

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

1. Page 1

2. **MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with
3. consumers what type of agency representation or relationship they desire.⁽¹⁾ The available options are listed below. This
4. is **not** a contract. **This is an agency disclosure form only. If you desire representation you must enter into a**
5. **written contract, according to state law** (a listing contract or a buyer/tenant representation contract). Until such time
6. as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive
7. any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see
8. paragraph IV on page two (2)), unless the broker or salesperson is representing another party, as described below.

9. **ACKNOWLEDGMENT: I/We acknowledge that I/we have been presented with the below-described options.**
10. **I/We understand that until I/we have signed a representation contract, I/we am/are not represented by the**
11. **broker/salesperson. I/We understand that written consent is required for a dual agency relationship.**

12. **THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.**

13. _____
(Signature) (Date) (Signature) (Date)

14. I. **Seller's/Landlord's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker,
15. **represents the Seller/Landlord and acts on behalf of the Seller/Landlord.** A Seller's/Landlord's broker owes to
16. the Seller/Landlord the fiduciary duties described on page two (2).⁽²⁾ The broker must also disclose to the Buyer
17. material facts as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and
18. significantly affect the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to
19. rental/lease transactions.) If a broker or salesperson working with a Buyer/Tenant as a customer is representing the
20. Seller/Landlord, **he or she must act in the Seller's/Landlord's best interest and must tell the Seller/Landlord any**
21. **information disclosed to him or her,** except confidential information acquired in a facilitator relationship (see paragraph
22. IV on page two (2)). In that case, **the Buyer/Tenant will not be represented and will not receive advice and counsel**
23. **from the broker or salesperson.**

24. II. **Buyer's/Tenant's Broker:** A Buyer/Tenant may enter into an agreement for the broker or salesperson to represent
25. and act on behalf of the Buyer/Tenant. **The broker may represent the Buyer/Tenant only,** and not the Seller/Landlord,
26. even if he or she is being paid in whole or in part by the Seller/Landlord. A Buyer's/Tenant's broker owes to the
27. Buyer/Tenant the fiduciary duties described on page two (2).⁽²⁾ **The broker must disclose to the Buyer material facts**
28. **as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and significantly affect**
29. **the Buyer's use or enjoyment of the property.** (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)
30. If a broker or salesperson working with a Seller/Landlord as a customer is representing the Buyer/Tenant, **he or**
31. **she must act in the Buyer's/Tenant's best interest and must tell the Buyer/Tenant any information disclosed to him**
32. **or her,** except confidential information acquired in a facilitator relationship (see paragraph IV on page two (2)). In
33. that case, the Seller/Landlord will not be represented and will not receive advice and counsel from the broker or
34. salesperson.

35. III. **Dual Agency - Broker Representing both Seller/Landlord and Buyer/Tenant:** Dual agency occurs when one
36. broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same
37. **broker each represent a party to the transaction. Dual agency requires the informed consent of all parties,** and
38. means that the broker and salesperson owe the same duties to the Seller/Landlord and the Buyer/Tenant. **This**
39. **role limits the level of representation the broker and salesperson can provide, and prohibits them from acting**
40. **exclusively for either party.** In a dual agency, confidential information about price, terms and motivation for pursuing
41. a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose
42. specific information about him or her. Other information will be shared. **Dual agents may not advocate for one party**
43. **to the detriment of the other.**⁽³⁾

44. Within the limitations described above, dual agents owe to both Seller/Landlord and Buyer/Tenant the fiduciary
45. duties described below.⁽²⁾ Dual agents must disclose to Buyers material facts as defined in MN Statute 82.68, Subd.
46. 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the
47. property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

48. Page 2

49. IV. **Facilitator:** A broker or salesperson who performs services for a Buyer/Tenant, a Seller/Landlord or both but
50. does not represent either in a fiduciary capacity as a Buyer's/Tenant's Broker, Seller's/Landlord's Broker or Dual
51. Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY**
52. **DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A**
53. **WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of
54. confidentiality to the party but owes no other duty to the party except those duties required by law or contained in
55. a written facilitator services agreement, if any. In the event a facilitator broker or salesperson working with a Buyer/
56. Tenant shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson
57. must act as a Seller's/Landlord's Broker (see paragraph I on page one (1)). In the event a facilitator broker or
58. salesperson, working with a Seller/Landlord, accepts a showing of the property by a Buyer/Tenant being represented
59. by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's/Tenant's
60. Broker (see paragraph II on page one (1)).

-
61. (1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by
62. one to four families as their residence.
63. (2) The fiduciary duties mentioned above are listed below and have the following meanings:
64. Loyalty - broker/salesperson will act only in client(s)' best interest.
65. Obedience - broker/salesperson will carry out all client(s)' lawful instructions.
66. Disclosure - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge
67. which might reasonably affect the client(s)' use and enjoyment of the property.
68. Confidentiality - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific
69. information (such as disclosure of material facts to Buyers).
70. Reasonable Care - broker/salesperson will use reasonable care in performing duties as an agent.
71. Accounting - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.
72. (3) If Seller(s)/Landlord(s) elect(s) not to agree to a dual agency relationship, Seller(s)/Landlord(s) may give up the
73. opportunity to sell/lease the property to Buyer(s)/Tenant(s) represented by the broker/salesperson. If Buyer(s)/
74. Tenant(s) elect(s) not to agree to a dual agency relationship, Buyer(s)/Tenant(s) may give up the opportunity to
75. purchase/lease properties listed by the broker.

76. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION: Information regarding the predatory offender**
77. **registry and persons registered with the predatory offender registry under MN Statute 243.166 may be**
78. **obtained by contacting the local law enforcement offices in the community where the property is located,**
79. **or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at**
80. **<https://coms.doc.state.mn.us/publicregistrantsearch>**

MN:AGCYDISC-2 (8/19)

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

This form approved by the Minnesota Association of REALTORS®,
which disclaims any liability arising out of use or misuse of this form.
© 2024 Minnesota Association of REALTORS®

1. Date _____

2. Page 1 of _____ pages

3. **DEFINITIONS:** Buyer is _____ ("Buyer").
(e.g., individual(s), estate, trust, corporation, etc.)

4. Broker is The Home Buyers, Inc. ("Broker").
(Real Estate Company Name)

5. Buyer gives Broker the exclusive right to locate and/or to assist in negotiations for the purchase, exchange of or option
6. to purchase ("Purchase") property located in Minnesota at a price and with terms acceptable to Buyer. This Contract starts on
7. _____, and ends at 11:59 P.M. on _____.

8. This Contract terminates upon successful closing of a property or expiration or cancellation of this Contract, whichever
9. occurs first.

10. This Contract may only be canceled by written mutual agreement of the parties.

11. **BROKER'S OBLIGATION:** Broker shall make a reasonable effort to locate property acceptable to Buyer. Broker
12. shall use professional knowledge and skills to assist in negotiations for the Purchase of property. Broker shall assist
13. Buyer throughout the transaction. Broker shall act in Buyer's best interest at all times, subject to any limitations
14. imposed by law or dual agency. Broker shall comply with all applicable fair housing and nondiscrimination regulations.

15. **BUYER'S OBLIGATION:** Buyer shall work exclusively with Broker for the Purchase of property. Buyer shall promptly
16. furnish to Broker accurate and relevant personal financial information to ascertain Buyer's ability to Purchase property,
17. if requested. Buyer shall cooperate with Broker in finding a property to Purchase. After a purchase agreement has
18. been accepted by seller, Buyer is legally obligated to Purchase the property. If Buyer refuses to close the Purchase for
19. any reason other than the failure of seller to perform, subject to relevant contingencies, Buyer shall pay Broker all
20. compensation due under this Contract.

21. **NOTICE: THE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL OR MANAGEMENT OF REAL**
22. **PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S**
23. **CLIENT.**

24. **BROKER'S COMPENSATION:** *(Fill in all blanks.)*

25. If Buyer, or any other person acting on Buyer's behalf, agrees to Purchase any property during the term of this Contract,
26. the following compensation will apply.

27. 1. Buyer agrees to pay Broker a retainer fee of \$ _____ at the commencement of this Contract,
28. which fee shall be kept by Broker whether or not Buyer Purchases property. The retainer fee shall apply toward
29. satisfaction of any obligation to compensate Broker.

30. 2. Buyer shall pay Broker, as Broker's compensation, 2.7 percent (%) of the selling price or
31. \$ _____, whichever is greater, when Buyer closes the Purchase, if:

32. A: Buyer Purchases or agrees to Purchase a property before the expiration of this Contract, even if Buyer does
33. not use Broker's services; or

34. B: within 180 days (*not to exceed six (6) months*) after the expiration of this Contract, Buyer Purchases
35. property which either Broker or licensee representing Buyer has shown or exhibited to Buyer, or specifically
36. brought to the attention of Buyer, before the expiration of this Contract, as long as Broker has identified this
37. property on a written list Broker gives to Buyer within 72 hours after the expiration of this Contract.

38. Broker is authorized to negotiate and receive compensation paid by seller, or broker representing or assisting seller.
39. Any compensation accepted by Broker from seller, or broker representing or assisting seller, ☒ **SHALL** ☐ **SHALL NOT**
-----*(Check one.)*-----

40. **reduce any obligation of Buyer to pay the compensation by the amount received by seller or broker.** Broker must inform
41. Buyer in writing before Buyer signs an offer to Purchase the property (utilizing *Disclosure Statement: Compensation*
42. *Disclosure to Buyer/Tenant* or other written disclosure) the amount of compensation or the basis for computing the
43. compensation.

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

44. Page 2

45. Broker may not receive compensation for brokerage services provided to buyer from any source that exceeds the
46. amount or rate agreed to in this Contract.

47. Buyer understands that Buyer does not have to pay Broker's compensation if Buyer signs another valid buyer
48. representation contract or facilitator services agreement after the expiration or cancellation of this Contract, under
49. which Buyer is obligated to compensate another licensed real estate broker.

50. **CAUTION: BUYER'S ACTIONS IN LOCATING A PROPERTY MAY AFFECT PAYMENT OF COMPENSATION BY**
51. **SELLER(S) AND MAY THEREFORE OBLIGATE BUYER TO PAY ALL OR PART OF THE COMPENSATION**
52. **IN CASH AT CLOSING. FOR EXAMPLE: THE ACT OF GOING THROUGH AN OPEN HOUSE**
53. **UNACCOMPANIED BY BUYER'S BROKER OR LICENSEE REPRESENTING BUYER; OR SIGNING**
54. **A PURCHASE AGREEMENT THROUGH ANOTHER BROKER OR WITH OWNER (FOR SALE BY**
55. **OWNER) MAY REQUIRE BUYER'S PAYMENT OF THE FULL COMPENSATION TO BUYER'S BROKER.**

56. **GENERAL NATURE OF PROPERTY:** (Including the following property types: existing, new construction or to-be-
57. built.)
58. *(Check all that apply.)*

59. ☐ **COMMERCIAL/INDUSTRIAL** ☐ **FARM** ☐ **RECREATION**
60. ☐ **RESIDENTIAL/INVESTMENT** ☐ **RESIDENTIAL/PERSONAL** ☐ **VACANT LAND**

61. **CLOSING SERVICES:**

62. **NOTICE:** THE REAL ESTATE BROKER, LICENSEE REPRESENTING BUYER, OR REAL ESTATE CLOSING AGENT
63. HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS
64. REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

65. After a purchase agreement for the property is signed, arrangements must be made to close the transaction. Buyer
66. understands that no one can require Buyer to use a particular person in connection with a real estate closing and
67. that Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

68. Buyer's choice for closing services: *(Check one.)*

69. ☐ Buyer directs Broker to arrange for a qualified closing agent to conduct the closing.
70. ☐ Buyer shall arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

71. _____
(Buyer's Initials) (Buyer's Initials)

72. **ADDITIONAL COSTS:** Buyer acknowledges that Buyer may be required to pay certain closing costs, which may
73. effectively increase the cash outlay at closing.

74. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
75. provides that a transferee ("Buyer") of a United States real property interest must withhold tax from the transferor
76. ("Seller") if the Seller is a foreign person and no exceptions from FIRPTA withholding apply. A Buyer is personally
77. liable for the full amount of FIRPTA withholding tax required to be withheld unless the Seller furnishes Buyer with
78. specific documentation ensuring Buyer is exempt from the withholding requirements as prescribed under 26 USC
79. §1445. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility
80. for withholding the applicable tax, Buyer should **seek appropriate legal and tax advice regarding FIRPTA compliance,**
81. **as Broker will be unable to assure Buyer that the transaction is exempt from the withholding requirements.**

82. **PRIVATE INSPECTION/WARRANTY:** Broker recommends that Buyer obtain a private home inspection to satisfy
83. himself/herself with the physical condition of the property. Furthermore, there are warranty programs available for
84. some properties which warrant the performance of certain components of a property, which warranty programs Buyer
85. may wish to investigate prior to the Purchase of any specific property.

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

86. Page 3

87. **AGENCY REPRESENTATION:** If the Buyer chooses to Purchase a property listed by Broker, a dual agency will be
88. created. This means that Broker will represent both the Buyer and the seller, and owe the same duties to the seller that
89. Broker owes to the Buyer. This conflict of interest will prohibit Broker from advocating exclusively on the Buyer's behalf.
90. Dual agency will limit the level of representation Broker can provide. If a dual agency should arise, the Buyer will need
91. to agree that confidential information about price, terms and motivation will still be kept confidential unless the Buyer
92. instructs Broker in writing to disclose specific information about the Buyer. All other information will be shared. Broker
93. cannot act as a dual agent unless both the Buyer and the seller agree to it. By agreeing to a possible dual agency,
94. the Buyer will be giving up the right to exclusive representation in an in-house transaction. However, if the Buyer
95. should decide not to agree to a possible dual agency, and the Buyer wants Broker to represent the Buyer, the Buyer
96. may give up the opportunity to Purchase the properties listed by Broker.

97. **Buyer's Instructions to Broker:**

98. Having read and understood this information about dual agency, Buyer now instructs Broker as follows:

99. ☐ Buyer will agree to a dual agency representation and will consider properties listed by Broker.

100. ☐ Buyer will not agree to a dual agency representation and will not consider properties listed by Broker.

101. Real Estate Company Name: The Home Buyers, Inc.

102. Buyer: _____

103. By: _____ Buyer: _____
(Licensee)

104. Date: _____

We Never Engage in Dual Agency

105. **OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may consider and/or make offers to
106. purchase through Broker the same or similar properties as Buyer is seeking to Purchase. Buyer consents to Broker
107. representing such other potential buyers before, during and after the expiration of this Contract.

108. **PREVIOUS AGENCY RELATIONSHIPS:** Broker, or licensee representing Buyer, may have had a previous agency
109. relationship with a seller of a property Buyer is interested in Purchasing. Buyer acknowledges that Buyer's Broker, or
110. licensee representing Buyer, is legally required to keep information regarding the ultimate price and terms the seller
111. would accept and the motivation for selling confidential, if known.

112. **TERMINATION OF FIDUCIARY DUTIES:** Broker's fiduciary duties, except the duty of confidentiality, terminate upon
113. Buyer's successful closing of a property or expiration or cancellation of this Contract, whichever occurs first.

114. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory
115. offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may
116. be obtained by contacting the local law enforcement offices in the community where the property is located
117. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at
118. <https://coms.doc.state.mn.us/publicregistrantsearch>.

119. **ENTIRE AGREEMENT:** This Contract and all addenda and amendments signed by the parties shall constitute the
120. entire agreement between Buyer and Broker. Any other written or oral communication between Buyer and Broker,
121. including, but not limited to, e-mails, text messages, or other electronic communications are not part of this Contract.
122. This Contract can be modified or canceled only in writing signed by Buyer and Broker or by operation of law. All
123. monetary sums are deemed to be United States currency for purposes of this Contract.

124. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to
125. this transaction constitute valid, binding signatures.

126. **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its representatives to contact Buyer by mail, phone,
127. fax, e-mail, text message or other means of communication during the term of this Contract and any time thereafter.

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

128. Page 4

129. **OTHER:**

130. Parties Satisfaction: At any time, either party may terminate this contract for any reason with written notification by either party.

131.

132. A \$199.00 Broker Admin Fee, shall be charged to the home buyer upon a successful closing and paid to The Home Buyers, Inc.

133.

134. **BROKER**

BUYER

135. **ACCEPTED BY:** The Home Buyers, Inc.
(Real Estate Company Name)

ACCEPTED BY: _____
(Buyer's Signature)

136. By: _____
(Licensee's Signature)

(Buyer's Printed Name)

137. _____
(Licensee's Printed Name)

(Date)

138. _____
(Date)

(Address)

139. 8053 East Bloomington Freeway, Suite 150
(Address)

(City/State/Zip)

140. Bloomington, MN 55420
(City/State/Zip)

(Phone)

141. _____
(Phone)

(E-Mail Address)

142. _____
(E-Mail Address)

BUYER

ACCEPTED BY: _____
(Buyer's Signature)

(Buyer's Printed Name)

(Date)

(Address)

(City/State/Zip)

(Phone)

(E-Mail Address)

151. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND BROKER.**
152. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

(Signature)

(Date)

(Signature)

(Date)

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.
© 2018 Minnesota Association of REALTORS®, Edina, MN