



HIGGINS GROUP UPDATES & FAQs FROM CTR CHANGES 8/23/24 WORKING WITH BUYERS CTR FAQ's

EXCLUSIVE RIGHT TO REPRESENT BUYER AGREEMENTS; below are some important FAQs from CTR on Buyer Agreements we want to share based on questions we have received.

What are examples of what is NOT ALLOWED for describing compensation amounts in buyer agreements under the NAR settlement?

- “If the offer from the seller/listing broker is higher than x%, the broker can accept the higher amount”
- “A range of x% to y%”
- “A minimum of x%”
- “A total of x%, but no higher than y% if not compensated by the listing broker/seller”
- “A combination of whatever is offered by the listing broker/seller, plus <flat fee/dollar amount>”
- “It is x amount if paid by the seller, and y amount if rejected by the seller”
- “Broker reserves the right to adjust the amount lower”
- “Broker reserves the right to adjust the offer up to x higher”

Do I need to have a buyer representation agreement signed for an open house?

No, you are representing the seller at an open house and not expecting compensation from the visitor to the open house. Should the open house visitor wish to discuss services from you, that would then trigger the need to provide other disclosures or agreements, but not for having visited/toured the home.

Do you need a buyer agreement to show a property listed by your company?

If the person requesting the showing has indicated no interest in entering into an agreement with you for representation (designated agency, dual agency, buyer representation, etc.) then you may show the property using the Unrepresented Person form. You cannot show other company listings to that Unrepresented Person. If the person requesting the showing already has an agreement with a buyer representative and wants you to provide access/show the property, you have the option to provide that service as a fiduciary to your seller without another agreement. You should be mindful of discussions that information you receive may be disclosed to your seller client as you have no duty of confidentiality to another broker's client.



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WORKING WITH BUYERS CTR FAQ's

If a buyer refuses to sign a buyer representation agreement, can I show the property?

The representation agreement can be for one hour, one house, one town or any other limiting factor you may wish to offer. If you are a listing agent and the buyer wants to see one of your company listings you can proceed with an Unrepresented Person form. If the prospective buyer wants to see a listing that is not one of your company listings you cannot proceed to show the property without some type of signed agreement. An unsigned agreement is not an agreement.

If I put zero as my commission amount is that the highest, I can collect?

Yes, that is the amount you have agreed to for your service. A higher amount would require an agreement with an amount different than zero that the buyer client agrees to.

If the listing agent or seller offers the buyer broker more than what is agreed to in the buyer broker agreement, can the buyer broker accept that amount?

Under the buyer broker agreement in place at the time, no. However, the buyer broker should disclose that differential to their client to determine how to proceed – whether to reject the difference, to amend the buyer broker agreement (or sign a new one) that changes the maximum the buyer broker will allow, to request that the seller apply that difference to the purchase price or add as a concession, to have the buyer broker accept and rebate the difference to the buyer client, etc. Any decision needs to be with complete consent, transparency and written agreement of the buyer. “Fully negotiable” means transactional details can of course be negotiated and agreed to between client and agent, so yes, professional fees can be negotiated up or down during the transaction using an amendment or executing a new buyer broker agreement.

Can I have a rider to the buyer agreement that simply says if a higher amount is offered, I can accept it?

No. The amendment must be specific as to the buyer compensation amount.

Can the buyer agreement include that the buyer will only see homes where there is an offer of compensation from the listing broker or seller that will cover the buyer broker fees?

As long as there is full disclosure to the buyer that their agent will only show them homes where there is an offer of compensation from the listing broker or seller, and as long as the buyer knowingly consents to such term, the buyer can enter such professional fee agreement. However, the option for the seller to accept a buyer broker compensation can happen as part of the contract negotiations when an offer on a property has been made. The buyer broker may want to confirm that the seller will not entertain offers of compensation in a contract offer on the property before the determination not to see a home at all. In addition, the buyer broker should continue to advise of all properties, and not filter out those with no compensation. The buyer broker can sort on a list the compensation for each property and note those providing no compensation.



As you see CLARITY AND TRANSPARENCY ARE KEY WITH BUYERS!

If my buyer wants to see five homes, do I need to call each of the five different listing companies to identify if compensation is being offered?

Yes, if you want to be able to provide that information to your buyer client prior to showing properties. You cannot filter out listings that offer you the lowest or no compensation. Any decision related to filtering based on compensation offers from listing agents or sellers is to be made by the buyer after being presented with the information. Also, companies may have options besides “calling” them to get that information, such as finding it on their company website.

Can I later amend the buyer agreement?

Yes, agreements are fully negotiable at later times, with complete transparency and agreement by your buyer client. Those can include changes to the services offered, the scope (more or less) of the territory included the length of time of the agreement (more or less), the compensation agreed to (higher or lower), etc.

What are the ways that a buyer representative can be paid?

- Listing broker compensation to buyer broker (also known as an offer of compensation)
- Seller agreement to pay buyer broker – via an agreement form
- Seller agreement to pay buyer broker as part of the Purchase Agreement – via rider or contract term
- Buyer paying buyer broker directly
- Any combination of the above (“any source”) up to the maximum in the Buyer Agreement and also with disclosure to all parties per CT regulation

HIGGINS GROUP REQUIRED PAPERWORK FOR LISTINGS

We are using CTR Exclusive Right to Represent – all other versions have been deleted. (Required Form)

The Real Estate Disclosure Notice now has a signature line for your client’s completion and is required. This is a Higgins Group policy.

REQUIRED DOCUMENTS WHEN SIGNING A BUYER:

- ***CTR Exclusive Right to Represent Buyer Agreement***
- ***CTR Real Estate Disclosure Notice to Prospective Parties***
- ***Electronic Signature***

***DOTLOOP OR TRANSACTION DESK ARE THE ONLY PLACES THAT HAVE ALL THE CURRENT FORMS. IF YOU ARE PULLING FORMS FROM ANY PLACE ELSE YOU ARE PROBABLY USING THE WRONG FORMS.
PLEASE DISCARD ALL OTHER FORMS***



HIGGINS GROUP UPDATES & FAQs FROM CTR CHANGES 8/23/24 PURCHASE AGREEMENTS

CTR FAQ

Is compensation in the Purchase agreement allowed?

Yes, that is where buyer broker compensation may be part of the offer. A buyer broker cannot however seek to amend the listing broker compensation as part of an offer from a buyer. A seller may also offer concessions to the buyer as part of the contract negotiation. Those concessions would be detailed one of two ways – as a flat amount to use towards any closing costs including buyer broker fees; or the concessions can be detailed in the purchase agreement (such as, \$x for roof repairs, \$ for buyer broker compensation, etc.)

As a company we REQUEST THAT offers ONLY BE SUBMITTED on the HIGGINS GROUP Purchase Agreement or the SMARTMLS Standard Form Real Estate Contract.

Both agreements contain provisions that request Attorney review and Seller Compensation to the Buyer Brokerage.

Once your offer is accepted the **LISTING BROKERAGE should supply the **BROKER-TO-BROKER PROFESSIONAL SERVICES FEE AGREEMENT WHICH HAS BEEN SIGNED BY THE REPRESENTED LISTING COMPANY FOR YOUR SIGNATURE.****

WE DO NOT PROVIDE THE AFOREMENTIONED FORM ON OUR LISTINGS

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