



The article in the Feb. 10, 2010 Charlotte Observer titled “N.C. Realtors[®] protesting part of compensation disclosure” unfortunately inaccurately portrayed the issues that Realtors[®] have asked the N.C. Real Estate Commission to consider.

The association supports the intent of the rule, which is to disclose to the buyer any additional compensation or incentives paid to the agent (firm).

The proposed rule addresses the many facets of reporting compensation in a real estate transaction. The concerns Realtors[®] have are about a very specific instance of disclosing compensation in a dual-agency agreement. Dual-agency is when the seller’s agent and the buyer’s agent of a transaction both work for the same firm or are the same agent representing both the buyer and seller.

In North Carolina, Realtors[®] are already required to clearly disclose to the consumer any interest they may have in the transaction.

The situation we are asking the real estate commission to consider is in this dual-agency situation. The seller is made aware of the firm’s total compensation as stated in the listing agreement executed by and between the seller and the firm that represents the seller. Similarly, a buyer is made aware of the firm’s expected compensation as stated in the buyer-agency agreement executed by and between the buyer and the firm that represents the buyer.

In very few other professions does a sales person or employee have to disclose the exact amount of his or her compensation. In this very specific situation, we are asking the real estate commission to consider total compensation to the firm as the intent of the information being disclosed in a transaction.

This issue only exemplifies the importance of using a Realtor[®] when buying or selling a house. Knowing the legal and ethical obligations of disclosure and compensation, and keeping the consumer at the center of the transaction is why it is so important to have a trained professional guide you through this process.