



TRAINING TIP OF THE WEEK

CHANGES TO THE EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT

Following up last weeks TRAINING TIP, where we addressed the new “Brokerage Payment Addendum,” we now look to identify the changes made to the “Exclusive Right To Sell Listing Agreement.” Two changes have been made...

1

First, in the Term of Listing section, the following language has been added to the ERS LA.

"In the event this Listing Agreement expires while the Property is under contract to be sold, the Company and Seller mutually agree that the Listing Period shall automatically extend until the under-contract transaction closes or is cancelled."

This language eliminates the need to add an addendum to your listing agreement should your listing expire while the property is under contract. This change was made to make things easier and simpler for you and your sellers.

2

Second, in the Brokerage Fee section, the following language has been added to the ERS LA.

"The Company is authorized to share the Brokerage Fee, as advertised on the Multiple Listing Service ("MLS"), with another brokerage participating in any transaction arising out of this Listing Agreement. The Company shall offer a buyer agent commission ("BAC") on the MLS of \$_____ or _____% of the acquisition price. This amount may be modified only with the consent of the Seller. BROKERAGE FEES ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR MLS, OR IN ANY MANNER OTHER THAN BETWEEN THE COMPANY AND SELLER.

Seller's Initials []"

This language helps listing agents comply with their ethical obligations to discuss how their brokerage fee will be shared with other brokerages (see Standard of Practice 1-12 of the Code of Ethics). This change should also give sellers greater clarity and understanding.

This is a Publication of the Cache Valley Association of REALTORS®

TIPS OFFERED BY THE CACHE VALLEY ASSOCIATION OF REALTORS® ARE INTENDED FOR BROKER AND AGENT TRAINING. IN THE EVENT ADDITIONAL LEGAL ADVICE IS NEEDED, WE ENCOURAGE MEMBERS TO CONTACT THE UAR LEGAL HOTLINE AT (801) 676-5211 MONDAY, WEDNESDAY AND FRIDAY BETWEEN THE HOURS OF 8:30 AM AND 4:00 PM.

