

Offers of Compensation FAQs

On June 1, 2023, MRED will offer additional flexibility for MLS users by reducing the minimum commission allowed for Private listings from \$1 to \$0 or 0%.

Why is this change being made?

MRED is constantly testing new ways to enhance the MLS so that it best meets the needs of our subscribers and those who rely on them. Additionally, 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. Given that legal environment in the industry, MRED's Board of Managers determined that MRED will test allowing users to start entering \$0 or 0% in the compensation field in Private-status listings. 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.

When will this change go into effect?

June 1, 2023.

Does this affect Standard listings in connectMLS:

No. The ability to enter \$0 or 0% for a listing will be available starting June 1, 2023, only for Private listings. Standard listings still require a value of more than \$0 or 0% for the offer of compensation field, just as they always have.

Can my Private listing move to Closed with zero compensation offered?

Yes.

Can my Private listing move to any other status (excluding Closed) with zero compensation offered?

No.

Why does the ability to offer no compensation affect only listings in the Private status?

MRED is testing the feasibility of this change to see what, if any, application it has for users. Because MRED's Private listing status is by its very nature a market testing environment, it was determined that it made sense to assess how allowing "zero" compensation would affect this status of listing.

Will offers of compensation in Private listings be syndicated to public websites?

Private listings are not syndicated by the MLS to public websites. However, listing brokerages do have the option to receive their Private listing information, including offers of compensation, through a Broker Only feed. The listing brokerage may distribute its own Private listings if it chooses.

Will I have the ability to enter \$0 or 0% in the compensation field for a Standard listing?

No. This policy applies only to listings marked as Private status.