

Wednesday, August 14, 2024 at 16:47:44 Pacific Daylight Time

Subject: Class Action Settlement Changes Home Buying and Selling Process
Date: Thursday, August 8, 2024 at 1:52:05 PM Pacific Daylight Time
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Attachments: image002.jpg



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Class Action Settlement Changes Home Buying and Selling Process

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Pleasanton, CA (August 8, 2024) – The Bay East Association of REALTORS® is getting a head-start on changes coming to the home buying and selling process.

As part of a recent class action settlement agreement, the National Association of REALTORS® (NAR) is implementing significant changes nationwide. According to NAR, these changes aim to enhance transparency, empower consumers, and foster healthy competition in the real estate market.

Per the terms of the class action settlement, the changes are required to take effect by August 17, 2024. Real estate agents in the East Bay will be required to adopt the new business practices as early as August 12.

“Consumers will experience significant changes in how they buy and sell a home,” said Barbara Clemons, 2024 President of the Bay East Association of REALTORS. “While cooperative compensation between a seller’s broker and a buyer’s broker will no longer be communicated through the Multiple Listing Service (MLS) it may still be negotiated directly between consumers and real estate professionals.”

Clemons said sellers and brokers can still offer compensation outside of the MLS. She explained that sellers may also communicate concessions to the buyer on the MLS, such as sellers paying for a buyer’s closing costs.

Home sellers can expect to see new real estate forms that will explain how commissions can be handled. These forms will specify commissions are fully negotiable, and they will disclose the amount or rate of compensation the agent will receive from any source. They will also clearly explain how an agent will be compensated, ensuring it is objectively ascertainable and not open-ended.

Home buyers can expect changes as well. The class action settlement requires prospective buyers to enter into a written agreement with their agent before they can tour a property.

“We’ve been working with the California Association of REALTORS® who are providing new versions of the purchase contract and other forms to help our members understand the changes,” said Clemons.

“Bay East REALTOR® members play a crucial role in one of the biggest decisions in their clients’ lives,” said Clemons. “The new real estate practice changes will provide both home buyers and sellers with more information about the buying and selling process.”

Clemons observed that the real estate profession and how homes are sold and purchased is constantly evolving and the practice changes are part of that evolution.

Clemons said, “During my career as a REALTOR® I’ve experienced lots of changes driven by technology, how we communicate with each other and buyer and seller expectations. I’m confident that our members will adapt quickly, and their clients will also understand even more the value a REALTOR® brings to all aspects of a real estate transaction.”

NAR is providing information about what these changes mean for their homebuying and selling experiences in their [buyers](#) and [sellers guides](#) and at [facts.realtor](#).

About the Bay East Association of REALTORS®

The Bay East Association of REALTORS® is a professional trade association serving more than 6,000 residential and commercial real estate professionals throughout the San Francisco Bay Area by providing programs and services to enhance their ability to conduct business with integrity and competence. Bay East offers access to the Multiple Listing Service, professional development training, advocacy to protect private property rights, and promotes homeownership and a variety of networking opportunities and events.

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