

SPECIAL SUPPLEMENT

APRIL 2024

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WHAT'S
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and make your
value clear.



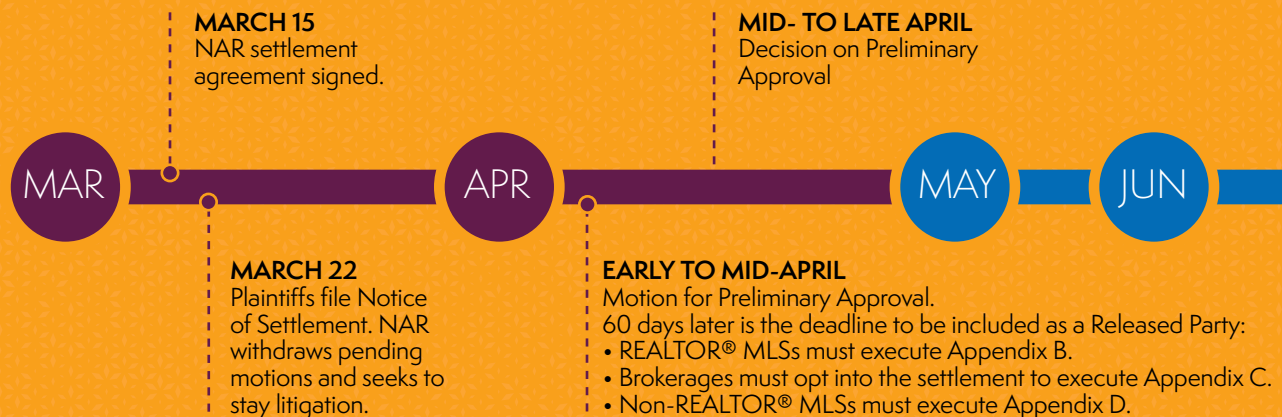
GROWING STRONGER TOGETHER

As an association, we will help you adapt to coming practice changes. As a skilled professional, you'll play a vital role in communicating the truth about these changes to consumers.

BY KEVIN SEARS



Estimated Timeline of Key Milestones*



*As of April 4, 2024. For the settlement agreement, which provides detailed information on deadlines, and the latest timeline, visit facts.realtor.

By now, you've likely heard and read many stories about the National Association of REALTORS® proposed settlement to resolve nationwide claims brought by home sellers related to broker commissions. It's important that you know the facts about the proposed settlement, which is why we have been blanketing members with emails, social media posts, podcast appearances and newsletter content. I hope you've found these resources helpful in understanding and digesting the settlement agreement details.

In fact, I would encourage anyone who wants to truly understand the proposed settlement to read the full settlement agreement, which you'll find posted at facts.realtor.

I strongly believe this outcome is the best we could achieve given the circumstances. Since this litigation started, our goal has always been to protect our members to the greatest extent possible while also preserving consumer choice. The proposed settlement achieves both goals. It also presents a path forward for NAR and allows our organization to continue providing unparalleled value to our members and American consumers. Some have criticized this settlement as being in the interest of the association rather than its members. The two go hand in hand. As a practitioner who has worked in real estate for more than 30 years, I have seen the unparalleled

value NAR provides to its members and the industry. Whether it's working to promote and preserve tax advantages for real estate purchasers, helping us fend off regulatory overreach, or defending the rights of property owners, our association operates with an effectiveness and integrity that is widely recognized and admired both in the U.S. and abroad. Anyone who has seen up close the many ways the association protects and advances our interests every day recognizes how important it is that NAR continue its mission.

The settlement would release well over 1 million NAR members and many industry stakeholders from liability in these matters. For those who were not included, I can say that there was no perfect option for resolving this litigation. NAR fought hard to include as many industry participants in the release of liability as we could. Ultimately, we could not persuade the plaintiffs to include the largest brokerages, particularly given the significant settlements that other corporate defendants had already reached. For most brokerages, the settlement provides a mechanism to obtain releases efficiently if those brokerages choose to use it. The settlement also calls for practice changes that will go into effect in around late July of this year. These include:

- Prohibiting offers of compensation on the MLS. Once the change goes into effect, consumers have the option to

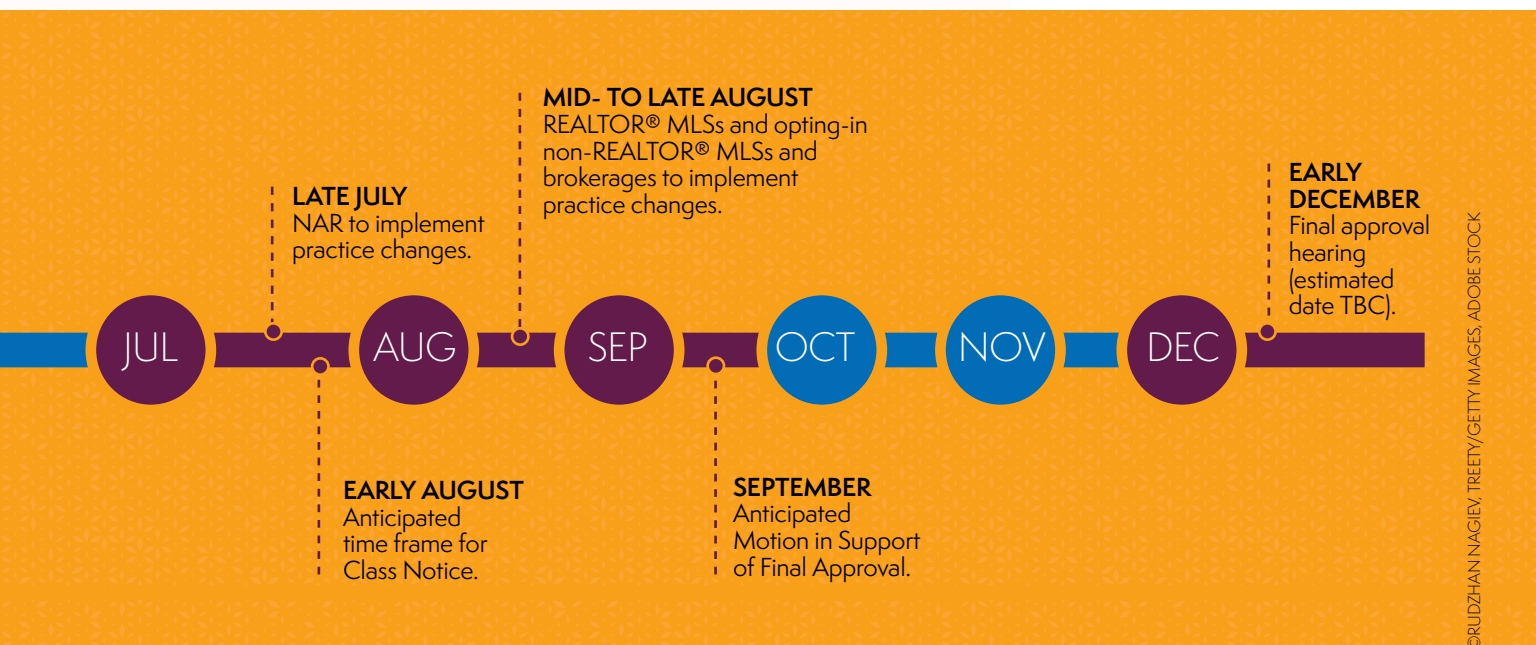
pursue offers of compensation off-MLS through negotiation and consultation with real estate professionals.

- Requiring MLS participants working with buyers to enter into written agreements with their buyers. NAR has long been an advocate for the use of written agreements as they can help consumers understand exactly what services and value will be provided, and for how much.

Since the settlement was announced, there has been no shortage of reporting on what it would mean for our association, the industry, and real estate professionals. I know that our members are adaptable and resourceful. Real estate is a relationship business, and each of us has a vital role to play in shaping how our industry evolves by communicating accurately about the practice changes and showing the value we bring to consumers and our communities.

This supplement brings you a few of the valuable resources available at facts.realtor and offers tips for talking with consumers about these changes. You can share your feedback with the magazine staff by sending an email to narpubs@nar.realtor. Your input will help us continue to provide the information and resources you need to find success through these changing times. ■

Kevin Sears is a broker with Sears Real Estate in Springfield, Mass., and 2024 president of NAR.





HAVE THE CONVERSATION

Aim for long-term success rather than short-term profitability by being prepared to communicate your worth—but maintaining an openness to buyer and seller needs.

BY MARIANNE BORNHOFT

Over the past three decades, I've witnessed remarkable transformations within the real estate industry. My journey began when I purchased my first house at the age of 22, back in 1990. It was a For Sale by Owner transaction, and when the appraisal didn't support the price, I found myself negotiating the seller down. It sparked my curiosity about the intricacies of property transactions.

When I sold the house a few years later, I realized that my natural interest in real estate and drive made me a good candidate for real estate sales. I also realized the tremendous importance of the work. What we do matters. In 1995, just before the concept of buyer brokerage gained prominence

in my Spokane, Wash., market, I obtained my license.

Today, approximately 80% of my time is devoted to residential real estate, and 20% revolves around commercial properties. This blend allows me to see both sides of the coin.

When I saw the details of the pending settlement that NAR signed in March, I recognized that it would result in even more communication with buyers and sellers about how compensation works. I'm fine with that; I love the ask. Throughout my career, my guiding principle has been to tailor commission structures based on the specific context and client needs. Let me share a recent experience that exemplifies this approach.

A couple who had purchased a property from sellers I represented reached out to me.

They were buying a property from a friend and sought basic transaction assistance. I agreed to charge a modest fee to help the two parties navigate the transaction. Part of the negotiation was that the seller would pay my fee, and she agreed. In the end, I not only provided full service on the purchase but also secured the listing for the buyers' house. During the appraisal process, the seller said she believed I had gone above and beyond, even suggesting additional compensation. My response was simple: Our agreement stood. The result? A seamless transaction that left both parties content.

My business thrives on repeat customers and referrals. I've come to realize that success isn't solely about maximizing profit on every deal; it's about

playing the long game. As I continue my journey in real estate, I find joy in selling properties to the grandchildren of my original clients—the legacy of trust and service echoing through generations.

Be Prepared to Talk Compensation

Compensation discussions require a blend of transparency, confidence and adaptability. Here are some key points to keep in mind.

Understand your value.

The first step is to quantify your worth. This involves understanding the market and your unique skills and making a fair calculation of the time you put into a buyer or seller transaction. Your experience, local knowledge and negotiation skills are part of this value proposition.

Have real-life examples.

Successful compensation discussions often involve education. Use examples to explain how your services can save clients time and money in the long run. Highlight your track record of successfully closing transactions on homes that match clients' needs.

Explain the value of cooperative compensation.

When discussing cooperative compensation with sellers, describe the benefits. Explain how cooperating with other brokers, which can now occur only off the MLS under the settlement, can expand the pool of potential buyers and potentially lead to quicker sales.

Take lessons from commercial real estate. Residential agents can learn from commercial practices, where buyer and tenant representation is often compensated through a negotiated fee. This approach emphasizes the agent's role in due diligence and the complex negotiation process.

Play the long game.

Flexibility in compensation discussions can pave the way for long-term relationships. By showing clients that you're willing to work within their budget while also standing firm on your value, you build trust and respect.

Know when to walk away.

If a client insists on a commission or fee that doesn't reflect the effort required, and you don't see long-term value in compromise, it may be more prudent to say no and invest your time in clients who appreciate your value.

Communicate clearly and often. This helps build trust

and avoid misunderstandings, keeps everyone informed about current market conditions, manages expectations and solves problems.

Consider risk. When you charge an hourly fee, the risk is primarily on the consumer. On the other hand, when you work for a percentage commission, the risk shifts to you. In either case, it's important to have clear agreements upfront about fees and expectations.

Continually strive for transparency, fairness and open communication to ensure that all parties feel valued and respected.

Not All Agents Are Created Equal

The real estate industry attracts a diverse range of individuals. Some agents may struggle to articulate their value, especially if they lack experience or confidence or don't fully recognize their worth. Your ability to negotiate your compensation reflects your skill when negotiating real estate deals. Don't be afraid to communicate your worth clearly to prospective clients. But recognize that buyers and sellers have a right to push back, and know that inflexibility in today's environment may not be your best response. ■



Marianne Bornhoff, GREEN, AHWD, is affiliated with Real Broker LLC. She and her husband are also co-owners of Spokane-based Bornhoff Commercial.



Some members have questioned what impact the litigation and proposed settlement will have on commercial real estate. The NAR Legal Affairs team weighs in:

Are REALTORS® who deal in commercial real estate covered under the terms of the agreement?

The release in the settlement does not distinguish between REALTORS® who deal in commercial real estate and those who work in residential real estate. To be clear, NAR members are covered by the settlement unless:

- They are affiliated with HomeServices of America or one of its affiliates, or
- They are employees of a defendant in the remaining Gibson/Umpa lawsuits in Missouri. As of April 10, in addition to HomeServices of America and its related companies, those are: At World Properties, LLC; Douglas Elliman, Inc.; Douglas Elliman Realty, LLC; eXp Realty, LLC; eXp World Holdings, Inc.; Hanna Holdings, Inc.; HomeSmart International, LLC; Howard Hanna Real Estate Services; Realty ONE Group, Inc.; Redfin Corporation; United Real Estate; and Weichert, REALTORS®. (Note: All independent contractors affiliated with these defendants are covered.)

What do these practice changes mean for commercial practitioners?

The proposed settlement agreement—like the Sitzer-Burnett lawsuit and the copycat lawsuits—is focused on residential real estate transactions. That means most commercial transactions will not be affected. In many markets, commercial listings appear in commercial information exchanges and not MLSs and do not include an offer of compensation. The settlement prohibits offers of compensation on the MLS and requires MLS participants working with buyers to enter into written agreements with their buyers. These practice changes will go into effect around late July.



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REALTORS® are members of the National Association of REALTORS®.



for Talking With Buyers and Sellers

Having a plan to navigate conversations about compensation and answer consumers' questions provides transparency and is a critical component of the home buying and selling process. Consider these tips from NAR's Legal Affairs team as a starting point.

ON THE BUYER SIDE

DO emphasize your value proposition: what you do, how you do it, and why it's important to them.

DO highlight the benefits of a written agreement, including that it benefits all parties by solidifying the relationship, duties and compensation. (All REALTOR® MLS participants who are working with buyers will be required to enter into written agreements with their buyers starting in mid- to late July 2024.)

DO explain the compensation terms of a written agreement and the fact that compensation is negotiable.

DO emphasize that you will inform the buyer before showing a property whether there is an offer of cooperative compensation and whether that offer covers the agreed-upon compensation.

DO advise consumers that they have choices about how the buyer broker is compensated, depending on broker-consumer negotiations, including but not limited to fixed-fee commissions paid directly by consumers, concessions from the seller (as long as such concessions are not limited to or conditioned on the retention of or payment to a cooperating broker or other buyer representative), or a portion of the listing broker's compensation.

DO educate the consumer that offers of cooperative compensation help make professional representation more accessible, decrease costs for home buyers to secure these services, and increase fair housing opportunities.

ON THE LISTING SIDE

DO advise the consumer of the benefits of cooperation and obtain seller consent regarding any compensation that will be offered to another broker who brings in the buyer.

DO explain the compensation terms of a written agreement and the fact that compensation is negotiable.

DO educate the consumer that offers of compensation can help increase the potential buyer pool for sellers, thereby increasing the likelihood of obtaining the best sales price and terms.

DO inform the consumer about limitations on the ability to finance buyer broker compensation, as well as the current inability of buyers who are veterans to directly compensate their broker. ■



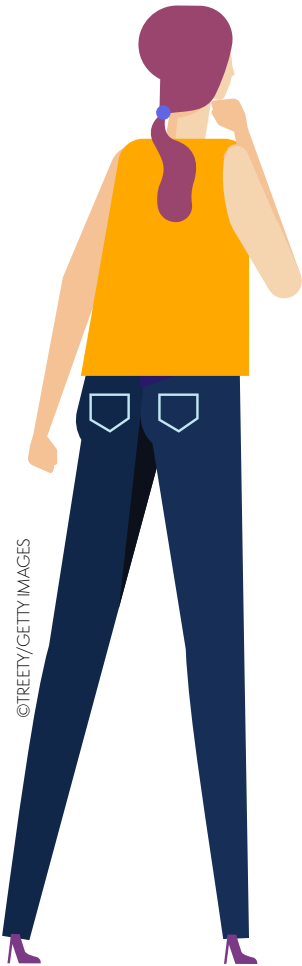
These changes are not going to stop you. If anything, I think they give you a massive opportunity to differentiate yourself, articulate your value in a new meaningful way, and keep winning business. ”

- RE/MAX President Amy Lessinger, speaking to agents at the 2024 RE/MAX R4 convention

DISPELLING

MYTHS

About NAR's Proposed Settlement



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National Association of REALTORS® leaders have been talking to reporters and members full-time over the past month to correct the record about the association's decision to resolve nationwide claims brought by home sellers. You can help by challenging inaccurate information that you see appearing in social media posts, news articles or elsewhere.

1 Myth: The proposed settlement covers only a fraction of members.

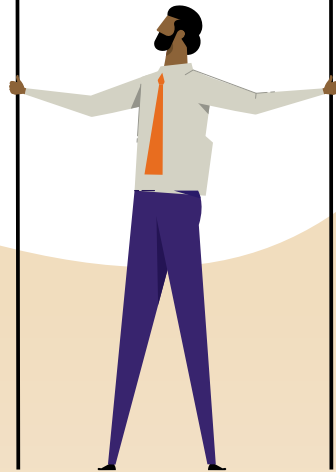
FACT: Nearly every real estate professional who is a REALTOR®, a member of NAR, is covered by the release that NAR negotiated in the settlement. The agreement would release NAR; more than 1 million NAR

members; all state, territorial and local REALTOR® associations; all association-owned MLSs; and all brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2 billion or below from liability for the types of claims brought in these cases on behalf of home sellers related to broker commissions.

To be clear, NAR members

are covered by the settlement unless:

- They are affiliated with HomeServices of America or one of its affiliates, or
- They are employees of a defendant in the remaining Gibson/Umpa lawsuits in Missouri.* *Note: All independent contractors affiliated with these defendants are covered.*



2 Myth: NAR left large corporate brokerages and affiliated agents to fend for themselves.

FACT: NAR fought to include as many people and companies in the release as possible and achieved a release for everyone it could. Well over 1 million members are covered, as are tens of thousands of businesses operated by REALTORS®. But, despite NAR's efforts, the plaintiffs did not agree to include everybody. Those that are not released—the largest companies in our industry—are no worse off now than they were before the settlement. In fact, many are better off, as thousands of their independent contractor real estate agents are released by the settlement.

Additionally, NAR's settlement provides an avenue for most large corporate brokerages with an NAR member as principal and more than \$2 billion in residential volume in 2022 that were not included in the settlement to pursue inclusion in the release. But the settlement does not obligate them to opt into the settlement. These brokerages will have 60 days after plaintiffs file the motion for preliminary approval of the settlement to complete Appendix C of the settlement agreement, which is required to opt into the settlement if they choose to do so. *(See the estimated timeline on pages 2–3 of this supplement. Go to facts.realtor to download the settlement and its appendices.)*

3 Myth: NAR requires a standard 6% commission.

FACT: You know this is untrue, but it's a myth that has persisted in the media. NAR does not set commissions—they are negotiable. The rule that has been the subject of litigation requires only that listing brokers communicate an offer of compensation. That offer can be any amount, including zero. And other rules throughout the MLS Handbook and NAR policy expressly prohibit MLSs, associations and brokers from setting or suggesting any such amount that should be included in that field.

4 Myth: NAR will raise dues to fund the settlement.

FACT: NAR will not change membership dues for 2024 or 2025 because of this settlement.

5 Myth: Brokers representing buyers now have to work for free.

FACT: Under the proposed settlement, the types of compensation available for brokers working with buyers would continue to take multiple forms, including but not limited to a fixed-fee commission paid directly by consumers; concessions from the seller (as long as such concessions are not conditioned on the retention of or payment to a cooperating broker, buyer broker, or other buyer representative); or a portion of the listing broker's compensation.

NAR has long believed that it is in the interest of the sellers, buyers, and their brokers to make offers of compensation; however, using the MLS to communicate offers of compensation will no longer be an option. Compensation will continue to be negotiable and should always be negotiated between agents and the consumers they represent.

6 Myth: The practice change will do away with offers of compensation to brokers representing buyers.

FACT: Offers of compensation are an option consumers can pursue off-MLS through negotiation and consultation with real estate professionals. The settlement also expressly provides that sellers may

communicate seller concessions—such as buyer closing costs—via the MLS, provided that such concessions are not conditioned on the use of or payment to a buyer broker.

7 Myth: NAR settled because the plaintiffs' allegations are true.

FACT: As the settlement makes clear, NAR denies any wrongdoing in connection with the MLS cooperative compensation model rule. Cooperative compensation arrangements facilitate the process of selling a home and help ensure equal opportunity for buyers. It has always been NAR's goal to resolve this litigation in a way that preserves consumer choice and protects our members to the greatest extent possible. This settlement achieves both of those goals and provides a path forward for the industry and the association. ■

**At press time on April 10, in addition to HomeServices of America and its related companies, the remaining defendants not covered by NAR's settlement are: At World Properties, LLC; Douglas Elliman, Inc.; Douglas Elliman Realty, LLC; eXp Realty, LLC; eXp World Holdings, Inc.; Hanna Holdings, Inc.; HomeSmart International, LLC; Howard Hanna Real Estate Services; Realty ONE Group, Inc.; Redfin Corporation; United Real Estate; and Weichert, REALTORS®.*

BROKERS:

Help Your Agents Explain the Importance of Written Buyer Agreements

BY LEE NELSON

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According to the terms of the proposed settlement agreement

signed by the National Association of REALTORS® in March, all MLS participants providing services to a buyer will soon be required to enter into a written agreement before the buyer tours a property on the MLS. The rule change is expected to go into effect in late July.

Having a contract between

a broker and buyer provides protection and transparency for the agent and consumer alike, says Lynn Madison, CEO of Madison Seminars in Schaumburg, Ill, who's also a broker and NAR member. "It solidifies and quantifies the responsibilities of the broker to the buyer and those of the buyer working with the

broker," she says.

Rather than relying on a verbal conversation or assuming an understanding, a written agreement spells out expectations, including the services provided to the buyer, the agency relationship, how the brokerage is compensated, and how that system serves the buyer's best interest.

Madison is a frequent instructor of the Accredited Buyer's Representative (ABR) designation course and speaks to brokerages across the country about the topic. "The ABR course, which NAR is offering to members at no cost through the end of 2024, includes many ideas and resources to help agents articulate their value proposition in order to get the buyer representation agreement signed," she says.

Training Your Agents

In recent months, brokerage and association leaders have been stepping up efforts to relay the importance of written buyer agreements. Consumers deserve transparency and need to understand the full breadth of the services provided by buyer brokers, Madison says. Rather than waiting for the new rule to go into effect, she says, brokers should train their agents now on the use of written agreements and how to present them to consumers.

Written buyer agreements have been mandatory since the start of the pandemic for the 900 agents at Berkshire Hathaway HomeServices Drysdale Properties in Danville, Calif.

"They help the buyers, the sellers, the agents and the broker," says Gretchen Pearson, the company's president and owner. Pearson had already started training agents on written buyer agreements before the pandemic hit.

When it did, suddenly real estate professionals in California were required to have buyers sign statements regarding exposure to the virus. Certain public health requirements, such as airing out the home for two hours before a property could be shown, had to be followed, and the statements acted as a binding contract

stating the agents would adhere to those requirements. The written agreements formalized the relationship and the responsibilities of each party. When regulations around the pandemic were relaxed, it was a natural fit to continue using written buyer agreements, Pearson says.

When explaining the use of written agreements to agents, cover these points:

- The new MLS participant rule is expected to go into effect in late July.
- It will require written agreements before a buyer tours properties listed for sale in the MLS.
- Once signed, buyer representation agreements are legally binding.
- Expectations and duties will be on paper for all to see and understand.
- Written agreements will explain how consumers can work alongside agents to ensure ideal outcomes are reached.
- Through transparency and clear expectations, written agreements will foster trust and understanding for the consumer.
- Consumers will better understand that many agents are self-employed and make a living helping people buy and sell their properties.
- Buyers will understand how the agent and broker will be compensated for their work.

Brokers can help quell any fears agents may have in presenting the written agreement by role-playing with agents to make sure they're comfortable explaining the terms of the agreement to consumers.

They should be able to explain how the agreement protects both parties and makes the homebuying process more transparent.



"A buyer representation agreement memorializes everything you have said to buyers. They can't come back and say, 'You didn't say that.'"

What to Include in a Written Agreement

If your brokerage does not have a standardized written buyer agreement, reach out to the state or local REALTOR® association. "There is no [national] standard buyer representation agreement, just like there's no national standard listing agreement for sellers," Madison says.

If neither your brokerage nor your association has a written buyer agreement, consult qualified legal counsel to draft one. Your attorney should make sure the document complies with your state laws and MLS policies.

The settlement requires that a written buyer agreement include the amount of compensation for the broker's services and how the broker is compensated. It should also include statements describing the agent's and the consumer's responsibilities. For example agent duties may include:

- Use diligence to locate properties acceptable to the buyer.
- Arrange showings of properties of interest to the buyer.
- Disclose to the buyer any known information that would materially affect the buyer's decision to acquire a property.
- Use professional knowledge and skills to assist the buyer

in negotiating for the purchase of such property.

- Assist the buyer throughout the transaction and to represent buyer's best interests.
- Protect any confidential information that the buyer discloses to the buyer's agent. Buyer duties may include:
- Provide accurate and relevant personal information to the buyer's agent regarding the buyer's financial ability to purchase real estate.
- Advise the buyer's agent of any properties they are interested in purchasing.
- Submit through the buyer's agent any offer to purchase or contract on a property that was shown to the buyer by the buyer's agent.

Note: Requirements for written agreements under the settlement are set forth in Section H of the settlement agreement, which you can view and download at facts.realtor.

"A buyer representation agreement memorializes everything you have said to buyers. They can't come back and say, 'You didn't say that,'" Madison says. "Now, everyone knows what their responsibilities and duties are." ■

Lee Nelson is a freelance journalist.

SHOW YOUR WORTH

The Myriad Ways
You Serve Your Clients



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Consumers have many choices when buying or selling a home. When they seek representation by a REALTOR®, a member of the National Association of REALTORS®, they are opting for the skill, care and diligence of a professional committed to protecting their interests. Just think about the many ways you earn your compensation! This list will get you started in planning conversations with prospects.

Working with Buyers

Building a Relationship

- 1 Inform the buyer of working relationship options based on state law, the REALTOR® Code of Ethics, MLS requirements and the broker's business policies
- 2 Learn buyer's wants and non-negotiable needs
- 3 Understand buyer's budget and financial concerns

- 4 Provide quality lender resources
- 5 Match buyer's needs with available property
- 6 Explain how compensation is paid, who pays it and what buyer's options are
- 7 Explain federal and state fair housing laws
- 8 Explain what to look for in applicable property disclosures
- 9 Inform buyer that you will always disclose all known material defects

10 After ensuring buyer understands what is done for them, how it is done, and the benefit to them, obtain signatures on the buyer representation agreement

11 Reassure buyer that personal information will remain confidential

12 In accordance with state law, provide information on checking the sex-offender registry and crime statistics for the neighborhood

13 Educate buyer about executing a buyer representation agreement

14 Reiterate working relationship based on state law, the REALTOR® Code of Ethics, and the broker's business policies

15 Discuss available resources that buyer can check to learn more about prospective neighborhoods

Preparing the Buyer

- 16 Explain timeline for house hunting, mortgage approval and closing
- 17 Explain local market and how it impacts the buyer
- 18 Show statistics on what percentage of list price sellers in the area are currently receiving
- 19 Inform buyer of what home features are popular
- 20 Identify current average days on market
- 21 Share dangers of using price-per-square-foot to determine home values

22 Explain the concept of absorption rate and how it impacts the buying process

23 Indicate current listing months of market inventory

24 Share estimated potential out-of-pocket costs to complete the transaction

25 Assist buyer in analyzing the loan estimates

26 Verify buyer's ability to purchase by ensuring they've prequalified

27 Help buyer account for the complete costs of homeownership

28 Prepare lender for listing agent calls

29 Help buyer select for viewing only those homes that fit their needs

30 Review sample sales contract so buyer is prepared when it comes time to make an offer

Showing Properties

31 Schedule showings and provide access to all MLS-listed properties

32 Educate buyer on the immediacy of new listings appear in MLS and the lag time for them to appear on some websites

33 Collaborate with buyer on properties they may have learned about through their sphere of contacts

34 Research and assist on all unlisted properties the buyer wishes to see

35 Preview properties prior to showing if needed

36 Network with other agents to source properties not yet in MLS

37 Contact homeowners in focus areas to see if they are considering selling

38 Set up automated email alert system through MLS that notifies buyer of potential properties

39 Arrange tour of targeted market areas

40 Provide resources containing neighborhood information on municipal services, schools and other local services

41 Inform buyer of aspects such as nearby venues or operations that may result in issues that could impact value

42 Check applicable zoning and building restrictions

43 Help buyer decipher public property and tax information

44 Collect and share pertinent data on values, taxes, utility costs and other carrying costs

45 Help buyer identify top choices

Negotiating Offers

46 Prepare buyer to have the most attractive offer in the current marketplace

47 Prepare a comparative market analysis in advance of making an offer

48 Use hyperlocal expertise and strong communication skills to help bring the most successful offer

49 Explain common contract contingencies, and include approved protective clauses in the purchase offer

50 Ensure buyer receives and understands all state- and federally required disclosure forms

51 Prioritize contract negotiation goals with buyer

52 Prepare buyer for multiple-offer situation

53 Write offer that has a reasonable chance of being accepted

54 When approved by buyer, use strategies such as an escalation clause to maintain a competitive offer

55 Recommend optional contingencies and explain the pros and cons of using them

56 Negotiate buyer's offers to arrive at the best price and terms

Facilitating Close

57 Provide options for home inspector, title company, appraiser and mortgage lender

58 Review and discuss home inspection concerns, and negotiate repair requests

59 Guide buyer on meeting all contract deadlines

60 Advise buyer to review the settlement statement

61 Inform buyer of need to transfer utilities to the new residence

62 Schedule final walk-through and accompany buyer

63 Ensure appraisal has been ordered and notify buyer of date

64 Assist buyer in reviewing appraisal report

65 If appraisal report affects financing, discuss the possibility of requesting a reconsideration of value

66 Confirm clear-to-close with lender

67 Ensure all parties have all forms and information needed to close the sale

68 Confirm the closing location, date and time

69 Explain flood and title insurance to buyer

70 Order any surveys needed

71 Order title search

72 Confirm status of loan funding

73 Check addendums and alterations for agreed terms

74 Review buyer's closing statement to ensure accuracy

75 Explain wire fraud risks and remind clients to verify all wiring instructions before transferring funds

76 Double-check property tax, homeowner association dues, utility and applicable prorations, if relevant

77 Request final closing figures from closing agent

78 Carefully review closing figures to ensure accuracy

79 Receive and carefully review title insurance commitment with buyer

80 Advise buyer on re-keying locks or installing smart locks

81 Help buyer consider a one-time cleaning service or landscaping before moving day

82 Review documents with closing agent

83 Support buyer in final closing activities

Working With Sellers

Pre-Listing

1 Confirm prospective seller's needs and make appointment for a listing presentation

2 Research comparable properties

3 Research sales activity from MLS and public records data

4 Research average days on market for property of this type, price range and location

5 Download and review property tax roll/assessor info

6 Prepare preliminary comparative market analysis to establish fair market value

7 Obtain copy of subdivision plat/complex layout

8 Research property's ownership, deed type, and public record information for lot size and dimensions

9 Research and verify legal description

10 Research property's land use coding, zoning and deed restrictions

11 Verify legal names of owner(s) in county's public property records

12 Prepare listing presentation package with above materials

13 Perform exterior curb appeal assessment of subject property

14 Compile a formal file on property

15 Review Obsolete Property Rehabilitation Act (OPRA) report from township for all permitted records

Listing Management

16 Give overview of market conditions and projections

17 Tour property

18 Present your company's profile and niche in the market

19 Present preliminary CMA, including comparable properties, sold properties, and current and expired listings

20 Discuss marketing goals with seller

21 Explain market power and benefits of MLS marketplaces

22 Explain power of web marketing, IDX and realtor.com®

23 Offer pricing strategy with updates to CMA based on tour of home, upgrades, professional judgment and current market conditions

24 Explain the work you do behind the scenes and your availability on weekends

25 Explain your role in screening for qualified buyers and protecting seller from curiosity seekers

26 Explain transaction and agency brokerage relationship

27 Review and explain all clauses in listing contract and addendum and obtain seller's signature once property is under listing agreement

28 Review current title information

29 Gather square footage and measure overall and heated square footage

30 Measure interior room sizes

31 Note all unrecorded property liens, agreements, or easements

32 Obtain house plans, if applicable and available

33 Confirm lot size via owner's copy of certified survey, if available

34 Discuss showing times with seller and prepare showing instructions for buyer's agents

35 Discuss possible buyer financing alternatives and options with seller

36 Review current appraisal if available

37 Identify homeowner association manager if applicable

38 Verify homeowner association fees—mandatory or optional

39 Order copy of homeowner association bylaws

40 Research electricity supplier's name and phone number

41 Have utility companies provide average utility usage from last 12 months

42 Research and verify city sewer/septic tank system/well status

43 Research/verify natural gas availability, supplier's name and phone number

44 Verify security system and current terms of service

45 Verify if seller has transferable termite bond

46 Ascertain need for lead-based paint disclosure

47 Detail property amenities and assess market impact

48 Prepare detailed list of property's inclusions and conveyances

49 Compile list of completed repairs and maintenance items

50 Explain benefits of homeowner warranty

51 Assist sellers with completion and submission of homeowner warranty application

52 Place homeowner warranty in property file for conveyance at time of sale

53 Have extra keys made for lockbox

54 Verify if property has rental units involved

55 If the property does have rental units, make copies of all leases for retention in listing file

56 Verify all rents and deposits

57 Inform tenants of listing and discuss how showings will be handled

58 Arrange for installation of yard sign

59 Provide suggestions on curb appeal and decor to improve salability

60 Load listing into transaction management software program

61 Prepare profile sheets for MLSs and enter property data into local MLS databases

62 Proofread MLS database listings for accuracy, including proper placement in map

63 Add property to company's active listings list

64 Provide seller copies of listing agreement and MLS profile sheets within 48 hours or within required time of MLS

65 Take additional photos for upload into MLS and use in marketing

66 Create print and internet marketing with seller's input

67 Coordinate showings with owners, tenants and other agents

68 Install and program electronic lockbox if authorized

69 Prepare mailing and contact list, and generate mail-merge letters

70 Order "just listed" labels and reports

71 Prepare fliers and feedback reports

72 Review comparable listings regularly to ensure property remains competitive

73 Prepare property marketing brochure for seller's review

74 Arrange for printing or copying of marketing brochures or fliers

75 Place marketing brochures in all company agent mailboxes

76 Upload listing to company and agent internet site, if applicable

77 Mail out "just listed" notice to neighborhood residents

78 Advise network referral program of listing

79 Provide marketing data to buyers coming from referral network

80 Provide special feature cards for marketing, if applicable

81 Submit ads to company's participating internet real estate sites

82 Reprint/supply brochures promptly as needed

83 Send feedback emails to buyer's agents after showings

84 Review weekly market study

85 Discuss showing feedback with sellers

86 Set up marketing reports on showing-time application and company website

87 Place regular weekly update calls to seller to discuss marketing and pricing

88 Promptly enter price changes in MLS

Offers

89 Receive and review all offer-to-purchase contracts

90 Explain merits and weaknesses of offers, being sure to factor out unconscious bias

91 Contact buyer's agents to review buyer's qualifications and discuss offer

92 Deliver seller's disclosure upon request

93 Evaluate offer(s) and prepare net sheet for owner for comparison purposes

94 Confirm buyer is prequalified by calling loan officer

95 Obtain buyer's prequalification letter from loan officer if not submitted with offer

96 Negotiate all offers per seller's direction on seller's behalf, and set time limit for loan approval and closing

97 Prepare counter-offers and amendments; convey to buyer's agent

98 Create spreadsheets for easy review of multiple bids

99 Email or send contract and addendums to closing agent

100 When offer-to-purchase contract is accepted, deliver to buyer's agent

Contracts

101 Record and promptly deposit buyer's earnest money in escrow account

102 Disseminate under-contract showing restrictions as seller requests

103 Deliver copies of fully signed offer-to-purchase contract to seller and lender

104 Advise seller of additional offers submitted between contract and closing

105 Change MLS status to sale pending

106 Update transaction management program to show sale pending

107 Provide credit report information to seller if property will be seller-financed

108 Coordinate with lender on discount points being locked in with dates

109 Confirm verifications of deposit and buyer's employment have been returned

110 Follow loan processing through to the underwriter

111 Add lender and other vendors to your management program so agents, buyer and seller can track progress of sale

112 Contact lender weekly to ensure processing is on track

113 Relay final approval of buyer's loan application to seller

Home and Other Inspections

114 Coordinate with seller for buyer's professional home inspection

115 Review home inspector's report

116 Enter completion into transaction management tracking program

117 Ensure seller's compliance with home inspection clause requirements

118 Help seller identify contractors to perform any required repairs

119 Oversee required repairs, if needed

120 Deliver unrecorded property information to buyer

121 Handle septic system and well flow reports, and assess any possible impact on sale

122 Verify termite inspection ordered

123 Verify mold inspection ordered, if required

Appraisal

124 Work with seller and lender to schedule appraisal

125 Provide appraiser any comparable sales used in market pricing

126 Assist seller in questioning appraisal report if it falls below the contract price

Processing for Closing

127 Enter completion into transaction management program

128 Ensure contract is signed by all parties

129 Coordinate closing date and time with buyer's agent and lender

130 Update closing forms and files

131 Ensure all parties have all forms and information needed to close the sale

132 Assist in solving title problems or obtaining death certificates

133 Work with buyer's agent in scheduling buyer's final walk-through prior to closing

134 Double-check all tax, homeowners association dues, utility, and applicable prorations

135 Request final closing figures from closing agent

136 Review closing figures to ensure accuracy of preparation

137 Confirm buyer and buyer's agent have received title insurance commitment

138 Provide homeowner warranty for availability at closing

139 Forward closing documents to absentee seller as requested

140 Review docs with closing agent

141 Ensure no surprises so seller receives net-proceeds check at closing

142 Refer seller to qualified agents at their destination

143 Change status to Sold in MLS, entering sale date, price, selling broker, and any other required information.

Follow-Up

144 Share the warranty paperwork for claims in the future

145 Attempt to clarify and resolve any conflicts about repairs

146 Respond to any calls and provide any information required from office files

147 If a rental, verify all deposits and prorated rents are reflected accurately on the closing statement

148 Close out listing in transaction management program ■

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