

# Expiring Listings





# New market. Old issue.

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- The end of 2022 has brought with it an issue that listing agents have not seen in some time: a listing that doesn't sell.
- Newer agents may have never experienced this and don't know what to do. This Quick Guide is intended to help.

# Get An Extension

- If the relationship between the seller and broker is still good, and the seller still wants to sell, and the agent still wants to work with the seller, then continuing the listing on the same or different terms is the best course of action.
- C.A.R. Form MT, like the musician Prince, is the form formerly known as Modification of Terms. The now lengthy name is Modification of Listing, Buyer Representation or Other Agreement Between Principal and Broker, but the acronym remains MT.
- This form can be used to change the listing price, change the expiration date, or both, or make some other modification. It needs to be signed by both the seller and the agent for the broker to be binding on both parties.

**CALIFORNIA ASSOCIATION OF REALTORS®** **MODIFICATION OF LISTING, BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER**  
(C.A.R. Form MT, Revised 6/19)

The  Listing Agreement  Buyer Representation Agreement, (or, if checked,)  Other \_\_\_\_\_ dated \_\_\_\_\_ between \_\_\_\_\_ ("Broker") and \_\_\_\_\_ ("Principal"), regarding the real property, manufactured home or business described as \_\_\_\_\_ is modified as follows:

**PRICE:** The listing price, price range, lease or rental amount shall be changed to: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

**EXPIRATION DATE:** The expiration date is changed to: \_\_\_\_\_

**NOTICE: THE AMOUNT OR RATE OF REAL ESTATE COMMISSIONS IS NOT FIXED BY LAW. THEY ARE SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN PRINCIPAL AND BROKER (REAL ESTATE COMMISSIONS INCLUDE ALL COMPENSATION AND FEES TO BROKER).**

**OTHER:** \_\_\_\_\_

All other terms of the Listing Agreement, Buyer Representation Agreement, or other agreement as applicable, remain in full force and effect, except as modified herein.

I acknowledge that I have read, understand and have received a copy of this Modification of Terms.

Principal \_\_\_\_\_ Date \_\_\_\_\_  
Principal \_\_\_\_\_ Date \_\_\_\_\_  
Broker \_\_\_\_\_ DRE Lic # \_\_\_\_\_  
(Firm)  
By \_\_\_\_\_ DRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
(Agent)

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**MODIFICATION OF LISTING BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER (MT PAGE 1 OF 1)**

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Produced with Lone Wolf Transactions (2019 Form Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.cadrf.com

# Protect your right to a commission for work you have already done

If the sellers will not sign a modification, either because they say they no longer want to sell or because they have lost confidence in the listing agent, then it is important to protect your rights just in case the sellers change their mind.





# Notice of Prospective Buyers/Transferees (C.A.R. Form NPB)

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- This is the form to use for the listing agent to identify a buyer (i) who physically entered and was shown the property or (ii) for whom the agent submitted to the seller a signed, written offer to purchase, provided the activity (i or ii) occurred during the listing period.
- While any prospective buyer who meets the conditions could be named in form NPB, it is most important to identify those buyers the agent thinks are most likely to make another offer on the property, with or without an agent.
- The form notifies the seller that if the seller transfers the property to any of the identified buyers during the “protection period” then the listing broker is entitled to compensation.

# Notice of Prospective Buyers/Transferees (C.A.R. Form NPB)



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## NOTICE OF PROSPECTIVE BUYERS/TRANSFEREES

(C.A.R. Form NPB, Revised 12/15)

1. **NOTICE OF PROSPECTIVE BUYERS/TRANSFEREES:** This notice is being provided to you as required by the Residential Listing Agreement.  Lease Listing Agreement,  Other, between \_\_\_\_\_

(“Seller/Landlord”), and \_\_\_\_\_

(“Broker”) for the property described as \_\_\_\_\_ (“Property”).

2. **LISTING PERIOD:** The Listing Agreement commenced on \_\_\_\_\_ and was scheduled to expire on, or was extended to, \_\_\_\_\_ (“Listing Period”).

3. **COMPENSATION AGREEMENT:**

A. Seller/Landlord has agreed to pay Broker the compensation provided for in the Listing Agreement if within the specified time after the Listing Period or any extension, or after any cancellation of the Listing Agreement unless otherwise agreed, Seller/Landlord enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone (“Prospective Buyer/Transferee”) or that person’s related entity who during the listing period or any extension (i) Physically entered and was shown the Property by Broker or a cooperating broker, or (ii) Submitted to Seller/Landlord a signed written offer to acquire, lease, exchange or obtain an option on the Property.

B. The obligation above only applies if Broker has provided to Seller/Landlord a list of Prospective Buyers/Transferees no later than the end of the Listing Period or any extension or cancellation.

4. **LIST OF PROSPECTIVE BUYERS/TRANSFEREES:**

NAME	BROKER/AGENT	DATE OF OFFER
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

If checked see attached list of Prospective Buyers/Transferees

5. **NOTIFYING NEW BROKER:**

Seller/Landlord is advised to provide this Notice to any broker Seller/Landlord intends to relist with. Failure to do so may obligate Seller/Landlord to pay two commissions.

6. **DATE OF NOTICE:**

This Notice of Prospective Buyers/Transferees is being provided to Seller/Landlord on \_\_\_\_\_ (Date).

Real Estate Broker (Firm) \_\_\_\_\_ DRE License # \_\_\_\_\_

By (Agent) \_\_\_\_\_ DRE License # \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

I acknowledge receipt of a copy of this Notice of Prospective Buyers/Transferees.

Seller/Landlord \_\_\_\_\_ Date: \_\_\_\_\_

Seller/Landlord \_\_\_\_\_ Date: \_\_\_\_\_

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NPB REVISED 12/15 (PAGE 1 OF 1)

NOTICE OF PROSPECTIVE BUYER/TRANSFEREES (NPB PAGE 1 OF 1)

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# Residential Listing Agreement Protection Period (C.A.R. Form RLA, paragraph 3A(2))

- This paragraph, sometimes called a protection period or safety clause, obligates a seller to compensate the listing broker if for a certain period after the expiration of a listing, sellers enter a contract to sell to certain buyers even after the listing has expired.
- The paragraph only applies if a specific number of days is entered into the blank field at the beginning of the first sentence.
- Because in recent history properties were selling quickly, some agents have ignored 3A(2), or forgotten about it entirely, at the time of taking the listing thinking it would not be relevant.
- In the changed and slower market, 3A(2) has become more important. Another precondition to a listing agent protecting the right to be compensated is that the list of prospective buyers needs to be provided to a seller before or upon expiration of the listing. Providing the NPB after the listing has expired is too late.

# Residential Listing Agreement protection period (C.A.R. Form RLA, paragraph 3A(2))



## RESIDENTIAL LISTING AGREEMENT (Exclusive Authorization and Right to Sell) (C.A.R. Form RLA, Revised 6/22)

Date Prepared: \_\_\_\_\_

1. **EXCLUSIVE RIGHT TO SELL:** \_\_\_\_\_ ("Seller")  
hereby employs and grants \_\_\_\_\_ ("Broker")  
beginning (date) \_\_\_\_\_ and ending at 11:59 P.M. on (date) \_\_\_\_\_ ("Listing Period")  
the exclusive and irrevocable right to sell or exchange the real property described as \_\_\_\_\_

\_\_\_\_\_, situated in \_\_\_\_\_ (City),  
\_\_\_\_\_, (County), California, \_\_\_\_\_ (Zip Code), Assessor's Parcel No. \_\_\_\_\_ ("Property").

This Property is a manufactured (mobile) home. See Manufactured Home Listing Addendum (C.A.R. form MHLA) for additional terms.

This Property is being sold as part of a probate, conservatorship, guardianship, or receivership. See for Probate Listing Addendum and Advisory (C.A.R. Form PLA) for additional terms.

2. **LISTING PRICE AND TERMS:**

A. The listing price shall be: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

B. Listing Terms: \_\_\_\_\_

3. **COMPENSATION TO BROKER:**

**Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).**

A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s), either  \_\_\_\_\_ percent of the listing price (or if a purchase agreement is entered into, of the purchase price), or  \$ \_\_\_\_\_, AND \_\_\_\_\_, as follows:

(1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.)

OR (2) If within \_\_\_\_\_ calendar days (a) after the end of the Listing Period or any extension; or (b) after any cancellation of this Agreement, unless otherwise agreed, Seller enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone ("Prospective Buyer") or that person's related entity: (i) who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller, however, shall have no obligation to Broker under **paragraph 3A(2)** unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Seller a written notice of the names of such Prospective Buyers.

OR (3) If, without Broker's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or made unmarketable by a voluntary act of Seller during the Listing Period, or any extension.

B. If completion of the sale is prevented by a party to the transaction other than Seller, then compensation which otherwise would have been earned under **paragraph 3A** shall be payable only if and when Seller collects damages by suit, arbitration, settlement or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

C. In addition, Seller agrees to pay Broker: \_\_\_\_\_

D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers.

(1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS") by offering to MLS brokers out of Broker's compensation specified in **paragraph 3A**, either  \_\_\_\_\_ percent of the purchase price, or  \$ \_\_\_\_\_.

(2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy.

E. Seller hereby irrevocably assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may submit this Agreement, as instructions to compensate Broker pursuant to **paragraph 3A**, to any escrow regarding the Property involving Seller and a buyer, Prospective Buyer or other transferee.

F. (1) Seller represents that Seller has not previously entered into a listing agreement with another broker regarding the Property, unless specified as follows: \_\_\_\_\_

(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Property unless the Property is transferred to any of the following individuals or entities: \_\_\_\_\_

(3) If the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: (i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Seller in such transaction.

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RLA REVISED 6/22 (PAGE 1 OF 5)

Seller's Initials \_\_\_\_\_/ \_\_\_\_\_



### RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 1 OF 5)

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# Cancellation of Listing (C.A.R. Form COL)

- Whether there is a lot of time left before a listing expires, or a little, the seller and listing broker may agree to cancel the listing under mutually acceptable terms.
- While a salesperson (agent) may enter into a listing on behalf of a broker, only the broker or office manager can agree to cancel the listing.

1. (Check A or B or Both) Principal agrees to pay Broker the amount of compensation specified in the Listing:  
 (A) If, prior to the end of the Listing Period specified in the Listing or any extension, Principal enters into a contract to sell, convey, lease or otherwise transfer the Property;  
 (B) If, within \_\_\_\_\_ Calendar Days after (i) this Cancellation Of Listing, or  (ii) the Listing Period specified in the Listing, Principal enters into a contract to sell, convey, lease or otherwise transfer the Property to any person named below, or that person's related entity, who, after the commencement of the Listing and prior to this cancellation, (i) physically entered and was shown the Property by Broker or a cooperating broker, or (ii) submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property:  

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(C) In the event of a transaction specified in A or B above, Broker has no obligation to represent Principal in such transaction.  
(D) Compensation is payable on close of escrow or, if completion of the transaction is prevented by default of Seller, on Seller's default.
2. (If checked)  Principal agrees to pay Broker \_\_\_\_\_ % of the compensation specified in the Listing:  
(A) If: (i) prior to the end of the Listing Period specified in the Listing or any extension, Principal enters into a listing agreement for the sale or lease of the Property with another real estate broker; **and** (ii) Principal enters into a contract to sell, convey, lease or otherwise transfer the Property during the Listing Period specified in the Listing or any extension.  
(B) Principal agrees to notify the other real estate broker of the compensation obligation of this paragraph and to pay Broker such compensation upon close of escrow.  
(C) Compensation is payable on close of escrow or, if completion of the transaction is prevented by default of Seller, on Seller's default.
3. (If checked)  Principal agrees to pay Broker \$ \_\_\_\_\_, for out-of-pocket expenses, costs incurred and services rendered in marketing the Property prior to cancellation of the Listing.
4. (If checked)  Principal owes no compensation to Broker.
5. (If checked)  Other \_\_\_\_\_.

# Cancellation of Listing (C.A.R. Form COL)

- Different compensation options are available in the COL, ranging from no compensation at all required (paragraph 4), to a payment for out-of-pocket expenses the broker has already incurred (paragraph 3), to a reduced compensation if the seller lists with another broker and sells the property during the original listing period (paragraph 2), to an equivalent of the NPB form with the prospective buyers named in the body of the COL rather than in a separate NPB form (paragraph 1B).



## CANCELLATION OF LISTING (C.A.R. Form COL, Revised 6/18)

Other than as provided herein, Broker and Principal mutually release each other from all obligations under the Listing and from all claims, actions and demands that each may have against the other by reason of the Listing. However, Broker and Principal agree that the dispute resolution and attorney fees provisions of the Listing Agreement shall control any dispute arising out of this cancellation of Listing.

I acknowledge that I have read and understand this Cancellation of Listing and have received a copy.

Principal \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Firm) \_\_\_\_\_ DRE Lic.# \_\_\_\_\_

By (Broker/Office Manager) \_\_\_\_\_ DRE Lic#: \_\_\_\_\_ Date \_\_\_\_\_



# Additional Resources

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- Quick Guide – Expiring Listings
- Q&A - [Commissions](#)