

Update your Buyer Consultation and Incorporate the New Agency Law Information and Dialogue (for JLSAF Form 41)

Buyer Dialogue Script

“Before we get started, I must legally provide you with paperwork and disclosures.”

Important Information for Homebuyers (present flyer)

“First, is information about our new 2024 Agency Law.”

“Our Agency Law was revised and effective January 1, 2024. It was revised to provide additional transparency and consumer protections, and to acknowledge the importance of buyer protection. In essence, as of January 1, 2024, I must enter into a written brokerages services agreement with you and disclose buyer representation and buyer agency relationships.”

Real Estate Brokerage in Washington State (present Pamphlet)

“In the Law of Agency Pamphlet, *Real Estate Brokerage in Washington*, it clearly explains Agency Relationships, and Limited Dual Agency representation. It explains the Duration of Agency Relationships as well as the requirements of a Written Services Agreement, Broker’s Duties, and Compensation.”

John L. Scott Buyer Representation Agreement (present Agreement – JLSAF Form 41)

“Before I can offer buyer brokerage services, we will need to complete and sign the John L. Scott Buyer Representation Agreement (Brokerage Services Agreement). This Buyer Representation Agreement is made between the Firm and You effective as of today’s date for real property located in the following **Area/s**.” (List the area/s you will represent Buyer.)

“This Agreement will establish the terms of our relationship and the Compensation that Firm will receive for representing you. I have already provided you with the

Pamphlet, 'Real Estate Brokerage in Washington', which explains Buyer Broker Duties and Agency Relationships." (Reference the Pamphlet and point out the area of Buyer Broker Duties and Agency Relationships.)

Exceptional Service – Exceptional Results

"My services as your buyer broker include helping you make informed, educated, and confident choices throughout the homebuying process. I will share current market trends to help you create pricing and offer strategies. I will negotiate on your behalf the best price and terms including working through any contingencies. I will manage all aspects of the process including working with other professionals involved in the transaction. As you can see there are quite a few steps to finding the right home at the right price. Do you have any questions about any of the steps? Are you working with a lender?"

Term and Termination

"The Term, I would like to make for 120 days which automatically is extended if we are involved in a purchase agreement."

Agency Relationship

"I will be representing you as your Buyer Broker and anyone supervising me will also represent you as a buyer agent in a transaction."

Exclusive

"I would like to enter into an exclusive Agency Relationship with you which means that once we sign the Agreement today, you agree to work with me and not with any other broker with another firm during the Term or duration of our Agreement. And once we find a property, I will be your Buyer Broker and Agent for the transaction."

Non-Exclusive

"We can check this box for our showings today if that makes you feel more comfortable. However, if you would like me to continue to perform buyer brokerage services for you and bring listings to your attention after today, I would like to change this to an Exclusive Agency Relationship."

Limited Dual Agency

"In the event you ask me to write an offer on one of my listings, you are consenting to me and any Supervising Brokers as your buyer broker to act as a limited dual agent providing limited representation to both the buyer and the seller in a transaction."

"Furthermore, if we find a property listed with another broker in our Firm you consent to Supervising Brokers acting as dual agents."

Compensation for Broker's Services

"There are no standard Compensation rates, and the Compensation in this Agreement is fully negotiable and not set by law. For my buyer brokerage services, if you purchase a property covered by this Agreement, you agree to pay Firm X% even if I am a Limited Dual Agent. However, if we agree to non-exclusive agency, you are obligated to pay compensation only if the Firm represents you in a transaction."

"Compensation is due to firm when the purchase closes if we choose Exclusive Agency."

"If we choose Non-Exclusive Agency, Compensation is due if I and my Firm represent you and the purchase closes."

Compensation After Expiration or Termination

If within 60 days after the Expiration of our Buyer Broker Services Agreement, if we choose Exclusive Agency, and you purchase a property that was brought to your attention through me or Firm or you inquired about to Firm, Compensation is due."

"If we choose non-Exclusive Agency, Compensation is due if you purchase a property within 60 days after Expiration of our Buyer Broker Services Agreement, for which I or Firm presented a written offer for that property during the Term set forth in this Agreement."

Excluded Properties

"We can exclude certain properties which you were shown while working with other Firms or Brokers. Are there any properties you would like to exclude from this Agreement?"

Compensation Offered by Seller

“Even though I am charging you Compensation, the Seller or Listing Broker may offer Compensation to Firm. The Seller’s offer of Compensation will always be published on any public websites, and I will disclose this information to you as well as state it in the purchase and sale agreement, including any Compensation offered by Listing Broker. Any amount offered by Seller or Listing Broker will offset any amount we agree to here on the Agreement.”

“If Seller’s offer of Compensation is equal to or greater than the Compensation amount, we agree to in this Agreement, you won’t be obligated to pay Firm separately.”

“If Seller’s offer of Compensation is greater than the amount we agree to here in this Agreement, (choose an option) I will credit any excess Compensation to you to the extent allowed by the lender.”

“If Seller’s offer of Compensation is less than the amount we agree to here in this Agreement, (choose an option) I will negotiate to request the seller to pay the balance of Compensation due to Firm.”

Filtering listings

“In the event, you wish not to be obligated to pay Firm, we can exclude the showing of properties for which the seller is offering Compensation less than what we agree to in this Agreement. Would you like me to bring to your attention all listings or only those for which you would not be obligated to pay Firm?”

Showing properties where no compensation is offered by seller

“In the event that you do not agree to pay Compensation, I shall not be obligated to show properties for which there is no seller’s offer of Compensation.”

VA Financing

“If you are obtaining VA Financing, due to VA regulations, Compensation must be paid by the Seller, and we will require in the purchase and sale agreement that all compensation be paid by the seller.”

No Warranties or Representations

"Firm makes now warranties or representations regarding value or suitability of any property and we recommend having inspections and investigations to satisfy suitability and value."

Inspections Recommended

"I will recommend and negotiate for inspections on your behalf but it is up to you to interview and select all inspectors."

No Distressed Home Conveyance

"Firm will not represent or assist Buyer in a transaction that is a 'Distressed Home Conveyance.'"

Fair Housing

"Fair Housing laws prohibit discrimination based on the following classes."

Integration

"This agreement shall control, and no modifications shall be effective unless agreed in writing."

Attorneys' Fees and Limitations Period

"In the event either party employs an attorney to enforce any terms of this Agreement and is successful, the other party agrees to pay reasonable attorneys' fees."

"Do you have any questions?" (Have Buyer sign and turn in paperwork.)

Update your Seller Consultation and Incorporate the New Agency Law Information and Dialogue

Seller Dialogue Script

“Before we get started and discuss the terms of representing you as your listing broker, I must legally provide you with paperwork and disclosures.” (Present the Pamphlet, **Real Estate Brokerage in Washington State and the Exclusive Sale and Listing Agreement.**)

“In the Law of Agency Pamphlet, *Real Estate Brokerage in Washington State*, it clearly explains Agency Relationships, and Limited Dual Agency representation. It explains the Duration of Agency Relationships as well as the requirements of a Written Services Agreement, Broker’s Duties, and Compensation.” (Review with seller if appropriate.)

Term and Agency

“For this **Exclusive Sale and Listing Brokerage Services Agreement**, I would like to have a minimum of 90 days to represent you in the marketing of your property. In the event this term expires while we are a party to a purchase and sale agreement, this Agreement (Exclusive Sale and Listing Brokerage Services Agreement) shall extend until the sale is closed or the purchase and sale agreement is terminated.”

“I will be appointed as your Listing Broker and this Agreement creates an agency relationship between you and me as well as any managing brokers who supervise me.”

Limited Dual Agency

“In the event I meet a buyer at an open house or through any of my marketing efforts who wants to write an offer, and I sign a Buyer Brokerage Services Agreement with them, you consent to me and any supervising brokers acting as limited dual agents. What this means is at that point in time, I will be providing limited representation to both the buyer and you, the seller in a transaction. I cannot do anything that would be a detriment to either party. For example, I cannot disclose any personal or confidential information about either party, especially during negotiations of a purchase and sale agreement.”

“Furthermore, you consent that if another broker from our firm represents a buyer, you agree to any supervising brokers acting as a limited dual agent.”

List Date

For us to be best prepared to market your property in the MLS, I would like to suggest that we publish your listing on (choose a date no more than 90 days from today). This will allow us to get your home prepared and have all our photos and videos in place to best represent your home and property. Please note that we cannot market your property until the List Date.

Fair Housing

“Here you acknowledge that federal fair housing laws prohibit the discrimination based on the following.”

Compensation

“Here you acknowledge that there are no standard compensation rates and compensation in this Agreement is fully negotiable and not set by law and you agree to compensation as follows.”

“You agree to pay Listing Firm Compensation of ‘10 pens’. In the event, I do meet a buyer at an open house or through my marketing efforts and they decide to write an offer and are not represented by a buyer brokerage firm, and I do not have a Buyer Brokerage Services Agreement with them (and therefore am not a limited dual agent), you agree to pay compensation of ‘20 pens.’” (NOTE: IF SUBSECTION 7(a)(ii) is not filled in, listing broker is only entitled to the Listing Firm Compensation IDENTIFIED IN SUBSECTION 7(a)(i). THIS COMPENSATION AMOUNT IN SUBSECTION 7 (a)(ii) MUST BE DISCLOSED IN WRITING TO UNREPRESENTED BUYER IN PARAGRAPH 17 ON THE SPECIFIC TERMS PAGE.)

“Now, in addition to paying the Listing Firm Compensation, you also agree to pay a Buyer Brokerage Firm Compensation as follows: either as a percentage of the sales price or as a flat fee. This includes any buyer broker from John L. Scott that represents the buyer. And if I represent both parties as a limited dual agent, you agree to compensate the firm ‘10 pens’ as the buyer brokerage firm. In the event we receive an offer from a licensed brokerage firm that is not a member of the MLS, you agree to extend the terms of compensation to that Firm.”

“Once we agree to these terms of compensation, only the buyer and buyer brokerage firm may modify these terms in a mutually accepted purchase and sale agreement to which you must agree. I will explain this in a minute. And if we are notified that a buyer is submitting an offer, we may not modify any of these compensation terms for up to 3 days of such notification.”

“And lastly, you acknowledge that offering compensation to Buyer Brokerage Firm is not required.”

“Now, let’s discuss the part about which ‘only the buyer and buyer brokerage firm may modify these terms in a mutually accepted purchase and sale agreement to which you must agree’. With the changes to agency law, a buyer broker must sign a buyer brokerage services agreement with a buyer before offering brokerage services. And in this buyer brokerage services agreement, the buyer and buyer broker agree to terms of compensation as well as whether or not the buyer wants to see any properties for which the amount of compensation offered by seller is less than what is agreed between buyer and buyer broker.” (Present the **Buyer Brokerage Services Agreement (Form 41)** - Paragraph 6 and 8(b) of the Agreement)

“For example, if the buyer and buyer broker agree to compensation in the amount of ‘X’, and you are offering less than ‘X’, buyer may (request the buyer broker to) request the seller to pay the balance of the Compensation (Paragraph 6(c) – line 54), thus ‘modifying the amount of compensation you are offering’ as a part of Buyer’s offer to purchase your property. You can either agree to pay the additional compensation or decline. If you decline, the buyer may proceed and pay Buyer Brokerage Firm Compensation out of their own pocket (if they have the funds to do so), or they may decide to look for another home. Furthermore, if buyer requests buyer broker not to bring to their attention any properties for which the seller is offering less compensation than agreed in the buyer brokerage services agreement (Paragraph 8(b) – line 80), your home may not get as much exposure as it would if you offered a higher compensation amount.”

“Also, if the buyer is using VA Financing, they cannot pay Buyer Brokerage Compensation and they will request the Seller to pay the Compensation as part of their offer.” (Paragraph 8(c) – line 81)

“So, what would you like to offer for Buyer Brokerage Firm Compensation?”

Continue explaining the rest of the terms of the Exclusive Sale and Listing Agreement.