



STATE OF MARYLAND
REAL ESTATE COMMISSION

Understanding Whom Real Estate Agents Represent

THIS NOTICE IS NOT A CONTRACT

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. A Seller's agent may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the sellers.

Subagent: A Subagent means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who is not affiliated with or acting as the listing real estate broker for a property, is not a buyer's agent, has an agency relationship with the seller, and assists a prospective buyer in the acquisition of real estate for sale in a non-agency capacity. The subagent works for a real estate company different from the company for which the seller's agent works. The subagent can assist a buyer in purchasing a property, but his or her duty of loyalty is only to the seller.

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

Agents Who Represent the Buyer

Buyer's Agent: A buyer may enter into a written contract with a real estate broker which provides that the broker will represent the buyer in locating a property to buy. The agent from that broker's company is then known as the buyer's agent. The buyer's agent assists the buyer in evaluating properties and preparing offers and developing negotiation strategies and works in the best interest of the buyer. The agent's fee is paid according to the written agreement between the broker and the buyer. If you as a buyer wish to have an agent represent you, you must enter into a written buyer agency agreement.

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, the "dual agent" (the broker or the broker's designee) shall 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 are required to provide the same services to their clients that agents provide in transactions not involving dual agency, including advising their clients as to price and negotiation strategies.

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 broker/company. If the buyer's agreement is terminated, the buyer may choose to enter into a written buyer agency agreement with a different broker/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 subagent 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 must be in writing and explain the duties and obligations of both the broker and the agent. The agreement must explain how the broker and agent will be paid and any fee-sharing agreements with other brokers.

>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 licensee 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 licensee may be filed with the Real Estate Commission at 500 North Calvert Street, Baltimore, MD 21202. (410) 230-6205

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
- subagent of the Seller
- buyer's/tenant's agent

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)



Buyer Agency Agreement for Maryland and Washington, DC

This Agreement ("Agreement") is made on _____ between _____ ("Buyer") and _____ ("Broker")

which assigns _____ as Agent of the Broker ("Agent"). In consideration of services provided, the Broker is hereby granted the right to represent the Buyer in the purchase, option, or exchange of real property or cooperative units (the "Property").

1. **PURPOSE:** This agreement ("Agreement") establishes
 - 1) a **brokerage relationship** ("Brokerage Relationship"), an agency relationship between Buyer and Broker, and
 - 2) a **contractual obligation** ("Contractual Obligation") between Buyer and Broker, in which the Broker has the exclusive right to represent Buyer under the terms and conditions set forth herein.
2. **BROKER RESPONSIBILITIES:** Agent and Broker agree to: 1) Use professional knowledge and skills to locate and present real property, which is available for purchase and suitable for the Buyer's needs. 2) Assist Buyer through the process of property acquisition. 3) Represent the interests of the Buyer in all negotiations and transactions regarding the acquisition of real property, notwithstanding the fact Agent may receive compensation from other parties.
3. **BUYER RESPONSIBILITIES:** Buyer will work exclusively with Broker during the term of this Agreement, and will contact Agent first with any questions or showing requests about Properties, and not the Seller or any other agent. At open houses, Buyer agrees to notify the party representing the seller of this Agreement. For new home builders and new home open houses, Buyer agrees to make any first visit to any new home builder's model only while accompanied by Agent. Buyer will furnish Broker with necessary financial and personal information to reasonably establish Buyer's ability to purchase property and authorizes the release of such information to the Seller and Seller's Broker..
4. **BROKER COMPENSATION:**
 - A. **Commission:** Buyer agrees that Broker shall receive a broker's fee ("Commission") of _____ % of the sale price **OR** \$ _____ at the Settlement of any Property contracted to be purchased during the term of this Agreement, no matter who locates the property, even if located entirely by Buyer. In most cases, the Seller pays Commission. Broker is authorized to receive all Commission offered, and such payment shall be made with the Seller's and Buyer's prior knowledge. In the event Seller does not pay the total of the Commission due, Buyer hereby agrees to pay the difference due to the Buyer's Broker, up to the full amount. Buyer also agrees to pay additional commission in the amount of \$ _____ at Settlement, regardless of any Seller payment of Commission. Buyer has paid an advance fee of \$ _____ to retain the services of Broker, which will be credited against the Commission due.
 - B. **Protection Period:** Commission shall be paid to Broker if a Property is purchased by Buyer within _____ days after the termination of this Agreement (the "Protection Period"), unless Buyer enters into a new, valid Buyer Agency Agreement during the term of said Protection Period.
 - C. **Amount of Commission Offered:** Commission paid by the Seller is generally indicated as follows: 1) in MRIS for any properties using that Multiple Listing Service ("MLS"), or 2) in an addendum to the purchase contract for new home construction, or properties unlisted in MRIS.
 - D. **Payment of Commission:** Commission is due at Settlement, unless Buyer, after sales contract acceptance, fails to perform or is otherwise in default of the sales contract or executes a release to which the Broker is not a party of the sales contract after all contingencies thereunder have been removed. In such case, the Commission is due no later than the previously agreed Settlement date. If Buyer enters into a Contract with a Seller during the original term of this Agreement, and Seller subsequently defaults, then the original term of this Agreement is extended by the number of days property was under contract.
5. **TERM:** This Agreement commences when signed and expires at 11:59 p.m. on _____ ("Expiration Date"), unless extended in writing, or unless earlier terminated as herein provided. If a Contract of Sale is entered into by Buyer before Expiration Date, which provides for Settlement to occur after such Date, this Agreement shall be automatically extended until Settlement has occurred or until the Contract of Sale is released in writing by the parties.

