



Offer of compensation: FAQ

On October 31, 2023, MRED will offer additional flexibility for MLS users to allow them to enter \$0 or 0% in the compensation field for all listings. This is changing from the previous requirement of \$1 as a minimum. Filling out the compensation field is still required; however, you can now enter any amount you and your seller agree upon. Please see below for additional information and examples of your options:

Why is this change being made?

The change comes as several lawsuits have been filed against NAR, large brokerage franchises, and others, which claim that requiring brokers to enter a positive value in the offer of compensation field causes harm to home buyers and sellers.

MRED's Board of Managers determined that MRED will allow users to start entering \$0 or 0% in the compensation field for all listings. This change has been available for Private listings since June of 2023. Of course, a seller's agent will maintain the option to enter the compensation amount they choose and continue to negotiate compensation with their clients and buyer's brokers.

You may enter 0 or a specific calculable dollar amount, percentage of the gross sale price or percentage of net sale price.

Examples:

- 0%
- \$0
- 2.5%-\$100
- \$500
- 2.5%+ \$ 300 bonus by 6/6/10
- 2.5% on net C AGT RMKS

Along with the calculable \$ amount or %, the wording "C AGT RMKS" can be input to direct attention to the Broker Private Remarks Field for additional compensation information.

When will this change go into effect?

October 31.

Will there be additional fields to fill out in connectMLS upon closing out a listing?

Yes. This policy change also includes new compensation fields that will need to be completed when closing out listings. These new fields will provide additional insight into the details of closed transactions. Appraisers and agents can use this information when determining the value of the subject property from the details of the comps they use.

These three existing fields are required when inputting a listing:

- Buyer Agency Compensation Type
- Buyer Agency Compensation
- Special Compensation Info

At the time of closing, three new fields will be required. These fields may contain the same information as the three fields above that you added during listing input.

- Closing Buyer Agency Compensation Type
- Closing Buyer Agency Compensation
- Closing Special Compensation Info

The screenshot shows three input fields for closing a listing. Each field is preceded by a red asterisk. The first field is labeled '*Closing Buyer Agency Compensation Type:' and has a dropdown arrow and a question mark icon to its right. The second field is labeled '*Closing Buyer Agency Compensation:' and has a question mark icon to its right, with '(100 Chars. Remaining)' displayed below it. The third field is labeled '*Closing Special Compensation Info:' and has a dropdown arrow and a question mark icon to its right.

After closing, these fields will be seen on property detail reports as shown below.

Office/Sales

Broker Private Remarks: Call listing Agent	
Broker:	Expiration Date: 04/28/2012
List Broker:	Mgmt. Co:
CoList Broker:	Contact Name:
More Agent Contact Info:	Phone:
Listing Type: Exclusive Agency	Owner: OOR
Buyer Ag. Comp.: 2.5-200 (Gross Sale Price)	Ph #:
Addl. Sales Info.: None	Internet Listing: Yes
Special Comp Info: None	Remarks on Internet?: Yes
Cont. to Show?:	Address on Internet: No
Showing Instructions: call listing agent	VOW AVM: No
Closing Buyer Agency Compensation Type:	VOW Comments: No
Closing Buyer Agency Compensation:	Broker Notices:
Closing Buyer Agency Compensation Info:	Holds Earnest Money: Yes
	Lock Box: Combination Box
	Lock Box Location:

What is the new rule compared to the old rule?

SECTION 1.11: NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS

The Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Service shall not fix, control, recommend, suggest or maintain the division of commissions or fees between cooperating or between Participants and non-Participants. All listings submitted to the Service must contain either a specific dollar amount or percentage in the applicable field(s), [from 0 and up](#). ~~Any listing that shows "0" or less in the Cooperative Compensation field will be removed from the system to a "hold" status and that an automatic fine will be issued to the Listing Broker, and that fine will be a cumulative fine. The listing will be returned to the active database, once the Service receives a percentage or dollar amount in writing, to add to the (CC) field (see Section 9.6).~~

Will offers of compensation be displayed on the connectMLS Client Report and/or Client Portal?

Yes.

Will offers of compensation be available for display on third-party websites, including IDX?

Yes. Offers of compensation are currently available via data delivery.

Will MRED offer training on this topic?

MRED previously allowed \$1 to be entered as the minimum offer of cooperative compensation. By changing from \$1 to \$0, this has not changed workflows within connectMLS, and brokers may continue to negotiate cooperative compensation with their clients, just as they always have been able to do. Of course, it also remains prohibited for brokers to use MRED to violate the antitrust laws. With those points in mind, this change will not require new training to be created. [You can learn more about the listing input process here](#) if you'd like a refresher.

If you have questions on how this rule affects business practices, forms, or contracts, contact your managing broker or association for assistance.

If you have questions or suggestions, reach out to us at policychange@mredllc.com.