

# A WORD ABOUT THE RELATIONSHIP BETWEEN YOU AND YOUR BROKER

## OREGON REAL ESTATE AGENCY DISCLOSURE

This document describes agency relationships and the duties and responsibilities of real estate brokers in Oregon. The disclosure is informational only, and neither it nor its delivery to you may be construed as evidence of intent to create an agency relationship. This disclosure is provided pursuant to law [Oregon Administrative Rule (OAR) 863-015-215 (4)].

### REAL ESTATE AGENCY RELATIONSHIPS

An "agency" relationship is a voluntary legal relationship in which a real estate broker ("the agent") agrees to act on behalf of a buyer or seller ("the client") in a real estate transaction.

Oregon law provides for three types of agency relationships between real estate brokers and their clients:

**Seller's Agent** - Represents the seller only;

**Buyer's Agent** - Represents the buyer only;

**Disclosed Limited Agent** - Represents both buyer and seller in same transaction, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all parties.

*The actual agency relationships between seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate broker.*

### DUTIES & RESPONSIBILITIES OF AGENT REPRESENTING ONLY SELLER OR ONLY BUYER

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer. An agent who agrees to represent a buyer acts only as the buyer's agent unless the buyer agrees in writing to allow the agent to also represent the seller. An agent who represents only the seller or only the buyer owes the following affirmative duties to his client, as well as to other

parties involved in a real estate transaction and to their agents:

1. To exercise reasonable care and diligence;
2. To deal honestly and in good faith;
3. To present all written offers, notices and other communications in a timely manner whether or not seller's property is subject to a contract for sale or buyer is already a party to a contract to purchase;
4. To disclose material facts known by agent and not apparent or readily ascertainable to a party;
5. To account in a timely manner for money and property received from or on behalf of the client;
6. To be loyal to his client by not taking action that is adverse or detrimental to the client's interest in a transaction;
7. To disclose in a timely manner to the client any conflict of interest, existing or contemplated;
8. To advise the client to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
9. To maintain confidential information from or about the client, except under subpoena or court order, even after termination of the agency relationship;
10. When representing a seller, to make a continuous, good-faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale. When representing a buyer, to make a continuous, good-faith effort to find property for the buyer, except that the buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase or to show properties for which there is no written agreement to pay compensation to the buyer's agent.

*None of these affirmative duties of an agent may be waived, except #10, which can only be waived by written agreement between client and agent.*

### DUTIES & RESPONSIBILITIES OF AGENT REPRESENTING MULTIPLE CLIENTS IN A TRANSACTION

One agent may represent both seller and buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written "Disclosed Limited Agency" agreement signed by the seller, the buyer(s) and, if any, their agents.

When different agents associated with the same real estate firm establish agency relationships with different parties to the same transaction, only the principal broker (the broker who supervises the other brokers) will act as a Disclosed Limited Agent for both the buyer and the seller. The other agents continue to represent only the party with whom the agent already has an established agency relationship, unless all parties agree otherwise in writing. The supervising principal broker and the brokers representing either the seller or the buyer shall have the following duties to their clients:

1. To disclose a conflict of interest in writing to all parties;
2. To take no action adverse or detrimental to either party's interest in the transaction; and
3. To obey lawful instructions of both parties.

An agent acting under a Disclosed Limited Agency agreement has the same duties to the client as when representing only a seller or only a buyer, except that the agent may not, without written permission, disclose any of the following:

1. That the seller will accept a lower price or less favorable terms than the listing price or terms;
2. That the buyer will pay a greater price or more favorable terms than the listing price or terms; or
3. In a transaction involving between one and four residential units only, information regarding the real property transaction including, but not limited to, price, terms, financial qualifications or motivation to buy or sell.

You are encouraged to discuss the information in this pamphlet with the real estate broker delivering it to you. If you intend for that broker, or any Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent or Disclosed Limited Agent, you should have a specific discussion with him about the nature and scope of the agency relationship. Whether you're a buyer or seller, you cannot make a license your agent without his knowledge and consent, and an agent cannot make you his client without your knowledge and consent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller. Similarly, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching any affirmative duty to the buyer.

No matter whom he represents, an agent must disclose information he knows, or should know, the failure of which to be disclosed would constitute fraudulent misrepresentation. Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.



### **Craig Loughridge, GRI**

Real Estate Broker

503-632-8258 Office

503-349-6892 Cell

[www.NWHOMEPRO.com](http://www.NWHOMEPRO.com)

Hiring An Agent—

What You Need to Know.

