

(For Companies That Allow Designated Agency & Dual Agency – Model Policy)

CONSUMER GUIDE

TO AGENCY

RELATIONSHIPS

Brokerage Name

We are pleased you have selected _____ (brokerage) to help you with your real estate needs. Whether you are selling, buying or leasing real estate, (brokerage) can provide you with expertise and assistance. Because this may be the largest financial transaction you will enter into, it is important to understand the role of the agents and brokers with whom you are working. Below is some information that explains the various services agents can offer and their options for working with you.

For more information on agency law in Kentucky, you may also contact the Kentucky Real Estate Commission at (502) 564-7760, or on its website at krec.ky.gov .

Representing Property Owners (Sellers and Landlords): When property owners choose to list their property for sale or lease with a real estate brokerage, they sign a listing agreement that authorizes the brokerage and the listing agent to represent their interests. When this occurs, the brokerage and listing agent must: follow the property owner’s lawful instructions, be loyal to the property owner, promote the property owner’s best interests, disclose material facts to the property owner, maintain confidential information, act with reasonable skill and care, and account for any money they handle in the transaction. In some circumstances, a listing broker may offer “subagency” to other brokerages that would also represent the property owner’s interests and owe the property owner these same duties.

Representing Buyers and Tenants: When seeking to purchase real estate, buyers usually choose to work with a real estate agent. Tenants seeking to lease real estate also choose to work with a real estate agent. When buyers are represented by agents, the representation is referred to as buyer’s agency. A brokerage and agent that agree to represent a buyer’s or a tenant’s interests in a transaction must: follow the buyer’s or tenant’s lawful instructions, be loyal to the buyer or tenant, promote the buyer’s or tenant’s best interests, disclose material facts to the buyer or tenant, maintain confidential information and account for any money they handle in the transaction.

Dual Agency: In some transactions, the same agent and brokerage that represent the property owner also represent the person who seeks to buy or lease his or her property. This is referred to as dual agency. When a brokerage and its agents become “dual agents,” they must remain loyal to both parties in the transaction. They may not advocate the position of one client over the best interests of the other client or disclose any confidential information to the other party without written consent.

Designated Agency: On occasion, the buyer or tenant and the property owner (seller or landlord) will each be represented by two different agents from the same brokerage. In this case, the agents may each represent the best interest of their respective clients. Or, depending on company policy, the agents may act as dual agents. When either of the above occurs, the principal broker will always be a dual agent. As a dual agent, the principal broker cannot advocate for the position of one client over another. The principal broker will also protect the confidential information of both parties.

Working With (brokerage): (brokerage) does offer designated agency. Therefore, the potential exists for one agent to represent a buyer or tenant who wishes to purchase or lease property listed with another agent in our company. If this occurs, each agent will represent his or her own client, but (brokerage) and its principal broker will act as a dual agent.

This means the principal broker will not take any actions that will favor one side over the other. (brokerage) will still supervise both agents to assure that their respective clients are being fully represented and will protect the parties' confidential information.

In the event that both the buyer or tenant and the property owner are represented by the same agent, that agent and (brokerage) will act as a dual agent, but only if both parties agree. As a dual agent, the agent will treat both parties honestly, prepare and present offers at the direction of the parties, and help the parties fulfill the terms of any contract. They will not, however, disclose any confidential information that would place one party at an advantage over the other or advocate or negotiate to the detriment of either party.

If dual agency occurs, you will be asked to consent to that in writing. If you do not agree to your agent acting as a dual agent, you can ask that another agent in our company be assigned to represent you or you can seek representation from another brokerage.

As a buyer or a tenant, you may also choose to represent yourself on properties (brokerage) has listed. In that instance, (brokerage) will represent the property owner and you would represent your own best interests. Because the listing agent has a duty of full disclosure to the property owner, you should not share any information with the listing agent that you would not want the property owner to know.

Working With Other Brokerages: When (brokerage) lists property for sale, it also cooperates with, and offers compensation to, other brokerages that represent buyers.

As a property owner, you should understand that just because (brokerage) shares a fee with a brokerage representing the buyer or tenant, it does not mean that you will be represented by that brokerage. Instead, that company will be representing the buyer or tenant and (brokerage) will be representing your interests.

When acting as a buyer's agent or an agent representing a tenant, (brokerage) also accepts compensation offered by the listing broker. If the property is not listed with any broker, or the listing broker does not offer compensation, we will attempt to negotiate for a property owner-paid fee.

Fair Housing Statement

It is illegal, pursuant to the Kentucky Fair Housing Law and Federal Fair Housing Law, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status, disability, national origin, sexual orientation (in some counties) or gender identity (in some counties) or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the providing of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

We hope you find this information to be helpful to you as you begin your real estate transaction. When you are ready to enter into a transaction, you will be given an Agency Disclosure Statement that specifically identifies the role of the agents and brokerages. Please ask questions if there is anything you do not understand.

Because it is important that you have this information, Kentucky law requires that we ask you to sign below, acknowledging receipt of this pamphlet. Your signature will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Signature Date

Name (Please Print)

Signature Date