

## 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 who is ethically obligated to act 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 are purchasing a home.

**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.

**Please visit [facts.realtor](https://facts.realtor) for more information, and consult your real estate professional or attorney for details about state law where you are purchasing a home.**

## 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](#).

**Please visit [facts.realtor](#) for more information and resources, and consult your real estate professional or attorney for details about state law where you are purchasing a home.**



## 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, and 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.

**Please visit [facts.realtor](#) for more information and resources, and consult your real estate professional or attorney for details about state law where you are purchasing a home.**