



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Mr. Kevin Sears
President
National Association of Realtors
500 New Jersey Ave. NW
Washington, DC 20001

Dear Mr. Sears

Thank you for your letter on behalf of the National Association of REALTORS® and the Mortgage Bankers Association regarding the proposed nationwide settlement agreement in the Burnett et al and Moehrl et al cases. In your letter, you requested clarification regarding the potential impact the proposed settlement may have on the treatment of seller-paid real estate broker fees for buyers using Federal Housing Administration (FHA) programs to purchase a home.

Under existing FHA policy, if sellers continue to pay buyer-side real estate agent commissions and fees as a manner of state and local law or custom, and if the commissions and fees are reasonable in amount, existing policy would not treat those payments as interested party contributions provided all other requirements are met.

FHA will closely monitor the real estate marketplace for changes resulting from the settlement and will address additional questions as they develop.

Thank you,

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Julia R. Gordon
Assistant Secretary for Housing – Federal Housing Commissioner