



## AGENCY/POLICY DISCLOSURE AND ACKNOWLEDGEMENT

REQUIRED TO BE PROVIDED TO EACH PARTY IN A TRANSACTION

(Should be presented at earliest possible convenience - must be signed by Seller or Buyer prior to making or reviewing an Offer)



When you enter into a discussion with a Brokerage (and their affiliated real estate licensees) regarding a real estate transaction, you should understand how the Brokerage is representing each party in the transaction. More importantly, you should understand how that agency relationship impacts on your relationship with the licensee. **The term "Broker" or "Brokerage" shall hereinafter refer to: (Brokerage/firm) \_\_\_\_\_, and Brokerage's affiliated licensees (brokers and salespersons). The term "Owner" and/or "Seller" shall hereinafter refer to seller, landlord or optionor. The term "Buyer" shall hereinafter refer to buyer, tenant or optionee. A "Client" is a party to a transaction who has an agency agreement with a broker for brokerage services. A "Customer" means a consumer who is not being represented by a licensee but for whom the licensee may perform ministerial acts.**

### A. TYPES OF AGENCY REPRESENTATION AND THE POLICY BROKERAGE MAY ELECT UNDER EACH.

Prior to Buyer or Owner giving confidential information they should understand a variety of representation options exist in real estate transactions. Below is a list of representation options available and the policy Brokerage may elect in regard to each. Brokerage will provide a separate Agreement establishing which agency relationship is offered to Buyer or Owner.

**Brokerage has "checked" the appropriate box(es) for the policy that applies to Brokerage:**

1. **SINGLE SELLER AGENCY.** **Single Seller Agency** exists when Brokerage and Owner enter into a real estate "Exclusive Listing Agreement" and the property is sold to a "Customer" or by a different real estate company. Brokerage and Broker's affiliated licensees' policy is to represent the Owner as a "Client" in this case. **In Single Seller Agency, Broker does not also represent the Buyer in the transaction.**
2. **SINGLE BUYER AGENCY.** **Single Buyer Agency** exists when Brokerage and Buyer enter into a "Buyer Agency Agreement" and Brokerage or an affiliated licensee assist Buyer in writing an offer to purchase property and the property is listed with a different real estate company or offered by owner. Brokerage and Broker's affiliated licensees' policy is to represent Buyer as a "Client" in this case. In this type of agency representation Broker may receive compensation for the transaction from the listing real estate company pursuant to a cooperation agreement between the two companies. **In Single Buyer Agency, Broker does not also represent the Owner in the transaction.**
3. **APPOINTED AGENCY.**
- a. **Appointed Seller Agency** exists when Brokerage appoints an affiliated licensee, the listing agent, to act on Owner's (Client's) behalf to the exclusion of all other affiliated licensees of Brokerage.
  - b. **Appointed Buyer Agency** exists when Brokerage appoints an affiliated licensee, the selling agent, to act on Buyer's (Client's) behalf to the exclusion of all other affiliated licensees of Brokerage.
  - c. **In the event an Appointed Licensee personally represents both Owner and Buyer in the same transaction, that Appointed Agency is considered to be a Consensual Dual Agency (see 4. below).**
4. **CONSENSUAL DUAL AGENCY.**
- a. When Brokerage (or an Appointed Seller or Buyer Agent, as defined in 3a. and 3b. above) both lists and sells the property, it is the policy of Brokerage and Brokerage's affiliated salespersons to represent both Owner and Buyer as a Consensual Dual Agency. Under this circumstance, before signing an offer to buy or accepting an offer to buy, please see the "Dual Agency Consent Agreement" for detailed information as to the duties of Brokerage to both Owner and Buyer, as well as procedures to be followed.
  - b. When Brokerage and Buyer enter into a "Buyer Agency Agreement", whether exclusive or non-exclusive, and Brokerage or an affiliated salesperson assist Buyer in writing an offer to purchase property and the property is also listed with Brokerage, it is the policy of Brokerage to represent both the Owner and Buyer as a Consensual Dual Agency. Under this circumstance, before signing an offer to buy or accepting an offer to buy, please see the "Dual Agency Consent Agreement" for detailed information as to the duties of Brokerage to both Owner and Buyer, as well as procedures to be followed.
  - c. Representing more than one party to a transaction can create a conflict of interest since both "Clients" may rely on the Licensee's advice. **Buyer and Owner are not required to consent to dual agency.**

**(Initial if applicable)** If not already in a written Agency Relationship with a brokerage, a person(s), partnership, or company (buying or selling) may represent themselves in a transaction. If a Buyer or Owner elect to represent themselves in a transaction, it is the policy of Brokerage to treat that Buyer or Owner as a "Customer" and not as a "Client". "Clients" are responsible for commission which may be owed as to the terms and conditions of previously agreed contracts. If representing themselves, a Self Representation Agency Confirmation and Acknowledgement shall be completed

### B. DUTIES OF A REAL ESTATE LICENSEE TO ALL PARTIES TO THE TRANSACTION.

In providing brokerage services to all parties to a transaction, "Client" and "Customer" alike, a licensee (the Brokerage and its broker associates and salespersons), regardless of the type of agency representation agreed to, shall do all of the following:

1. Provide brokerage services to all parties to the transaction honestly and in good faith.
2. Diligently exercise reasonable skill and care in providing brokerage services to all parties.
3. Disclose to each party all **material adverse facts** (i.e. significant defects or negative circumstances) that the licensee knows except:
  - a. Material adverse facts known by the party.
  - b. Material adverse facts the party could discover through a reasonably diligent inspection and which would be discovered by a reasonably prudent person under like or similar circumstances.
  - c. Material adverse facts the disclosure of which is prohibited by law.
  - d. Material adverse facts that are known to a person who conducts an inspection on behalf of the party.
4. Account for all property coming into the possession of a licensee that belongs to any party within a reasonable time of receiving the property.

Sections "C." through "E.", continued on page 2.

