

Answers to Your Compensation Questions



Recent lawsuits regarding real estate broker compensation have generated many questions among Kentucky REALTORS® members. Keep the following in mind:

Broker Compensation is Negotiable

There is no association rule or policy that sets compensation amounts or requires brokers to use any specific compensation structure. Brokers may negotiate with clients on their specific fees and services. There are many different compensation models brokers may utilize, including commission, flat fee, hourly fee, and fees for specific tasks, which gives consumers many choices of brokerage models, fees, and services

Be completely transparent about fees with clients

Discuss fees with clients up front and get compensation details in writing.

Demonstrate your value

Prospects and clients won't know the extent of the work you do on their behalf unless you tell them. Create lists, marketing materials, and presentations that detail all the services and benefits you provide. Scan this QR Code for NAR's list of nearly 300 ways REALTORS® bring value to clients.



FAQs

Can listing brokers still offer cooperating compensation?

- Yes. No court ruling or NAR policy change prohibits listing brokers from offering compensation to cooperating brokers

What should listing brokers discuss with sellers about cooperating compensation?

- You should explain the benefits of offering cooperating compensation, such as increasing interest among buyers. Ultimately, any cooperating compensation must be negotiated between the seller and listing broker.

How can I ensure I am fairly compensated as a buyer's broker?

- Commissions can be negotiated at any point throughout the transaction. Sellers negotiate with their broker what fee they are willing to pay for their broker's services and what fee they are willing to pay a buyer broker for finding someone who wants to buy their home.