

QUICK NOTES

Agency Relationships:

- Agency: Relationship in which one party represents the interest of another.
- Principal: The party for whom the agent represents.
- Agent: The party who acts on behalf of another. Note: The firm (not the person) is considered the agent.
- Sub-agent (Sub-agency): Agent of the agent. Example: An agent who represents the seller while showing their own firm's listing.
- All agency agreements must be in writing as required by the North Carolina Real Estate Commission as opposed to the Statute of Frauds.
- All agency agreements must have the Fair Housing compliance language therein.
- First Substantial Contact (FSC): That flexible point in time in which buyer or seller would start to discuss personal (as opposed to material fact) information they would not have disclosed had they known you were not their agent. This may be later than the first actual contact.
 - Agency disclosure and selection must be by this point.
 - The Working With Real Estate Agents brochure must be given by this point.
 - Open House Rule: First Substantial Contact does not occur until the potential buyer appears to have serious interest as opposed to “merely looking”.
- Agents must disclose whom they represent no later than first contact as opposed to First Substantial Contact.



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- Oral buyer agency is permitted as long as:
 - It is a non-exclusive buyer agency
 - Full disclosure was made prior to First Substantial Contact
 - The Working With Real Estate Agents brochure was given to the Buyer by First Substantial Contact
- A previously oral buyer agency agreement must be converted to writing:
 - At such time as the agent attempts to limit the ability of the buyer to work with another agent or implement other “exclusivity”.
 - At such time as the buyer agent presents an offer on behalf of the agent.
- Dual Agency: Relationship in which the firm represents BOTH the interests of the Buyer and Seller.
 - Must be with informed consent
- Designated Agency: Relationship where the firm shall designate one person to represent the Buyer and another to represent the Seller.
 - Considered a sub-category of dual agency
 - A Provisional Broker licensee cannot be in designated agency with their supervising Broker-In-Charge.
 - Agents are not permitted to be designated agents if either agent knows any personal, as opposed to material fact, information about either party prior to being designated.
 - Must have the written consent of buyer and seller.



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