



## CAAR Changes Under the National Association of REALTORS® (NAR) Settlement FAQs

Please note – this is a working document and may be updated regularly with new information.

### General MLS and Behavioral Changes from the NAR Settlement

#### What are the main policy changes coming from the NAR settlement?

1. Offers of compensation are prohibited on MLSs. This means the offer of compensation field will be removed and agents cannot use any field (like agent remarks) or other mechanism (like uploading into the documents section) to make an offer of compensation through the MLS. Similarly, any website or platform that receives a data feed from the MLS cannot be used to aggregate offers of compensation from different firms (e.g., ShowingTime).
2. Agents working with a buyer must enter into a written agreement before touring a home; this includes land.
  - i. The NAR Settlement is for residential properties and transactions, not commercial properties or transactions. However, under Virginia law, an agent is required to have a signed buyer brokerage agreement upon entering into a brokerage relationship with a buyer—even for commercial properties.

#### When will the NAR policy changes from the settlement be implemented?

The NAR policy changes from the settlement will become effective on **August 17, 2024**.

#### Did CAAR sign the NAR Opt-in Settlement Agreement?

Yes. The CAAR Board of Directors, in consultation with our attorney, has chosen to sign Appendix B, opting into the NAR settlement agreement that releases our MLS from liability related to the current home seller lawsuits.

#### Should I check with other REALTOR® Association MLSs that I belong to if they signed the NAR Opt-in Settlement Agreement?

Yes. It is in your best interest to check with other REALTOR® Association MLSs that you belong to determine if they signed the NAR opt-in settlement agreement. If they did not, then you and your brokerage may be directly impacted by future lawsuits.

### CAAR Governing Document Changes

#### Will these NAR policy changes impact CAAR governing documents?

Yes. To be compliant with mandatory NAR policy changes, the following documents have been updated:

- CAAR Bylaws
  - [Redline version](#)
  - [Approved version](#)



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- CAAR MLS Rules & Regulations
  - [Redline version](#)
  - [Approved version](#)

We have provided you with both the redline version and the approved version of each document to help members understand the changes made per section.

In addition to the compensation/commission policy updates, the CAAR MLS Rules & Regulations have been updated with NAR IDX mandates.

Corresponding updates will be made to CAAR's:

- Resources, such as "[How to Avoid a Fine](#)" and "[Definitions](#)"
- Corresponding MLS related systems, such as the Listing Data Checker (LDC)

### CAAR Paragon MLS System Changes

#### **Will CAAR have a different implementation date for the Paragon MLS system changes regarding compensation/commission?**

Yes. The CAAR MLS Paragon system changes will be effective on **Mon., August 5, 2024**.

This date will coincide with the implementation window a majority of the other Virginia local MLSs will change their MLS policies and practices. Additionally, this action was taken to avoid any technical issues that would preclude us from meeting the national deadline.

#### **What will change in the CAAR Paragon MLS system?**

All compensation and commission fields will be removed from the CAAR Paragon MLS system (i.e., listing input forms, reports) as of **Mon., Aug. 5, 2024**. See details below. All listings, regardless of status (i.e., pending, sold, withdrawn, expired) will also not show those fields, even though they were completed with information when the listing was created.



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### Residential - Fields to be removed

- Co-op Broker Compensation (line 274)
- Compensation Type (line 275)
- Commission minus Closing costs Y/N (line 10)
- Variable Rate Commission (line 273)

The screenshot shows the 'Agent Information' section of a form. Fields are listed with their corresponding line numbers. Fields (274), (275), (10), and (273) are crossed out with red lines, indicating they are to be removed. A green box labeled 'Residential Property Class' is highlighted. The 'List Agent' field contains 'IAN DESAUTEL'. Other fields include 'List Team', 'List Office' (MLS), 'Co-Agent', 'Co-Office', 'Co-Agent 2', 'Co-Office 2', and 'ZJ-Listing Services'.

### Land - Fields to be removed

- Co-op Broker Compensation (line 128)
- Compensation Type (line 129)
- Commission minus Closing costs Y/N (line 9)
- Variable Rate Commission (line 127)

The screenshot shows the 'Agent Information' section of a form for Land. Fields are listed with their corresponding line numbers. Fields (128), (129), (9), and (127) are crossed out with red lines, indicating they are to be removed. A green box labeled 'Land Property Class' is highlighted. The 'List Agent' field is empty. Other fields include 'List Team', 'List Office' (MLS), 'Co-Agent', 'Co-Office', 'Co-Agent 2', 'Co-Office 2', 'BA offer direct to Seller', and 'XA-Listing Services'.



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### Multi-Family - Fields to be removed

- Co-op Broker Compensation (line 151)
- Compensation Type (line 152)
- Commission minus Closing costs Y/N (8)
- Variable Rate Commission (line 150)

Agent Information

(143)	List Agent	R	IAN DESAUTEL <	
(52)	List Team			
(144)	List Office	R	MLS	
(145)	Co-Agent			
(146)	Co-Office			
(147)	Co-Agent 2			
(148)	Co-Office 2			
<del>(151)</del>	<del>Co-op Broker Compensation</del>	<del>R</del>	<del></del>	
<del>(152)</del>	<del>Compensation Type</del>		<del></del>	
<del>(8)</del>	<del>Commission minus Closing costs Y/N</del>		<del></del>	
(149)	BA offer direct to Seller	R		
<del>(150)</del>	<del>Variable Rate Commission</del>	<del>R</del>	<del></del>	
	ZA-Listing Services	R		

Multi-Family Property Class

### Rental - Fields to be removed

- Co-op Broker Compensation (line 240)
- Compensation Type (line 241)
- Commission minus Closing costs Y/N (line 8)

Agent Information

(234)	List Agent	R		
(50)	List Team			
(235)	List Office	R	MLS	
(236)	Co-Agent			
(237)	Co-Office			
(238)	Co-Agent 2			
(239)	Co-Office 2			
<del>(240)</del>	<del>Co-op Broker Compensation</del>	<del>R</del>	<del></del>	
<del>(241)</del>	<del>Compensation Type</del>		<del></del>	
<del>(8)</del>	<del>Commission minus Closing costs Y/N</del>		<del></del>	
	Z-Listing Services	R		

Rental Property Class



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### **Do I need to do anything further with my “Withdrawn” or “Expired” listings?**

If you plan to reactivate a “Withdrawn” or “Expired” listing, please be sure to remove any commission/compensation information before you make your listing “Active” or “Pending.”

### **Will there be other changes made to the CAAR MLS Paragon system in addition to the Aug. 5<sup>th</sup> NAR policy changes?**

Yes. Two items:

1. The status “Provisional” will no longer exist.
2. PDF versions of the Listing Input Forms have been updated in the CAAR Paragon MLS system. Based on usage, this will be the last time the Listing Input Forms are updated. We encourage you to use the “Partial” status to create a draft of your listing.

## General Information

### **Will I be able to put in commission/compensation in the CAAR Paragon MLS system as of Mon., Aug. 5<sup>th</sup>?**

No. All compensation and commission fields will be removed from the CAAR Paragon MLS system.

### **Do I need to do anything before Mon., Aug 5<sup>th</sup>?**

Yes. To avoid being fined immediately for having commission/compensation information in the CAAR Paragon MLS system on **Mon., Aug. 5<sup>th</sup>**, you need to manually remove any related information from Agent Remarks and other areas for “Active” and “Pending” listings. You do not have to remove information in the commission/compensation fields as those will automatically be removed.

### **What happens if enter commission/compensation in the CAAR Paragon MLS system moving forward?**

If you enter commission/compensation information in the CAAR Paragon MLS system (i.e., text field like Agent Remarks, document, etc.), the information will be documented and then removed immediately by the CAAR MLS Support Team. You will then be immediately fined.

### **Where do I locate how much the fine will be if I do input commission/compensation, or a reference of it, in the CAAR Paragon MLS system?**

Locate “Appendix F. Compliance Procedures” in the CAAR MLS Rules & Regulations document.



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### Where can I find the most updated CAAR MLS Rules & Regulations document?

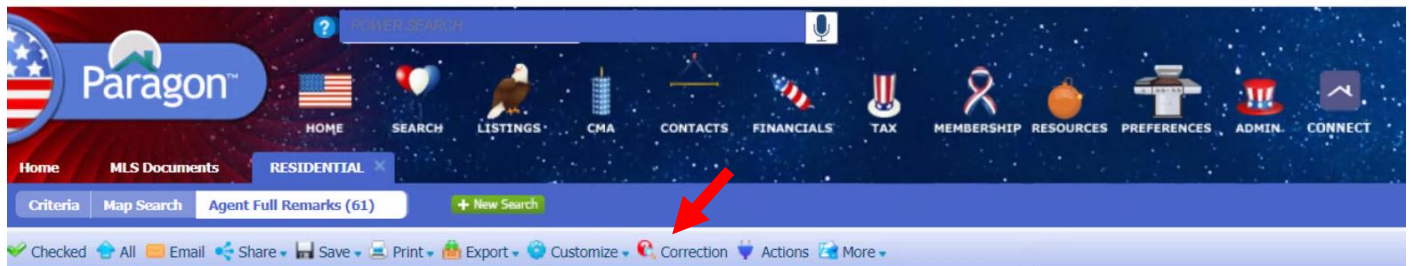
Once you are in the CAAR Paragon MLS system, please locate the “MLS Documents” link in the top right corner. From there, locate the “CAAR MLS Rules and Regulations” folder. You will also find in that folder other helpful resources, such as “How to Avoid a Fine.”

### How will CAAR regulate that commission/compensation will not be in the CAAR Paragon MLS system?

CAAR uses a tool called Listing Data Checker (LDC). This system scans the MLS and its data to ensure accurate and timely data. In addition to searching for the words “commission” and “compensation” in the CAAR Paragon MLS system, it will also ensure symbols, such as \$ and %, are not being used in relation to commission or compensation.

### If I see commission/compensation information in the CAAR Paragon MLS system within listing data, what should I do?

Report it. If you are in the CAAR Paragon MLS system and you see a listing where commission or compensation is provided, please use the “Correction” button. CAAR staff will follow up immediately.



### Can I access compensation or commission date from past listings?

No.

### Will listing agreements that specify commission/compensation information available in the MLS need to be amended?

Yes. Compensation will no longer be listed in the MLS as of **Mon., Aug. 5<sup>th</sup>**.

### Can I add a URL, like listings.Brokerage123.com, in the CAAR Paragon MLS system that takes agents directly to a webpage or spreadsheet with our listings that displays the commission/compensation?

No. MLS Participants may not enter in their listings an embedded link(s) to a website(s) which, with a single click, would immediately display an offer of compensation.



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### **What are the acceptable ways should I communicate the commission/compensation rate?**

There are several ways to communicate the commission/compensation rate:

1. Listing brokers are still allowed to offer compensation to buyer brokers, but it has to be done with the written permission of the seller. Forms such as Virginia REALTORS® Broker Fee Agreement (Form 500) will allow brokers to agree, off the MLS, to share compensation.
2. Sellers are allowed to pay buyer broker commissions directly. Buyers that would like to see if a seller will pay their brokers compensation should include it as a clause in the residential sales contract. Virginia REALTORS® will have a standard clause in our Standard Clause Book that can be used for this.
3. MLS Participants may augment MLS data or data feeds (IDX or VOW feed) with offers of compensation to buyer brokers or other buyer representatives for listings of their own brokerage. As a reminder, commission/compensation data will not be provided by the CAAR Paragon MLS system.
4. Offers of compensation may be communicated through other marketing vehicles such as flyers, signs, and emails (e.g., Constant Contact) and other communication mechanisms off of the MLS.

### **Are concessions allowed to stay in the CAAR Paragon MLS system?**

Yes. There will be no changes made for concessions information or data in the CAAR Paragon MLS system.

### **I know CAAR has a Bright MLS data share agreement in the CAAR MLS Paragon system - will their concession fields be implemented into the CAAR Paragon MLS system eventually?**

No. CAAR will not be mapping Bright MLS concession fields into the CAAR MLS Paragon system. If you want to learn more about the Bright MLS concession fields, [click here](#).

If you would like to learn about the Bright MLS data share, please visit the “Bright MLS News” webpage, <https://caar.com/resources/bright-mls-data-share-information>.



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### What standard legal forms does CAAR use?

CAAR uses the Virginia REALTORS® standard forms. These forms were last updated as of **June 2024**.

Members can find these forms in a variety of ways:

- Virginia REALTORS® website - Standard Forms Library
- Virginia REALTORS® folder in TransactionDesk
- Other contract management platforms where Virginia REALTORS® uploads their forms

These forms do not preclude your brokerage from creating and utilizing its own forms.

## CAAR Catylist MLS System Changes

### Will there be any compensation/commission fields removed from Catylist, CAAR’s commercial MLS system?

Yes. See below.

**Leasing Information - Field to be removed**

- Commission Desc.

The screenshot shows a form titled "Leasing Information" with the following fields:

- Asking Rent: \$Min-Max, \$/SF/Year (dropdown), Sublease Exp. (MM/DD/YYYY)
- Lease Type (dropdown), Rent Esc. Type (dropdown)
- Expenses: \$ PSF, Rent Esc. Desc. (text input)
- Expense Type (dropdown), Annual Taxes: \$ (text input), YYYY (text input)
- Lease Terms (text input), Signage (dropdown)
- Renewal:  Yes  No, **Commission Desc.** (highlighted in yellow, text input)
- Sublease (dropdown), Show Instructions (dropdown)

## IDX Vendors

### Will CAAR be communicating directly with IDX vendors about these mandatory changes?

Yes. CAAR will email IDX vendors and inform them of what is changing in the CAAR Paragon MLS system (i.e., removal of compensation/commission fields), the implementation date, as well as provide them with the updated CAAR MLS Rules & Regulations document.





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### Do I need to work directly with my IDX vendor to show compensation/commission on my own listings on my website?

Yes. MLS Participants may augment MLS data or data feeds (IDX or VOW feed) with offers of compensation to buyer brokers or other buyer representatives for listings of their own brokerage. As a reminder, commission/compensation data will not be provided by the CAAR Paragon MLS system.

Brokers may not provide commission/compensation data on their website for listings of other brokerages.

### Where to Obtain Updates - NAR Policy Changes/Settlement Updates | CAAR MLS Paragon Changes | CAAR Catylist MLS Changes

### What websites should I reference for NAR’s policy changes or updates on the NAR settlement?

We recommend you visit:

- [facts.realtor](https://facts.realtor)
- Virginia REALTORS® website – note you will need your member portal credentials to access this information.
  - <https://virginiarealtors.org/nar-settlement-resources/>
  - <https://virginiarealtors.org/settlement-faq/>

### Where should I go for CAAR MLS Paragon system changes?

CAAR will communicate CAAR MLS Paragon system changes a variety of ways (e.g., email, Paragon homepage, SSO Dashboard pop-up/banner messages, social media, etc.). If you missed information being distributed in those methods, please visit the “Residential MLS Changes” webpage, <https://caar.com/resources/residential-mls-changes>.

### Where should I go for CAAR MLS Catylist system changes?

CAAR will communicate CAAR MLS Catylist system changes a variety of ways (e.g., email, Paragon homepage, SSO Dashboard pop-up/banner messages, social media, etc.). If you missed information being distributed in those methods, please visit the “Commercial MLS Changes” webpage, <https://caar.com/resources/commercial-mls-changes>.

## Definitions

### What does commission/compensation mean?

Commission/compensation refers to the fee that real estate agents or brokers earn for their services in facilitating a property transaction, such as the sale, purchase, or lease of a property.



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This commission is typically a percentage or dollar amount of the property's sale price or lease value and is agreed upon in advance by the client (either the buyer or seller) and the real estate professional.

### **What does concession mean?**

A concession refers to any financial or contractual benefit or compromise offered by one party to another to help facilitate the transaction. Concessions are often used to make a deal more attractive to a buyer or renter, or to resolve issues that might otherwise impede the completion of a sale or lease.

### **What is the purpose of the Multiple Listing Service (MLS)?**

A multiple listing service is a means by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public.

### **Which is NAR?**

NAR stands for the National Association of REALTORS®.

### **What is Paragon?**

Paragon is CAAR's residential MLS system. It feeds data to mycaar.com website, which is the public residential search engine.

### **What is Catylist?**

Catylist is CAAR's commercial MLS system. It feeds data to the Central Virginia Commercial MLS, or cvcmmls.com website, which is the public commercial search engine.

### **What does IDX mean?**

IDX stands for Internet Data Exchange. It's a tool that allows real estate professionals to display Multiple Listing Service listings on their websites. This tool is provided by an IDX vendor.

### **What does VOW mean?**

VOW stands for Virtual Office Website. It's a tool for brokerages that gives the consumer access to available property listings through their website. This tool is provided by an IDX vendor.

### **What does SSO mean?**

SSO stands for Single Sign On. The SSO Dashboard is where REALTORS® go to access various CAAR systems, including Paragon MLS system, TransactionDesk, etc. In addition, the SSO Dashboard has sections related to the "CAAR Member Portal," "CAAR Social Media," and more. You access the SSO Dashboard by clicking on "Member Login," from [caar.com](http://caar.com).



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### Legal Support

#### **If I need legal support, who should I contact?**

First, review the [Legal FAQs document](#) provided by CAAR's MLS attorney, Michael Lafayette.

If you still have questions, please contact:

- Your Broker
- Your own attorney
- Virginia REALTORS® Legal Hotline through your Virginia REALTORS® member portal
  - o Virginia REALTORS® will extend their Legal Hotline hours for the three weeks in August. From August 5th through August 26th, the Legal Hotline hours will be Monday through Friday, 8:30 a.m. to 7:00 p.m., and on weekends, 9:00 a.m. to 5:30 p.m.

### Questions

#### **I have a question that is not addressed in this FAQ document. Where do I send it?**

Please send your question(s) to [support@caar.com](mailto:support@caar.com).