

## REAL ESTATE BROKERAGE SERVICES DISCLOSURE

### RECAD - Real Estate Customer Agency Disclosure

Alabama law requires the Real Estate Broker and/or Agent to inform the real estate customer about the different types of services which the real estate licensee may perform. This should be completed before any real estate business is preformed such as; giving advice, rendering any services that will cause the customer to think they are being represented by the Broker and/or real estate agent.

1. Alabama law requires you, the consumer, to be informed about the types of services which real estate licensees may perform. The purpose of this disclosure is to give you a summary of these services.

**a. SINGLE AGENT:** A single agent is a licensee who represents only one party in a sale. *That is, a single agent represents his or her client.* The client may be either the seller or the buyer.  
A single agent must be completely loyal and faithful to the client.

A single agent is loyal to only their client, client being the Seller or Buyer in the real estate transaction. The broker and/or agent only are mandated by law to disclose what their client is willing to render and if the matter affects "Health and Safety.

**b. SUBAGENT:** A subagent is another agent/licensee who also represents only one party in a sale. A subagent helps the Broker/agent represent the same client. The client may be either the seller or the buyer. A subagent must also be completely loyal and faithful to the client.

*Example:* A Broker/Agent enters into a Listing Agreement with a Seller, the Seller in turns advises their Agent to place their property on the Multiple Listing Service and the Selling Agent will represent them (The Seller) in the Sales Negotiation. They are not in any way to give disclosure and/or information to the proposed Buyer of any facts relevant to the real estate transaction.

**c. LIMITED CONSENSUAL DUAL AGENT:** A LIMITED CONSENSUAL DUAL AGENT is a licensee for both the buyer and the seller. *This may only be done with the written, informed consent of all parties.*

This type of agent must also be loyal and faithful to the client, **except** where the duties owned to the client conflict with one another.

The Broker and/or Agent must not reveal anything to the other party or vice versa that will hurt either the Seller and/or Buyer. Any information that will bring harm and/or negative results to either, the Buyer or Seller, the Broker or Agent shall not disclose any facts which will harm either client. The only thing by law a Broker or Agent can not hold to themselves is known facts that pertain "Health and Safety." Any facts that or negative relating to "Health and Safety" must be disclosed and the Broker and/or Agent does not need the permission of either the Buyer or Seller to disclose such negative impacts that may result to either party from Health or Safety issues.

**d. TRANSACTION BROKER:** A TRANSACTION BROKER assists one or more parties who are customers, in a sale. A transaction broker is not an agent and does not perform the same services as an agent.

A Transaction Broker is not required to find and/or give unknown information to either a Buyer or Seller in a real estate transaction. The Transaction Broker only is permitted to render “Known Facts or information that is generally known to the public.”

1. The Transaction Broker presents a property to a Buyer and helps the Buyer with the writing of a Real Estate Offer. No discovery is required and/or mandated by law.

2. The Transaction Broker presents a Property Owners property and is not required to negotiate, advertise, deliberate, and/or give advise to the Property Owner. The Broker or Agent will assist the Seller in preparing the Sales Agreement, but will not give advice to the wording on document.

● ***Alabama law imposes the following obligations on all real estate licensees to all parties, no matter their relationship:***

1. To provide services honestly and in good faith;
2. To exercise reasonable care and skill;
3. To keep confidential any information gained in confidence, unless disclosure is required by law or duty to a client, the information becomes public knowledge or disclosure is authorized in writing;
4. Present all offers promptly to the seller;
5. Answer your questions completely and accurately.

Further, ***even if you are working with a licensee who is not your agent, there are many things the licensee may do to assist you.*** Some examples are:

1. Provide information about properties;
2. Show properties;
3. Assist in making a written offer;
4. Provide information on financing.

**You should choose** which type of service you want from a licensee, and sign a brokerage service agreement. ***“If you DO NOT sign an agreement, by law the licensee working with you is a transaction broker.”***

The licensee’s broker is required by law to have on file, an office policy describing the company’s brokerage services. You should feel free to ask any questions you have.

The Alabama Real Estate Commission requires the real estate licensee to sign, date, and provide you a copy of the Real Estate Brokerage Service Disclosure form. Your signature is not required by law or rule, to the fact you have been presented these rules of law, but it’s appreciated, to have in our files. ***REMEMBER, If you Do Not sign an agreement choosing how you wish to be represented, by Alabama law, the Licensee assisting you is a Transaction Broker. A transaction broker is not an agent and does not perform the same services as an agent!***

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