

# REAL ESTATE BROKERAGE RELATIONSHIPS BROCHURES

There are two versions of the Real Estate Brokerage Relationships brochure.

**Version # 1      KREC format.**

The KREC version follows the BRRETA 2 law and provides the bare minimum language the new agency brochure needs to contain. The brochure may be customized in any format a broker chooses to utilize, as long as it contains the minimum core language. A broker is not required to disclose the types of representation offered, nor is the form required to be signed by buyers or sellers.

**Version # 2      KAR format.**

The KAR Equal Opportunity/Risk Management Committee developed this version to provide members with a format which goes beyond the basic version, with an eye toward greater risk reduction. The additions are as follows:

1. Sections explaining Designated Seller Agency and Designated Buyer Agency.
2. A section for a firm's policy which brokers can fill in.
3. An "Optional Acknowledgment" panel which would give brokers a place for buyers and sellers to sign.
4. One panel is left open for brokers to add company logos, advertising, etc.

**NOTE:** All of the additions made to the brochure in the KAR version are **optional** and brokers may adopt any or none of these additions.

# For the Customer:

## Statement of Representation

**Do not assume that an agent is acting on your behalf, unless you have signed a contract with the agent's firm to represent you.**

**As a customer, you represent yourself. Any information that you, the customer, disclose to the agent representing another party will be disclosed to that other party.**

**Even though licensees may be representing other parties, they are obligated to treat you honestly, give you accurate information, and disclose all known adverse material facts.**

# Our Firm's Policy

Firm Name: \_\_\_\_\_

This firm authorizes its agent to act as a:

- Seller's Agent
- Designated Seller's Agent
- Subagent (Seller's Agent)
- Buyer's Agent
- Designated Buyer's Agent
- Transaction Broker

Unless agreed differently in the listing agreement, the following is this firm's policy on offering cooperation and compensation to other agents:

- |                          |                          |                              |
|--------------------------|--------------------------|------------------------------|
| Yes                      | No                       | <i>Offer cooperation to:</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | Subagents                    |
| <input type="checkbox"/> | <input type="checkbox"/> | Buyer's Agents               |
| <input type="checkbox"/> | <input type="checkbox"/> | Transaction Brokers          |

- |                          |                          |                               |
|--------------------------|--------------------------|-------------------------------|
| Yes                      | No                       | <i>Offer compensation to:</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | Subagents                     |
| <input type="checkbox"/> | <input type="checkbox"/> | Buyer's Agents                |
| <input type="checkbox"/> | <input type="checkbox"/> | Transaction Brokers           |

The information above is provided to give you an understanding of this firm's policy. It is not a contract.

# Real Estate Brokerage Relationships



# The Choices

Furnished in compliance with K.S.A. 58-30,110, and amendments thereto.

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### **Seller's Agent**

The seller's agent represents the seller only, so the buyer may be either unrepresented or represented by another agent.

The seller's agent is responsible for performing the following duties:

- Promoting the interests of the seller with utmost good faith, loyalty and fidelity;
- Protecting the seller's confidences, unless disclosure is required;
- Presenting all offers in a timely manner;
- Advising the seller to obtain expert advise;
- Accounting for all money and property received;
- Disclosing to the seller all adverse material facts about the buyer that the agent knows; and
- Disclosing to the buyer all adverse material facts actually known by the agent, including:
  - Environmental hazards affecting the property that are required to be disclosed;
  - The physical condition of the property;
  - Any material defects in the property, or in the title to the property; and
  - Any material limitation on the seller's ability to complete the contract.

The seller's agent has no duty to:

- Conduct an independent inspection of the property for the benefit of the buyer; or
- Independently verify the accuracy or completeness of any statement by the seller or any qualified third party.

### **Designated Agent**

The designated agent is a seller's agent who has been designated by the broker to represent the seller to the exclusion of all other licensees affiliated with the firm. The designated agent performs all the duties of a seller's agent, while the other agents in the firm perform the duties of a transaction broker, unless they have a buyer agency agreement.

### **Buyer's Agent**

The buyer's agent represents the buyer only, so the seller may be either unrepresented or represented by another agent. The buyer's agent is responsible for performing the following duties:

- Promoting the interests of the buyer with utmost good faith, loyalty and fidelity;
- Protecting the buyer's confidences, unless disclosure is required;
- Presenting all offers in a timely manner;
- Advising the buyer to obtain expert advise;
- Accounting for all money and property received;
- Disclosing to the buyer all adverse material facts that the agent knows; and
- Disclosing to the seller all adverse material facts actually known by the agent, including all material facts concerning the buyer's financial ability to perform the terms of the transaction.

The buyer's agent has no duty to:

- Conduct an independent investigation of the buyer's financial condition for the benefit of the seller; or
- Independently verify the accuracy or completeness of statements made by the buyer or any qualified third party.

### **Designated Agent**

The designated agent is a buyer's agent who has been designated by the broker to represent the buyer to the exclusion of all other licensees affiliated with the firm. The designated agent may show properties listed by other agents in the designated agent's firm. The designated agent performs all duties of a buyer's agent, while the other agents in the firm perform the duties of a seller's agent or a transaction broker.

### **Transaction Broker**

The transaction broker is not an agent for either party, so the transaction broker does not advocate the interests of either party. The transaction broker is responsible for performing the following duties:

- Protecting the confidences of both parties, including the following information:
  - The fact that a buyer is willing to pay more;
  - The fact that a seller is willing to accept less;
  - The factors that are motivating any party;
  - The fact that a party will agree to different financing terms; and
  - Any information or personal confidences about a party that might put the other party at an advantage.
- Exercising reasonable skill and care;
- Presenting all offers in a timely manner;
- Advising the parties regarding the transaction;
- Suggesting that the parties obtain expert advice;
- Accounting for all money and property received;
- Keeping the parties fully informed;
- Assisting the parties in closing the transaction;
- Disclosing to the buyer all adverse material facts actually known by the transaction broker, including the following:
  - Environmental hazards affecting the property that are required to be disclosed;
  - The physical condition of the property;
  - Any material defects in the property or in the title to the property;
  - Any material limitation on the seller's ability to complete the contract.
- Disclosing to the seller all adverse material facts actually known by the transaction broker, including all material facts concerning the buyer's financial ability to perform the terms of the transaction.

The transaction broker has no duty to:

- Conduct an independent inspection of the property for the benefit of any party;
- Conduct an independent investigation of the buyer's financial condition;
- Independently verify the accuracy or completeness of statements made by the seller, buyer or any qualified third party.

### **Optional Acknowledgment**

Completion of this acknowledgment is not required by law. However, our firm prefers to have your acknowledgment so we are sure your choices were explained to you.

Please acknowledge receipt of the brochure by circling either "seller" or "buyer" and signing below. This form is not a contract. If you choose to have an agent represent you, a written agency agreement must be signed. Unless you have a written agency agreement for an agent to represent you, the licensee will be presumed to be transaction broker.

Seller or Buyer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Seller or Buyer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date