# Reduced Commission Closing Addendum

Real estate commissions vary by transaction, agent, city etc. In the event the VREB related transaction results in the Network Agent earning a commission rate less than the 3% commission rate used to build VREB's national rewards schedule, the agent's actual referral amount will be less to VREB. VREB will adjust the Veteran's membership rewards benefit paid in these circumstances (Reduced Commission Closing).

**Premium Lead --Veteran**

If VREB Network generated the relationship between the Veteran buyer/seller and sent that buyer/seller as an agent assignment and that agent's earned gross commission is less than 3%, the transaction will be processed as a reduced commission closing. VREB will provide the Veteran a memebrship reward benefit equal to 80% of the associated agent's paid referral to VREB, minus the applicable VREB Admin fee stated on page 1 of the Veterans Membership Agreement.

**VREB Self-Generated Network Agent Transaction**

When a VREB Network Agent generates the original buyer/seller relationship that is not a VREB Network assignment and the agent's total earned gross commission is under 3%, they have the option to use the reduced commission option. This option was developed to keep the Network Agent's VREB referral amount and earned commission equitable under a reduced commission scenario. Under this option, the VREB Network Agent's referral would equal 75% of the reward amount shown respective to the applicable closed sales price on the VREB National Reward Schedule. VREB will then send the Veteran the amount equal to the reduced commission minus the VREB processing fee stated on page 1 of the Veteran Membership Agreement.

**To help explain we have provided few examples of how to calculate a reduced commission option:**

| How to Calculate a Reduced Commission Option Reward Check | | |
|---|---|---|
| | **Reduced Commission Formula** | **Example** |
| Premium Lead | **Referral Check Due** = Commission Amount x referral rate | **Referral Check**<br>Home Price: $265,000<br>Reduced Commission (2.5%): $6,625<br>Referral Check Due: $6,625 x .28 - $1,855 |
| | **Reward Check** = Referral Amount x 80% - processing fee | **Reward Check**<br>$ 1,855 x .8 = $1,484 - $225 = $1,259 |
| VREB Closing (Self-Generated) | **Referral Check Due** = 75% of stated reward amount from reward schedule | **Referral Check**<br>Home Price: $265,000<br>Referral Check Due = $1875 x .75 = $1406.25 |
| | **Reward Check** = Referral check - admin fee | **Reward Check**<br>$1,406.25 - $225 = $1181.25 |