seller is NOT responsible to repair any holes left after the removal of any wall hangings (pictures, mirrors, brackets, etc...)



- financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
7. **CLOSING AND POSSESSION:**
- A. **OCCUPANCY:** If Buyer intends to occupy as a primary or secondary residence (see **paragraph 3E(3)**), and unless Otherwise Agreed, such as in C.A.R. Form TOPA: (i) the unit Buyer intends to occupy shall be vacant at the time possession is delivered to Buyer, and (ii) if the Property contains more than one unit, within **3 Days** after Acceptance Buyer shall give Seller written notice of which unit Buyer intends to occupy. Occupancy may impact available financing. **Seller shall disclose to Buyer if occupied by tenants or persons other than Seller, and attach C.A.R. Form TOPA in a counter offer if not part of Buyer's offer.**
- B. **CONDITION OF PROPERTY ON CLOSING:**
- Unless Otherwise Agreed: (i) the Property shall be delivered "**As-Is**" in its PRESENT physical condition as of the date of Acceptance; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; (iii) **Except as specified in paragraph 9C, Seller is not responsible to repair any holes left after the removal of any wall hangings (such as pictures and mirrors), brackets, nails or other fastening devices; and (iv)** all debris and personal property not included in the sale shall be removed by Close Of Escrow or at the time possession is delivered to Buyer, if not on the same date. If items are not removed when possession is delivered to Buyer, all items shall be deemed abandoned. Buyer, after first Delivering to Seller written notice to remove the items within **3 Days**, may pay to have such items removed or disposed of and may bring legal action, as per this Agreement, to receive reasonable costs from Seller.

The Fair Appraisal Act Addendum is no longer a separate document. It is now incorporated into the RPA.

#29 of the RPA.



29. FAIR APPRAISAL ACT NOTICE:

- A. Any appraisal of the property is required to be unbiased, objective, and not influenced by improper or illegal considerations, including, but not limited to, any of the following: race, color, religion (including religious dress, grooming practices, or both), gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related conditions, and gender identity and gender expression), sexual orientation, marital status, medical condition, military or veteran status, national origin (including language use and possession of a driver's license issued to persons unable to provide their presence in the United States is authorized under federal law), source of income, ancestry, disability (mental and physical, including, but not limited to, HIV/AIDS status, cancer diagnosis, and genetic characteristics), genetic information, or age.
- B. If a buyer or seller believes that the appraisal has been influenced by any of the above factors, the seller or buyer can report this information to the lender or mortgage broker that retained the appraiser and may also file a complaint with the Bureau of Real Estate Appraisers at <https://www2.brea.ca.gov/complaint/> or call (916) 552-9000 for further information on how to file a complaint.

NEW FORM- WBSA

- Wooden Balconies and Stairs Addendum.
- Written into the RPA
- If 3 or more units with elevated balconies, stairways, or other elements this form must be used.
- In certain circumstances, an inspection is REQUIRED to be performed by the seller. Read the form for details.



WOODEN BALCONIES AND STAIRS ADDENDUM (C.A.R. Form WBSA, 6/24)

This is an addendum to the Residential Purchase Agreement or ☐ Counter offer No. _____, or ☐ Other _____
dated _____, on property known as _____ ("Agreement"),
between _____ ("Property"),
and _____ ("Buyer"),
Buyer and Seller are referred to as "Parties." ("Seller").

1. BALCONIES, EXTERIOR STAIRWAYS AND OTHER ELEVATED ELEMENTS:

- A. If any building on the Property contains 3 or more units, and has balconies, decks, stairways or other structure extending beyond the exterior walls of the building, which are at least 6 feet above ground level, and supported in whole or in part by wood or wood-based products ("Elevated Elements"), Health and Safety Code § 17973 requires that an inspection of the Elevated Elements be completed by January 1, 2025 and at least every 6 years thereafter.
- B. If the inspection report indicates that the inspector advises there is an immediate threat to the safety of occupants or requires corrective work for non-immediate threats, then the owner must take the appropriate corrective measure.



1N. BALCONIES, EXTERIOR STAIRWAYS AND OTHER ELEVATED ELEMENTS: For properties with any building containing 3 or more dwelling units with elevated balconies, stairways or other elements, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer the Wooden Balcony and Stairs Addendum (C.A.R. Form WBSA) and comply with its terms.

DEDA changes

Page 17 - The Agents Signature section has been modified. PLEASE remember to input your email address as the designated electronic delivery address. Otherwise you will have to correct this later with another document.

B. Seller's Brokerage Firm _____ DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Email _____ Phone # _____

- ☐ More than one agent from the same firm represents Seller. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.
- ☐ More than one brokerage firm represents Seller. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es) (To be filled out by Seller's Agent): Email above or _____

☐ **Attached DEDA:** If Parties elect to have an alternative Delivery method, such method may be indicated on C.A.R. Form DEDA.

SPQ & TDS modifications



- More disclosure questions have been added to the forms.
 - Inspection reports on balconies, etc.. (referenced previously on new WBSA form)
 - If property was built before 1978 have there been any renovations
 - If you purchased the property within 18 months of accepting an offer to sell it
 - The existence of a solar power system (if yes it now prompts to fill out C.A.R. form SOLAR)
 - Whether any other structure on the property is used as a dwelling.... If yes, are there permits, are there separate utilities, etc...)
 - Is the property tenant occupied or previously tenant occupied, even if vacant now?
 - ANY material facts past or present affecting the value or desirability of the property.

CANCELLATION OF CONTRACT.

New checkbox option.... Seller agrees to pay for buyer out of pocket expenses for inspection reports and appraisal fees as specified in the agreement. Buyer must deliver receipts for such expenses to escrow holder

2. DISPOSITION OF DEPOSIT and CANCELLATION OF ESCROW

A. PURPOSE OF PARAGRAPH 2: This paragraph is used to instruct Escrow Holder (i) to cancel the escrow for the purchase/sale or other designated transaction for the Property and (ii) what to do with the deposit. Any cancellation of contract pursuant to paragraph 1A, remains in effect even if both Parties to the Agreement do not sign below.

B. RELEASE OF FUNDS NOT AUTOMATIC: Release of funds by Escrow Holder (pursuant to paragraph 2) requires mutually Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

C. FULL RELEASE AND DISPOSITION OF DEPOSIT (Select one of the options in C, or complete D, but not both.): Buyer and Seller cancel escrow # _____ with _____. The parties (i) mutually release each other from any obligation to buy, sell or exchange the Property under the Agreement; (ii) mutually release each other from all other claims, actions and demands that each may have against the other(s) by reason of the Agreement; and (iii) intend that all other rights and obligations arising out of the Agreement are null and void.

- (1) ☐ Seller authorizes release of Buyer's deposit to Buyer, less Buyer's fees and costs (i) already incurred, and (ii) agreed in the contract to be paid through escrow (including any escrow fee). ☐ If checked, Seller agrees to pay for Buyer out-of-pocket expenses for inspection reports and appraisal fees as specified in the Agreement. Buyer shall Deliver receipts for such expenses to Escrow Holder.
- OR (2) ☐ Buyer authorizes release of Buyer's deposit to Seller, less Seller's fees and costs (i) already incurred, and (ii) agreed in the contract to be paid through escrow (including any escrow fee). Pursuant to a properly executed liquidated damages clause, Buyer's authorization of release of deposit to Seller is limited to no more than 3% of the purchase price, if the Property is a dwelling with no more than four units, one of which Buyer intended to occupy. Any additional deposit shall be returned to Buyer.
- OR (3) ☐ Buyer authorizes release of \$ _____ from Buyer's deposit to Seller. The balance to be returned to Buyer. Each Party to pay for their own unpaid contractual fees and costs (i) already incurred and (ii) agreed in the contract to be paid through escrow (including any escrow fee). Such fees and costs shall be deducted from the amount specified above.
- OR (4) ☐ There is no deposit in escrow. Each Party to pay for their own unpaid contractual fees and costs, if any, (i) already incurred, and (ii) agreed in the contract to be paid through escrow (including any escrow fee).

Security Deposits

- The maximum amount of security deposit for initial occupancy cannot exceed one month's rent unless an exception applies.
- For rentals you should now be including the new C.A.R. form SDDA (see this form for reference of exemptions)
- We do not operate a trust account please do not accept security deposits on behalf of property owners. These should be sent directly to the owner from the tenant.

4. SECURITY DEPOSIT:

A. Tenant agrees to pay \$ _____ as a security deposit.

(The maximum amount of security deposit paid on or before initial occupancy, however designated, cannot exceed one month's Rent unless an exception applies. See Security Deposit Exception Disclosure and Addendum, C.A.R. Form SDDA, for additional information.)

B. Security deposit is in addition to any advance payment of first month's Rent. Security deposit law does not prohibit the payment of advance rent of not less than six months' rent if the term of the lease is six months or longer.

C. Security deposit will be ☐ transferred to and held by the Owner of the Premises, or ☐ held in Owner's Broker's trust account.

Rental Agreements

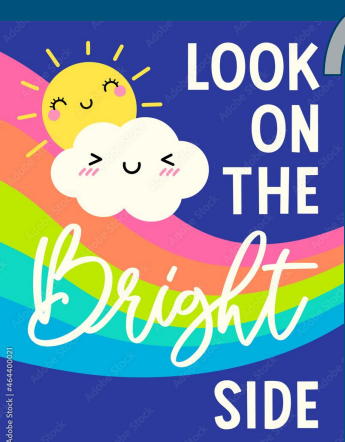
We will be amending our skyslope checklists to account for the different types of rental agreements

- Short term rental agreement (30 days or less)
- Seasonal addendum to short term rental agreement (add this to extend short term agreement up to 90 days)
- Lease Agreement (over 90 days)





21 forms relating
to the changes in
business
practices have
been postponed



More
Time to
Learn! 😊

Dear Selina,

Every June, C.A.R. issues new and modified standard forms. This year, of the 67 new and revised forms to be released on June 25, 21 of them are related to the changes in business practices required by the NAR settlement. I am writing to inform you that C.A.R. is postponing the release of those 21 forms.

C.A.R. is continuing to review not just the NAR settlement but also Department of Justice (DOJ) statements to the industry, as well as feedback from our members, and this decision is being made from an abundance of caution. C.A.R. has received a formal inquiry about these forms from the DOJ, and the organization requires additional time to consider the DOJ's concerns.

C.A.R. forms have been the gold standard for conducting California real estate transactions in a systematized, ethical, and transparent way for decades, and we are working diligently to create the next set of forms that will continue to protect our members and serve consumers.

We are in the midst of significant changes within our industry and, as such, there will be times when we have to adjust our plans, our timeframes, and even our expectations. As we've done, we will continue to keep you, our valued members, informed every step of the way. Stay tuned... more is (always) coming!

Thank you,

Melanie Barker
C.A.R. President

Delayed Release Forms

Seller side forms:

RLA	Residential Listing Agreement (Exclusive Authorization and Right to Sell)
RLAN	Residential Listing Agreement – “Open” (Non-Exclusive Authorization ...)
RLASR	Residential Listing Agreement Seller Reserve (Authorization and Right to Sell)
CLA	Commercial and Residential Income Listing Agreement
VLL	Vacant Land Listing Agreement (Exclusive Authorization and Right to Sell)
LL	Lease Listing Agreement (Exclusive Authorization to Lease or Rent)
MT-LA	Modification of Terms – Listing Agreement
OHNA-SI	Open House Visitor Non-Agency Disclosure and Sign-In

Buyer side forms:

BRBC	Buyer Representation and Broker Compensation Agreement (Non-Exclusive Unless Exclusive is checked and initialed)
BIPP	Buyer Identification of Preferences and Priorities, No. _____
BFPI	Buyer Financial and Personal Information
ABCD	Anticipated Broker Compensation Disclosure
COBR	Cancellation of Buyer Representation
NBIP	Notice of Broker Involved Properties
MT-BR	Modification of Terms – Buyer Representation Agreement

Both seller and buyer side forms:

BCA	Broker Compensation Advisory
LPRBC	Limited Property Representation And Broker Compensation Agreement
CBC	Cooperating Broker Compensation Agreement and Escrow Instructions
SPBB	Seller Payment to Buyer’s Broker



- You are not alone
- Every professional REALTOR is doing it
- Transparency is a GOOD thing



Buyer Compensation Advisory

- Will be a required form.
- It explains how you are compensated.
- This form is currently subject to more changes
- Biggest item to notate - your compensation is limited to the amount you agree to on the BRBC- (As a brokerage our threshold is the same as our listing agreement - unless approved by your branch manager)

The minute you realize your worth, you shift your energy to attract new people who respect your worth. It starts with you first.



BROKER COMPENSATION ADVISORY (C.A.R. Form BCA, 5/24)

1. **WHEN SELLERS LIST THEIR PROPERTY FOR SALE THROUGH A REAL ESTATE BROKER THEY AGREE TO PAY THE SELLER'S BROKER WHEN ESCROW CLOSES. THE SELLER MAY ALSO AUTHORIZE THE SELLER'S BROKER TO SHARE COMPENSATION WITH A BUYER'S BROKER OR MAY AGREE TO DIRECTLY PAY THE BUYER'S BROKER:**
 - A. **Listing Agreement Compensation is Negotiable:** When a seller enters into a listing agreement with a broker, the seller authorizes the broker to find a buyer for the seller's property and agrees to pay the seller's broker if a buyer is found who purchases the property. Compensation amounts are not fixed by law but are instead negotiable between the seller and the seller's broker. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations. If the seller approves, a listing agreement may authorize the seller's broker to share part of that broker's compensation with the broker who represents the buyer, and the amount the seller's broker agrees to pay the buyer's broker will be incorporated into the overall compensation the seller is obligated to pay the seller's broker.
 - B. **Offering Compensation to a Buyer's Broker is Negotiable:** Sellers and seller's brokers are not required by law or otherwise to offer compensation to buyer's brokers. The promise of payment from the seller's broker to the buyer's broker may lead to a quicker or more efficient transaction because:
 - (1) Knowing the overall cost of broker compensation at time of listing allows a seller to more easily calculate the seller's net proceeds when evaluating offers and counter offers;
 - (2) The seller's property may become more attractive to buyers who need a loan to finance the purchase price, since buyer's broker compensation would be paid from the seller's proceeds at the time of closing, rather than "out of pocket" by the buyer who may have limited funds. Many buyers have limited funds after paying a deposit, a down payment, property inspections costs, and other costs for closing. These buyers may be more likely to write an offer for the seller's property if they are able to effectively finance the buyer broker compensation into the cost of their loan rather than coming up with additional funds. By making the seller's property attractive to all buyers, regardless of their ability to directly pay a buyer's broker, the pool of prospective buyers for the seller's property will likely increase.
 - (3) Offering compensation to buyer's brokers allows the seller to inform brokers representing prospective buyers they can rely on the efficient payment of their compensation without adding to buyer's closing costs.An offer of compensation from the seller's broker to the buyer's broker is optional; a seller may instruct the seller's broker to offer no such compensation. In the listing agreement, or amendment, the seller instructs the seller's broker whether to offer any compensation to the buyer's brokers, and, if so, how much.
2. **BUYER'S BROKERS COMPENSATION ARRANGEMENTS:** In California, a buyer representation agreement is recommended and required in certain circumstances, which may limit the amount a buyer's broker may be paid to the amount in the agreement.
 - A. Buyers and their brokers benefit when the terms of their relationship and respective duties are written because expressed written terms establish mutual expectations and help avoid misunderstandings over buyer and broker duties and the amount of compensation the buyer's agent expects to be paid.
 - B. Many sellers authorize their brokers to offer compensation to buyer's brokers in the listing agreement. This may be used to offset the obligation a buyer has under a buyer representation agreement.
 - C. A buyer's broker should communicate with the buyer about how the broker will be paid for their work in representing the buyer.
 - D. In the absence of a buyer representation agreement, if the compensation offered to the buyer's broker from third parties is insufficient to meet the expectations of the buyer's broker, and the buyer's broker is unable, prior to drafting an offer on behalf of the buyer, to reach an agreement with the seller or seller's broker to be paid an amount the broker deems adequate, buyer's brokers are not obligated to represent the buyer.
3. **METHODS FOR BUYER'S BROKER TO OBTAIN COMPENSATION:**
 - A. **Buyer Pays the Compensation through a Buyer Representation Agreement:** A buyer's broker may negotiate the amount of compensation expected directly with the Buyer who may choose to simply pay their own agent.
 - B. **Seller Pays the Compensation**
 - (1) **Buyer negotiates for Seller to Pay Buyer's Obligation under a Buyer Representation Agreement:** A buyer may negotiate a term in the purchase agreement, asking the seller to pay the obligation they have already agreed to pay their own agent in a buyer representation agreement. This option should be discussed when creating a buyer representation agreement and prior to an offer being made.
 - (2) **Buyer's Agent negotiates an agreement directly with Seller:** If a seller is unrepresented or does not have an exclusive agency relationship with another agent, a buyer's agent may approach that seller to obtain a single party compensation agreement where the seller agrees to pay the buyer's broker compensation without necessarily creating an agency relationship.
 - C. **Seller's Agent Pays the Compensation to Buyer's Agent:** A seller may have authorized the seller's broker to offer compensation to the buyer's broker in the listing agreement. A buyer's agent may want to inquire with a seller's agent about whether they have such authorization. A seller's agent and buyer's agent can enter into a cooperating broker compensation agreement where the seller's broker agrees to compensate the buyer's broker.

By signing below, Seller or Buyer acknowledges that they have read, understand, and have received a Copy of this Broker Compensation Advisory. Seller or Buyer acknowledges they have been advised of their various options regarding compensation to be paid to real estate brokers and that any written agreement they have signed with a seller's or buyer's broker reflects a mutual understanding.

Seller/Buyer _____ Date _____
Seller/Buyer _____ Date _____

SCENARIO 1: The sellers broker pays the compensation to the buyer's broker

Use C.A.R. form Cooperating Broker Compensation Agreement (CBC)

- Not a new form but may end up having to be utilized more often.



****This “may”
not continue to
be an option in
the future**

SCENARIO 2: Unrepresented Seller

- If the seller is unrepresented, the buyer's broker can contract directly with the seller for payment.
- Use C.A.R. form Single Party Compensation Agreement (SP)



SCENARIO 3: The buyer pays the compensation through a buyer representation agreement

Use the Buyer Representation and Broker Compensation Agreement (BRBC)



SCENARIO 4:

The buyer negotiates for the seller to pay the compensation (or a portion of the compensation) that the buyer owes the buyer's broker pursuant to the buyer representation agreement.

Use the RPA along with C.A.R. form Seller's Payment to Buyer's Broker (SPBB) & the BRBC

Upside:

Reduces the buyer's out-of-pocket expense


Potential downside:

- Buyer's offer may not be competitive
- Seller may not respond
- Buyer may need to increase offer amount



The SPBB Form

- Must go along with BRBC (or there is no obligation for seller to pay)
- You must submit a copy of the BRBC (last page) along with the offer.
- Fill out #16 on last page of BRBC to confirm buyer's obligation
- You can exclude buyers personal information (white out the copy before sending).

 CALIFORNIA
ASSOCIATION
OF REALTORS®

SELLER PAYMENT TO BUYER'S BROKER
(C.A.R. Form SPBB, Revised 6/24)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR ☐ Other _____, dated _____, ("Agreement")
on property known as _____ ("Property")
in which _____ is referred to as ("Buyer"),
and _____ is referred to as ("Seller").
and _____ is referred to as ("Buyer's Broker")
and _____ is referred to as ("Seller's Broker.")

Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker(s) (real estate commissions include all compensation and fees to Broker).

- 1. SELLER PAYMENT TO BUYER'S BROKER:**
 - A. AMOUNT:** Subject to paragraph 1B below, Seller agrees to pay Buyer's Broker _____ % of the purchase price OR, if checked ☐ \$ _____ out of the transaction proceeds.
 - B. MAXIMUM SELLER PAYMENT OBLIGATION:** Seller shall only be obligated to pay Buyer's Broker the lesser of: (i) the amount specified in paragraph 1A, or (ii) the amount Buyer is obligated to pay Broker pursuant to their Buyer Representation Agreement, less any amount that Seller's Broker has agreed to pay Buyer's Broker. **If there is no Buyer Representation Agreement, then Seller has no obligation to pay Buyer's Broker.**
- 2. BUYER REPRESENTATION REGARDING COMPENSATION:** Buyer represents that, as of the date signed by Buyer below, Buyer has a signed representation with Buyer's Broker and the amount specified in paragraph 1 is no more than the amount Buyer is obligated to pay Buyer's Broker pursuant to that Buyer Representation Agreement, less any amount that Seller's Broker has agreed to pay Buyer's Broker.
- 3. DELIVERY OF BUYER REPRESENTATION AGREEMENT:** Buyer authorizes Buyer's Broker and, if applicable, escrow holder, upon request, to deliver to Seller or Seller's Broker a copy of the portion of the Buyer Representation Agreement identifying the compensation Buyer has agreed to pay Buyer's Broker, **such as the last page of C.A.R. Form BRBC.**
- 4. THIRD PARTY BENEFICIARY:** Seller acknowledges and agrees that Buyer's Broker is a third-party beneficiary of this agreement and may pursue Seller for failure to pay the amount specified in this document.
- 5. INDIVIDUAL AGENT REPRESENTING BOTH PARTIES:** If the same individual agent represents both Buyer and Seller and that agent has agreed in a listing agreement to a reduced compensation for representing both, the total compensation due Broker shall not exceed the amount specified in the listing agreement and Buyer shall owe no compensation under the Buyer Representation Agreement.

16. CONFIRMATION OF COMPENSATION: Buyer confirms that the compensation specified in **paragraph 2D(1)** for Broker's services is ☐ _____ % of the acquisition price and \$ _____, ☐ \$ _____, ☐ specified in the attached compensation schedule.

What if I am a listing agent working with an unrepresented buyer?

- Clearly communicate to the buyer you are not representing them.
- Use the C.A.R. form Buyer Non-Agency Agreement (BNA) to document that there is no agency relationship between you and the buyer.
- You may have to continually remind the buyer in written communications that you do not represent them and cannot advise them, and that communications and documents provided by you to the buyer are or the benefit of your client.

How do I know if a buyer has signed an agreement with someone else?

7. PROPERTIES EXCLUDED FROM REPRESENTATION:

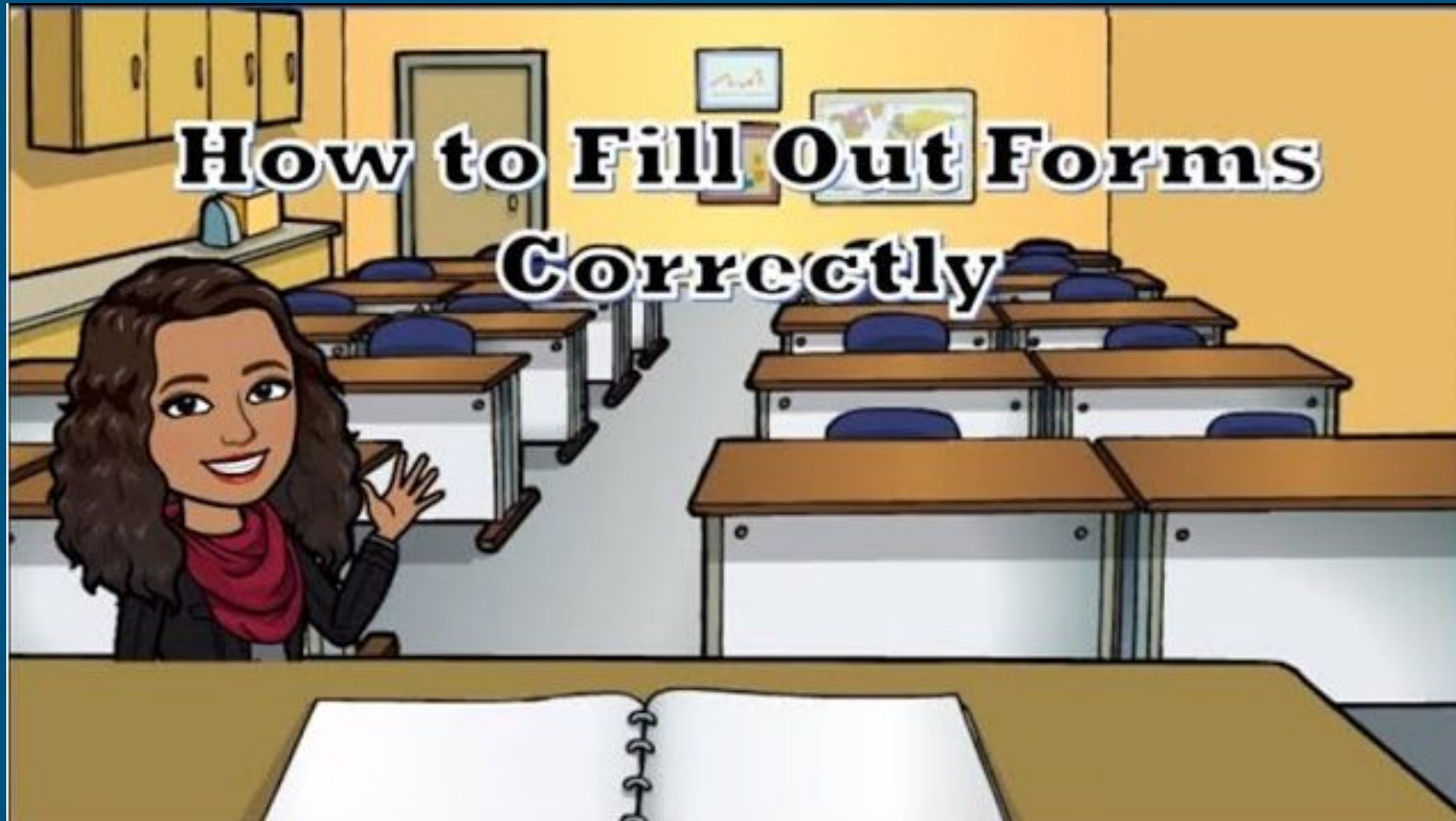
- A. ADVISORY REGARDING BUYER SIGNING MULTIPLE REPRESENTATION AGREEMENTS:** Buyer shall inform Broker in writing if Buyer has signed a representation agreement, whether exclusive or non-exclusive, with any other Broker for any Property described in **paragraph 2B**. Buyer shall disclose to Broker if another broker; (i) showed Buyer such Property virtually or in-person; or (ii) wrote an offer on, or otherwise acted on Buyer's behalf for, such Property. Buyer may owe compensation to that broker if Buyer purchases such Property. If Buyer has signed an exclusive buyer representation agreement with another broker that has not expired, Buyer may owe compensation to that broker if Buyer purchases such Property even if that other broker had no involvement with the Property. Buyer shall disclose in **paragraph 2B(6)** any Property for which Buyer is obligated to pay another broker.
- B.** Buyer acknowledges that for the Property identified in **paragraph 2B**, excluding any Property specified in **paragraph 2B(6)** Buyer: (i) has not entered into an exclusive representation agreement with another broker; and (ii) has no obligation, even under a non-exclusive representation agreement, to pay compensation to any other broker arising out of the acquisition of the Property.
- C.** If Property is excluded in **paragraph 2B(6)**, Buyer acquires a Property during the time Buyer is obligated to compensate another broker, Broker is neither entitled to compensation under this Agreement, nor obligated to represent Buyer in such transaction.



REMEMBER TO ASK!

A buyer can legally sign multiple agreements. There is danger if there are other agreements (especially if exclusive). Ask to see the agreements to make sure they are expired or that they apply to different properties or types of properties that you are working with the buyer on.

How to Fill Out Forms Correctly



The BRBC: Get it right so you can get paid!

- The maximum representation period allowed is **3 months** (unless buyer is a corporation, LLC, or partnership..... This may change for all)
- This period may be extended for an additional 3 months (or less) by using the new modification agreement (MT-BR).... Subsequent extensions are also permitted.
- The definition of the property to be acquired must not be too broad. (example: any property in the state of CA is not enforceable)
- The buyer must enter into an agreement to acquire a defined property during the representation period or your agreement is not enforceable.
- There is an optional protection period which allows the broker to get paid if within a set number of days after the expiration of an agreement, the buyers enter into an agreement to acquire a property for which there was broker involvement.

Do I need to work for a buyer that does not have funds to pay me?

- NO.
- Paragraph 2F of the BRBC gives a buyer 5 days to show proof that the buyer has sufficient funds to pay the broker.
- If the buyer doesn't do so, the broker may cancel the BRBC pursuant to paragraph 9B(1).
- *However*, compensation *may* be available from another source.
- Buyers who KNOW they lack the funds should check the applicable box in paragraph 2F of the BRBC. If that box is checked, the broker is given permission to seek compensation from the seller's broker and use paragraph 3G(3) of the RPA to ask the seller to pay.

THE BRBC: Exclusive or Non-Exclusive?

— The BRBC defaults to non-exclusive.

<u>EXCLUSIVE</u>	<u>NON- EXCLUSIVE</u>
the broker is entitled to compensation, if, during the term of the contract the buyer purchases a property that fits the parameters whether or not the broker was involved. The broker would get paid even if the buyer acts alone or with a different broker, so long as the requirements are met.	The broker is entitled to compensation if, during the term of the contract, the buyer purchases a property that fits the parameters AND there was broker involvement.
CANCELLATION: unilateral (by one party) is effective 30 days after receipt of the cancellation notice.	CANCELLATION: unilateral is effective IMMEDIATELY upon receipt of the cancellation notice

What does broker involvement mean?

- The buyer physically entered and was shown property by the broker.
- The broker showed the property to the buyer virtually
- The broker submitted to the seller a signed written offer from the buyer
- The broker performed a market analysis related to the property or reviewed property specific documents or disclosures with the buyer
- The property was introduced to the buyer by the broker or the property was one for which the broker acted on the buyers behalf.

***Merely sending the buyer a list of properties is NOT deemed broker involvement without documented action of the part of the broker analyzing the property for the buyer specifically*

***TIP: Document activities you perform on behalf of your buyer - keep a log.*

BRBC: How do I make it exclusive?

- Must check 2.A(2) (on page 1) AND initial in 14 (on page 4)

2. TERMS OF REPRESENTATION: The items in this paragraph are contractual terms of the Agreement. Referenced paragraphs provide further explanation. This form is 4 pages. Buyer is advised to read all 4 pages.

	Paragraph #	Paragraph Title or Contract Term	Terms and Conditions
A(1)		Representation Period ★(see above)	Beginning on _____ (date) Ending at 11:59 P.M. on _____ (date) OR upon completion of a resulting transaction, whichever occurs first
A(2)	4B	Type of Representation	Non-exclusive, OR <input type="checkbox"/> Exclusive (valid only if checked AND initialed in paragraph 14).

14. EXCLUSIVE REPRESENTATION: If “Exclusive” is checked in paragraph 2A(2) and initialed by Buyer here:

- A.** This Agreement shall be exclusive and irrevocable. Broker will devote time and resources to assist Buyer in finding and acquiring the Property in the expectation of being paid for Broker’s services. **Buyer shall not enter into another representation agreement in conflict with this Agreement.**
- B. COMPENSATION:** Broker is entitled to compensation if Buyer acquires Property during the Representation Period with or without Broker Involvement, even if another broker is also entitled to be paid for representing Buyer.
- C. CANCELLATION:** 30-days written notice is required before either Buyer or Broker may unilaterally cancel this agreement. If, within **5 days** after the effective date of the cancellation, Broker provides Buyer a list of properties for which there was Broker Involvement, Broker may still be entitled to compensation if Buyer purchases one of the properties on the list during the representation period or time specified in **paragraph 2D(3).**

Buyer’s Initials _____ / _____

BRBC: How to incorporate a Protection Period

- 2D(3) in the BRBC must be checked.

D(3)	4C	Continued Right to Payment for Broker Involved Properties	_____ calendar days after the Representation Period or any extension
-------------	----	--	--

- The broker must deliver a written notice of those properties for which there was broker involvement. Use C.A.R. form Notice of Broker Involved Properties (NBIP)



NOTICE OF BROKER INVOLVED PROPERTIES
(C.A.R. Form NBIP, 12/22)


Section B: Property To Be Acquired

B		Property to be Acquired ("Property")	Broker, including any associate licensee working through Broker on behalf of Buyer, provides services for the types of properties and in the locations specified below.
B(1)		Property type: (applies unless B(4) or (5) is checked); check all that apply; if SFR doesn't apply, use last option)	<input type="checkbox"/> Single family residential, including condominiums and manufactured homes (SFR), <input type="checkbox"/> Multi-family residential with two to four units, <input type="checkbox"/> with 5 or more units, <input type="checkbox"/> Industrial, <input type="checkbox"/> Vacant Land, <input type="checkbox"/> Commercial, <input type="checkbox"/> Tenancy in common <input type="checkbox"/> Other: _____ <input type="checkbox"/> SFR is excluded from this Agreement
B(2)		Location	<input type="checkbox"/> County(ies): _____ <input type="checkbox"/> City(ies): _____
B(3)		Additional Description	_____ _____ _____
B(4)		<input type="checkbox"/> The following specified properties only:	_____ _____ _____
B(5)		<input type="checkbox"/> The properties identified on the attached list.	
B(6)	7	Properties Excluded from Representation	_____ _____

- B(1) Defaults to SFR - You Must Check the boxes for other property types.
- B(2) Remember not to be too broad with the location or agreement is unenforceable
- If the agreement only applies to certain properties fill out B(4) or B(5)
- You can use Form BIPP (more on next slide).

SECTION C: Additional Buyer Preferences and Priorities (Utilize C.A.R. form BIPP)

- This form helps to narrow down the search.
- Refer to the form as you go along and remind buyer what they said they wanted.
- As buyers needs/wants change the form must be updated. Do NOT forget to update it (there is some liability if not updated).
- This is a confidential form (seller can not see it)



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER IDENTIFICATION OF PREFERENCES AND PRIORITIES, NO. _____
(C.A.R. Form BIPP, 6/2014)

☐ This Buyer Identification of Preferences and Priorities, No. _____ is intended to supersede and replace any previously dated Identification of Buyer Preferences and Priorities.

1. **PARTIES AND PROPERTY:** _____ ("Buyer"),
and _____ ("Broker")
have (OR ☐ have not) entered into a Buyer Representation Agreement, dated _____, beginning on _____ (date) ("Representation Agreement") for the acquisition of property ("Property"), if applicable as described therein.

2. **IDENTIFICATION OF BUYER PREFERENCES:** Buyer and Broker agree that it is beneficial to both if Buyer identifies, in writing, Buyer's preferences and priorities for the purchase of Property. Although the information provided herein is only intended to represent a general expression of Buyer's needs, wants and concerns as of the date signed below, **Broker will use the information to narrow the parameter Broker uses in searching for property that might be acceptable to Buyer. Buyer acknowledges that Buyer's preferences and priorities may change over time, and that current housing inventory and other market conditions as well as Buyer's financial position will determine how many of Buyer's preferences and priorities can be achieved in acquiring Property. Many buyers ultimately make compromises when choosing which properties to make offers on and acquire. It is Buyer's responsibility to determine whether any property meets some, all, or enough of Buyer's preferences and priorities.**

3. **BUYER PREFERENCES AND PRIORITIES (check all that apply):**

A. **Price Range:** \$ _____ to \$ _____

B. **Property Use:** ☐ Primary residence, ☐ Second home, ☐ Income producing, ☐ Relative personal use ☐ Other _____

C. **Property Type:**
☐ Single Family Residence, ☐ Duplex, ☐ Triplex, ☐ Fourplex
☐ Condominium (☐ apartment style, ☐ townhouse style) ☐ Tenancy in Common
☐ Manufactured / Mobile home, (☐ In a park, ☐ On its own lot)
☐ Pre-owned ☐ New construction

D. **Property Features:**
☐ Minimum # of bedrooms: _____ ☐ Minimum # of bathrooms: _____
☐ Minimum square footage: _____ ☐ Maximum square footage: _____
☐ Single story, ☐ Multi-level, ☐ Corner lot
☐ Yard (☐ Grass, ☐ Drought tolerant), ☐ Pool (☐ built-in ☐ above ground)
☐ Solar Panels (☐ leased/financed, ☐ owned outright, ☐ any), ☐ Gas appliances, ☐ Electric appliances
☐ School district: _____
☐ Accessibility/Disability features: _____

E. **Location:** ☐ City(ies): _____ ☐ County(ies): _____

F. **Other** (Any other desired features or matters of concern or importance to Buyer, whether based on previous experience, prior offers, expectations, intended future use, financial ability to make repairs or improvements, or otherwise): _____

4. **CONFIDENTIALITY:** The preferences and priorities identified herein are intended as confidential information as that term is defined in Civil Code § 2079.13 et seq. Regardless of agency relationship in any transaction involving Buyer and Broker, these preferences and priorities will not be disclosed to any seller or seller's agent except as Buyer authorizes Broker.

5. **IDENTIFICATION OF AND CHANGES TO PREFERENCES AND PRIORITIES:** Buyer represents that Buyer is not aware of any other material significant preferences and priorities concerning Buyer's effort to acquire Property. Buyer has not made any verbal representations to Broker of additional preferences and priorities. **Buyer agrees to notify Broker, in writing, of any change to Buyer's**

SECTION D: Compensation

- If seller is offering anything, it will be credited against the Buyer's obligation to pay the broker.
- Broker can not receive any amount in excess of paragraph 2D(1) unless that amount is modified in a written agreement (MT-BR)
- We are getting further clarification on Paragraph 4F.

D(1)	4	Amount of Compensation	_____ percent of the acquisition price AND \$ _____, OR <input type="checkbox"/> \$ _____, OR <input type="checkbox"/> Pursuant to the compensation schedule attached which is incorporated herein.
D(2)	4F-G	Payments from Third Parties	Shall be credited against Buyer's obligation to pay Broker. Broker shall not receive any amount in excess of paragraph 2D(1) unless that amount is modified in a subsequent written agreement between Broker and Buyer at the time the overage amount is known. If Broker has a listing agreement with the seller, see paragraph 4F .
D(3)	4C	Continued Right to Payment for Broker Involved Properties	_____ calendar days after the Representation Period or any extension

G. THIRD-PARTY PAYMENTS LESS THAN BUYER COMPENSATION OBLIGATION: If Buyer owes Broker compensation, after first deducting payments due to Broker from third parties, Broker and Buyer should discuss the potential benefits and detriments of including a term in any offer Buyer makes obligating the seller to pay Broker, directly or through escrow, for any compensation that Buyer owes Broker.

F. ACCOUNTING FOR PAYMENTS TO BROKER IF BROKER ALSO REPRESENTS SELLER: Notwithstanding **paragraph 2D(2)**, if Broker has a listing agreement with the seller of the property to be purchased, no credit toward Buyer's compensation obligation shall be given for the amount due Broker by seller for the compensation Broker is owed as the seller's agent. Buyer will pay the amount in **paragraph 2D(1)**, less any amount offered by Broker to buyer's agents.

SECTION F: Buyer Financial Personal Information

F	9B	Buyer Financial/Personal Information (C.A.R. Form BFPI)	Within 5 (or _____) calendar days from the execution of this Agreement <input type="checkbox"/> Buyer intends to purchase using a VA or other loan which may not allow Buyer to pay brokerage or other fees. <input type="checkbox"/> Buyer does not have sufficient funds to pay Broker
---	----	---	--

9. BUYER OBLIGATIONS:

- A. **GOOD FAITH:** Buyer agrees: (i) to timely view and consider properties selected by Broker; (ii) negotiate in good faith to acquire a property; and (iii) Buyer further agrees to act in good faith toward the completion of any contract entered into for a Property.
- B. **FINANCIAL AND PERSONAL INFORMATION:**
- (1) Within the time specified in paragraph 2F, Buyer shall provide relevant personal and financial information, including, but not limited to, proof of funds needed to buy and to pay Broker, and a preapproval/prequalification letter, to Broker to assure Buyer's ability to acquire Property. If Buyer fails to provide such information, or if Buyer does not qualify financially to acquire Property, then Broker may cancel this Agreement in writing.
 - (2) If either box is checked in paragraph 2F, for any Property for which Buyer writes an offer to purchase, Buyer authorizes Broker to include a term in Buyer's offer seeking payment from seller of Buyer's compensation obligation to Broker. This Buyer Representation Agreement is contingent upon either the seller, agreeing in an accepted offer or counter offer to pay Broker, or seller's broker agreeing in a separate document (C.A.R. Form CBC) to pay Buyer's Broker as follows: if the purchase agreement does not include a term obligating seller to pay Broker, and Broker is unable to reach an agreement with the seller's broker to be paid, Broker is not obligated to represent the Buyer and may terminate any agency relationship related to that purchase.

Let's look for solutions.

Has client ...

- Considered all potential sources of funds ?
- Spoken with a lender?

Item #9:

- Authorizes buyer's broker to:
 - Use RPA to ask seller to pay
 - Ask seller's broker to pay
 - Authorize buyer's broker to terminate agency FOR THAT PROPERTY ONLY. - the BRBC itself is not terminated

You do not have to work for free. • You are a paid-professional, not a volunteer • A gratuitous agent has the same liability as a paid agent

 CALIFORNIA
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BUYER FINANCIAL AND PERSONAL INFORMATION
(C.A.R. Form BFPI, 6/24)

1. **PARTIES AND PROPERTY:** _____ ("Buyer"),
and _____ ("Broker")
have (OR ☐ have not) entered into a Buyer Representation Agreement, dated _____, beginning on _____ (date)
("Representation Agreement") for the acquisition of property ("Property"), if applicable as described therein.

2. **BUYER'S FINANCIAL AND PERSONAL INFORMATION:** Buyer and Broker agree that it is beneficial to both if Buyer identifies, in writing, Buyer's financial condition and personal information ("Personal Information") that Broker can use in assessing and identifying properties that may be satisfactory to Buyer. If Buyer does not qualify to purchase the type of property for which Buyer is interested, Broker and Buyer may mutually alter the terms of the Representation Agreement, or Broker may cancel that agreement.

3. **PROPERTY FINANCING INFORMATION** (where applicable, check all that apply):

A. Amount of deposit available: \$ _____

B. Amount of down payment available: \$ _____

C. Source(s) of deposit and down payment: ☐ Savings (cash in bank) ☐ Retirement account ☐ Gift ☐ Loan ☐ Assistance program, ☐ Sale of existing property (☐ Already sold, ☐ Already in contract, ☐ Not yet listed), ☐ Other _____

D. Amount of additional funds available for broker compensation and closing costs: \$ _____

E. Source of additional funds: _____

F. Maximum Loan Amount: \$ _____

G. Lender Information:

(1) Company Name: _____

(2) Loan Officer name: _____

(3) Phone: _____, Email: _____

(4) ☐ Pre-qualified, ☐ Pre-approved, ☐ Fully underwritten pre-approval

H. Financing type: ☐ Conventional, ☐ FHA, ☐ VA, ☐ Other _____

NOTE: If FHA or VA financing is pursued, lender may not allow Buyer to pay certain closing costs, including broker compensation. Buyer's broker compensation should be paid by seller or seller's broker.

I. Maximum monthly housing expense (for PITI, HOA fees, ☐ other _____): \$ _____

4. **OTHER FINANCIAL INFORMATION:**

A. ☐ 1031 exchange, ☐ Expected legal settlement, ☐ Expected inheritance

B. ☐ Buyer intends to include a contingency to sell another property as part of any transaction (see C.A.R. Form COP)

C. Other: _____

5. **PERSONAL INFORMATION:**

A. Current Housing: ☐ Own ☐ Currently Rent ☐ Other _____

B. Property Ownership Experience: ☐ First time buyer, ☐ # of properties previously purchased: ☐ One, ☐ 2-5, ☐ More than 5, ☐ # of properties currently owned: _____

C. Real estate Related Experience: ☐ R.E. broker ☐ R.E. salesperson ☐ Contractor ☐ R.E. Investor ☐ Trade (ex. Plumber, electrician, landscaper): _____

D. Time Constraints: (e.g. Job relocation, sale of existing home, school start date): _____

E. Reasons for Purchase: _____

F. Other: _____

6. **CONFIDENTIALITY:** The financial and personal information identified herein are intended as confidential information as that term is defined in Civil Code § 2079.13 et seq. Regardless of agency relationship in any transaction involving Buyer and Broker, the information will not be disclosed to any seller or seller's agent except as Buyer authorizes Broker.

7. **IDENTIFICATION OF AND CHANGES TO FINANCIAL AND PERSONAL INFORMATION:** Buyer represents that Buyer is not aware of any other financial and personal information that would affect Buyer's effort to acquire property. Buyer has not made any verbal representations to Broker of additional financial and personal information. Buyer agrees to notify Broker, in writing, of any change to Buyer's financial and personal information.

ABCD Form....



- This specific form is not currently required
- It could help in your requirement to disclose to buyer the amount of compensation you expect to receive from a 3rd party to fulfill their obligation to pay you.
- You could also provide a copy of the CBC, or other writing (including website offers)
- Obtain a signature on whatever you provide to fulfill this obligation..
- Must be done at the time the offer is being made

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ANTICIPATED BROKER COMPENSATION DISCLOSURE
(C.A.R. Form ABCD, Revised 6/24)

_____ ("Broker")
is a real estate licensee providing services to _____ ("Buyer").
Broker anticipates receiving compensation from Seller or Seller's Broker or ☐ Other _____
if Buyer purchases any property identified below.

Buyer is aware that any compensation paid by Seller, directly or indirectly through Seller's broker, affects the Seller's total costs and expenses for the transaction and may impact the price Seller is willing to accept. If, for a specified Property, Broker has provided Buyer with a copy of a document that identifies the compensation offered to a cooperating broker for a listed property, such as a Cooperating Broker Compensation Agreement (C.A.R. Form CBC) that property may but does not have to be listed below. Broker, independently or through Escrow, will disclose the final compensation Broker receives from anyone other than Buyer.

Buyer's Brokerage Firm _____ DRE Lic # _____
By _____ DRE Lic # _____ Date _____
By _____ DRE Lic # _____ Date _____

Buyer acknowledges that Buyer has read, understands, and received a Copy of this Anticipated Broker Compensation Disclosure. By initialing in the box below, Buyer acknowledges being advised of the Broker's anticipated compensation for the property identified.

Buyer _____ Date _____
Buyer _____ Date _____

THIS SECTION TO BE FILLED OUT WHEN THE PROPERTY IS BEING SHOWN OR WHEN AN OFFER IS BEING MADE.

Agent Initials	Buyer Initials	Property Address:	Date: First shown Or offer made	Compensation Offered:	Source:
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker
____/____	____/____	_____	____/____/____	OR \$ _____ % of Price	<input type="checkbox"/> Seller <input type="checkbox"/> Seller's Broker

I. DISCLOSURE OF ANTICIPATED PAYMENTS TO BROKER BY OTHERS:


- (1) Broker, at the earliest practical time prior to writing an offer, will disclose to Buyer the amount of compensation Broker expects to receive from a third-party on that property by providing Buyer with either: (i) a copy of a Cooperating Broker Compensation Agreement (C.A.R. Form CBC) or other writing, including website offers, showing an offer of compensation from the seller's broker; or (ii) a separate document, such as an Anticipated Broker Compensation Disclosure (C.A.R. Form ABCD).
- (2) Broker, independently or through escrow, will disclose the final compensation Broker receives from anyone other than Buyer.
- (3) If the third-party does not pay as anticipated, and the third party has contractually agreed with Buyer to pay all or part of Broker's compensation, Buyer assigns to Broker any rights Buyer has to pursue the third party for such compensation.

Cancelling a BRBC

- Either the buyer or the broker may cancel.
- No reason needs to be given
- Use C.A.R. form Cancellation of Buyer Representation Agreement (COBR)
- With non-exclusive agreements the cancellation is effective immediately, with exclusive agreements it is not effective until 30 days after receipt of notice. However, even under an exclusive agreement, the parties can mutually agree to an earlier effective cancellation date.
- Must provide buyer a list of properties in which there was broker involvement within 5 calendar days (C.A.R. Form NBIP) in order to protect your compensation

Alternative to the BRBC form

- C.A.R. form Limited Property Representation and Broker Compensation Agreement (LPRBC)
 - Currently only 2 pages
 - Is non-exclusive only
 - Good for up to 3 properties
 - Limited to no more than 30 days.



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**LIMITED PROPERTY REPRESENTATION AND BROKER
COMPENSATION AGREEMENT**
(For use by an agent holding an open house or another agent giving a
prospective purchaser a tour of an open house or other property)
(C.A.R. Form LPRBC, 6/24)

Property address ("Property"): _____

Real estate agent ("Agent"): _____ Real estate broker ("Broker"): _____

Prospective Visitor ("Visitor"): _____

What about open houses?

- The listing agent and any other agent with the brokerage may hold an open house for the brokerage.
- Is an agent required to have every visitor sign something? (*this varies on the type of relationship*)
 - BEST PRACTICE: ask adult visitors to sign in. Once form is released you can utilize C.A.R. form Open House Visitor Non-Agency Disclosure and Sign in (OHNA-SI). By signing, the visitor is acknowledging that the agent at the open house is acting on behalf of the seller and is not representing the buyer. They can also use this form to identify that they are working with another agent.
 - Sign a limited (LPRBC) or full buyer representation agreement (BRBC) and create a working relationship with the buyer. (if they want to go look at another property with you, get the limited agreement signed at the very least)
 - If the visitor refuses to sign anything, it is advisable for the open house agent to refrain from providing any information about the property other than what is on the information sheet (flyer).

Additional items to notate:

- Each MLS will have their own timeline when they adhere to the new rules but they must drop offers of compensation by August 17th. That field will disappear.
- If you have an existing listing at that time, there will be a listing amendment form to complete.


What if ... You already have a BRBC that has not expired prior to new form being official or the commission has been removed from the MLS?

- BEST OPTION: cancel and get an updated BRBC

You can no longer accept more than what is agreed to in BRBC.

- At the very least use DM-BR & Use MT-BR to alter compensation if necessary

- 1/1/25 you MUST obtain a new BRBC as no representation period longer than 3 months is allowed



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**DISCLOSURE AND MODIFICATION TO BUYER
REPRESENTATION AGREEMENT**
(Intended for use with a BRBC revised 12/22 or earlier)
(C.A.R. Form DM-BR, 6/24)

_____, ("Broker")
and _____, ("Buyer"),
entered into a Buyer Representation, dated _____, for the real property, or manufactured home described as stated
therein, commencing _____ (date) and expiring _____ (date).

1. DISCLOSURE:

A. COMPENSATION TO BUYER'S BROKERS: You, Buyer, authorized me as your broker to represent you and to be compensated under the terms of the Buyer Representation and Broker Compensation Agreement, or other agreement ("Buyer Representation Agreement"). The National Association of REALTORS® has entered into a nationwide settlement agreement to resolve a class-action lawsuit ("NAR Settlement"). One of the terms of the NAR Settlement is that the Multiple Listing Service ("MLS") will no longer be used for listing brokers to make offers of compensation to brokers representing buyers. Additionally, the NAR Settlement requires the Buyer Representation Agreement to state a definite compensation, and the buyer's broker is prohibited from receiving an amount higher than what is in the Buyer Representation Agreement unless amended by mutual agreement. The NAR Settlement is expected to take effect sometime in [August 2024](#), but some local MLSs may implement the prohibition sooner. Until the MLS in which the property you purchase makes a change, there may be an offer of compensation in the MLS. Once the MLS changes its rules to prohibit offers of compensation, your brokerage may still receive compensation from the Listing Broker, but any offer coming from the Listing Broker will not be communicated through the MLS.

B. NEED TO MODIFY THE BUYER REPRESENTATION: Many Buyer Representation Agreements have provisions to allow a buyer's broker to be compensated from the seller's broker, whether through the MLS or separate agreement. Additionally, there may be provisions that allow the buyer's broker to receive what the seller's broker is offering, even if more than what the buyer is obligated to pay. Buyer and Broker agree it is mutually beneficial to modify the Buyer Representation Agreement to reflect the NAR Settlement.

2. MODIFICATION OF BUYER REPRESENTATION AGREEMENT: Broker agrees to notify Buyer once the MLS can no longer be used to offer compensation to buyer's brokers. Buyer and Broker agree that Broker retains the right to be compensated from a seller's broker provided such compensation is disclosed to Buyer and does not exceed Buyer's obligation pursuant to the Buyer Representation Agreement. Buyer and Broker agree that once the MLS prohibits offers of compensation: (i) Any Buyer Representation Agreement term allowing Broker to retain any excess compensation offered by a third party shall be unenforceable; and (ii) If the Buyer Representation Agreement provides that some or all of any excess compensation shall be paid to Buyer, Buyer understands that since Broker may not collect any compensation in excess of the amount Buyer is required to pay, there will be no excess funds to be paid to Buyer.

3. All other terms of the Buyer Representation Agreement remain in full force and effect, except as modified herein.

