Active Under Contract Status Change Details

1. The new Active Under Contract status policy allows for easier understanding of how the syndication to consumers of a listing can continue up to the time of closing – if the Seller(s) so chooses. This is where much confusion lies. Some agents believe that a listing must move to Pending once a particular contingency is met.

   - Example: Currently, if a listing moves from Contingent - SI to Pending all syndication to consumers stops – even if the Seller(s) prefers it to continue; however, if the listing is moved from Contingent – SI to Contingent – PS the listing will continue to be syndicated. The confusion lies with many not understanding the purpose of the Contingent – PS status.

   - **Transaction Flow Changes:**

     Currently: Active => SI / SS / CC / PS => Pending => Sold

     New Option #1: Active => Active Under Contract => Sold

     Active Under Contract – an offer has been accepted but the listing is still on the market

     This status replaces the old, syndicated Contingent "CC", "CS", "PS" or "SI" statuses.

     Additionally, you can also add *"Accepting backup offers"* in the agent remarks to notify agents that backup offers are desired.

     Note: Word searches are available for Marketing Remarks and Agent Remarks sections. Syndication to IDX and public portals will continue thus providing the Seller(s) the opportunity to keep their property available for consumers to see – even up to the day of closing if they choose.

     New Option #2: Active => Pending => Sold

     Pending – An offer has been accepted but the listing is no longer on the market.

     This new definition provides the Seller(s) with the option to remove the listing from public view once they:

     - accept an offer,
     - are satisfied with the current offer, and
     - are not interested in entertaining backup offers

     as the transaction moves through the selling process (including the old SI status). Syndication to IDX and public portals ceases.

Note: This change allows for more flexibility for Seller(s) as the listing can move back and forth between Pending and Active Under Contract in those situations where the Seller(s) believes the current transaction might not close - this allows for the restarting of syndication to advertise for a backup offer.

- **<u>How to search for listings taking backup offers:</u>**

  Search the Active Under Contract status and do a word search for 'backup offers' in the Agent Remarks section.

  If the listing agent added 'Accepting backup offers' in the Agent Remarks, those listings will be found. Listing agents that are serious about advertising for backup offers should make it known in the Agent Remarks. Additionally, there is a 20-character comment box on the status change screen that can also be used, however, this field is not searchable.

2. Seller(s) are at times being penalized because of the current policy.
   - Example: A listing is changed to Contingent – SI and then the earnest money is not provided. The property is changed back to Active, however, agents now believe there is something wrong with the property because it never moved past the inspection phase.
   - The new policy provides a higher level of transaction history confidentiality rather than providing a listing transaction history that may be misinterpreted.
3. Compliance with status related MLS policies is the #1 reason for fines issued thus far. Very few members use four (4) of the five (5) available statuses that are being consolidated. The primary reason for the fines has been due to members failing to change statuses typically from Contingent – SI to Pending within the 72-hour required time period.
4. The Active Under Contract status is compliant with the Real Estate Standards Organization ('RESO') standards and allows for 3rd party data feed efficiencies that many of our members rely on to run their business.
5. The current contingent statuses are not RESO standardized which results in these statuses being displayed haphazardly on public search portals. The Active Under Contract status will be more consistent across portals and will provide consumers with a better understanding of the availability of a particular property.