

## North Carolina Association of Realtors®

Information regarding Feb. 10 meeting of the N.C. Real Estate Commission

- Realtors® support disclosure and believe in the original intent of the rule.
- The rule was intended to require disclosure of bonus or incentive compensation given to a *buyer's agent above and beyond what is in the buyer's agency agreement with his or her client.*
- We are not seeking to change this.
- Instead, we are seeking clarification of the correct interpretation of the current rule regarding dual-agency disclosure requirements.
- We do not believe that the rule should be interpreted as requiring buyer's agents to disclose the total compensation a *firm* will receive at the time of showing if a dual-agency situation exists. As background, it's important to remember that the buyer's agent is not privy to the compensation arrangement between the seller and the firm.
- The rule was never intended to be applied in this manner nor do we think the rule actual reads that way.
- The buyer knows the firm will make money on any transaction in which its agents are participating, and providing this information is of no real benefit to the consumer.
- In addition, requiring the disclosure of dual-agency compensation at the time of a showing is impractical in that the information is often difficult to track down and this puts barriers in front of the buyer experience. Many homes are shown during the evenings and weekends, or on short notice, and the rule will effectively prevent potential buyers from seeing some homes that they are interested in until days later.
- Realtors® want to be compliant, but also want to provide the service our buyer clients demand and deserve.
- Again, Realtors® believe in and support the original intent of this rule. That information is vital to the buyer's decision-making in any transaction. However, disclosure of total-firm compensation in a dual-agency situation was not intended to be disclosed, as it does not provide additional or bonus money to the buyer's agent.