

The NVAR Board of Directors has approved the below new forms changes, as proposed by the NVAR Standard Forms Committee and drafted after months of outreach to and feedback from NVAR members, affiliates, attorneys, brokers, and Strategic Partners. The changes will be effective July 1, 2024.

As a reminder, the practice changes from the NAR Settlement Agreement go into effect by August 17, 2024. The Standard Forms updates reflect not only requirements pursuant to the Settlement, but also anticipate how the real estate industry is likely to evolve. Although certain compensation models, such as cooperative compensation, may still be available for Realtors® after August 2024, the updates outlined below provide the most transparency to Realtors® and consumers alike and pave the way for the most efficient transactions in our competitive marketplace. For more information about the NAR Settlement, please visit [The Facts for REALTORS® \(nar.realtor\)](#) and view [Top 10 Highlights from the NAR Proposed Settlement – Practice Changes \(nvar.com\)](#).

Note: Across all forms, any references to “Cooperating Broker” have been changed to “Buyer’s Broker” or “Tenant’s Broker.” Additionally, the legal boilerplate language has been updated throughout the forms to add important provisions regarding the conflict of laws and severability, which address litigation procedure. The changes are as follows:

1. [K1336 – Exclusive Right to Sell Listing Agreement](#), [K1337 – Exclusive Agency Listing Agreement](#), & [K1355 – Exclusive Right to Sell Unimproved Land Listing Agreement](#). These forms were updated as follows:

- Par 4 – We clarified the two types of time periods that run during the course of a listing agreement: (1) Agreement Term: the period of the agreement itself; and (2) Listing Term: the period when a Seller is ready for prospective buyers to learn about the property.
- Beginning in August, Bright MLS will require listings to be entered into the MLS within two (2) days of Listing Term, regardless of whether the property is available for showing. For more information, please see: [Bright Policy Updates: What to Expect This Summer](#).
- Moved the Broker Compensation paragraph to earlier in the document for transparency.
- Par 6 - Relocated disclaimer to the top of the Listing Broker Compensation paragraph.
- Par 6 – The entire paragraph has been renamed to “Listing Broker Compensation” to clarify that **this section should ONLY address payment to the listing broker.**
- Par 6 – Listing Broker Compensation – We removed subsection C for “Buyer Agency Compensation,” as the amount is no longer taken from Listing Broker Compensation and paid to a broker representing buyer. **Thus, our forms will no longer have a space to allow for commission splits or cooperative compensation.**
- Par 6 - Additional Listing Broker Compensation for Unrepresented Buyer – added a new (optional) subparagraph for different compensation earned by Listing Broker if Buyer is unrepresented.
- You may continue to use the “Variable Rate Compensation” subparagraph for other types of fee structures.

- **Reminder:** Listing Broker Compensation is earned upon bringing a ready, willing, and able Buyer, meaning that a sales contract has been ratified and all contingencies have been satisfied (i.e., Buyer no longer has a right to void). This means that if either party defaults, Broker Compensation is still earned.
- Par 7 – Seller-Paid Buyer’s Broker Compensation – This is a **NEW PARAGRAPH** which includes similar language as the previous version of the “Buyer Agency Compensation” subsection, for familiarity to the agent and simplicity/transparency to the consumer. **At Seller’s discretion, Seller can pay the Buyer’s Broker directly** . We believe this type of payment will avoid lender limits on IPCs, based on their latest guidance. For more information, see: [NAR Settlement Financing FAQs](#).
- Par 7 – Seller-Paid Buyer’s Broker Compensation – Clarifies that this amount will ultimately be negotiated in and determined by the sales contract between the Seller and Buyer. **REMEMBER: After August 17, 2024, any compensation offered to a Buyer’s Broker cannot be advertised on the MLS** .
- Par 8 – Seller Subsidy – This is a **NEW PARAGRAPH**. Seller subsidies, or concessions, are payments from the Seller to the *Buyer* directly. The definition comes directly from the Residential Sales Contract. The amount for Seller Subsidy may be subject to lender limits if not applied directly to a Buyer’s agent – so be mindful when making this offer.
- **PRACTICE TIP:** Seller Subsidy can be advertised on the MLS, even after August 17, 2024. However, if offered, the amount **cannot be limited to or conditioned upon Buyer being represented by a Buyer’s Broker**. Ultimately, Seller Subsidy and Seller-Paid Buyer’s Broker Compensation **should be negotiated on a case-by-case basis** .
- Remember: Paragraphs 7 and 8 offer flexibility for Sellers. They may offer both types of financial contributions to Buyers, one type, or none at all. If Sellers intend to defray the costs of a Buyer’s agent, Paragraph 7 is the most direct method.
- Par 9 – Conveyances – Removed “Trash Compactor” as a common item that conveys with Property.
- Par 13 – Substantially revised the Marketing paragraph to conform with Bright MLS’s rule changes, including updating the definition for “Office Exclusive” and removing the 21-day limitation on the “Coming Soon” status.

2. [K1338 – Exclusive Right to Represent Buyer Agreement](#). This form was updated as follows:

- Par 8 - Relocated disclaimer to the top of the Compensation paragraph and reorganized sub-paragraphs for clarity.
- Par 8 – “Broker Fee” changed to “Buyer’s Broker Compensation” for consistency across agreements.
- Clarified that Buyer's Brokers are prohibited from receiving any broker compensation that exceeds the amount agreed to in this paragraph in accordance with the NAR Settlement Agreement.

- Par 8 – Added checkbox for VA Buyers/Buyers who require financial assistance to direct Buyer’s Broker to request Seller contribution in all offers. Seller contribution can include Seller Subsidy and/or Seller-Paid Buyer’s Broker Compensation.

3. [K1321 – Residential Sales Contract](#). This form was updated as follows:

- Par 2 – A **new line-item** was added to account for Seller Payment towards Buyer’s Brokerage Compensation. This will be used for deducting from the ALTA. **This line allows for the Seller and Buyer to negotiate Buyer’s Broker Compensation directly, as part of the contract.**
- Par 2 – Clarified that Buyer’s Broker can enforce this provision against the Seller using legal “third-party beneficiary” contract principles.
- Par 3 & 27 – A new definition was added for “Business Days.” “Days” in the Deposit paragraph was changed to “Business Days” to allow Escrow Agent to deposit funds in a timely manner.
- Par 8 – Virginia Resale Disclosure Act – Revised in accordance with new Virginia law which modifies VA Resale Disclosure Act to allow parties to negotiate the time period for Buyer to cancel the contract after receiving the resale certificate.
- **Reminder:** Seller MUST still deliver the resale certificate. Parties can fill any number of days in the blanks in this paragraph, but if left blank, the Buyer’s right to cancel the contract defaults to 3 days.
- **Practice tip:** If selecting zero (0) days, NVAR recommends providing the Buyer with Form K1308 – Buyer’s Acknowledgement of Potential Adverse Consequences.
- Par 12 – Conveyances – “Trash Compactor” was removed.
- Par 22 – Renamed to “Broker Compensation” and simplified.

4. [K1209 – Sales Contract for Unimproved Land](#). This form was updated to mirror the changes to the Residential Sales Contract.

5. [K1281 – Exclusive Right to Lease Listing Agreement](#). This form was updated as follows:

- **REMINDER:** Real estate activities related to leasing and rental properties are not subject to the NAR Settlement Agreement; therefore, the changes to our leasing forms do not mirror the changes to forms used for home sales.
- Par 6 – Relocated disclaimer to the top of the Compensation paragraph.
- Par 6 – Moved the Compensation paragraph to earlier in the document, for transparency to the consumer. The **total** compensation should still be completed in Subparagraph A.
- Par 6 – Subparagraph B – Renamed to “Tenant’s Broker Compensation” for clarity and consistency. This section continues to be for an amount taken from Lease Listing Broker’s

compensation and offered to Tenant's Broker. This amount is optional and can be negotiated by the parties.

- Par 8 – Removed “Trash Compactor” from Provided Fixtures.
- Par 10 – Added showing instructions to be shared with other real estate licensees and prospective tenants, to mirror the instructions in listing agreements.
- Par 11 – Marketing – Substantially revised the Marketing paragraph to conform with Bright MLS's rule changes. **Remember: Bright MLS now requires listings to be entered into the MLS within two (2) days of the effective date of the listing agreement**, regardless of whether Seller has authorized public marketing on the MLS. Listings should be entered as “Office Exclusives,” and can be limited to viewing only by the agent and the broker. For more information, please see: [Bright Policy Updates: What to Expect This Summer](#).

6. [K1282 – Exclusive Right to Represent Tenant Agreement](#) . This form was updated to mirror the changes to the Exclusive Right to Represent Buyer Agreement.

7. [K1354 – Lease – VRLTA](#) . This form was updated as follows:

- Par 1 – Rent – The Rent chart was moved to the first page pursuant to a new Virginia law requiring all fees be disclosed upfront, on the first page of all lease agreements. A disclaimer was added as required by the new law, stating that a Tenant cannot be charged any fees unless they are outlined in this chart or included in an addendum.
- Par 1 – Rent – Minor cosmetic changes were made to the chart, including a definition for calculating Pro-Rated Rent.
- Par 2 – Premises – “Street Address” changed to “Full Address.”
- Par 4 – Notice – Added checkboxes for Landlord or Managing Agent. Removed options for Work and Home phone numbers and removed “City, State, and Zip Code” for Landlord/Managing Agent.
- Par 5 – Security Deposit - Landlord additional time period for itemized damages reverts to 15 days in accordance with the temporary law expiration.
- Par 8 – Fire Damage – Updated to conform with VRLTA. Both parties are able to terminate, and termination is not automatic.
- Par 11 – Added “Landlord” to the title to clarify that it is the Landlord that performs the Move-In Inspection, not the listing agent.
- Par 12 – Utilities and Services – reformatted for consistency with Exclusive Right to Lease. Removed lawn service and security system as those are not required utilities under the VRLTA.
- Par 13 – Removed Trash Compactor from list of fixtures.
- Par 13 – Renamed “as is appliances” to “as-is items” for consistency with Exclusive Right to Lease.

- Par 15(C) – added “Refrigerator water filters” to tenant obligations.
- Par 15(J) – Clarified that while Landlord is typically responsible for delivering a pest-free home and is responsible to remedy pest infestations, infestations caused by the Tenant are the Tenant’s responsibility.
- Par 17 – Move-Out Inspection – combined subparagraphs. Removed ‘gutters’ from tenant obligations. Added refrigerator water to filter installation responsibilities. Clarified that Tenant is only responsible for remedying pest infestations caused by them. Added blank for “Other.” Removed the pre-agreed-upon security deposit deduction paragraph.
- Par 27 – Access – Added Landlord notice for routine maintenance provision in accordance with new Virginia law.
- Par 30(A) – Transfer of Tenant – Updated this provision pursuant to new Virginia law and court ruling on the SCRA.
- Par 33 – Condemnation – Updated pursuant to new Virginia law.
- Paras 37-39 – Added Megan’s Law Disclosure and moved disclosure-related paragraphs to the end.
- Par 40 – Added “Other” to Attachments.

8. [K1402 – Airport Impact Overlay District Disclosure Notice](#). This form, which pertained only to Loudoun County, was removed from the NVAR library pursuant to a new Virginia law, which prohibits localities from establishing or enforcing a mandatory disclosure requirement for a real estate licensee, any party to a contract for the sale or listing of residential real property, or any authorized agent of such party. **This disclosure will no longer be required after July 1, 2024.**

9. [K1344 – Contingencies and Clauses Addendum](#). Section 2C for payments to a Buyer’s Broker from a FSBO Seller or Builder has been removed as Buyer’s Broker compensation can now be negotiated directly on the sales contract.

Administrative Changes:

The following forms have been updated to correct clerical errors or to maintain consistency with the rest of the forms library, as provided in the Note above:

- [K0004 – Brokerage Representation Agreement Amendment](#)
- [K1008 – Rental Application](#)
- [K1017 – Property Management Agreement](#)
- [K1020 – Post-Settlement Occupancy Agreement](#)
- [K1272 – Megan’s Law Disclosure](#)
- [K1306 – Escalation Addendum](#)
- [K1307 – Seller’s Estimated Costs of Settlement](#)

- [K1342 – Home Inspection and Radon Testing Contingency](#)
- [K1351 – Short Sale Addendum to Contract](#)
- [K1389 – Extension of Review Period for Common Interest Community Resale Certificate Addendum](#)
- [K1390 – Understanding Your Rights Under the Resale Disclosure Act](#)
- [K1393 – Buyer Offer Cover Sheet](#)