

The Houston Group, LLC

Consumer Guide to Agency Relationships



The Houston Group and all Ohio real estate brokerages are required by Ohio law to provide you with certain information about how real estate agents work and to have you acknowledge receipt of this information. THIS IS NOT A CONTRACT AND DOES NOT OBLIGATE YOU TO THE HOUSTON GROUP IN ANY WAY. THIS IS JUST AN ACKNOWLEDGEMENT OF RECEIPT OF THIS INFORMATION REQUIRED BY OHIO LAW.

We are pleased you have selected us to help you with your real estate needs. Whether you are selling, buying, or leasing real estate, The Houston Group will provide you with the highest standards of 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. The information below explains how brokerages and agents work for buyers and sellers in real estate transactions. **For more information on agency law in Ohio, you may also contact the Ohio Division of Real Estate & Professional Licensing at (614) 466-4100, or at their website: www.com.state.oh.us.**

Representing Sellers (Seller Agency). 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 rare circumstances, a listing broker may offer "subagency" to other brokerages which would also represent the seller's interests and owe the seller these same duties.

Representing Buyers (Buyer Agency). 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. Occasionally, the same agent and brokerage who represents the seller also represents the buyer. This is referred to as dual agency. When a brokerage and its agents become "dual agents," they must maintain a neutral position 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.

In-Company Split 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. When this occurs, the brokerage will be considered a dual agent. As a dual agent the brokerage and its managers will maintain a neutral position and cannot advocate for the position of one client over another. The brokerage will also protect the confidential information of both parties.

Working with The Houston Group. The Houston Group represents both buyers and sellers. 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 their own client, but The Houston Group and its managers will act as a dual agent. This means the brokerage and its managers will maintain a neutral position and not take any actions that will favor one side over the other. The Houston Group will 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 the brokerage will act as dual agents but only if both parties agree. As dual agents they will treat both parties honestly, prepare and present offers at the direction of the parties, and help the parties to understand their contractual obligations. 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 it 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 or an attorney.

As a buyer, you may also choose to represent yourself on properties The Houston Group has listed. In this case, The Houston Group 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 The Houston Group lists a property for sale it also cooperates with and offers to share some of the listing compensation with other brokerages that represent buyers. The Houston Group does reserve the right, in some instances, to vary the compensation it offers to other brokerages. As a seller, you should understand that just because The Houston Group shares a fee with a brokerage representing the buyer, it does not mean that you will be represented by that brokerage. Instead that company (the buyer's brokerage) will be looking out for the buyer and will be obligated to advance the buyer's interest. The Houston Group will be representing your interests. When acting as a buyer's agent, The Houston Group 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, then The Houston Group will attempt to negotiate for a seller-paid fee.

Compensation for Brokerage Services. If you are a seller represented by The Houston Group, at closing you will pay listing compensation as described in your Purchase Agreement and/or Exclusive Right to Sell Agreement. This compensation typically consists of a percentage of the purchase price. The percentage component is typically split with the buyer's broker and the remainder of that shared with your individual agent. This compensation is for all of the general brokerage services The Houston Group has available and/or provides to you as the seller as defined in the Exclusive Right To Sell Agreement, including any sharing of compensation with the buyer's brokerage. If you are a buyer represented by The Houston Group, you will pay a buyer broker compensation as described in your Purchase Agreement and/or any Exclusive Buyer Agreement you have with The Houston Group. If you as a buyer wished to proceed in a transaction where there was no sharing of listing compensation, then you could be asked to pay a percentage of the purchase price for services rendered to you; however, because it is The Houston Group's policy to accept a sharing of the listing compensation, most buyers do not pay a fee or commission for services rendered.

Fair Housing Statement. It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 4112.02 of the Revised Code and the Federal Fair Housing law, 42 U.S.C.A. 3601, as amended, 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 as defined in section 4112.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision 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.

For more information on agency law in Ohio, you can also contact the Ohio Division of Real Estate & Professional Licensing at (614) 466-4100, or on their website www.com.state.oh.us.

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 agent(s) and brokerage(s). Please ask questions if there is anything you do not understand.

Because it is important that you have this information, Ohio law requires that we ask you to sign below, acknowledging receipt of this Consumer Guide. Your "Acknowledgment of Receipt" is not a contract and does 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