



# TRAINING TIP OF THE WEEK

## CONFLICT OF INTEREST

**As a REALTOR<sup>®</sup>, should you act as a limited agent in a transaction if you are a principal (i.e., buyer or seller)? **NOPE.****

**Let's reference Affirmative Duties Required of All Licensed Individuals, R162-2f-401B(15)**

It states that an agent may not “act or attempt to act as a limited agent in any transaction in which: (a) the licensee is a principal in the transaction; or b) any entity in which the licensee is an officer, director, partner, member; employee, or stockholder is a principal in the transaction.”

In other words, if you are selling a property that you as a licensed agent own (or are part owner of a company(an LLC for example) that owns the property), then you could not represent the buyer at the same time.

The reverse would be true if you wanted to purchase your own listing. Since you won't be able to represent the seller while acting as a buyer at the same time, you would first need to cancel your listing agreement prior to making an offer. This would help remove the conflict of interest. In that situation, you should also advise the seller to seek their own independent representation.



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