

THE ABCs of REAL ESTATE

Listing Agreement Reference Guide

Listing Agreement-Page 1

LISTING AGREEMENT-“This is a legally binding contract, If not understood, seek legal advice”

- If the buyers have any questions...always suggest that they consult an attorney. NEVER advise against the use of legal counsel. If the buyers wish to use legal counsel, advise that they employ “competent legal counsel.” Advise against using any other type attorney (divorce, workman's compensation, friend-of-a-friend attorney) other than a real estate attorney.
- IT IS ADVISED THAT YOU READ THE ENTIRE LISTING AGREEMENT FOR REFERENCE AND CONTEXT TO GAIN AN UNDERSTANDING OF THE ENTIRE AGREEMENT.

1. THE NAME OF BROKER FIRM (Broker) is _____.

- If company is a member of the National Association of Realtors® they are collectively members of this trade association...and we are called “Realtors®”.

2. APPOINTMENT OF THE BROKER:

- This paragraph is the essence of the listing agreement.
- It describes our type of listing—exclusive right for sale.
- Legally described as: (legal description for the listed property) Place the legal description in this blank. Be sure to proof and verify that the legal description you are putting in the MLS and the legal description of record at the county courthouse matches where the property is situated. This information is available online or from a title company. Once you have a copy of the title insurance, match the title insurance's legal description with the legal description in any subsequent purchase agreements.
 - Example: Lot 23, Block 14, Sunny Days Subdivision.
 - Example: A metes and bounds legal description may be required for acreage and agricultural property. If the legal description is lengthy...write “legal description attached on addendum forms a part of this agreement” in the space provided and complete an addendum to the purchase agreement with the full metes and bounds legal description.

- (County): Place the county's full name where the subject property is situated... i.e. Douglas, Sarpy, Washington, Pottawattamie, etc.
- (State): Place the name of the state where the subject property is situated...i.e. Iowa, Nebraska, etc.
- Address: (Place the entire property address of the subject property. Try to avoid abbreviations. Multiple addresses should be separated with a dash (-), slash (/) or comma (,).)

3. DUTIES AND RESPONSIBILITIES OF THE BROKER:

- Review for base understanding and your ability to paraphrase and explain to seller(s).

4. DUTIES AND RESPONSIBILITIES OF SELLER'S LIMITED AGENT AS A LIMITED DUAL AGENT:

- Review for base understanding and your ability to paraphrase and explain to seller(s).

5. CONFIDENTIAL INFORMATION AND ADVERSE MATERIAL FACTS:

- Review for base understanding and your ability to paraphrase and explain to seller(s).
- Seller(s) Initials: The seller(s) MUST initial each page of the listing agreement.

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6. LISTING PERIOD:

- First blank: (the date the listing takes effect) (start date)
- Second blank: (the date the listing ends) (expiration date)
- You may take a listing to take effect today...or any future date.
- Listing periods should not be less than 90 days unless approved by your Manager
- If you are taking a "one party listing"...place the initials only of your buyer in the first blank and put a date in the second blank that would give your buyers a chance to make an informed buying decision...typically 5-10 business days.

7. PRICE AND TERMS:

- \$ (Initial list price numerically) Example: \$250,000.00
- Terms: Check the financing options the seller would like to offer prospective buyers.
- Terms and obligations for different types if financing will need to be explained to the seller(s).

8. COMMISSION:

- Any variation from 7% commission MUST be in compliance with Broker's policies and procedures or approved by Management.
- Seller must authorize BHHS Hathaway HomeServices-Ambassador to compensate both Buyer's Agents and Dual Agents. Please have the seller check BOTH boxes.

9. EQUAL OPPORTUNITY:

- Full compliance with Fair Housing Laws is policy.

10. PRICE TO INCLUDE:

- This is where the seller EXCLUDES anything (personal or real) from the listing

11. PERSONAL PROPERTY:

- This is where the seller(s) can list all personal property that they plan on selling (leaving) with the property. ..i.e refrigerator, swing/gym set, carpets, drapes and window treatments, etc.

12. SMOKE DETECTORS:

- Be sure to have the sellers check the smoke detectors BEFORE the final walk through BEFORE closing. If the smoke detectors are battery powered or hard wired...both types must be in working order upon closing and possession. It's the law.

13. SELLER PROPERTY CONDITION DISCLOSURE STATEMENT:

- Required by law...and it must be presented to the buyer(s) and signed by the buyer(s) BEFORE they are obligated to perform on any purchase agreement.
- This SPCDS should be available at the subject property at all times.
- If the SPCDS is not available when a an offer is forthcoming you may write the following language into the purchase agreement:

"Offer subject to buyer's receipt, review and execution of the Seller Property Condition Statement (SPCDS) within (specify #) of business days after acceptance. If the SPCDS is not received, reviewed and executed as specified, this offer is null and void and earnest deposit to be refunded, in full, to the buyer."

- DO NOT COMPLETE ANY PORTION OF THE SPCDS FOR THE SELLER !

14. SELLER'S CERTIFICATION:

- Review for base understanding and your ability to paraphrase and explain to seller(s).

15. ASSESSMENTS:

- These assessments will usually be of record at the county courthouse in the county where the listed property is located.
- Verify, by checking the appropriate box, the status of who, if anyone, is responsible for an association dues.

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16. EARNEST DEPOSITS (Deposit):

- An earnest deposit is made to a seller that represents a buyer's good faith to buy a property. The money gives the buyer extra time to get financing and conduct the title search, property appraisal, and inspections before closing. Depending on circumstances this deposit may or may not be refunded to buyer.

17. CLOSING

ESCROW AGENT:

- An escrow agent is a person or entity that holds property in trust for third parties while a transaction is finalized or a disagreement is resolved. The role of escrow agent is often played by the title company or an attorney.

18. TITLE AND CONVEYANCE:

- Conveyance is the act of transferring an ownership interest in a property from one party to another. Conveyance also refers to the written instrument, such as a deed or lease, that transfers the legal title of a property from the seller to the buyer.

19. POSSESSION:

- Possession to be given: (specify an exact date or a period of time after the closing.)

- Example: June 30, 2010 or within 10 days after closing.

20. KEYS AND LOCK BOX:

- There will be a lock box placed on your property that will give myself, other real estate agents and inspectors access to your home. The lockbox is electronic and will record the name of everyone that enters the property. While your home is for sale it is our recommendation that you secure valuables or keep them offsite.

-NEVER leave buyer(s), or anyone else allow access to the property, alone at any time. It's the law.

-NEVER give the keys to anyone without permission from the seller.

-Instruct the seller that our MLS lock boxes allows us to monitor access to the property.

21. MULTIPLE LISTING SERVICE (MLS) AUTHORITY:

-Seller need to allow (does) or disallow (does not) placing their telephone number in the MLS for showing purposes. Circle one.

22. SIGNS AND ADVERTISING:

-You are selling your property and want it sold at the best price possible. So, I need to be able to put a For Sale sign in your yard and advertise the property to the best of my ability.

23. RENUMERATION: This paragraph is a disclosure acknowledging to all parties to the purchase agreement that the real estate company may be earning income over and above the real estate brokerage. As required by federal law...the Controlled Business Disclosure MUST be signed by both buyer(s) and seller(s) and becomes part of the transactional file documents.

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24. RELEASE OF LOAN INFORMATION:

-Complete this section as directed. Be sure of spellings for the lender information and accuracy of the loan number.

-Review the FHA loan interest recapture for base understanding and your ability to paraphrase and explain to seller(s).

25. HOME WARRANTY ACKNOWLEDGEMENT:

-CHECK the appropriate box(es) and complete the Approximate Cost: \$_____

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26. ACKNOWLEDGEMENTS:

-Read for understanding and ability to explain to the Seller(s)

26. ELECTRONIC TRANSACTION AUTHORIZATION:

- Beware of Wire Fraud and/or Email Scams.

-Faxed documents are legal...and can be signed and used to close a sale.

Original documents should follow with original signatures, if possible.

-Try to avoid multiple faxes of the same document as multiple faxed copies

become unreadable and unusable in the transaction.

-Scanning and then emailing documents for signatures is becoming more acceptable as technology progresses.

28. REPRESENTS AND WARRANTIES

-Every contract has representations and warranties, which are basically the underlying matters or facts as they are being presented. When selling real estate, the seller represents themselves to be the owner, who has the legal authority to sell the property. They warrant that the property is as they represent it to be.

29. THE BLANK PARAGRAPH:

-This paragraph is a "catch all" for anything that is not addressed in "boilerplate" documents.

Complete the remainder of Page 4 as specified in the respective blanks.

Make sure everything is legible and complete.