**REALTOR to REALTOR Podcast Special Series Episode 2**

Marki Lemons Ryhal ([00:00](https://www.rev.com/transcript-editor/shared/-EYY0aNPizmUnfX1X4Ns3bWxsU9IluvfGBtzjY1L5-qOIQVokpUkIL2U8H4r0srDlsnzieQnfzxuShZNej9Dl7uxFcY?loadFrom=DocumentDeeplink&ts=0.21)):

How are you going to explain to your buyers that they are responsible for your compensation as their agent?

Nicola Esposito ([00:06](https://www.rev.com/transcript-editor/shared/aFGgUiMQDjWocZSY5fm4JJmXzyU4gm5jVbug_SC_IqWe0Ev9Iua6l1IZ03_QM-ntIPd21QtoDpeXvU5_vfCsssuJ4QM?loadFrom=DocumentDeeplink&ts=6.63)):

There's so much more opportunity now to have that one-on-one with our buyers, be able to articulate the value that we provide to them.

Marki Lemons Ryhal ([00:13](https://www.rev.com/transcript-editor/shared/mxtH8PIsrwFJerZ_R0zn7QBV4mX7-BexvjNGzaF6IqGjp4XnP0DIM6590KSWIo29Q-XtCU-vhYsdu4V44e2IqP806vE?loadFrom=DocumentDeeplink&ts=13.44)):

The truth is, it shouldn't be a difficult conversation if you're explicit about everything that you do for your clients in order to earn that [commission](https://www.nar.realtor/newsroom/correcting-the-record-nar-does-not-set-commissions).

Leigh York ([00:22](https://www.rev.com/transcript-editor/shared/7Hh0_-78KkmRetd73Iaz-ql32VUUZoWIJpKkj-a7S3mkjTmBft1eWkYfbwjtLSQgTRksGgMHRxbYxOLVMBPnoxxSfXc?loadFrom=DocumentDeeplink&ts=22.92)):

I don't think it's new to any real estate agent to have consumers, buyers or sellers, negotiate our compensation.

Marki Lemons Ryhal ([00:33](https://www.rev.com/transcript-editor/shared/88uLclvfanOpOUd9I-5AQ43ijT7GxGSVxxSRtxW4w4G-Mdjgf0Kb7Ykpig-xMv2R0lyV9uoKtf0ihqYSaW1zK7U6ix4?loadFrom=DocumentDeeplink&ts=33.39)):

You're listening to a special episode of Drive With NAR, the Realtor to Realtor Series powered by Realtor Magazine. Listen as real estate professionals discuss the facts about the [NAR's settlement agreement](https://www.nar.realtor/magazine/real-estate-news/law-and-ethics/court-grants-preliminary-approval-of-nar-settlement) and how to work with home buyers and sellers to communicate their value. Find FAQs, videos and tools to understand the settlement @ facts.realtor and follow the latest news @ magazine.realtor. I'm Marki Lemons Ryhal, and we're going to break down the new MLS rules coming out of the NAR settlement agreement. It prohibits listing agents from making offers of compensation to buyer's agents on the MLS. While this significantly changes the way most buyer agents are paid, it does not at all stop you from making a living. I hope my guests and I will help you to see that today. I want to welcome Nick Esposito, an agent with Gilsenan & Company in Ridgewood, New Jersey. He's also the chair of NAR's Consumer Communication Committee. Thank you for being here, Nick.

Nicola Esposito ([01:51](https://www.rev.com/transcript-editor/shared/UQAPwzRWGshKSV7c3hJky3B_Iv6YTEhfs8CcuX1QHlhe6EYvVm1Ynw1zvWkpSpSetyabaacvZQJEtlwy3hcS9UO7eIE?loadFrom=DocumentDeeplink&ts=111.36)):

Happy to be here.

Marki Lemons Ryhal ([01:52](https://www.rev.com/transcript-editor/shared/8dScivZ-eOuqme61cXsuDYYzPS9xTZbAhg_MawNpq4H5TscLzKR7qhcvE4WQG8Mh3Ana1WiQjwNws8T37Uhl8RlC22M?loadFrom=DocumentDeeplink&ts=112.44)):

And Leigh York is an agent with Century 21 Judge Fite Company in Fort Worth, Texas. She was the 2019 Chair of NAR's Professional Standards Committee. Welcome, Leigh.

Leigh York ([02:07](https://www.rev.com/transcript-editor/shared/vXqlko5o2RRhTPtVLtwNGvfawVjbKyPs7J2PvvUOm-PSruE_2Wvlsgsn5__-zfr4QnpQ64_AnWREZTJNH_tV9gpm8M4?loadFrom=DocumentDeeplink&ts=127.23)):

Hey, Marki.

Marki Lemons Ryhal ([02:09](https://www.rev.com/transcript-editor/shared/R9cFbZxcfCobEd9jEFnsqgPiMPz63rTUEwD3VJ9FiYyFlMOStRJZ9ShfVATxfNPNgEPq06Gd_VmbKDBzBtiYWJccK34?loadFrom=DocumentDeeplink&ts=129.18)):

I think outside of the box, and this is what I've been encouraging agents to do. Every solution we need already exists. And when I think about commercial real estate professionals, they are often paid through a letter of intent. They've never seen cooperating compensation. And so we, as residential agents, can start thinking outside of the box and look at the solutions that already exist in the world of real estate, whether we think like a commercial real estate professional or whether we are thinking like a global real estate professional. There are a lot of agents who are very nervous that the changes in how they get paid are going to impede their ability to earn an honest living. Do you have any of those fears, Leigh?

Leigh York ([03:03](https://www.rev.com/transcript-editor/shared/7WzcNzaeJa2cCn-hJ1ar-i_kld94FJ5xFzP_6GrAKSRBncNzxCD0xGnFDpq4IFIlyB6D2TWa8tB5cKe3Tw2dJ6k-Z0E?loadFrom=DocumentDeeplink&ts=183.78)):

No. No, I don't. I do have empathy for those who do have those fears. I have some empathy there, but I don't have those fears. My biggest fear is that we're not going to take advantage of all the opportunities that are in front of us right now. But no, I don't have those same fears.

Marki Lemons Ryhal ([03:22](https://www.rev.com/transcript-editor/shared/wde8epM65iV0vql339ACMv5P45opAVtl2xxtjekPc2AjmyRPAj5qqUNohVIJ-AjgI4LtZ_s7JIypBX4cjttkUtIi-Os?loadFrom=DocumentDeeplink&ts=202.29)):

When you say opportunity, what opportunities do you believe exist in today's real estate market?

Leigh York ([03:30](https://www.rev.com/transcript-editor/shared/xmkWkBQp1F4nAFicbdNmcPAq-DnhG_tciXLKp1jkfPXakxLbslzkGslf6IK5vUkqQ8XmWQIjGSQIFq4wXlRLV82dBxA?loadFrom=DocumentDeeplink&ts=210.03)):

I think that we have the opportunity to have more real estate agents having better, more detailed conversations with more consumers. We very likely are going to see more utilization of compensation models that are already out there. Just like you said, it's already in the real estate market, we just haven't been using them. And so I think now is an excellent time to implement some of those things and give the consumers more options. So anything we can do for our consumers, that's an opportunity for us.

Nicola Esposito ([04:06](https://www.rev.com/transcript-editor/shared/YmnHpyflEFk70ksLHnnu_8hJHzFpJQcuJ5R7kmdjwD4CMxpaKZg9i4rbBZ0VGmUG2tIxPMdFmMp8hiMdghTyhG58sFU?loadFrom=DocumentDeeplink&ts=246.9)):

I agree with Leigh wholeheartedly that there's so much more opportunity now to have that one-on-one with our buyers, be able to articulate the value that we provide to them. So as long as you've been doing that, and if you haven't, to be able to get back to the fundamentals, why you're doing your business, the services you're providing, to be able to articulate that and then be educated on the compensation model that your brokerage chooses for you or that you choose with your brokerage, I think it's important to fully understand those things and be able to articulate them to your clients.

Marki Lemons Ryhal ([04:36](https://www.rev.com/transcript-editor/shared/T2t_MIS3HDcHw4FdFmgD0EoZPeUfeW4pSRiBri0kne_7dW9jC5KvSR7e9nNo4QhGiEaTj5JF6yNhAJpXjrFzEN_JneA?loadFrom=DocumentDeeplink&ts=276.51)):

We're going to have to start explaining to our buyers that they're responsible for our compensation, and that could be an uncomfortable conversation many of us aren't used to having. How can agents prepare for this?

Nicola Esposito ([04:51](https://www.rev.com/transcript-editor/shared/m65s8QbS5a-DwPaI_XVOU8EQ5pjD_PrCfCaU1jvbCs64s-JTv03HsoDgvz6Yug90AmOhzbppUF2JUeujpPr3IFgLyJ8?loadFrom=DocumentDeeplink&ts=291.45)):

So I think we got to lean in, like I was saying before, into the fundamentals. The National Association of Realtors has so many different resources that we can tap into, the accredited buyer's representative designation course and others and even your local or your state association. And the other thing is we have to remember that as a buyer's agent to highlight our fiduciary to our buyer, honesty, disclosure, help them understand how we utilize the MLS, lean into those fundamentals, and I think that the buyers will understand our worth when we're able to convey it to them clearly.

Marki Lemons Ryhal ([05:24](https://www.rev.com/transcript-editor/shared/8YqyAP4yTpX8mBgG_OFoYFgNA-ZAgJ-RetVfyOmXWSkPSvTuzyr_u3mFM3cq_qQVUIWTr10tXPqJQm30idKxqlyhgFE?loadFrom=DocumentDeeplink&ts=324)):

When we look at our fiduciary responsibilities and we go through OLD CAR, the obedience, loyalty, disclosure, confidentiality, accountability, and reasonable skill and care, I don't think most of them know that we owe them undivided loyalty, putting their needs and their wants before our own, and that includes looking out for them whether or not we're being compensated because cooperation does not equal compensation. I believe that both of you will agree. There are times that we've been phenomenal agents, dotted every I, crossed every single T, but if that deal did not fund, we cooperated, we did a phenomenal job, but we were not compensated in that real estate transaction. Leigh, how do you feel about what Nick had to say?

Leigh York ([06:17](https://www.rev.com/transcript-editor/shared/Bpy0xblHRjgBu6knQDc3GslpvC7oaevYFAp598ewylWsZ0bXNxOPCcRUPbtW3KbSwyiKRymz19qTyQvbL-NwdbdjbkM?loadFrom=DocumentDeeplink&ts=377.73)):

I think he's right on. I will say I think the fundamentals for Nick are absolutely the place to go, but not all of the real estate license holders were taught the same fundamentals. So let's make sure that it's the accurate and consumer dedicated fiduciary fundamentals that we're getting back to, right?

Marki Lemons Ryhal ([06:41](https://www.rev.com/transcript-editor/shared/_FSve6s_qIdax124y9yqMX5R_Ki7QlTsP75Xo0Akah7AaenIIBthiZZOuzEbItefHVRcvQjQCZZ1MGaZUKVNoLHrfxU?loadFrom=DocumentDeeplink&ts=401.19)):

I would agree. I was having a call earlier today with Cindy Hayden out of the state of Florida, and in that conversation we talked about how we're currently leveraging artificial intelligence to allow us to have difficult conversations. And what I love is the fact that if we're thinking about the consumer, we can leverage DiSC profiles through humantic.ai that allow us to talk to people based on their personality and tailor that conversation where we can ask it, "Hey, allow me to have a value-added conversation and demonstrate the value to the consumer." There's an acronym called WIIFT, what's in it for them? So for those who don't know what to do, I would encourage them to start leveraging artificial intelligence so that they can demonstrate their value. It is not cheating, okay? But it is our productive electrifying trained assistant that is also bilingual. There will always be buyers who ask you to lower your commission. How do you think agents should handle that question?

Leigh York ([07:55](https://www.rev.com/transcript-editor/shared/zQvmz-9yO7sr3-oZMuSGQa6VxOCIHD8PIwzudNgMy-uFoHjGf52pkbGrFqGZZmGm7Ujxj2QzxylodQ2Vn2Cd7tF48hM?loadFrom=DocumentDeeplink&ts=475.29)):

I don't think it's new to any real estate agent to have consumers, buyers or sellers, negotiate our compensation. It's the same way I always have, talk about what are their needs. How can I meet those needs? What am I doing? And can we come to an agreement on what I'm worth and what I'm willing to accept? I will say in my 28 years, almost everybody I've ever talked to has respected that I had the conversation and people totally understand that we want to be compensated. Most consumers can't fathom the idea that we work for free. So the conversation just has never been as hard for me as a lot of real estate agents fear that it will be.

Marki Lemons Ryhal ([08:50](https://www.rev.com/transcript-editor/shared/K5Fl6eawgD01hf4srlNlw6dGoBbeHuBXa3o3Jto5XxP2jZRcKtx16MSgJrgFnSGL2MiSzwXIYbvIUt2ajC9NZGBsG58?loadFrom=DocumentDeeplink&ts=530.28)):

I often laugh at the fact that we do not want to have to negotiate. And at the end of the day, when people demonstrate their value publicly, I am actually more likely to pay them what it is that they think that they're worth, not what I think that they're worth. But we have to provide something of value, which means then, we need to really start explaining the difficulties of a real estate transaction without disclosing any confidential information. Oftentimes, we've made it seem very easy, but it's not an easy transaction. This is a quite complex transaction, and it's time that we show people behind the scenes without revealing confidential information all that it entails. The fact that essentially we fund their ability to be able to close because we're paying so many expenses before we ever make it to a closing table with the hopes that we will be reimbursed.

Nicola Esposito ([09:54](https://www.rev.com/transcript-editor/shared/REI3tuT26HWmQ9dciVTorBWi8r9GUeCF-9jLJy7xyJ3P25BdbYpDRyiT4LPuGObcCTUUAlTFOeqyl23-UUiZninlfpI?loadFrom=DocumentDeeplink&ts=594.09)):

I think if you're confident in the value that you bring, that's where the negotiations you're comfortable in that conversation, and it starts with why are you in business? Who do you serve? What services are you going to provide? So for a buyer's agent, what are you doing? Are you just opening doors and showing houses? I think it's a little bit more than that. It's understanding the market. How many offers are being presented in this price range in this town versus this town, so on and so forth, and prepping your buyers for that, managing expectations. I think it's super important to be able to articulate those things so that when the negotiations come to play or come to the forefront, you say, "Listen, this is what I'm providing you and this is my compensation." One goes right with the other. So being confident in the value you bring is so important.

Marki Lemons Ryhal ([10:39](https://www.rev.com/transcript-editor/shared/1hPIGMxwEyxGUP7GmOftHlpR2tv4TFMXA9rP8JOvvS8LBiusrAs6BjwtfZFpe39jBETX-0cs89QhtCNjVlpddQ2F85U?loadFrom=DocumentDeeplink&ts=639.51)):

Part of the MLS changes will require real estate professionals to use written buyer agreements with their clients. So why do you feel it is necessary for us to implement these?

Leigh York ([10:52](https://www.rev.com/transcript-editor/shared/zChCDeN76Xr7VZ3vjENyM3l7La3lWwb9e45pBxaoik9F0PDCJmIX-fYJvhphWN9YaSTS2vGTMGE1grJMFAwPGiZ8M_Y?loadFrom=DocumentDeeplink&ts=652.23)):

We use a buyer agreement. I love it. To me, it is a tool in my toolbox. At that initial consultation, we have a conversation. I explain what I can do for them, what I expect from them so that I can help them achieve their real estate dreams. It builds respect, it builds rapport. They see my value as I go over it. Admittedly, something I do on the consultation is I just overwhelm them with information. I overwhelm them with information, and I tell them, "Don't worry. I know it's a lot, but we're going to be talking about it over and over as we work together, so you'll have a good understanding and you'll be comfortable. I know you don't do this every day. Ask all your questions." I seriously doubt that I have only had the best clients in the market, but they act like the best clients because they're so appreciative and I think they're more honest with me. They're more open because I've built that rapport and that trust. So to me, it's an excellent tool. I don't know how you work without it.

Nicola Esposito ([12:01](https://www.rev.com/transcript-editor/shared/l6mFFMX0ow6UK3ca-8Rxz2uPtsc6WvL570xQs7biD0Z8AjjgcmxZA1wi_Sh8DhlBUZeVurF2eRIA1d84rk55w8BvvZg?loadFrom=DocumentDeeplink&ts=721.29)):

I think it goes back to what you were saying before, Leigh, is that it's an opportunity for us to sit down with our clients, and transparency, when it comes to compensation, we can't have enough of it. And I think that's what these buyer agreements are going to do. They're going to create more transparency so that the consumer knows, your client is going to know exactly how you get compensated and they're not going to be uncomfortable or less confident in the transaction because it's going to be clear.

Marki Lemons Ryhal ([12:25](https://www.rev.com/transcript-editor/shared/s91ExNMMSvVnuxmLbFIw1NL-ovFVxgSEoHOt4wmCVxJgsLAxHqFU_5Rl3dUoA-QydFJDwwFeoua4NKxwd1G8q9MLqRo?loadFrom=DocumentDeeplink&ts=745.68)):

Do you think there's a role brokers should play to support their agents through this transition?

Nicola Esposito ([12:33](https://www.rev.com/transcript-editor/shared/kZ9_6hQrcgbJMhDzGbP1DjdtxEoc3ygFrSjdMRLVTHI2bAeVGZg0DpWTEN3TOPtNUjn5vRP2TF_FC1Fq6cNd8igO3gw?loadFrom=DocumentDeeplink&ts=753.24)):

Absolutely. The broker's role is crucial, and it always has been, frankly. And maybe this is, again, another opportunity for that role to be accentuated or highlighted. Education is key here. Understanding your state laws, what's being implemented on a national level and a state level, so for brokers to retain that education and disseminate that to their agents is going to be super helpful. And then also to be able to explain to them that, again, this is an opportunity. It's not an adversity. We're not looking at this like, "Oh, it's another sheet that we have to fill out," or, "Oh, it's another thing that we have to do." That attitude is not an attitude of success. Using adversity as an opportunity to do something better, that's the mindset for brokers. So pointing your agents in the right direction is incredibly important.

Leigh York ([13:19](https://www.rev.com/transcript-editor/shared/q3UFmPoJaoMJ-ydJBntKN26Pwv8ZgeMdXN2uZ3n2Ib_ke8GVztqgURqdB-QoM2KuUr_LhCobEtzayxycHX_BEpS8BRA?loadFrom=DocumentDeeplink&ts=799.02)):

Nick, I think that our brokers have to embrace these opportunities and make sure that their agents have usable options that they can give to their clients. I mentioned that I think there's a lot of options, but my broker has to make those options allowable in our policies. They've got to say how they want those things handled. They've got to provide the right forms. I think brokers, not all of them, some of them are on it, but many brokers are going to have to expand their thinking and probably their forms' library. At the same time, the agents might actually need to attend an office meeting, just saying, so they can hear what the broker has to say and read and not complain that there's so many forms, but be happy that there's so many choices for them and the consumer.

Marki Lemons Ryhal ([14:17](https://www.rev.com/transcript-editor/shared/Ore54RT5Vk4PYFOaX0GoFd-dqF3_IMVQcb1GzlWrkSgaA4l6DAvG3Suo0bzdUYDwMr096t49aH6nXcOHmLaGEvEY2I4?loadFrom=DocumentDeeplink&ts=857.94)):

Our broker is an over communicator, so we have received a message every single day. But what just came to mind for me is that I'm in a state that the licensing exam is only in English. So instantly, what I'm thinking is, as a broker, we need to leverage artificial intelligence to translate all of the changes to the different languages of the communities in which we're serving so that our agents can have it in whatever their native or first language might be. And that is something that historically does not exist in every single state where they have bilingual content to articulate the changes that are occurring.

([15:06](https://www.rev.com/transcript-editor/shared/25gCT5fH0qsHwy6carnFwE8WtN77y0Rl7ZQ7O-FI9v584ZU7Wa-trZycV4wCqsdGeNjbdDLgfkqEYR8M12S412bQPOE?loadFrom=DocumentDeeplink&ts=906.57)):

I want to thank both of you for being here, and before we go, I want to remind everyone to go to [facts.realtor](https://www.nar.realtor/the-facts) for the most reliable information about NAR's settlement agreement. There's a set of frequently asked questions there that point out something relevant to the conversation we've had today. The settlement doesn't mean there was anything wrong with NAR's cooperating compensation policy. It's still true that cooperating compensation benefits buyers and sellers and promotes access to real property ownership, particularly for lower and middle income buyers who can have a difficult time saving for a down payment. The frequently asked questions point out that real estate laws in many states authorize offers of compensation.

([15:59](https://www.rev.com/transcript-editor/shared/DC7orVBZbBNNiUDNGzwcuxKXnhAkOatmDAVlwPY8AB3bTLicrVk-vh-HDXPMA5ep6Ju8_KL9AOFYwBBBvchqY94tAqY?loadFrom=DocumentDeeplink&ts=959.67)):

Thank you for tuning in. Thank you for joining us at Drive With NAR, the Realtor to Realtor Series. Tune in every month to magazine.realtor/drive or subscribe wherever you listen to your podcasts. Find more tips to boost your business at magazine.realtor.