

The College Sports Commission has received information this week that suggests that football student-athletes are being presented with third-party NIL deals that likely do not comport with the rules arising from the *House* settlement, in order to induce them to transfer to or remain at a particular school. All third-party NIL deals are evaluated at the time of entry in NIL Go, not before, and each deal is evaluated on its own merits. Without prejudging any particular deal, the CSC has serious concerns about some of the deal terms being contemplated and the consequences of those deals for the parties involved. Making promises of third-party NIL money now and figuring out how to honor those promises later leaves student-athletes vulnerable to deals not being cleared, promises not being able to be kept, and eligibility being placed at risk.

Schools and their multimedia rights (“MMR”), apparel, and other partners should remember the following rules:

- All third-party NIL contracts or payment terms with a total value of \$600 or more must be reported to NIL Go within five days of execution, except that high-school athletes enrolling in college and incoming Division I transfer student-athletes have up to 14 days in some cases. (*See* Bylaw 22.2.2.) A contract between a student-athlete and an MMR partner (or anyone else) to pay the student-athlete for their NIL is an NIL contract and must be reported, even if the MMR partner plans to find other sponsors to pay for and activate the NIL. The label on the contract (e.g., “agency agreement,” “services agreement”) does not change the analysis; if an entity is agreeing to pay a student-athlete for their NIL, the agreement must be reported to NIL Go within the reporting deadline.
- An NIL agreement or payment with an associated entity or individual – which includes many MMR and other partners – must include direct activation of the student-athlete’s NIL rights. In other words, the acquisition of such rights without reasonable specificity of the NIL activation (e.g., description of the specific group licensing categories, the student-athlete’s obligations related to the activation, timing and ultimate use of the student athlete’s NIL) may not satisfy the requirements for payments by associated entities or individuals. (*See* Bylaw 22.1.3.) Contracts in which MMR or other partners pay student-athletes for their NIL with no information about who will ultimately use that NIL will likely run afoul of this rule.

Separately, investigations into unreported third-party NIL deals are progressing and some schools should expect to hear from the CSC next week.

The CSC will provide additional rules reminders in the coming weeks. Anyone with information about potential violations of the rules is encouraged to report that information directly to the CSC or via our [anonymous reporting channels](#).