

What to Expect When the Real Estate Journey Begins



It's not uncommon for new home buyers to feel as though they've signed their life away as they leave the settlement table with the keys to their new house. With homeownership being the single most

expensive investment most American's ever make, it's not surprising that signed documentation is needed for practically every step of the home buying process.

What may be surprising to some consumers is that paperwork is required to begin the real estate process. During the very first meeting with a REALTOR®, consumers can expect to be presented and asked to sign the state-mandated Consumer Notice form. Montgomery County Association of REALTORS® President Kathy Opperman, of CENTURY 21 Alliance, knows that some consumers may be hesitant to sign something so early on in their real estate journey, but suggests they keep two important facts in mind.

"Real estate professionals are required by Pennsylvania law to present the Consumer Notice during their first significant discussion with a consumer about real estate, so consumers should realize that REALTORS® are simply following the law when they present this form," says Opperman. "It's also important for buyers to understand that the Consumer Notice is not a contract, but rather an official document educating them about the various relationships they can elect to enter into with a REALTOR®."

Once a buyer is ready to establish a formal relationship with a REALTOR®, the consumer will be presented the Business Relationship contract to define the specifics of the relationship. While the relationship between a consumer and REALTOR®

can be exclusive or non-exclusive and either agreed upon in writing or verbally, Pennsylvania law requires that the business relationship be established *before* any properties are shown to the consumer. There are several ways that a buyer can be professionally represented, with buyer agency being the most common. In this arrangement, the REALTOR® works only for the buyer and has the duty of:

- ◆ Acting in the buyer's best interest
- ◆ Confidentiality
- ◆ Making a continuous and good faith effort to find a property for the buyer
- ◆ Disclosure to other parties in a transaction that the REALTOR® has been engaged as a buyer's agent

The other ways in which a buyer can be represented include dual agency, designated agency and transaction licensee. Dual agency is a relationship where the REALTOR® acts as the agent for both the seller and the buyer in the same transaction with the written consent of all parties. Designated agency is a relationship where the employing broker may, with the consumer's consent, designate one of more REALTORS® from the company to represent the consumer and the employing broker would be a dual agent. A transaction licensee is a broker or REALTOR® who provides communication or document preparation services or performs other acts without being the agent or advocate for either seller or buyer.

Establishing a business relationship with a REALTOR® - a real estate professional that is guided by a strict Code of Ethics and has valuable insights, knowledge and experience - is beneficial for buyers. "REALTORS® can only share property information and discuss details like negotiating an offer and affording a mortgage *after* the Consumer Notice and Business Relationship forms are reviewed," reminds Opperman. "Let the paperwork begin!"