

JULY FORMS RELEASE: FREQUENTLY ASKED QUESTIONS

C.A.R. understands that members have many questions about the **new and revised forms** released in July. This FAQ addresses some of the most commonly asked questions.

1. Which new and revised forms are part of the July forms release? (Items with an asterisk indicate new forms.)
 - Broker Compensation Advisory (BCA)
 - Buyer Financial and Personal Information (BFPI)*
 - Buyer Identification of Preferences and Priorities (BIPP)*
 - Buyer Material Issues for a Specific Property (BMI-SP)*
 - Buyer Representation and Broker Compensation Agreement (BRBC)
 - Cancellation of Buyer Representation (COBR)
 - Modification of Terms – Buyer Representation Agreement (MT-BR)*
 - Modification of Terms – Listing Agreement (MT-LA)*
 - Multiple Listing Service Addendum (MLSA)*
 - Notice of Broker Involved Properties (NBIP)
 - Open House Visitor Non-Agency Disclosure and Sign-In (OHNA-SI)*
 - Property Showing and Representation Agreement (PSRA)*
 - Residential Listing Agreement (RLA)
 - Residential Purchase Agreement (RPA)
 - Seller Payment to Buyer’s Broker (SPBB)
 - Tenant Representation and Broker Compensation Agreement (TRBC)*
 - Other listing agreements and purchase agreements have also been conformed to the changes to the RLA and RPA, respectively.

2. When will these forms be available in zipForm® and other platforms?
The forms from the July forms release will be available in zipForm® and other platforms on July 24.

3. What are the major changes that were made to the forms?
The most significant change is that the option to make offers of compensation from a seller’s broker to a buyer’s broker is being removed from C.A.R. forms. This change will be reflected across numerous forms.

Additionally, C.A.R. has made other changes to these forms to make them easier for consumers and members to read, understand, and use.

In light of the changes, two previous forms — the Cooperating Broker Compensation Agreement (CBC) and the Anticipated Broker Compensation Disclosure (ABCD) — are no longer necessary and will be removed from the C.A.R. library.

4. Why did C.A.R. decide to remove offers of compensation from the forms?
C.A.R. has always ensured that it provides members with best-in-class real estate forms. After careful and thoughtful deliberation, C.A.R. has concluded that members and their clients are best served by making informed compensation decisions without relying on historically common practices. While C.A.R. recognizes that offers of compensation among brokers remain legal, the goal with this change is to be proactive, looking ahead to where real estate practices are moving.
5. Did C.A.R. change the forms in response to a Department of Justice (DOJ) or any other group’s input or request?
No. C.A.R. has chosen to take this proactive approach in what it believes is in the best interests of its members and California consumers.

6. Can REALTORS® still make offers of compensation?

The NAR settlement permits offers of compensation to buyers' brokers as long as such offers are not made on a REALTOR®-owned multiple listing service (or any other multiple listing service that has opted in to the NAR settlement). Brokers representing sellers must conspicuously disclose to the seller and seek the seller's approval for any payment or offer of payment to be made to any other broker, agent, or representative acting for buyers. Offers of compensation between brokers should be weighed carefully and, if desired, it is C.A.R.'s recommendation that the broker contact their attorney for advice.

7. How should a buyer's broker ensure they are compensated for their work on behalf of the buyer?

To comply with the NAR settlement, a buyer's broker must enter into a written agreement with the buyer before the buyer tours any home with the broker or an affiliated agent. That agreement must conspicuously disclose the specific amount or rate of compensation the broker will receive or how the amount will be determined. The buyer's broker cannot receive compensation for brokerage services from any source that exceeds the amount or rate in the agreement with the buyer.

Before signing an agreement with a buyer, the broker or agent should discuss the broker's services, value and compensation, and ensure the buyer understands that they will be responsible to pay their broker.

A buyer may pay their broker's compensation from any source. This could come from the buyer's liquid funds, or the buyer could find a third party to pay their broker. For example, a buyer could seek to use programs that assist buyers with closing costs or seek concessions from the seller through the purchase agreement (by using C.A.R. form RPA). Concessions or other assistance can be used for closing costs, including payments to the buyer's broker. Buyers can also ask their broker to seek payment directly from the seller (by using C.A.R. form SPBB). In the future, a buyer's loan to purchase a property may permit loan proceeds to be used to compensate the buyer's broker but, currently, most lenders will not permit this use for loan proceeds.

8. Will C.A.R. provide training on the July forms?

Absolutely. As your partner, C.A.R. is fully committed to helping its members adapt to these significant changes. C.A.R.'s leadership and legal staff will be hosting townhall meetings beginning July 10, with training continuing through August. Some of these virtual sessions will be recorded and made available on [car.org](https://www.car.org) as well. Additionally, C.A.R. Education will offer two new classes on settlement-related forms: a Buyer Representation Form class and a Residential Listing Form class. Members can access the classes for FREE by logging into store.car.org and entering "FORMS49" at checkout.

9. I have additional questions regarding these forms or about a particular real estate transaction. How can C.A.R. help me?

You can always get answers to questions about C.A.R. forms and your transactions directly from a Legal Hotline attorney by calling (213) 739-8282. You can also find links to our Legal Q&As, Quick Guides, and links to other resources at [car.org](https://www.car.org).

