

CONSUMER GUIDE TO AGENCY RELATIONSHIPS

Dual Agency

For more information on agency law in Kentucky, you may also contact the Kentucky Real Estate Commission at (502) 429-7250, or on its website at www.krec.ky.gov.

Representing the Sellers: Most sellers of real estate choose to list their home for sale with a real estate brokerage. When they do so, they sign a listing agreement that authorizes the brokerage and the listing agent to represent their interests. As the seller's agent, the brokerage and listing agent must: follow the seller's lawful instructions, be loyal to the seller, promote the seller's best interests, disclose material facts to the seller, maintain confidential information, act with reasonable skill and care, and account for any money they handle in the transaction.

Representing Buyers: When purchasing real estate, buyers usually choose to work with a real estate agent as well. Often the buyers want to be represented in the transaction. This is referred to as buyer's agency. A brokerage and agent that agree to represent a buyer's interest in a transaction must: follow the buyer's lawful instructions, be loyal to the buyer, promote the buyer's best interests, disclose material facts to the buyer, 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 seller also represent the buyer. This is referred to as dual agency. When a brokerage and its agents become "dual agents," they must remain loyal to both clients. They may not advocate the position of one client over the best interests of the other client or disclose any personal or confidential information to the other party without written consent.

Working With A Real Estate Company: A real estate company does represent both buyers and sellers. When a real estate company lists property for sale, all agents in the brokerage represent the seller. Likewise, when a buyer is represented by a real estate company agent, all of the agents represent that buyer. Therefore, when a buyer represented by a real estate company agent wishes to purchase property listed by the real estate company, the agent(s) involved act as dual agents. This is true whether one agent is representing both parties or two separate agents are involved.

In the event that both the buyer and seller are represented by a real estate company's agents, these agents and the real estate company will act as dual agents, but only if both parties agree. As dual agents, they 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 will 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 seek representation from another brokerage.

As a buyer, you may also choose to represent yourself on properties the real estate company has listed. In that instance, the real estate company will represent the seller and you would represent your own best interests. Because the listing agent has a duty of full disclosure to the seller, you should not share any information with the listing agent that you would not want the seller to know.

Working With Other Brokerages: When a real estate company lists property for sale, it also cooperates with, and offers compensation to, other real estate companies that represent buyers.

As a seller, you should understand that just because a real estate company shares a fee with a real estate company representing the buyer, it does not mean that you will be represented by that buyer's real estate company. Instead, that company will be representing the buyer and your real estate company will be representing your interests.

When acting as a buyer's agent, a real estate company 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 seller-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, or sexual orientation 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. Doing so will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Name (Please Print)

Signature

Signature