

# COLLEGIATE SPORTS

## UPDATE TO NIL RULES

JULY 15, 2025

### College Sports Commission Memo Addresses NIL Deals Involving Collectives

On July 10, 2025, the College Sports Commission (“CSC”) issued a memo to Division I athletic directors to provide an update on NIL Go and other early trends post-*House* settlement.

The primary takeaway was the CSC asserting that “[a]n entity with a business purpose of providing payments or benefits to student-athletes or institutions, rather than providing goods or services to the general public for profit, does not satisfy the valid business purpose requirement of Rule (NCAA Bylaw) 22.1.3.<sup>1</sup> The CSC added that “most” of the NIL deals that have been denied by NIL Go since the system went live on June 11 involved agreements that failed to satisfy the valid business purpose requirement in Bylaw 22.1.3.

The CSC is implicitly targeting deals that student-athletes sign with collectives, which are often some of the most lucrative. Since July 2021, collectives have spread throughout college sports and staked a large position within the NIL marketplace. Contracts that student-athletes sign with collectives often require the athletes to promote the collectives, or attend events sponsored by collectives, which generates revenue to fund future NIL activity. This approach to compensating student-athletes for use of their NIL rights has sparked criticism of collectives within the industry, including by administrators and coaches who want stronger regulation in this area. The CSC memo marks the beginning of the new enforcement entity’s efforts to police the NIL and revenue-sharing spaces.

Both The Collective Association (“TCA”) and *House* plaintiffs’ attorneys quickly released statements criticizing the CSC memo. TCA characterized the commentary as “not only misguided but deeply dismissive of the collective organizations and the tens of thousands of fans who fuel them.” TCA added that “[a]ny attempt to delegitimize the role collectives play in today’s collegiate athletics landscape ignores both legal precedent and economic reality.” Counsel for the *House* plaintiffs called for a retraction of the memo, arguing that the CSC was undermining, and taking an approach inconsistent with, the terms of the settlement. The CSC is currently standing by its position but pledges to work with plaintiffs’ counsel to resolve their concerns.

The Collegiate Sports practice will be monitoring this situation as it unfolds. Updates to follow...

Please contact [Michael Sheridan](#) or the other attorneys in Bond’s [Collegiate sports practice](#) for more information.

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<sup>1</sup> **Bylaw 22.1.3 – Involvement of Associated Entities or Individuals in Student-Athlete Name, Image and Likeness Activities.** An associated entity or individual shall not enter into an agreement with or provide payment to a prospective student-athlete or student-athlete unless the agreement or payment terms, as determined by the name, image and likeness clearinghouse, are for a valid business purpose related to the promotion or endorsement of goods or services provided to the general public for profit, with compensation at rates and terms commensurate with compensation paid to similarly situated individuals with comparable name, image and likeness value who are not prospective student-athletes or student-athletes of the institution.

