



Real Estate Settlement and Procedures Act (RESPA)

The Real Estate Settlement Procedures Act (RESPA) provides consumers with improved disclosures of settlement costs and to reduce the costs of closing by the elimination of referral fees and kickbacks. Real estate agents and brokers are prohibited from receiving anything of value in return for the referral - or the consideration of a referral - of settlement service business. Violators of RESPA are subject to penalties, including damages, fines, and imprisonment.

It is common for settlement service providers to engage with real estate agents and brokers in situations that appear to mutually beneficial. RESPA, however, has strict rules governing how those relationships may work.

Common situations include, but are not limited to, free education and help with open house food or other giveaways. A thing of value includes non-cash items such as tickets to a concert or sporting event. Violators of RESPA are subject to penalties, including damages, fines, and imprisonment.

NAR has compiled an extensive list of [frequently asked questions](#) about agent and service provider relationships. These should provide a starting point for evaluating your practice. It is recommended that you consult with your attorney if you have additional questions about how to comply with RESPA.