

Northern Michigan MLS

AGENCY DISCLOSURE STATEMENT

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee.

As of January 1, 1994, Michigan law requires real estate licensees to advise the potential sellers or buyers with whom they work of the nature of their agency relationship.

A broker or sales person may function in any of the following capacities:

- represent the seller as an authorized seller's agent or subagent
- represent the buyer as an authorized buyer's agent or subagent
- represent both the seller and buyer as a disclosed dual agent, authorized by both the seller and buyer
- represent neither the seller or buyer as an agent, but provide services authorized by the seller or buyer to complete a transaction as a transaction coordinator.

1) SELLER'S AGENT OR SUBAGENT

A seller's agent, under a listing agreement with the seller, acts solely on behalf of the seller. A seller can authorize a seller's agent to work with subagents, buyer's agents and/or transaction coordinators. A subagent of the seller is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and their subagents will disclose to the seller known information about the buyer which may be used to the benefit of the seller. It should be noted, that the seller and his agent may assume liability for the representation of the subagents.

The duties that a seller's agent and subagent owe to the seller include:

- promoting the best interests of the seller
- fully disclosing to the seller all facts that might affect or influence the seller's decision to accept an offer to purchase
- keeping confidential the seller's motivations for selling
- presenting all offers to the seller
- disclosing the identities of all buyers and all information about the willingness of those buyers to complete the sale or to offer a higher price.

2) BUYER'S AGENTS OR SUBAGENTS

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. A subagent of the buyer is one who has agreed to work with the buyer's agent and who, like the buyer's agent, acts solely on behalf of the buyer. Buyer's agents and their subagents will disclose to the buyer known information about the seller which may be used to benefit the buyer.

The duties a buyer's agent and subagent owe to the buyer include:

- promoting the best interests of the buyer
- fully disclosing to the buyer all facts that might affect or influence the buyer's decision to tender an offer to purchase
- keeping confidential the buyer's motivations for buying
- presenting all offers on behalf of the buyer
- disclosing to the buyer all known information about the willingness of the seller to complete the sale or to accept a lower price.

3) DUAL AGENTS OR AGENTS REPRESENTING BOTH SELLERS AND BUYERS

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer.

In such a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer. As a dual agent, the licensee will not be able to provide the full range of fiduciary duties to the seller or the buyer.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller, and the buyer.

4) TRANSACTION COORDINATOR (NON-AGENCY CAPACITY)

A transaction coordinator is a licensee who is not acting as an agent of either the seller or the buyer, yet is providing services to complete a real estate transaction.

The transaction coordinator is not an agent for either party and therefore owes no fiduciary duty to either party. The transaction coordinator is not the advocate of either party and therefore cannot "negotiate" for either party. The responsibilities of the transaction coordinator typically include:

- providing access and the showing of the property
- Providing access to market information
- Providing assistance in the preparation of a buy and sell agreement which reflects the terms of the parties' agreement
- assisting all parties in undertaking steps necessary to carry out the agreement.

LICENSEE DISCLOSURE: I hereby disclose that the agency status I/we have with the buyer and/or seller below is:

Seller's Agent

Buyer's Agent

Dual Agent

Transaction Coordinator (a licensee who is not acting as an agent of either the seller or the buyer.)

Further this form was presented to them before disclosure of any confidential information.

Licensee

Date

ACKNOWLEDGMENT: By signing below, the parties confirm that they have received and read the information in this agency disclosure statement and that this form was provided to them before the disclosure of any confidential information specific to the potential sellers or buyers.

Buyer

Seller

Date

Buyer

Seller

Date

Disclaimer: This form is provided as a service of the Traverse Area Association of REALTORS® and the Northern Michigan MLS. Please review both the form and details of the particular transaction to ensure that this form is appropriate for the transaction. The Traverse Area Association of REALTORS® and Northern Michigan MLS are not responsible for the use or misuse of this form.