

# MLS POLICY & PRACTICE CHANGES

## BOARD OF DIRECTORS UNANIMOUSLY APPROVED:

- **NO** new seller concessions field on Active Listings
- **Mandatory MLS training** for brokers, agents & MLS assistants on NAR settlement provisions & MLS policy changes must be completed by Dec. 31, 2024. Otherwise, MLS suspension until training completed.
- **Violations result in fines and mandatory classes:** if compensation included on MLS or no signed Buyer's Agreement when working with buyer before touring a home

## **COMPLIANCE FINE STRUCTURE ON BACK**

## **MANDATORY REQUIREMENTS: EFFECTIVE AUG. 12, 2024**

- Remove offer of compensation field from the MLS (including on historical listings)
- Prohibit offer of compensation from listing broker or seller anywhere on the MLS
- Written Buyer Agreement required when working with buyer before touring a home
- No filtering of listings based on compensation
- No advertising of services as "free"

## REASONS FOR BOARD'S DECISIONS:

- **Simplest, most prudent option** that follows the intent of the NAR settlement.
- **Encourages open negotiations** between seller and buyer for broker compensation off the MLS, via e.g., the buyer's offer.
- Allows brokers to **continue to use Agent Remarks to provide concessions**, but may not include specific information related to compensation.
- **Education and training** ensures brokers and agents know what to do vs. what not to do.
- **Enforcement and training** leads to compliance.

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## TIMELINE: Key Dates

<b>8/12</b> 2024	Remove <b>Offer of Compensation</b> field from the MLS. <b>Written Buyer Agreement required</b> when working with buyer before touring a home.
<b>12/31</b> 2024	<b>Deadline to complete mandatory MLS training</b> for brokers, agents & MLS assistants. Otherwise, MLS suspension until training completed. <i>View class dates &amp; register at <a href="https://members.hicentral.com/mlschanges#training">members.hicentral.com/mlschanges#training</a>.</i>
<b>1/01</b> 2025	<b>New compliance fines take effect</b> for Offer of Compensation or Buyer's Written Agreement violations.

## COMPLIANCE FINE STRUCTURE

Grace period: Fines effective January 2025

VIOLATION TYPE	1ST VIOLATION	2ND VIOLATION	3RD VIOLATION
<b>New: Category 5 Offer of Compensation*</b>	\$100 fine + mandatory education	\$300 fine + mandatory education	\$500 fine + <b>6-month suspension from the MLS</b>
VIOLATION TYPE	1ST VIOLATION	2ND VIOLATION	3RD VIOLATION & SUBSEQUENT VIOLATIONS
<b>New: Category 6 Buyer's Written Agreement*</b>	\$100 fine + mandatory education	\$300 fine + mandatory education	\$500 fine + mandatory education

\*Fines for Offer of Compensation and Buyer's Written Agreement violations will **not reset** in the new calendar year. HiCentral MLS will issue violation warnings & educate members before fines are issued on Jan. 1, 2025.

Note: HiCentral MLS Directors have the discretion to revisit and amend the fine structure.