

NAEBA Clarifies Misconceptions About NAR Settlement Affecting Home Buyers

The nonprofit National Association of Exclusive Buyer Agents clarifies key settlement changes and advocates for informed decisions in the home-buying process.

MESA, AZ, UNITED STATES, April 1, 2024

/EINPresswire.com/ -- The National Association of Exclusive Buyer Agents (NAEBA) is committed to ensuring that home buyers are well-informed about the implications of the recent settlement between the National Association of Realtors (NAR) and plaintiffs represented by class-action attorneys (19-332 - Sitzer et al v. National Association of Realtors et al).



The NAR settlement has sparked widespread discussion, with various stakeholders, including high-level officials, offering interpretations that may not fully capture the settlement's nuances or impact on consumers.

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“Many in the media, and even public figures, have misunderstood and misrepresented the settlement's impact on consumers,” NAEBA president Lora Cusumano explains. “Home buyers, especially first-time buyers, must understand how the settlement will and will not affect their home-buying journey.”

Central to the settlement are practice changes poised to significantly influence [the home-buying process](#),

particularly affecting first-time and lower-income buyers. These changes, expected to be implemented by July at the latest, include modifications to how real estate agents are compensated and interact with buyers.

The main points affecting home buyer are as follows:

1. Prohibition of Compensation Offers via MLS: NAR will adopt a new rule prohibiting listing agents from offering compensation to buyer agents through the Multiple Listing Service (MLS).

While the new rule alters how agents are compensated, it does not eliminate the possibility of off-MLS compensation arrangements, ensuring flexibility in how home buyers pay their agents.

2. **Mandatory Written Agreements:** Before home buyers can tour a property with their agent, they must enter into written agreements with their buyer agents. This requirement aims to clarify the professional relationship and responsibilities from the outset.

"Despite misconceptions, real estate commissions were always negotiable, and the settlement does not introduce this concept but reinforces it," NAEBA board member Mike Crowley said.

NAEBA emphasizes the importance of buyers understanding these changes and how they might affect their home-buying journey. While some speculate that these adjustments could lower real estate commissions over time, market dynamics remain the dominant force in determining fees.

Moreover, [NAEBA is concerned that the settlement will encourage dual agency](#), where an agent represents both the buyer and seller, potentially diluting the fiduciary duty owed to each party.

As the real estate landscape evolves, NAEBA encourages buyers to remain vigilant and informed and to carefully choose their representation, ensuring their interests are paramount in one of life's most significant financial decisions.

ABOUT NAEBA: Members of the nonprofit National Association of Exclusive Buyer Agents (NAEBA) believe there is a better way of working in the real estate industry. Unlike traditional agents, NAEBA members voluntarily [dedicate their careers to exclusively representing home buyers](#), providing complete fiduciary-level duties to protect home-buying consumers.

Exclusive buyer agents are 100 percent loyal to home buyers 100 percent of the time and work at real estate brokerages that do not ever represent home sellers. NAEBA members are also committed to promoting fair housing, eliminating discrimination, and steering in housing to ensure equal opportunities for all individuals.

NAEBA members do not accept listings, advertise properties for sale, or represent home sellers; therefore, its members avoid the conflicts of interest common at traditional real estate companies, which attempt to represent both buyers and sellers in the same transaction.

Consumer advocates created NAEBA in 1995 to fill the void faced by homebuyers and started a professional association that would provide home buyers with a higher standard of ethics.

Beverly Babb

National Association of Exclusive Buyer Agents

+1 480-221-2230

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