

PrimeMLS BOD Meeting Talking Points

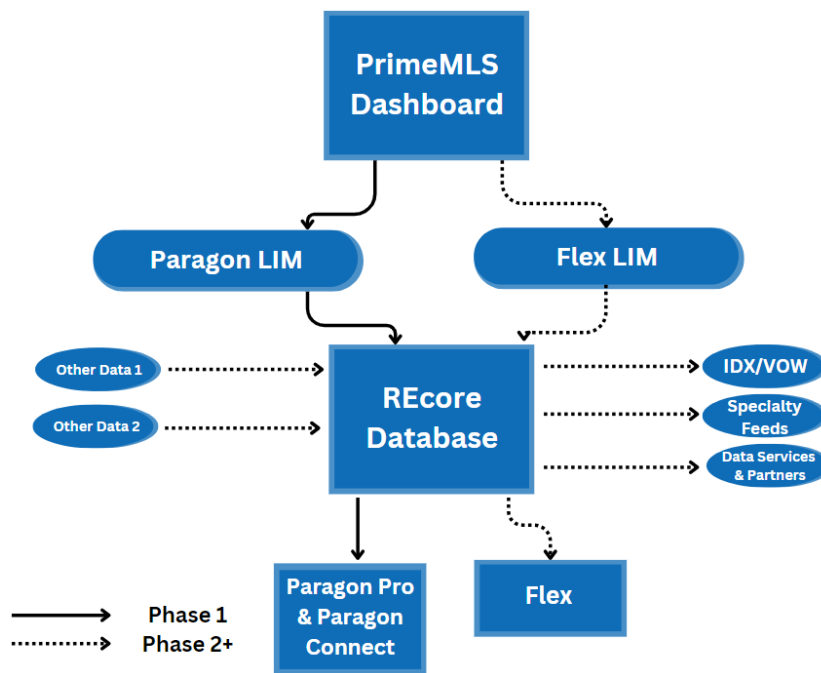
Wednesday, 15 May 2024

- The proposed NAR Settlement Agreement was the primary topic of discussion at the 15 May 2024 PrimeMLS BOD meeting.
 - NAR has received preliminary approval of its \$418M agreement.
 - The total settlement agreement for all named parties is now \$877M.
 - The two primary changes from PrimeMLS’ perspective are the total elimination of all cooperative compensation related fields and information from the MLS, and a new requirement that all agents working with buyers must enter into a “written agreement” with a buyer before touring a home.
 - See the attached “Executive Summary” (as of 05/16/24) of the MLS policy changes.
 - Staff is reviewing NAR’s guidance documents on an almost daily basis to capture their frequent updates.

- For PrimeMLS to be classified as a “Stipulating MLS” or “Released Party” and thereby benefit from the protections afforded under the Settlement Agreement, PrimeMLS must execute and file Appendix B of the Settlement Agreement no later than 60 days after the filing of the agreement with the court. The Board voted to approve the execution of Appendix B.

- While the PrimeMLS rules were just updated to Revision N (effective 05/15/24) principally to incorporate the decisions reached during the March corporate retreat and BOD meetings, a new revision of the rules (as well as the Articles of Incorporation and the Bylaws) will be required to incorporate the significant number of changes necessary to achieve compliance with the NAR Settlement Agreement.

- During the NAR mid-year convention Staff met with the key vendors associated with the execution of the Strategic Plan roadmap decisions approved by the BOD in March. As indicated below and to minimize technical risk, implementation will begin with Phase 1, the integration of Paragon with the REcore database. The integration of Flex as a front end of choice will follow, with timing dependent primarily upon vendor resource availability.



Executive Summary

Pursuant to the requirements of the proposed Settlement Agreement, the MLS policies and model MLS governing documents were reviewed and updated with the key changes below.

1. Eliminate and prohibit any requirement of offers of compensation in the MLS between listing brokers or sellers to buyer brokers or other buyer representatives.
2. Retain, and define, "cooperation" for MLS Participation.
3. Eliminate and prohibit MLS Participants, Subscribers, and sellers from making any offers of compensation in the MLS to buyer brokers or other buyer representatives.
4. Require the MLS to eliminate all broker compensation fields and compensation information in the MLS.
5. Require the MLS to not create, facilitate, or support any non-MLS mechanism (including by providing listing information to an internet aggregator's website for such purpose) for Participants, Subscribers, or sellers to make offers of compensation to buyer brokers or other buyer representatives.
6. Prohibit the use of MLS data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers or other buyer representatives. Such use must result with the MLS terminating the Participant's access to any MLS data and data feeds.
7. Reinforce that MLS Participants and Subscribers must not, and MLSs must not enable the ability to, filter out or restrict MLS listings that are communicated to customers or clients based on the existence or level of compensation offered to the cooperating broker or the name of a brokerage or agent.
8. Require compensation disclosures to sellers, and prospective sellers and buyers.
9. Require MLS Participants working with a buyer to enter into a written agreement with the buyer prior to touring a home.

These policy changes were approved by the NAR Leadership Team and will be effective on August 17.

For additional information go to: <https://www.nar.realtor/the-facts>.