

CHAPTER 6 - AGENCY

I. THE COMMON LAW OF AGENCY

A. THE NATURE OF AGENCY.

1. PARTIES ENTERING INTO AN AGENCY RELATIONSHIP MUST CLEARLY UNDERSTAND TWO BASIC FACTORS AFFECTING LIABILITY THAT ARE INHERENT IN AGENCY.
2. THERE ARE THREE TYPES OF AGENTS, CLASSIFIED ACCORDING TO THE AMOUNT OF AUTHORITY THEY ARE GIVEN.
3. THE IMPLICATIONS OF AGENCY LAW ARE INVOLVED IN ALMOST EVERY ASPECT OF THE REAL ESTATE BUSINESS.

B. CREATING AN AGENCY RELATIONSHIP.

1. TYPES OF AGENCY.

a. Actual agency.

b. Ostensible agency.

c. Implied agency.

2. POWER OF ATTORNEY.

3. IMPLIED AUTHORITY.

4. AMOUNT OF AUTHORITY.

5. THE PRINCIPAL.

C. AGENT'S OBLIGATIONS TO THE PRINCIPAL.

1. PERSONAL PERFORMANCE.

2. OBEDIENCE.

3. LOYALTY.

4. ACCOUNTABILITY.

5. NOTICE.

6. DUE CARE AND DILIGENCE.

D. PRINCIPAL'S DUTIES TO THE AGENT.

1. INDEMNIFICATION.

2. PERFORMANCE.

3. REIMBURSEMENT.

4. COMPENSATION.

E. TERMINATION OF THE AGENCY AGREEMENT.

1. PERFORMANCE.

2. EXPIRATION.

3. REVOCATION.

4. RENUNCIATION.

5. ABANDONMENT.

6. AGREEMENT.

7. DEATH.

8. INCAPACITY.

9. SUPERVENING ILLEGALITY.

10. EXTINCTION.

F. AGENT'S OBLIGATIONS TO THIRD PARTIES

1. REASONABLE SKILL AND CARE

2. ACCOUNTABILITY

3. HONESTY AND INTEGRITY

Disclosure to Third Parties

II. AGENCY CONTRACTS

A. THE AFFILIATION AGREEMENT.

1. THE BROKERAGE BUSINESS.

a. *Sole proprietorships.*

b. *Partnerships.*

c. *Corporation.*

d. *S Corporation.*

e. *Limited liability company (LLC).*

2. THE BROKER'S RESPONSIBILITY.

3. THE RELATIONSHIP BETWEEN BROKER AND SALESPERSON.

a. Employee.

b. Independent contractor.

4. COMPENSATION.

5. AGENCY POLICY.

B. THE LISTING.

1. TYPES OF LISTINGS.

b. Exclusive agency listing.

c. Exclusive right to sell listing.

d. Net listing.

2. MULTIPLE LISTING.

3. TERMINATION OF LISTING.

4. THE LISTING PRESENTATION.

5. THE RIGHT TO A COMMISSION.

C. BUYER REPRESENTATION.

1. SUB AGENCY.

2. BUYER AGENCY.

3. DUAL AGENCY.

4. DESIGNATED AGENCY.

5. THE TRANSACTION BROKER.

6. WORKING WITH A CUSTOMER.

7. CHOOSING AND DISCLOSING THE AGENCY ROLE.

8. RISK REDUCTION.

III. THE BROKERAGE RELATIONSHIP IN REAL

ESTATE TRANSACTIONS ACT (BRRETA)

A. INTRODUCTION

B. DUTIES OF BROKERS ENGAGED BY SELLERS OR LANDLORDS.

C. DUTIES OF BROKERS ENGAGED BY BUYERS OR TENANTS.

D. TERMINATION OF AN AGENCY RELATIONSHIP.

E. BROKERAGE RELATIONSHIP DISCLOSURE.

F. DUAL AGENCY.

G. DESIGNATED AGENCY.

H. TRANSACTION BROKERAGE.

MATH PRINCIPLES

COMMISSIONS.

NET TO SELLER.