

MLS Notice:

Effective November 1, 2008, State-Wide MLS cannot permit any deductions relating to a cooperating licensee's performance and/or participation in the transaction. An example of this type of deduction that will no longer be allowed is: "1% deducted if broker is not at all showings."

The National Association of REALTORS (NAR) has notified us that only non-service related fees and expenses can be deducted. In other words, those fees which are payable to a third party (for example – MLS, MLS photographer, home warranty, etc. are allowed.) A work Group at NAR had considered deductions based on services provided and concluded that "compensation based on levels or types of services...could substantially increase the level of dispute resolution local associations of REALTORS would be called on to provide" and rejected this concept.

Because State-Wide MLS is a REALTOR MLS, it is necessary to conform and comply with NAR policy. However, this does not mean that contracts which included such deductions were not lawful. THIS IS POLICY COMPLIANCE AND NOT A LEGAL ISSUE.

QUESTION: May I deduct an amount or percentage to cooperating brokers who do not attend all showings and appointments?

ANSWER: No, not according to the National Association of REALTORS.

QUESTION: May I offer a bonus in MLS to cooperating brokers who attend all showings and appointments?

ANSWER: No, not according to the National Association of REALTORS

QUESTION: Earlier this year, a listing broker deducted \$1,000 from my co-broke compensation because I was not present at all showings. Must that listing broker now pay me the amount that he/she previously deducted?

ANSWER: No, the policy in place up to November 1, 2008 is valid for that time period and will be enforceable during that time period.

Please amend your listing data prior to November 1st to avoid incurring fines for non-compliance. For those who already have a Purchase and Sales Agreement pending, this will have NO EFFECT on this pending transaction.