



CONSUMER GUIDE to AGENCY RELATIONSHIPS

Reference: Company Policy on Agency

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Hum & Company Real Estate & Auction Services
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Fair Housing is not just the law – it's the right thing to do!

We are pleased you selected **Hum & Company Real Estate & Auction Services (Humco)** to help you with your real estate needs. Whether you are selling, buying or leasing real estate, **Humco** provides expertise, experience & assistance. Because this may be one of your largest financial transactions, it is important to understand the role of the agents & brokers with whom you are working. The below information explains the various services agents can offer & their **AGENCY** options for working with you.

NOTE: *The Law of Agency (an area of commercial law) is the basic reference for this discussion. It describes the fundamental relationship of one person known as the "AGENT" who is authorized to act on behalf of another, the PRINCIPAL aka CLIENT – to define "who works for whom." Principals & Clients are Sellers OR Buyers. Agents are Ohio licensed real estate brokers & salespeople.*

Representing Sellers (Primary agency relationship used by **Humco**)

Most sellers of real estate choose to list their home, farm or other real property for sale with a real estate brokerage. When they do so, they sign a **listing agreement** (contract) that authorizes the brokerage & listing agent(s) to represent their interests. This is known as **Seller Agency**. As the **Seller's agent**, the brokerage (& their agents) must: follow the Seller's lawful instructions, be loyal to the Seller, promote the Seller's best interests, disclose ALL material facts to the Seller, maintain confidential information, act with reasonable skill & account for any money they handle in the transaction.

In rare circumstances, a listing broker may offer "sub-agency" to other brokerages (& their agents). Therefore, these "sub-agents" would also represent the Seller's interests & owe the Seller these same **FIDUCIARY duties**. These duties are often summarized as: **Obedience, Loyalty, Disclosure, Confidentiality, Accounting, Reasonable care & diligence.** → **OLDCAR.**

Representing Buyers When purchasing real estate, buyers usually choose to work with a real estate agent, as well, & want to be **represented** in the transaction. This is referred to as **buyer agency**. A brokerage & agent **representing** a buyer's interest (owing the fiduciary duties as above) in a transaction must: follow the buyer's lawful instructions, be loyal to the buyer, promote the buyer's best interests, disclose material facts to the buyer, maintain confidential information, act with reasonable skill & account for any money they handle in the transaction.

Humco brokers & salespeople have this agency relationship ONLY in limited situations -- such as when showing OTHER brokers' real estate listings to potential buyers.

Dual Agency Occasionally, the same brokerage &/or agent representing the seller also "represent" the buyer -- **simultaneously**. This is referred to as dual agency. When a brokerage & its agents become "dual agents," they must maintain a **neutral position in the transaction**. They may not advocate the position of one client over the best interests of the other client -- or disclose any confidential information to one party without written consent of the opposing party.

This agency relationship is almost never used by Humco.

Dual Agency -- Representing Both the Buyer & Seller – is (generally) VERY confusing for all parties involved in the transaction.

IF Humco EVER operates in dual agency, we explain the situation to ALL parties AND all parties must agree – in writing -- to allow the dual agency.

For more information on agency law in Ohio, contact the Ohio Division of Real Estate & Professional Licensing at (614) 466-4100, or on their website

www.com.ohio.gov/real ###

Working with Humco

As a primary posture, Humco REPRESENTS SELLERS. And again, we almost never operate as a dual agent. Instead, we normally act as the Seller's agent representing ONLY the SELLER as our **CLIENT & PRINCIPAL**.

Even though **Humco** (generally) only lists properties for & represents Sellers (often at auction), we still assist **buyers as customers**. We show **buyer-customers** our listings, provide pertinent non-confidential information, assist with other transaction administration (home inspection, title, financing, etc.) & write offers at their direction --- but, **we do not act as the agent of these buyer-customers.**

****→Such buyer-customers represent their own best interests. ←****

It is also important for buyers to understand that because the listing agent has a duty of full disclosure to the Seller; buyers should not share any information with the listing agent that they would not want the seller to know.

SPECIAL NOTE: We only represent buyers/lessees of real estate in limited situations.

Typically, those situations are when **Humco** brokers or salespeople show other brokers' property listings or in the VERY unusual situation when a prospective buyer/lessee engages us to help them acquire or lease a property.

Working with Other Brokerages When **Humco** lists property for sale, we **cooperate** with other brokerages that represent buyers who are interested in our listings. However, **Humco** does NOT offer compensation to other brokerages. **As a seller, you should understand that, as standard practice, Humco does not share our commission or fee with a brokerage representing the buyer.** Yet, we are obligated to present ALL offers to you for consideration & some offers may contain a provision requesting you pay a commission/fee to the buyer's agent. It does not mean that you have any representation by that buyer's brokerage or agent. Instead, that brokerage & agent will be looking out for ONLY the buyer & **Humco** will be representing ONLY your interests as the Seller.

Fair Housing Statement It is illegal, pursuant to the Ohio Fair Housing Law, division (H) of Section 4112.02 of the Revised Code & the Federal Fair Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status or military service status as defined in Section 4112.01 of the Revised Code, ancestry, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. "Blockbusting" is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to a protected class.

We hope you find this information to be helpful to you as you begin your real estate transaction. When you are ready to enter into a transaction, you will complete an **Agency Disclosure Statement** that specifically identifies the role of the agents & brokerages **in that transaction**.

Because it is important that you have this information, Ohio law requires that we ask you to **sign below to acknowledge receipt of this Consumer Guide to Agency Relationships**.

Signing **does not obligate you** to work with **Humco**.

Please ask if there is anything you do not understand. THANK YOU!!

Name/Date (Please Print)

Signature

Name/Date (Please Print)

Signature

Name/Date Humco Broker or Agent

Signature