

How Broker Compensation Works in Residential Sales

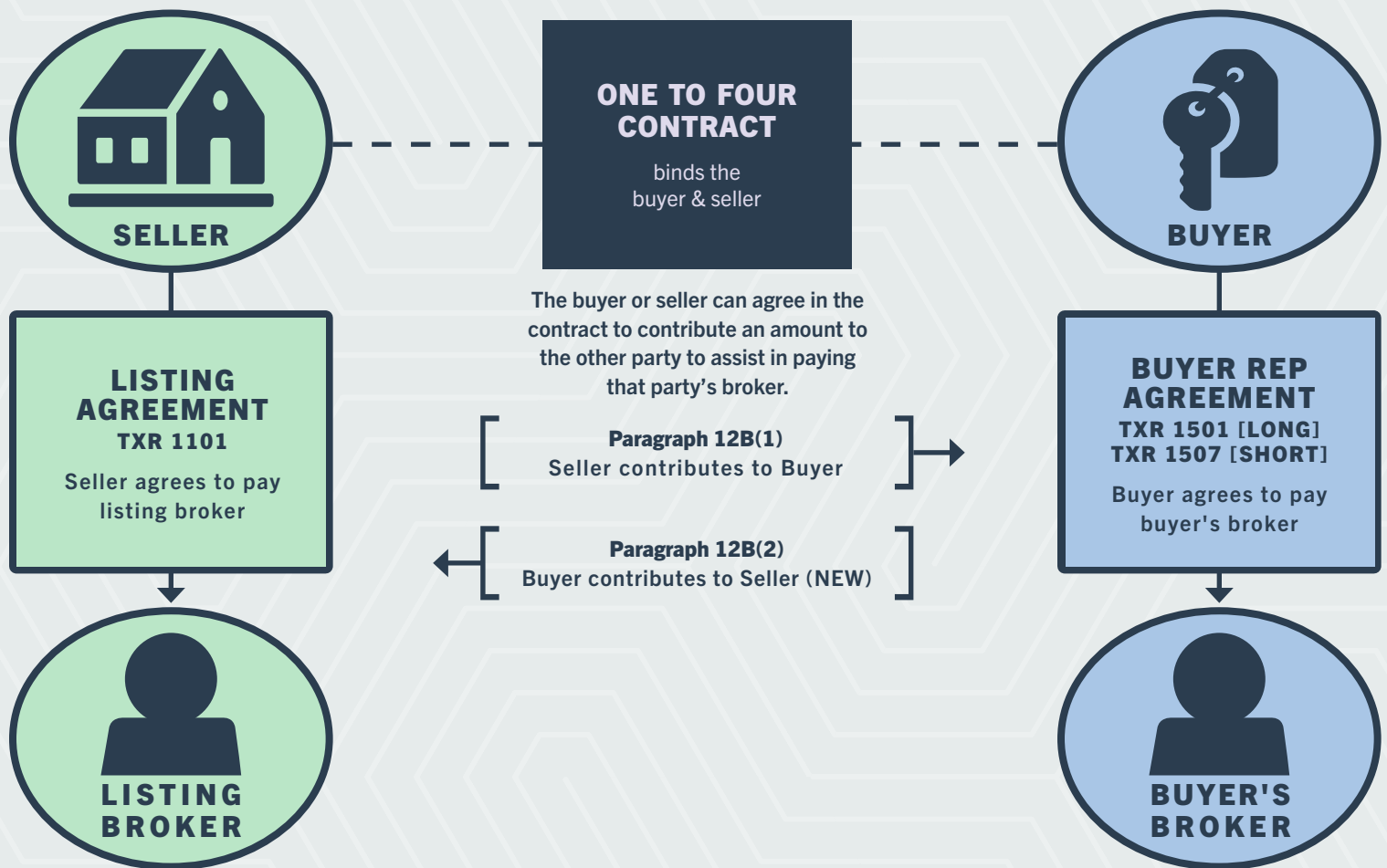
Using the New Promulgated Forms for Residential Sales Transactions.

**FULLY
NEGOTIABLE**

Compensation is not set by law, the association of REALTORS®, or the MLS.
It is fully negotiable between the clients and their brokers.

Each broker is paid by their own client—and the parties may contribute to the other party's broker's fees, if they choose.

THE FOUR PARTIES & THEIR AGREEMENTS



BUYER'S REPRESENTATION AGREEMENTS

Under the NAR settlement in the Sitzler/Burnett case, the most a buyer's broker may receive from any source is the amount agreed to in the buyer representation agreement.

A written buyer representation agreement must be entered into before showing a home or, if no homes are being shown, before presenting an offer.



BOTTOM LINE: Each broker is paid by their own client through their own agreement. The buyer and seller may contribute to the other party via Paragraph 12B of the contract.
QUESTIONS? Call the Texas REALTORS® Legal Hotline 512-480-8200