

CONSUMER GUIDE TO AGENCY RELATIONSHIPS (KY)

Split Agency & Dual Agency

Keller Williams Advisors Realty



We are pleased you have selected *Keller Williams Advisors Realty* to help you with your real estate needs. Whether you are selling, buying or leasing real estate, *Keller Williams Advisors Realty* can provide you with expertise and assistance. Because this may be the largest financial transaction you will enter into, it is important to understand the role of the agents and brokers with whom you are working. Below is some information that explains the various services agents can offer and their options for working with you.

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. In some circumstances, a listing broker may offer “subagency” to other brokerages that would also represent the seller’s interests and owe the seller these same duties.

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 parties in the transaction. They may not advocate the position of one client over the best interests of the other client or disclose any confidential information to the other party without written consent.

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 .

Designated Agency: On occasion, the buyer and seller will each be represented by two different agents from the same brokerage. In this case, the agents may each represent the best interest of their respective clients. Or, depending on company policy, the agents may act as dual agents. When either of the above occurs, the principal broker will always be a dual agent. As a dual agent, the principal broker cannot advocate for the position of one client over another. The principal broker will also protect the confidential information of both parties.

Working With (Brokerage): *Keller Williams Advisors Realty* does offer designated agency. Therefore, the potential exists for one agent to represent a buyer who wishes to purchase property listed with another agent in our company. If this occurs, each agent will represent his or her own client, but *Keller Williams Advisors Realty* and its principal broker will act as a dual agent. This means the principal broker will not take any actions that will favor one side over the other. *Keller Williams Advisors Realty* will still supervise both agents to assure that their respective clients are being fully represented and will protect the parties' confidential information. In the event that both the buyer and seller are represented by the same agent, that agent and *Keller Williams Advisors Realty* will act as a dual agent, but only if both parties agree. As a dual agent, the agent 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 would 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 ask that another agent in our company be assigned to represent you or you can seek representation from another brokerage. As a buyer, you may also choose to represent yourself on properties *Keller Williams Advisors Realty* has listed. In that instance, *Keller Williams Advisors Realty* 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 *Keller Williams Advisors Realty* lists property for sale, it also cooperates with, and offers compensation to, other brokerages that represent buyers. As a seller, you should understand that just because *Keller Williams Advisors Realty* shares a fee with a brokerage representing the buyer, it does not mean that you will be represented by that brokerage. Instead, that company will be representing the buyer and *Keller Williams Advisors Realty* will be representing your interests. When acting as a buyer's agent, *Keller Williams Advisors Realty* 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. Your signature will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Signature Date

Name (Please Print)

Signature Date

Property Address