

# The Offer of Compensation

Guest blog post written by Gail Hare, RMLS™ Executive Vice President

One of the core elements of a Multiple Listing Service is the offer of compensation. Each listing entered into RMLS™ shows the amount of the cooperating compensation in the BAC fields. This informs other MLS participants about their expected compensation before they try to sell the listing. Any change must be communicated in writing before an offer is submitted.

The cooperating commission is shown as a specific dollar amount or as a percentage of the gross selling price. The commission of the Listing Broker is never displayed. The total commission negotiated between the Listing Broker and the Seller is also never disclosed.

## Dual or Variable Rate Commission

Some listing agreements have special terms if the Listing Broker also represents the buyer. Those terms state that total commission differs when there is no Cooperating Broker in the sale. This could affect the relative attractiveness of competing offers. Listings have a required field called "Total Commission Differs If Sold In House." This is checked YES to alert MLS subscribers about this condition.

## Short Sale Considerations

Short sales present many challenges. The lender may require a reduction in the gross commission as a condition of approving the sale. The Listing Broker may use the Private Remarks to describe how any reduction will be apportioned. If there is no notification by this or other means, Cooperating Brokers can reasonably expect the published compensation.

## Remember!

Compensation and the division of compensation is not fixed or controlled in any way. Each Listing Broker independently decides the commission for each listing.

Disputes between REALTORS® regarding offers of compensation are resolved through arbitration and mediation.

#### For More Information

Read Section 6 of the RMLS™ Rules and Regulations to learn more about commissions, and Rule 3.25 to learn more about how short sales are handled. Please contact our Rules staff if you have questions. Call Vallerie Bush, Rules Administrator, at 503-872-8045 or Wanda Kennedy, Rules Representative, at 503-872 8084. They can also be reached by email at [Rules@rmls.com](mailto:Rules@rmls.com).