

## AGENCY /POLICY DISCLOSURE AND ACKNOWLEDGEMENT REQUIRED TO BE PROVIDED TO EACH PARTY IN A TRANSACTION

(May be presented at earliest possible convenience – must be signed by Seller or Buyer prior to making or reviewing an Offer)

When you enter into a discussion with a Brokerage (and their affiliated real estate licensees) regarding a real estate transaction, you should understand how the Brokerage is representing each party in the transaction. More importantly, you should understand how that agency relationship impacts on your relationship with the licensee. **The term “Broker” or “Brokerage” shall hereinafter refer to: Stock Realty & Auction Company, and Brokerage’s affiliated licensees (brokers and salespersons). The term “Owner” and / or “Seller” shall hereinafter refer to the seller, landlord, or optionor. The term “Buyer” shall hereinafter refer to the buyer, tenant or optionee. A “Client” is a party to a transaction who has an agency agreement with a broker for brokerage services. A “Customer” means a consumer who is not being represented by a licensee but for whom the licensee may perform ministerial acts.**

### A. TYPES OF AGENCY REPRESENTATION AND THE POLICY BROKERAGE MAY ELECT UNDER EACH.

Prior to Buyer or Owner giving confidential information they should understand a variety of representation options exist in real estate transactions. Below are a list of representation options available and the policy Brokerage may elect in regard to each. Brokerage will provide a separate Agreement establishing which agency relationship is offered to Buyer or Owner. **Brokerage has “checked” the appropriate box(es) for the policy that applies to Brokerage:**

1. **XX SINGLE SELLER AGENCY.** Single Seller Agency exists when Brokerage and Owner enter into a real estate “Exclusive Listing Agreement” and the property is sold to a “Customer” or by a different real estate company. Brokerage and Broker’s affiliated licensees policy is to represent the Owner as a “Client” in this case. **In Single Seller Agency, Broker does not also represent the Buyer in the transaction.**
2. **\_\_\_ SINGLE BUYER AGENCY.** Single Buyer Agency exists when the Brokerage and Buyer enter into a “Buyer Agency Agreement” and Brokerage or an affiliated licensee assist Buyer in writing an offer to purchase property and the property is listed with a different real estate company or offered by owner. Brokerage and Brokers affiliated licensees policy is to represent Buyer as a “Client” in this case. In this type of agency representation Broker may receive compensation for the transaction from the listing real estate company pursuant to a cooperation agreement between the two companies. **In Single Buyer Agency, Broker does not also represent the Owner in the transaction.**
3. **\_\_\_ APPOINTED AGENCY**
  - a. **Appointed Seller Agency** exists when Brokerage appoints an affiliated licensee, the listing agent, to act on Owner’s (Clients) behalf to the exclusion of all other affiliated licensees of Brokerage.
  - b. **Appointed Buyer Agency** exists when Brokerage appoints affiliated licensee, the selling agent, to act of Buyers (Clients) behalf to the exclusion of all other affiliated licensees of Brokerage.
  - c. **In the event an Appointed Licensee personally represents both Owner and Buyer in the same transaction, that Appointed Agency is considered to be a Consensual Dual Agency. (See 4. below)**

### 4. **\_\_\_ CONSENSUAL DUAL AGENCY**

A. When Brokerage (or an Appointed Seller or Buyer Agent, as defined in 3a. and 3b above.) both lists and sells the property, it is the policy of Brokerage and Brokerage’s affiliated salespersons to represent both the Owner and Buyer as a Consensual Dual Agency. Under this circumstance, before signing an offer to buy or accepting an offer to buy, please see the “Dual Agency Consent Agreement” for detailed information as to the duties of Brokerage to both Owner and Buyer, as well as procedures to be followed.

B. When Brokerage and Buyer enter into a “Buyer Agency Agreement” whether exclusive or non-exclusive, and Brokerage or an affiliated salesperson assist Buyer in writing an offer to purchase property and the property is also listed with Brokerage, it is the policy of Brokerage to represent both the Owner and Buyer as a Consensual Dual Agency. Under the circumstance, before signing an offer to buy or accepting an offer to buy, please see the “Dual Agency Consent Agreement” for detailed information as to the duties of Brokerage to both Owner and Buyer, as well as procedures to be followed.

C. Representing more than one party to a transaction can create a conflict of interest since both “Clients” may rely on the Licensees advice.

**Buyer and Owner are not required to consent to dual agency.**

**\_\_\_\_\_ (initial if applicable)** If not already in a written Agency Relationship with a brokerage, a person(s), partnership, or company (buying or selling) may represent themselves in a transaction. If a Buyer or Owner elect to represent themselves in a transaction, it is the policy of Brokerage to treat that Buyer or Owner as a “Customer” and not as a “Client.” “Clients are responsible for Commission which may be owned as to the term and conditions of previously agreed contracts.

### B. DUTIES OF A REAL ESTATE LICENSEE TO ALL PARTIES TO THE TRANSACTION.

In providing brokerage services to all parties to a transaction, “Client” and “Customer” alike, a licensee (the Brokerage and its broker associates and salespersons), regardless of the type of agency representation agreed to. Shall do all of the following:

1. Provide brokerage services to all parties to the transaction honestly and in good faith.
2. Diligently exercise reasonable skill and care in providing brokerage services to all the parties.
3. Disclose to each party all **material adverse facts** (ie significant defects or negative circumstances.) that the licensee know except :
  - a. Material adverse facts known by the party.
  - b. Material adverse facts the party could discover through a reasonable diligent inspection and which would be discovered by a reasonably prudent person under like or similar circumstances.
  - c. Material adverse facts that disclosure of which is prohibited by law.
  - d. Material adverse facts that are known to a person who conducts an inspection on behalf of the party.

4. Account for all property coming into the possession of a licensee that belongs to any party within a reasonable time of receiving the property.

**C. DUTIES OF A REAL ESTATE LICENSEE TO A CLIENT**

A licensee providing brokerage services to a client, regardless of the type of agency to representation agreed to, shall do all of the following:

1. Place the client’s interests ahead of any other party, unless loyalty to a client violates the licensee’s duties under provisions of the Iowa Code (such as with Appointed Agency of Consensual Dual Agency) or any other applicable law.
2. Disclose to the client all information known by the licensee that is material to the transaction and that is not known by the client or could not be discovered by the client through a reasonably diligent inspection.
3. Fulfill any obligation that is within the scope of this Agency Disclosure, except those obligations that are inconsistent with other duties that the licensee has under the Real Estate Brokers and Salespersons provisions of the Iowa Code or any other law.
4. Keep their client(s) confidential information confidential unless they have written permission to reveal.
5. Disclose to a client any financial interests the licensee or the brokerage has in any company or business entity to which the licensee or brokerage refers to a client for any service or product related to the transaction. The client is not obligated to use any such recommended company, and may select a different company. **NOTE: Broker /Licensee (circle applicable) has a financial interest in or an affiliate relationship with the following companies. Or business entitles:**

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**D. DESCRIPTION OF BROKER’S SERVICES.**

Broker may do the following for Sellers and Buyers: (1) Assist Buyer with financing qualification guidelines; (2) Provide helpful information about the property and area; (3) Respond accurately to questions about the property (4) Disclose all material facts about the property that are known to Broker; (5) Disclose financial qualifications of the Buyer to the Owner; (6) Explain real estate terms and procedures; (7) Explain to the Owner and Buyer the benefits of having the property inspected; (8) Explain closing costs and procedures; (9) Help and Owner and Buyer compare financing alternatives; (10) Provide information about comparable properties so Owner and Buyer may make an informed decision on what price to accept and/or offer; (11) Assist with all the standard forms, including those that include the necessary protection and disclosures for the Owner and Buyer; and (12) Work diligently to facilitate the sale and closing. (13) Keep their client(s) confidential information confidential unless they have written permission to reveal. The preceding list of services is not intended to be all inclusive, nor will all services listed be necessary in every case. Licensees are not required to answer questions outside for the scope of their real estate license. **NOTE: Broker neither offers subagency to, nor accepts subagency from, other brokerage companies.**

**E. GUIDELINES FOR OWNER AND BUYER.**

If you are the “Customer” in the transaction, you are advised not to disclose your negotiating position about such things as whether you as Owner would take less than the asking price, or you as Buyer are willing to pay more than the price you offer. Except for information required to be disclosed, if you as either a “Client” or a “Customer”, have reason to believe any confidential information, such as your financial status, motivation to sell or buy as well as other personal information will adversely affect your negotiating position, this should not be disclosed to anyone. **Each party to the transaction has the responsibility to protect their own interests.**

**ACKNOWLEDGEMENT**

The undersigned have read this disclosure and understand the type of representation being provided by Broker. The undersigned acknowledge receipt of a copy of this agency disclosure. **This not a contract; rather it is intended to be only a disclosure notice.**

**If you do not understand this document, seek the advice of the legal counsel of your choice, before signing.** (Circle (Buyer) or (Owner) as appropriate)

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**Print name of prospective (Buyer)**

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**Signature of prospective (Buyer)      Date**

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**Print name of prospective (Buyer)**

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**Signature of Prospective (Buyer)      Date**