



STATE OF MARYLAND
REAL ESTATE COMMISSION

Understanding Whom Real Estate Agents Represent

At the Time of the First Scheduled Face to Face Contact with You, the Real Estate Licensee Who is Assisting You is Required by Law to Provide this Notice to You. This Notice is Not a Contract or Agreement and Creates No Obligation on Your Part.

Before you decide to sell or buy or rent a home you need to consider the following information

In this form "seller" includes "landlord"; "buyer" includes "tenant"; and "purchase" or "sale" includes "lease"

Agents Who Represent the Seller

Seller's Agent: A seller's agent works for the real estate company that lists and markets the property for the sellers and exclusively represents the sellers. That means that the Seller's agent may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the sellers.

Cooperating Agent: A cooperating agent works for a real estate company different from the company for which the seller's agent works. The cooperating agent can assist a buyer in purchasing a property, but his or her duty of loyalty is only to the sellers.

If you are viewing a property listed by the company with whom the agent accompanying you is affiliated, and you have not signed a "Consent for Dual Agency" form, that agent is representing the seller.

Agents Who Represent the Buyer

Presumed Buyer's Agent (no written agreement): When a person goes to a real estate agent for assistance in finding a home to purchase, the agent is presumed to be representing the buyer and can show the buyer properties that are *NOT* listed by the agent's real estate company. A presumed buyer's agent may *not* make or prepare an offer or negotiate a sale for the buyer. The buyer does *not* have an obligation to pay anything to the presumed agent.

If for any reason the buyer does not want the agent to represent him or her as a presumed agent, either *initially* or *at any time*, the buyer can decline or terminate a presumed agency relationship simply by saying so.

Buyer's Agent (by written agreement): A buyer may enter into a written contract with a real estate agent which provides that the agent will represent the buyer in locating a property to buy. The agent is then known as the buyer's agent. That agent assists the buyer in evaluating properties and preparing offers, and negotiates in the best interests of the buyer. The agent's fee is paid according to the written agreement between the agent and the buyer. If you as a buyer wish to have an agent represent you, you must enter into a written buyer agency agreement before a contract offer can be prepared.

Dual Agents

The possibility of **dual agency** arises when the buyer's agent and the seller's agent both work for the same real estate company, and the buyer is interested in property listed by that company. The real estate broker or the broker's designee, is called the "dual agent." Dual agents do not act exclusively in the interests of either the seller or buyer, and therefore cannot give undivided loyalty to either party. There may be a conflict of interest because the interests of the seller and buyer may be different or adverse.

If both seller and buyer agree to dual agency by signing a Consent For Dual Agency form, then the "dual agent" (the broker or the broker's designee) will assign one agent to represent the seller (the seller's "intra-company agent") and another agent to represent the buyer (the buyer's "intra-company agent"). Intra-company agents may provide the same services to their clients as exclusive seller's or buyer's agents, including advising their clients as to price and negotiation strategy, provided the clients have both consented to be represented by dual agency.

If either party does not agree to dual agency, the real estate company must withdraw the agency agreement for that particular property with either the buyer or seller, or both. If the seller's agreement is terminated, the seller must then either represent him or herself or arrange to be represented by an agent from another real estate company. If the buyer's agreement is terminated, the buyer may choose to enter into a written buyer agency agreement with an agent from a different company. Alternatively, the buyer may choose not to be represented by an agent of his or her own but simply to receive assistance from the seller's agent, from another agent in that company, or from a cooperating agent from another company.

No matter what type of agent you choose to work with, you have the following rights and responsibilities in selling or buying property:

>Real estate agents are obligated by law to treat all parties to a real estate transaction honestly and fairly. They must exercise reasonable care and diligence and maintain the confidentiality of clients. They must not discriminate in the offering of properties; they must promptly present each written offer or counteroffer to the other party; and they must answer questions truthfully.

>Real estate agents must disclose all material facts that they know or should know relating to a property. An agent's duty to maintain confidentiality does not apply to the disclosure of material facts about a property.

>All agreements with real estate brokers and agents should be in writing and should explain the duties and obligations of both the broker and the agent. The agreement should explain how the broker and agent will be paid and any fee-sharing agreements with other brokers and agents.

>You have the responsibility to protect your own interests. You should carefully read all agreements to make sure they accurately reflect your understanding. A real estate agent is qualified to advise you on real estate matters only. If you need legal or tax advice, it is your responsibility to consult a licensed attorney or accountant.

Any complaints about a real estate agent may be filed with the Real Estate Commission at 500 North Calvert Street, Baltimore, MD 21202. (410) 230-6206.

We, the Sellers/Landlord Buyers/Tenants acknowledge receipt of a copy of this disclosure and

that _____ (firm name)

and _____ (salesperson) are working as:

(You may check more than one box but not more than two)

- seller/landlord's agent
- co-operating agent (representing seller/landlord)
- buyer's/tenant's agent
- intra-company agent/dual agent (**CHECK BOX ONLY IF CONSENT FOR DUAL AGENCY FORM HAS BEEN SIGNED**)

Signature Date

Signature Date

* * * * *

I certify that on this date I made the required agency disclosure to the individuals identified below and they were **unable or unwilling** to acknowledge receipt of a copy of this disclosure statement

Name of Individual to whom disclosure made

Name of Individual to whom disclosure made

Agent's Signature

(Date)



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Consent for Dual Agency

(In this form, the word "seller" includes "landlord"; "buyer" includes "tenant"; and "purchase" or "sale" includes "lease")

When Dual Agency May Occur

The possibility of Dual Agency arises when:

- 1) The buyer is interested in a property listed by a real estate broker; and
- 2) The seller's agent and the buyer's agent are affiliated with the same real estate broker.

Important Considerations Before Making a Decision About Dual Agency

A broker acting as a dual agent does not exclusively represent either the seller or buyer; there may be a conflict of interest because the interests of the seller and buyer may be different or adverse. As a dual agent, the real estate broker does not owe undivided loyalty to either the seller or buyer.

Before the buyer and seller can proceed to be represented by a broker acting as a dual agent, they must both sign Consent for Dual Agency. If the buyer has previously signed Consent for Dual Agency, the buyer must **affirm** the buyer's consent for the purchase of a particular property before an offer to purchase is presented to the seller. If the seller has previously signed Consent for Dual Agency, the seller must **affirm** the seller's consent for the sale of the property to a particular buyer before accepting an offer to purchase the property. The **affirmation** is contained on Page 2 of this form.

Your Choices Concerning Dual Agency

In a possible dual agency situation, the buyer and seller have the following options:

1. **Consent in writing to dual agency.** If all parties consent in writing, the real estate broker or the broker's designee (the "dual agent") will assign one real estate agent affiliated with the broker to represent the seller (the seller's "intra-company agent") and another agent affiliated with the broker to represent the buyer (the buyer's "intra-company agent"). Intra-company agents may provide the same services to their clients as an exclusive seller's or buyer's agent, including advising their clients as to price and negotiation strategy.
2. **Refuse to consent to dual agency.** If either party refuses to consent in writing to dual agency, the real estate broker must terminate the brokerage relationship for that particular property with the buyer, the seller, or both. If the seller's agreement is terminated, the seller must then either represent him or herself or arrange to be represented by another real estate company. If the buyer's agreement is terminated, the buyer may choose not to be represented by an agent of his or her own but simply to receive assistance from the seller's agent, from another agent in that company, or from a cooperating agent from another company. Alternatively, the buyer may choose to enter into a written buyer agency agreement with a different company.

Duties of a Dual Agent and Intra-Company Agent

Like other agents, unless the client gives consent to disclose the information, dual agents and intra-company agents must keep confidential information about a client's bargaining position or motivations. For example, without written consent of the client, a dual agent or intra-company agent may not disclose to the other party, or the other party's agent:

- 1) Anything the client asks to be kept confidential; *
- 2) That the seller would accept a lower price or other terms;
- 3) That the buyer would accept a higher price or other terms;
- 4) The reasons why a party wants to sell or buy, or that a party needs to sell or buy quickly; or
- 5) Anything that relates to the negotiating strategy of a party.

* **Dual agents and intra-company agents must disclose material facts about a property to all parties.**

How Dual Agents Are Paid

Only the broker receives compensation on the sale of a property listed by that broker.

If a financial bonus is offered to an agent who sells property that is listed with his/her broker, this fact must be disclosed in writing to both the buyer and seller.

Consent for Dual Agency

I have read the above information, and I understand the terms of the dual agency. I understand that I do not have to consent to a dual agency and that if I **refuse** to consent, there will not be a dual agency; and that I may withdraw the consent at any time upon notice to the dual agent. I hereby **consent** to have

_____ act as a Dual Agent for me as the
(Firm Name)

_____ **Seller** in the sale of the property at: _____ .

_____ **Buyer** in the purchase of a property listed for sale with the above-referenced broker.

Signature

Date

Signature

Date

AFFIRMATION OF PRIOR CONSENT TO DUAL AGENCY

- The undersigned **Buyer(s)** hereby affirm(s) consent to dual agency for the following property:

Property Address

Signature

Date

Signature

Date

- The undersigned **Seller(s)** hereby affirm(s) consent to dual agency for the Buyer(s) identified below:

Name(s) of Buyer(s)

Signature

Date

Signature

Date