

# #FIXCFB

## **Solution 3: NIL Escrow & Standards**

Protect Players, Require Transparency

Part of the comprehensive Fix CFB proposal

# NIL Escrow & Standards

Standardized contracts, escrow for deals over \$100K, transparency requirements. Protects players from exploitation while maintaining free market—and will never be adopted because collectives want flexibility to manipulate.

## The Problem: Predatory Contracts, Zero Accountability

The NIL economy reached **\$3.1B in 2025-26**—up from **\$2.75B the year before** and essentially zero in 2020. What was supposed to allow players to profit from autographs became unregulated pay-for-play with systematic exploitation.

- **Exploitative contracts are the norm:** Industry insiders estimate 40-50% of promised NIL deals are never fully paid. Collectives over-promise to recruit, under-deliver once players sign.
- **Front-loaded payments avoid oversight:** Collectives front-load everything into Year 1 to avoid multi-year obligations. Pay \$200K upfront, promise \$300K over three years, never pay the back end.
- **Zero transparency enables fraud:** Schools claim "\$2M in NIL available" but actual payments are \$400K. No audits, no verification, no accountability.
- **Positional market distortion:** QBs command **\$3-5M**. Offensive linemen protecting them get **\$200K**. Star cornerbacks get **\$800K** while the safety next to them gets **\$100K**.

## Three-Part Solution

### 1. Standardized Contract Framework

- **Written Contract:** All deals must be in writing with clear terms
- **Payment Schedule:** Specific dates and amounts for all payments
- **Deliverables:** Clear description of what player must provide
- **Transfer Clause:** What happens if player transfers (no repayment for earned funds)
- **Termination Rights:** Player can terminate for non-payment after 30 days
- **Legal Review:** Player has right to attorney review (school provides if requested)

### 2. Mandatory Escrow for Deals Over \$100K

- **30% Upfront Payment:** Paid directly to player upon signing

- **70% Held in Escrow:** Released based on milestones (semester enrollment, games played, content delivery)
- **Transfer Protection:** If player transfers, they keep all earned funds. Unearned funds return to collective
- **Third-Party Administration:** Escrow managed by independent entity, not collective or school

### 3. Transparency & Registration

- **Collective Registration:** All NIL collectives must register with conference/NCAA, report deals over \$50K
- **Public Disclosure:** Total NIL spending per school (not individual amounts) published annually
- **Audit Rights:** Conference can audit collectives for compliance with standards

### Why It Works

- **Protects Players:** Written contracts, escrow, and legal review prevent bait-and-switch schemes
- **Maintains Free Market:** No caps on amounts, no restrictions on who can pay
- **Exposes Fraud:** Transparency requirements make it harder to over-promise and under-deliver
- **Provides Recourse:** Standard contracts give players legal basis to enforce payment terms

### Why It Won't Happen (Feasibility: 5/10)

Collectives want flexibility to manipulate. Escrow prevents bait-and-switch tactics. Transparency exposes which schools are outspending competitors. Standard contracts give players legal recourse. "Free market" ideology will attack any standardization as "limiting the market"—ignoring that every functioning market has consumer protections.

# References

- **NIL Market Data:** [On3 NIL Database](#), [Opendorse NIL Reports](#)
- **NCAA Policy:** [NCAA NIL Interim Policy](#)
- **Payment Issues:** Industry estimates from interviews with athletes and administrators

# Contact & Resources

- **Email:** [contact@fixcfb.com](mailto:contact@fixcfb.com)
- **Website:** [fixcfb.com](http://fixcfb.com)
- **Full Proposal:** 30-page comprehensive document available at [fixcfb.com](http://fixcfb.com)
- **Executive Summary:** 10-page overview available at [fixcfb.com](http://fixcfb.com)