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| Slide 1 |  | In this presentation, we will discuss ways to get paid when working as an agent for a buyer in a real estate transaction. Particularly, we will discuss how to handle situations where the listing agent’s offer of cooperating commission is less than the fee in your buyer-broker agreement. |
| Slide 2 |  | [Read Slide]  So, once you have an exclusive buyer representation agreement, how does that help a REALTOR® get paid?    The agreement states that the buyer will pay the broker a fee for the services provided if the buyer acquires the particular type property during the term of the agreement. The fee can be a percentage of the gross purchase price or a specific dollar amount.  Now, many buyers do not have the means to pay a broker’s fee. To address this reality, exclusive buyer broker agreements generally provide that the broker/agent can collect the fee from the listing agent’s offer of cooperating commission and/or the seller. |
| Slide 3 |  | So what happens if there is a home in the MLS that you think your buyer client would love, but the commission being offered by the listing broker is $0 or lower than you want to be paid. In representing a buyer in this situation, the offer of compensation may not cover the time or effort you would need to put in to representing the buyer throughout the transaction. You want to do the right thing with your buyer, so what do you do?    Remember, you have an ethical obligation to show your buyer the home, but you can and also should discuss your compensation with your buyer.  Many buyers do not have the funds to pay for the services of an agent, and many agents do not want to ask buyers to pay for their services directly. Another option is to include a clause in the buyer’s purchase offer for the seller to pay the buyer’s broker/agent a specified commission. Virginia REALTORS® recently updated its Standard Clause Booklet with such a provision. The new clause is number 8.5. The clause can be inserted into a purchase contract and specifies that the seller will pay the cooperating broker either a percentage or dollar amount in commission. |
| Slide 4 |  | At this point, you may be asking, “I thought it was unethical to modify the offer of compensation as a condition in a purchase offer?”  [Read Slide]  The big takeaway is it is unethical to submit an offer that alters the listing agent’s offer of compensation. It is not unethical to submit an offer where the buyer asks the seller to compensate the buyer’s broker. |
| Slide 5 |  | [Read Slide] |