

Dear Deb

By Deb Nolen, GRI, PMAR Ethics Instructor; Better Homes and Gardens Real Estate Realty Partners

debnolen@bhgpartners.com

Offering sound advice on love and life, but mostly real estate issues as they relate to our Realtor® Code of Ethics

Dear Deb,

This is a tough market for a buyers' agent! After working hard with a couple of clients and losing one to an agent at an open house and the other to a FSBO, I've made it a practice to use exclusive buyer contracts.

One of my contracted buyers finally found a home and got his offer accepted. I noticed in the private remarks of the listing print-out that the seller is offering a \$2,000 bonus to the buyers' agent if the transaction closes in 30 days of mutual acceptance. My buyer is cash so there is a big probability that I'll be making some real money on this deal!

Do I need to tell my buyer about the bonus? I'm assuming it's just considered to be part of my commission. After all, my income is my business, right?

Sign me,
ChaChing!

Dear Gina,

Don't go spending that bonus before you take a moment to check out the Realtor® Code of Ethics, paying special attention to Article 1, Standard of Practice 1-13. It reads as follows:

When entering into buyer/tenant agreements, Realtors® must advise potential clients of:

- 1) the Realtor®'s company policies regarding cooperation;
- 2) the amount of compensation to be paid by the client;
- 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;**
- 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, etc., and
- 5) the possibility that sellers' representatives may not treat the existence, terms or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. *(Adopted 1/93, renumbered 1/98, Amended 1/06)*

The potential for great income always follows great representation. So before getting into a contractual service agreement with a buyer, have a conversation about how you'll be paid, and who will be paying what. Make sure your client understands up front that there's potential for monetary incentives and or additional pay to you.

Disclosing is essential to representing your clients' interests above your own. When it comes to your business there is no greater value, except of course the value received from following our Code of Ethics. Priceless!

-Deb