

## **Virginia REALTORS Form 450 - Exclusive Buyers Brokerage Agreement Standard**

Congratulations on choosing an agent to represent you in purchasing a property. Remember, you are working with an agent to help you and guide you in the process of finding a suitable property, completing the necessary documents (including contracts) and advocate for you. Your agent will represent you in the term provided, so please take note of the starting and end dates of the contract. This, once signed, is a legally binding contract for both you and your agent.

Please take note and make sure that the type of property specified in this contract is the type that you are trying to purchase. This is the type of property your agent will help you purchase.

### **Your Duties**

- You will work exclusively with your agent during the term of this contract.
- Supply any information or personal data needed to comply with any obligations.
- Pay the compensation if and when it is due.
- Be available during reasonable hours to view properties.
- Inform all sellers or agents that you come in contact with that you are represented by your agent.

### **Agent's Duties**

- Represent your interests and assist you in locating a suitable type of property.
- Maintain confidentiality of your information unless required by law.
- Assist you in negotiations and drafting of legal documents required.

### **Compensation**

You promise to pay your agent the amount listed in this contract. Please discuss with your agent what that means and how it is paid. If you have any questions, please ask your agent and/or their broker, and/or your attorney.

The fee listed will be payable if you enter into a contract to purchase the property type described. Also, if your agent shows you a property and you enter into a contract after it expires, please take note of the number of days past expiration where you will also owe your agent the fee.

### **Agency**

There are different types of agencies, and you should discuss with your agent which one they will be representing you as.

#### *Standard Agency*

The first is standard agency, this is when your agent represents you and your interests alone. However, your agent is bound by the law and there are few things they must do. They must treat other parties fairly and honestly. Your agent is also allowed to help other purchasers look for homes. Your agent must also disclose to you any material facts that are personally known to them; whether that be financially or on the condition of the specific property that you have an interest in.

### *Designated Agency*

The second type of agency is designated agency. Your agent works for a brokerage and that brokerage has other agents and brokers. If your agent represents you as a designated agent this means that the seller has an agent within the same brokerage. Your agent still only represents you and you alone, but their broker now must supervise both your agent and the seller's agent. Which means that the broker is now a dual agent and as such **cannot** use information from one client (you) to harm the position of the other client (the seller). Both sides must agree in writing to this type of representation by way of a disclosure.

The broker supervising the transaction will not, among other things, disclose information to the seller or their agent regarding how much you are willing to pay for the home. Also, they will not disclose to you or your agent how much the seller is willing to accept for the sale of the home. In this type of agency, if after the seller and you cannot come to a deal this type of representation automatically terminates.

### *Dual Agency*

Lastly, the final type of agency is dual agency. Dual agency can be difficult to comprehend, and the following is what dual agency looks like. It is not an all inclusive and if you have any questions please speak with your agent and/or their broker for more information and/or an attorney to help you further understand. Both sides must agree in writing to this type of representation by way of a disclosure.

Dual agency is when your agent represents both you and the seller, in this situation the broker has dual representation. In dual agency, your agent will not use any privileged information they have to either your benefit or harm. As such, you now have the responsibility of making your own decisions as to which terms will be included in the contract for sale.

Your agent **can** do the following actions as provided for in the law, but please note this list is not all inclusive. Disclose material adverse facts about the property as personally known to them. Treat you and the seller honestly and work with representatives or contractors that you or the seller may have to help sell the property and fulfill your obligations. May help you arrange property inspections if in the contract. May explain closing costs and procedures. May help you compare financing alternatives. May provide marketing data about the surrounding properties so that the seller can make an educated decision about the list price.

Your agent **cannot** do the following and this list is also not all inclusive. They cannot use any confidential information they have for your or the seller's benefit or harm; unless there is written permission to do so. Disclose what price either side is willing to pay or accept, other than the price listed in this contract. Recommend or give any advice on what terms and conditions either you or the purchaser should accept or negotiate.