

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS**

MICHIGAN LAW REQUIRES REAL ESTATE LICENSEES WHO ARE ACTING AS AGENTS OF SELLERS OR BUYERS OF REAL PROPERTY TO ADVISE THE POTENTIAL SELLERS OR BUYERS WITH WHOM THEY WORK OF THE NATURE OF THEIR AGENCY RELATIONSHIP. BEFORE YOU DISCLOSE CONFIDENTIAL INFORMATION TO A REAL ESTATE LICENSEE REGARDING A REAL ESTATE TRANSACTION, YOU SHOULD UNDERSTAND WHAT TYPE OF AGENCY RELATIONSHIP YOU HAVE WITH THAT LICENSEE.

Remerica Integrity Real Estate provides this document to afford the Purchaser and Seller in making an informed decision on the sale and purchase of real property. The Purchaser and Seller may exercise any of the rights specified below by requesting inclusion of an appropriate clause (where necessary) in an Offer to Purchase. This information is provided for the Purchaser's and Seller's benefit and its acknowledgment in no way obligates the Purchaser or Seller.

**1. LEGAL REQUIREMENT** All contracts for real property are required to be in writing in order to be enforceable and to comply with the law. The contract will be a legally binding document. The Purchaser and Seller have the right to have an attorney review any form(s) and to represent them in dealing with all legal documentation.

**2. AGENCY**

**a. Agent of the Seller and Sub-Agency** - The Realtor becomes an agent of the seller when an agreement to list the seller's property is executed or when Realtor accepts subagency from another broker who has listed a seller's property by way of an Exclusive Listing Agreement. The fiduciary duties of loyalty and faithfulness are owed to the seller who is the client. However, Realtors are able to provide the Purchaser with valuable market information and assistance in the Purchaser's decision making process. For example, a Realtor representing the seller can:

- i. provide the Purchaser with valuable information about available properties and sources of financing;
- ii. show the Purchaser available property;
- iii. assist the Purchaser in submitting an Offer to Purchase;
- iv. assist the Purchaser throughout the financing and closing process.

Both the listing Realtor and the selling Realtor are obligated by law to treat the Purchaser honestly and fairly. For example, they must:

- i. present all offers to the seller, promptly;
- ii. respond honestly and accurately to questions concerning the property;
- iii. disclose material facts that the Realtor knows about the property.

A seller can authorize a seller's agent to work with subagents, buyer's agent and/or transaction coordinators. A subagent of the seller is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and their subagents will disclose to the seller known information about the buyer which may be used to the benefit of the seller. The duties that a seller's agent and subagent and subagent owes to the seller include, but are not limited to:

- i. promoting the best interests of the seller;
- ii. fully disclosing to the seller all facts that might affect or influence the seller's decision to accept an offer to purchaser;
- iii. keeping confidential the seller's motivations for selling;
- iv. presenting all offers to the seller; and
- v. disclosing the identifies of all buyers and all information about the willingness of those buyers to complete the sale or to offer a higher price.

**b. Agent of the Buyer** The Realtor becomes an agent of the buyer when an Exclusive Buyer Agency Agreement is executed. As the agent of the buyer, the Realtor will assist the buyer in locating and purchasing a property. Buyer's agents will disclose to the buyer known information about the seller which may be used to benefit the buyer.

The duties of a buyer's agent to the buyer include:

- i. promoting the best interests of the buyer;
- ii. fully disclosing to the buyer all facts that might affect or influence the buyer's decision to tender an offer to purchase;
- iii. keeping confidential the buyer's motivations for buying;
- iv. presenting all offers on behalf of the buyer; and
- v. disclosing to the buyer all information about the willingness of the seller to complete the sale or to accept a lower price.

**c. Agent of Buyer and Seller/Dual Agency** When the Realtor is an agent of the buyer, and that buyer wishes to see and/or purchase a property listed by the same Realtor, then the Realtor is the agent of both buyer and seller. This is known as Dual Agency. Dual Agency which is disclosed to the buyer and the seller is legal. Under Dual Agency, the Realtor, after obtaining the consent of both parties, shall be the agent of both the buyer and the seller and shall assist both parties in a negotiation of the mutually acceptable purchase, exchange, lease or option agreement. In such a dual agent, the licensee will not be able to provide the full range of fiduciary duties to the seller or the buyer. The obligations of a dual agent are subject to any specific provision set forth in any agreement between the dual agent, the seller and the buyer.

**LICENSEE DISCLOSURE**

I HEREBY DISCLOSE THAT THE AGENCY STATUS I/WE HAVE WITH THE BUYER AND/OR SELLER IS:

\_\_\_\_\_SELLER'S AGENT                      \_\_\_\_\_BUYER'S AGENT                      \_\_\_\_\_DUAL AGENT

FURTHER, THIS INFORMATION WAS PROVIDED TO THEM BEFORE DISCLOSURE OF ANY CONFIDENTIAL INFORMATION.

\_\_\_\_\_  
Agent

\_\_\_\_\_  
Date

**ACKNOWLEDGMENT**

BY SIGNING BELOW, THE PARTIES CONFIRM THAT THEY HAVE RECEIVED AND READ THE INFORMATION IN THIS AGENCY DISCLOSURE STATEMENT AND THAT THIS FORM WAS PROVIDED TO THEM BEFORE THE DISCLOSURE OF ANY CONFIDENTIAL INFORMATION SPECIFIC TO THE POTENTIAL SELLERS OR BUYERS.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Date