



# AGENCY DISCLOSURE FORM

This document describes the various types of agency relationships that can exist in real estate transactions.

An **Agency** relationship exists when a real estate licensee represents a client in an immovable property transaction. A client is anyone who engages a licensee for professional advice and service as their agent. Agency relationships can be formed with Buyer/Lessees or Sellers/Lessors or both.

**Designated Agency** results from a contractual relationship between a broker and a client when a licensee affiliated with a broker is designated by the broker to represent the client. The licensee appointed by the broker to represent the client is called a Designated Agent. There is a presumption that the licensee with whom a client works is his or her Designated Agent, unless there is a written agreement to the contrary. Other licensees employed by the broker do not work for the client, so the client should confine his or her discussions to their Designated Agent. Designated Agents must (1) obey all lawful requests of the client, (2) promote the client's best interest, (3) exercise reasonable care and skill in representing the client, (4) maintain the confidentiality of all information that could materially harm the client's negotiation position, (5) present all offers in a timely manner, (6) seek a transaction at the price and on terms acceptable to the client, and (7) account for all money and property received from the client in a timely manner. A Designated Agent may show alternate properties to buyers, show properties the client is interested in to other buyer clients or receive compensation based on a percentage of the sale price without breaching the duty he or she owes to a client.

**Dual Agency** exists when a licensee is working with both the buyer and seller or both the landlord and tenant in the same transaction. For example, if your Designated Agent is also the listing agent, dual agency exists. Dual agency is allowed only with the informed consent of all clients. Informed consent is presumed if a client signs the separate Dual Agency Disclosure form prescribed by the Louisiana Real Estate Commission. Dual Agents owe the following duties to both the buyer/seller and the lessor/lessee: (1) treat all clients honestly, (2) provide information about the property to buyers/tenants, (3) disclose all latent material defects in the property known to the licensee, (4) disclose financial qualifications of buyers/tenants to sellers/landlords, (5) explain real estate terms, (6) help buyers/tenants arrange for property inspections, (7) explain closing costs and procedures, (8) help buyers compare financing options, and (9) provide information about comparable properties that have been sold so both clients can make educated buying/selling decisions. Dual Agents are not permitted to disclose (1) confidential information of one client to the other, (2) the price the seller/landlord will take other than the listing price without the permission of the seller/landlord, or (3) the price the buyer/tenant is willing to pay without the permission of the buyer/tenant.

**Confidential information** is information that could materially harm the position of a client if disclosed. Confidential information does not include material information about the physical condition of property. Thus, a licensee may disclose material information about the condition of property and in fact has a duty to disclose known material defects regarding the condition of property. It is permissible for confidential information to be disclosed by a Designated Agent to his or her broker for the purpose of seeking advice or assistance for the benefit of the client. Information that would otherwise be confidential will no longer be confidential if (1) the client permits disclosure of such information by word or conduct, (2) disclosure of such information is required by law or would reveal serious defect, or (3) the information becomes public from a source other than the licensee.

By signing below you acknowledge that you have read and understand this form and that you are authorized to sign this form in the capacity in which you have signed.

Seller/Lessor: \_\_\_\_\_

Buyer/Lessee: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Licensee: \_\_\_\_\_

Licensee: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_