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| Slide 1 |  |  |
| Slide 2 |  | [Read Slide] |
| Slide 3 |  | The Virginia REALTORS® Exclusive Authorization to Sell Agreement (Form 400) provides the option for setting a dual or variable rate commission arrangement.  The listing firm may charge different professional service fees based on the agency relationship that develops in the transaction. |
| Slide 4 |  | [Read Slide] |
| Slide 5 |  | [Read Slide]  Some important things to remember about this Standard of Practice: the listing broker has an affirmative obligation to disclose the existence of the variable rate. This used to be done easily with a check box or field in the MLS systems. Now that cooperative compensation is prohibited on the MLS, most if not all MLSs have removed the field to disclose the existence of a variable rate commission. So, listing agents need to make this disclosure in some other way. |
| Slide 6 |  | [Read Slide] |
| Slide 7 |  | [Read Slide]  Why does this Standard of Practice exist in the first place?  If a listing broker charges the seller less overall commission when a transaction involves dual representation than if the transaction involves a buyer broker from another firm, then two offers at the same purchase price will net the seller different amounts at closing. If the buyer represented by a broker from another firm is aware of the difference in the commission amounts, then it gives that buyer an equal opportunity to make a competitive offer with a buyer represented by the listing firm. |
| Slide 8 |  | Here are some resources on this issue.  NAR’s case interpretations highlight how an ethics violation may occur by failing to disclose a dual/variable rate commission arrangement. |