

THE BRBC: HOW DO BUYER BROKERS GET COMPENSATED?

July 18, 2024

To help members get ready for upcoming practice changes resulting from the NAR settlement, C.A.R. is preparing a series of articles about the various revised and new forms that REALTORS® will need in a real estate transaction once the new MLS policies are effective August 17, 2024, or sooner depending on your MLS. You can find other articles in this series here:

<https://www.car.org/riskmanagement/brokercompliance>.

In this article on C.A.R.'s Buyer Representation and Broker Compensation Agreement (C.A.R. Form BRBC), we discuss an issue that is near and dear to most people's hearts – compensation.

Once the new MLS policies go into effect, offers of cooperative compensation will be prohibited on REALTOR®-owned MLSs. As such, many agents are wondering about how they'll get paid. But don't worry! Even without the MLS, there are still three ways in which a buyer's broker can get paid using C.A.R. forms, and for each method there is a corresponding C.A.R. form that can be used. Keep in mind that these methods are not mutually exclusive; in any given transaction, more than one of the methods may be used.

Method	C.A.R. Form(s) to Use
The buyer pays the compensation through a buyer representation agreement.	Buyer Representation and Broker Compensation Agreement (C.A.R. Form BRBC) or Property Showing and Representation Agreement (C.A.R. Form PSRA)
The buyer negotiates for the seller to pay the compensation that the buyer owes the buyer's broker pursuant to the buyer representation agreement.	Residential Purchase Agreement (C.A.R. Form RPA) and Seller's Payment to Buyer's Broker (C.A.R. Form SPBB)
If the seller is unrepresented, the buyer's broker can contract directly with the seller for payment.	Single Party Compensation Agreement (C.A.R. Form SP)

Determining how you'll get paid is one matter, but how do you ensure that you'll actually receive the funds? This is taken care of through escrow. Buyer's brokers will need to provide a copy of their compensation agreement(s) (such as the BRBC and/or the PSRA) to escrow, and the funds will be disbursed upon close of escrow.

C.A.R. will release a revised version of the BRBC in late July 2024, which will contain terms that reflect the NAR settlement. Be sure to check [car.org](https://www.car.org) frequently for updates and new resources about the BRBC.