



RESIDENTIAL CO-BROKERAGE INDUSTRY BEST PRACTICES

Adopted: May 12, 1983; Amended: April 16, 2001; Amended April 2009; Amended October 2012.

Purpose: The purpose of these Industry Best Practices is to establish generally recognized procedures that will facilitate communication between REALTORS® and that will assure/verify the transmittal of all offers and counteroffers and thereby better serve the public, AND to establish an understanding among and between members of the Greater Harrisburg Association of REALTORS®, Inc. as to the methods to be employed in their relationship with each other, their clients, and the general public in Co-Brokerage. These Industry Best Practices are not binding, but suggested for the purposes above.

Definition: Co-Brokerage refers to the cooperation of two or more brokers to bring about a single transaction. Co-Brokerage generally involves the cooperation of a listing broker and selling broker and the sharing of a commission pursuant to the policies of the local Multi-List System in which the brokers hold membership. While an “in-house” transaction where the listing and selling Licensees are affiliated with the same broker may fall outside of the definition of Co-Brokerage, the policies and procedures set forth in these Industry Best Practices may be deemed applicable.

Inquiries: All inquiries, questions and requests for information for any property listed exclusively with a REALTOR® shall be made directly to the Listing Licensee, and in the event of unavailability of the Licensee, to the Listing Agency. The inquiring REALTOR® shall always identify him/herself, his/her office affiliation, and his/her role as a sub-agent, buyer’s agent, or transaction licensee.

Appointments: All appointments and requests for showing of an occupied or vacant property listed exclusively with a REALTOR® may be made directly with the Listing Licensee and/or Listing Licensee’s Agency or the Seller, depending on the Listing Broker’s showing instructions contained in the listing information sheet. When making the showing appointment, the Selling Licensee must disclose his/her business relationship with the Buyer (i.e. buyer agent, sub-agent, transaction licensee). Calls for appointments should be made during appropriate hours. When calling the Seller, pursuant to the Listing Broker’s showing instructions, the discussion shall be limited to scheduling the showing appointment. If the appointment must be canceled, the Selling Licensee should promptly notify the Listing Agency.

Communications: All communications to the Seller are to be made through the Listing Licensee, or if not available, through the Listing Agency, and not to the Seller directly. All communications to the Buyer are to be made through the Selling Licensee, or if not available, through the Selling Agency, and not to the Buyer directly.

Offers: In accordance with the National Association of REALTOR® Code of Ethics, Listing Agencies shall assure that the MLS information clearly notes the existence of all variable rate commissions (such as, but not limited to, when the fee charged by the Listing Agency is lower when the Listing Agency also sells the listing.) The Selling Licensee should be given the opportunity to present all purchase/rental offers to the Seller through the Listing Licensee, or to the extent that the Licensee is unavailable, through the Listing Agency. The Listing Licensee shall be advised of the business relationship between the Selling Licensee and the Buyer prior to the presentation of an offer. The Selling Licensee, or his/her Agency, shall be given the courtesy of presenting the offer to the owner(s) as soon as is reasonably practicable after receipt of the offer. Nothing in these Industry Best Practices shall preclude the Listing Licensee from dismissing the Selling Licensee from the presence of the owner(s) immediately after the offer has been physically submitted to the owner(s).

Multiple Offers: In the event of multiple offers, all offers must be presented to the Seller. Prior to presentation, all Selling Licensees shall be notified by the Listing Licensee or his Agency, if authorized by the Seller, that there are multiple offers to be presented. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the Listing Licensee, another licensee in the listing firm, or by a Cooperating Broker. The Listing Licensee shall not disclose the terms of any or all competing offers unless the Seller directs otherwise. Where terms are disclosed the same must be accurate.

It is recommended that every effort should be made to have all offers presented to the Seller at the Listing Licensee's office. Each Selling Licensee shall have the opportunity to present his/her offer (see "Offers" above) individually to the Seller in the presence of the Listing Licensee prior to acceptance or counters being made to any of the agreements by the Seller. When the Listing Licensee is one of Selling Licensees, to avoid the appearance of conflict of interest, the Listing Agency's licensee should present that offer to the Seller. The Listing Agency's Broker or Office Manager should be present with the Seller during the contract review process to provide assistance. The Listing Licensee or his representative shall disclose to any competing Licensee(s) any concessions or changes made to the original listing contract, as advertised in the multi-list, when said changes are made to facilitate acceptance of the Listing Licensee's offer over a competing offer.

After all offers have been presented to the Seller, the Listing Licensee should immediately contact the Selling Licensee(s) as to acceptance or rejection of said offers or to present counteroffers.

Buyer's Financial Information: In addition to the necessary sales documents, evidence of the Buyer's financial ability to purchase, that may include a Buyer's Financial Statement, a credit check and/or mortgage pre-approval, shall be transmitted to the Listing Licensee. When Buyer's contingent pending sale(s) of other property is subject to a mortgage contingency, the information should include copies of all agreements pertaining to this/these sale(s). In many cases, it may be sufficient for the Listing Licensee to advise the Seller as to whether, in the Listing Licensee's opinion, the Buyer is qualified or not qualified, based upon the information provided by the Buyer.

This information should not be given to any parties without the Buyer's written permission.

Sold Signs: Prior to closing, only the SOLD sign of the Listing Licensee shall be placed, if permitted in writing by the owner(s), on any property sold unless the Listing broker and Seller authorizes the cooperating (Selling) broker to post such a sign. After closing, the Selling Licensee/Agency may place a SOLD sign only with the permission of the Buyer.

Sub-agent/Buyer Agent/ Transaction Licensee Compensation Form: In all co-brokerage transactions between REALTORS®, Listing Licensees and Selling Licensees shall both sign a Sub-agent, or Buyer's Agent, or Transaction Licensee Compensation Form or its equivalent.

Documents: Copies of all documents pertinent to any co-brokerage transactions between REALTORS® shall be provided to both the Listing Agency and the Selling Agency. The Listing Agency, when possible, shall retain all originals of all documents.

Status: The Licensee(s) shall keep the cooperating Licensee(s) and his/her office informed of the status of any progress toward removing contingencies prior to settlement (e.g., mortgage application, repairs required, radon testing, etc.). The Listing Licensee shall keep the Seller informed; the Selling Licensee shall keep the Buyer informed.

Extensions: When extensions of the mortgage commitment and/or settlement date are necessary, the extension agreement (modification) shall be in writing and signed by all parties to the transactions.

Scheduling: It is the responsibility of the Selling Licensee to set a settlement date as per contract, convenient to all parties, and immediately inform the Listing Licensee of said settlement date, place and time. The Listing Licensee shall, in turn, notify the owner(s) of the settlement date, place and time.

Releases: Every effort shall be made by the Selling Licensee and the Listing Licensee to have releases signed by their respective Buyer and Seller in the event that the transaction does not go to closing. Releases are not legally required before a property is put back on the market in the case of a failed transaction. Licensees should consult with their brokers and may consider use of the Legal Hotline when encountering a failed transaction.

Photo Imaging Property: A property may be photo-imaged from a public street without the permission of the Seller. Any other exterior photo-imaging which requires trespass on the property must be approved by the Seller. Any interior photo-imaging of a property must be approved by the Seller. Advance written approval is recommended. The Listing Agency shall obtain the permission of Seller to have the listing appear on other broker's web sites by way of hyperlink or similar method. The Listing Agent and Agency shall be clearly identified with the listing on all such sites.

As a member broker/designated REALTOR® of the Greater Harrisburg Association of REALTORS®, I voluntarily agree to subscribe on behalf of myself and my licensees to the Co-Brokerage Industry Best Practices outlined above. I further understand and agree on behalf of myself and my licensees that this voluntary agreement does not waive our obligation as REALTORS® to abide by the National Association of REALTORS® *Code of Ethics*.