

Dear Illinoisans,

You may have seen news stories or social media posts announcing changes to how real estate commissions work. Some of what you've read and heard is fact, some is fiction.

Illinois REALTORS® represents the 50,000 licensed, professional REALTORS® throughout the state, and we want to take this opportunity to set the record straight and fully explain the changes.

Historically, the way a real estate agent has been paid has always been negotiable. In some cases, agents are paid directly by their buyer or seller client. However, in other cases, an agent may be paid indirectly, with the broker for the seller "sharing" a portion of their compensation with the buyer's broker.

Until now, brokers have communicated the amount of shared compensation on the Multiple Listing Service (MLS). This is the platform where your broker will list your property and that feeds information to all the various real estate sites you're used to seeing.

This competitive and highly efficient process has helped many buyers to obtain professional representation and to realize their dream of homeownership. State governments across the nation have long recognized this lawful process as good for consumers and that it promotes fair housing and housing access for more people.

Recently, class action attorneys targeted this practice of sharing compensation in lawsuits against the National Association of REALTORS® (NAR), as well as a number of real estate firms and individual REALTORS® throughout the country. Illinois REALTORS® members are members of NAR. The class action attorneys argued that buyers should pay their broker out of their own pockets exclusively.

Earlier this year, NAR reached a settlement with these class action attorneys, negotiating to retain consumer protections and options. The settlement also provides two industry practice changes, including:

- (1) Beginning on August 17, 2024, brokers will stop including shared compensation information on the MLS. Shared compensation will still be allowed, it just cannot be communicated on the MLS platform. Instead, brokers will communicate this information, in writing, privately or on their own websites. The amount of compensation will remain negotiable, as it's always been.
- (2) Also, beginning August 17th, all buyers who are working with a REALTOR® will be required to have a written agreement detailing the work the broker will do for them, the rate of compensation and how it will be paid. Illinois REALTORS® has long provided and encouraged the use of these written agreements to protect everyone in the transaction.

Buying a home is often the largest, most significant financial transaction of your life. That is why it's so important to have a trusted professional help you. REALTORS® subscribe to a strict Code of Ethics and are market experts trained to help guide you in everything from setting up the appointments, to negotiating the offer, to organizing inspections, and coordinating the closing on your home.

Over the coming weeks, you're certain to read or hear more about these industry changes. You may even receive a postcard in the mail from attorneys claiming to be involved in the lawsuits. For REALTORS® in Illinois, our highest priorities will always be fairness and transparency in every transaction and access to homeownership for EVERYONE. Today, we are emboldened to continue to be the strongest advocate for the buyers and sellers we serve every day.

Through every economic high or low and with every technological change, REALTORS® have been there to support their customers and communities, our state and nation.

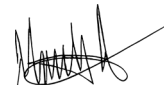
For more than 100 years, Illinois REALTORS® has been there to help you achieve the American Dream of homeownership. Through every economic high or low and with every technological change, REALTORS® have been there to support their customers and communities, our state and nation. This period will be no different and you will continue to be able to rely upon your REALTOR® to be your trusted advisor in your next home sale or purchase.

For more information, visit www.IllinoisRealtors.org/Consumers or contact your local REALTOR®.

Sincerely,



Jeff Baker
CEO



Matt Silver
President

