



SAMPLE

Designated Agency Office Policy

Exclusive Designated Agency Office

The Firm will practice designated agency ONLY. Designated agency will be explained to all potential clients. The Firm will not represent a client who does not wish to enter into a designated agency relationship. A potential buyer will always be treated as a customer of the Firm unless and until that buyer signs a buyer's agency contract which provides for designated agency.

Agents who have licensed assistants should have both the agent and the licensed assistant named as designated agents in the listing contract or buyer's broker contract. Likewise, husband and wife teams or other teams should list all members of the team as designated agents.

Offices within the Firm with a managing salesperson should have the managing salesperson named as an additional designated agent. **A managing salesperson cannot act as a supervisory broker.**

Buyers' Brokers/Subagency

The Firm will only act as a buyer's agent pursuant to a written buyer's agency contract. If a buyer is unwilling to enter into a buyer's agency contract, the agent must work with the buyer as a subagent of the seller. To encourage buyer representation, MAR's short form exclusive buyer agency form may be used.

Designated agents representing a seller shall not disclose confidential information about the seller to any subagent, whether the subagent is in-house or with another firm.

Supervisory Brokers

In all listing contracts and buyers' broker contracts, _____ and _____ will be listed as the supervisory brokers.

Confidential Information

A designated agent shall not disclose confidential information to anyone in or outside the Firm other than the supervisory broker(s). Each agent will maintain a separate file cabinet for his/her clients' files and only the supervisory brokers shall have access to those files. Mail, faxes and other correspondence shall be given directly to the named designated agent, his or her assistant or, if unavailable, a supervisory broker.

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Vacations and Other Absences

For planned, extended absences (more than three (3) days), a designated agent shall arrange for another agent in the office to handle his or her files. If action is required on those files during the agent's absence, it shall be the responsibility of the "fill-in" agent to have an addendum signed by the client establishing that "fill-in" agent as another designated agent for that client.

Client matters that arise during other absences should be referred to the supervisory broker(s) who shall have the authority to handle the matter directly or arrange for another member of the Firm to "fill-in" as a designated agent.

In-house Listings

For negotiations on in-house transactions, if the buyer and seller are represented by different designated agents, no additional forms will be necessary. However, each agent is responsible for explaining to his or her client as soon as possible that this is an in-house listing and that accordingly, the Firm represents both sides of the transaction.

For negotiations on in-house transactions where both parties are represented by the same individual designated agent, a dual agency agreement is required.

Departing Agents

In the event that an agent leaves the Firm, all active files shall be immediately identified and delivered to a supervisory broker(s) who shall be responsible for contacting the client and designating a new designated agent for that client.



Disclosure Regarding Real Estate Agency Relationships



Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee.

As of Jan. 1, 1994 Michigan law requires real estate licensees who are acting as agents of sellers or buyers of real property to advise the potential sellers or buyers with whom they work of the nature of their agency relationship.

A broker or salesperson may function in any of the following capacities:

- represent the seller as an authorized seller's agent or subagent
- represent the buyer as an authorized buyer's agent or subagent
- represent both the seller and buyer as a disclosed dual agent, authorized by both the seller and buyer
- represent neither the seller or buyer as an agent, but provide services authorized by the seller or buyer to complete a transaction as a transaction coordinator

SELLER'S AGENTS

A seller's agent, under a listing agreement with the seller, acts solely on behalf of the seller. A seller can authorize a seller's agent to work with subagents, buyer's agents and/or transaction coordinators. A subagent of the seller is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and their subagents will disclose to the seller known information about the buyer which may be used to the benefit of the seller.

The duties that a seller's agent and subagent owes to the seller include:

- promoting the best interests of the seller
- fully disclosing to the seller all facts that might affect or influence the seller's decision to accept an offer to purchase
- keeping confidential the seller's motivations for selling
- presenting all offers to the seller
- disclosing to seller all information known to the seller's agent about the identity of all buyers and the willingness of those buyers to complete the sale or to offer a higher price.

BUYER'S AGENTS

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. A subagent of the buyer is one who has agreed to work with the buyer's agent and who, like the buyer's agent, acts solely on behalf of the buyer. Buyer's agents and their subagents will disclose to the buyer known information about the seller which may be used to benefit the buyer.

The duties a buyer's agent and subagent owe to the buyer include:

- promoting the best interests of the buyer
- fully disclosing to the buyer all facts that might affect or influence the buyer's decision to tender an offer to purchase
- keeping confidential the buyer's motivations for buying
- presenting all offers on behalf of the buyer
- disclosing to buyer all information known to the buyer's agent about the willingness of the seller to complete the sale or to accept a lower price.

DUAL AGENTS

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer.

In such a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer. As a dual agent, the licensee will not be able to provide the full range of fiduciary duties to the seller or the buyer.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller and the buyer.

TRANSACTION COORDINATOR

A transaction coordinator is a licensee who is not acting as an agent of either the seller or the buyer, yet is providing services to complete a real estate transaction.

The transaction coordinator is not an agent for either party and therefore owes no fiduciary duty to either party. The transactional coordinator is not the advocate of either party and therefore has no obligation to "negotiate" for either party. The responsibilities of the transaction coordinator typically include:

- providing access to and the showing of the property
- providing access to market information
- providing assistance in the preparation of a buy and sell agreement which reflects the terms of the parties' agreement
- presenting a buy and sell agreement and any subsequent counter-offers
- assisting all parties in undertaking all steps necessary to carry out the agreement, such as the execution of documents, the obtaining of financing, the obtaining of inspection, etc.

DESIGNATED AGENCY

A buyer or seller with a designated agency agreement is represented only by agents specifically named in the agreement. Any agents of the firm not named in the agreement do not represent the buyer or seller. The named "designated" agent acts solely on behalf of his or her client and may only share confidential information about the client with the agent's supervisory broker who is also named in the agreement. Other agents in the firm have no duties to the buyer or seller and may act solely on behalf of another party in the transaction.

LICENSEE DISCLOSURE (Check One)

I hereby disclose that the agency status of the licensee named below is:

- Seller's agent (I will not be representing the buyer unless otherwise agreed in writing.)
- Buyer's agent
- Dual agent
- Transaction coordinator (A licensee who is not acting as an agent of either the seller or the buyer.)
- None of the above

AFFILIATED LICENSEE DISCLOSURE (Check One)

Check here if acting as a designated agent. Only the licensee's broker and a named supervisory broker have the same agency relationship as the licensee named below. If the other party in a transaction is represented by an affiliated licensee, then the licensee's broker and all named supervisory brokers shall be considered disclosed consensual dual agents.

Check here if not acting as a designated agent. All affiliated licensees have the same agency relationship as the licensee named below.

Further, this form was provided to the buyer or seller before disclosure of any confidential information.

Licensee

Date

Licensee

Date

ACKNOWLEDGMENT:

By signing below, the parties confirm that they have received and read the information in this agency disclosure statement and that this form was provided to them before the disclosure of any confidential information specific to the potential sellers or buyers. **THIS IS NOT A CONTRACT.**

Potential Buyer/Seller (circle one)

Date

Potential Buyer/Seller (circle one)

Date

Disclaimer: This form is provided as a service of the Michigan Association of REALTORS®. Please review both the form and details of the particular transaction to ensure that this form is appropriate for the transaction. The Michigan Association of REALTORS® is not responsible for the use or misuse of this form.



Exclusive Buyer Agency Contract (Short Form)

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Broker: _____ ("Broker")
 Broker's Address: _____
 Client: _____ ("Client")
 Client's Address: _____

1. **PURPOSE** Client has employed the services of Broker as Client's exclusive agent to assist Client in purchasing real estate.
2. Client acknowledges that Broker is not acting as an attorney, tax advisor, surveyor, appraiser, environmental expert or structural or mechanical engineer, and that Client should contact professionals on these matters.
3. **TERM/CANCELLATION** This Agreement is entered into this _____ day of _____, 2000. This Agreement shall expire on _____, 2000. This Agreement may be cancelled only by the mutual consent of the parties in writing.
4. **COMPENSATION** Broker shall be compensated by the seller or the listing broker.
5. **CONFIDENTIAL INFORMATION** Broker will preserve any confidential information obtained during any agency relationship and shall not disclose it to Client.
6. **CONFLICT OF INTEREST (PURCHASERS)** Client acknowledges that Broker may represent other clients or customers desirous of purchasing property similar to the desired property. Client acknowledges and agrees that Broker may show more than one client or customer the same property, and may prepare offers on the same property for more than one client or customer.
7. **CONFLICT OF INTEREST (SELLERS)** In the event Client elects to make a bona fide offer on real property listed by Broker, Broker shall act as disclosed dual agent of both Client and the owner of the real property listed by Broker pursuant to a written agreement between Broker, Client and the owner of the listed real property.
8. **NON-DISCRIMINATION** It is agreed by Broker and Client, parties to this Agreement, that as required by law, discrimination because of religion, race, color, national origin, age, sex, disability, familial status, marital status, height or weight by said parties in respect to the purchase of the desired property is prohibited.
9. **ENTIRE AGREEMENT** This Agreement constitutes the entire agreement between the parties, and any prior agreements, whether oral or written, have been merged and integrated into this Agreement.
10. **OTHER**

11. **RECEIPT** Client has read this Agreement and acknowledges receipt of a completed copy of this Agreement.

BROKER:

CLIENT:

Accepted By: _____

For: _____

Date: _____

Date: _____