

Colorado real estate agents minimum level of service



Created by:

Randy Rought
REALTOR[®]
303-503-6210

Air Force Retiree still Serving my Community

What must Real Estate Agents actually do?

- The Colorado Department of Regulatory Agencies (DORA), Division of Real Estate (DRE) has established minimum service requirements all licensed real estate agents are required to follow. These requirements, for both seller and buyer agents, are specifically stated within the seller and buyer representation contracts. In plain talk, these sections specifically state what the representing agents are required to do, agent responsibilities to their clients, and what agents are not required to do.
- Only licensed Colorado real estate agents who are members of the National Association of REALTORS® are properly called REALTORS®. They have taken additional training and sworn an oath to uphold a strict set of ethics and are authorized to use the registered “REALTOR®” title and logo.
- REALTORS® are committed to treating all parties in a transaction honestly, and are expected to maintain a superior level of knowledge about the home buying and selling process. REALTORS® are required to:
 - Promote the interests of their clients with utmost good faith, loyalty and fidelity,
 - Seek a price and terms which is acceptable to their client, and
 - Counsel their client as to any material benefits or risks of a transaction.
- If an agent is identified as a REALTOR® and fails to do any of these items, individuals are encouraged to file a complaint via the Colorado Association of REALTORS® website (<https://www.coloradorealtors.com/legal-help/file-a-complaint/>).ⁱ
- If any other real estate agent (non-REALTOR®) fails to do any of these items, individuals are encouraged to file a complaint via the DORA website (<https://dora.colorado.gov/file-complaint>).ⁱⁱ



I always try to go above and beyond when it comes to my clients.

- My clients and I are a team. It doesn't matter if my client is the seller or the buyer. If either have any issues, they should talk with me, as your REALTOR®, I may have options you didn't consider.
 - **With my sellers;** besides helping them sell their house, the seller has the final decision if an offer works for them. I have helped past clients in numerous ways depending on their need. I have help load moving pods/u-haul, hauled things to donation or trash, ensured the house was ready for showings after they moved out, regularly checked the house for vandals, water leaks, ensured doors and windows are locked after showings, and even oversaw repair contractors.
 - **With my buyers;** besides showing them houses, I give my advice, opinions and point out both the good and bad, and then make offers on their behalf. The buyer has the final decision if the house works for them, if they want to make an offer, and the terms. After an offer is accepted, I help them conduct their due diligence, and make sure they didn't miss any key items and deadlines. I have helped them move in, including by entertaining the kids to keep them out of the way while the parents moved in furniture.

Clients responsibilities

- While agents have a contractual minimum responsibility to their clients; buyers and sellers also have a moral obligation and minimum contractual responsibility to their agent.

Buyer responsibilities to the buying team.

- Buyer has to be responsive to my telephone calls, emails, and texts. If we find a place, we need to make an offer as soon as possible. If we submit an offer, and they counter, we must be able to deal with a short time response. If I get a hot lead on a property, I want to get it in front of you as quick as possible.
- Buyer needs to keep me informed of any issues which may affect the deal. These issues could include inability to get financing, major personal financial issues or changes, separation/divorces, major sicknesses, transportation issues, job loss, unscheduled trips, or family emergencies.
- When going through houses, buyer is aware many sellers have cameras installed on their properties, and will not discuss information which could negate our negotiations.
- Don't discuss your home searching on open social media beyond talking about moving in general terms. If you rant and rave about how much you love a place and this is "the place". These comments may be seen by the seller/seller agent and can use this information against us. If you state you are getting desperate due to your lease ending, sellers can also use this to force negotiation issues.

Buyer's obligations to the broker

per para 9 of the buyer representation contract.

- Buyer agrees to conduct all negotiations for the property only through broker, and to refer to broker all communications received in any form from brokers, prospective sellers, or any other source during the term of this buyer listing contract.
- Buyer represents that buyer is not currently a party to any agreement with any other broker to represent or assist buyer in the location or purchase of property.
- Buyer further represents that buyer has not received a list of any "submitted property" pursuant to a previous listing agreement to purchase property with any other broker.

Seller responsibilities to the buying team.

- Seller has is to be responsive to my telephone calls, emails, and texts. If we get an offer, buyers may have put a short response time, and we may need to accept or counter quickly.
- Seller's need to keep me informed of any issues which may affect the deal. These issues could include unexpected issues with the house or property, unknown liens, separation/divorces, major sicknesses, transportation issues, unscheduled trips, or family emergencies.
- Don't discuss how selling your house is going on open social media beyond talking about moving in general terms. If you state you are getting desperate due, buyers can also use this information against us.
- Seller needs to fill out the Seller Property Disclosure Form. This form identifies defects known by the seller for items which can be discovered by reasonable inspection. Seller should be very comprehensive to eliminate future potential legal issues. If the buyer comes back in the future with a suit claiming the seller knew about something (i.e., asbestos), and it's not on the form, the seller could be held financially responsible.

Seller's obligations to the broker

per para 10 of the buyer representation contract.

- 10.1. Negotiations and Communication. Seller agrees to conduct all negotiations for the sale of the property only through broker, and to refer to broker all communications received in any form from real estate brokers, prospective buyers, tenants or any other source during the listing period of this seller listing contract.
- 10.2. Advertising. Seller agrees that any advertising of the property by seller (e.g., internet, print and signage) must first be approved by broker.
- 10.3. No Existing Listing Agreement. Seller represents that seller is not currently a party to any listing agreement with any other broker to sell the property. seller further represents that seller has not received a list of "submitted prospects" pursuant to a previous listing agreement to sell the property with any other broker.
- 10.4. Ownership of Materials and Consent. Seller represents that all materials (including all photographs, renderings, images, videos or other creative items) supplied to broker by or on behalf of seller are owned by seller, except as seller has disclosed in writing to broker. seller is authorized to and grants to broker, brokerage firm and any MLS (that broker submits the property to) a nonexclusive irrevocable, royalty-free license to use such material for marketing of the property, reporting as required and the publishing, display and reproduction of such material, compilation and data. this license survives the termination of this seller listing contract. unless agreed to otherwise, all materials provided by broker (photographs, renderings, images, videos, or other creative items) may not be used by seller for any reason.
- 10.5. Colorado Foreclosure Protection Act. The Colorado Foreclosure Protection Act (Act) generally applies if (1) the property is residential (2) seller resides in the property as seller's principal residence (3) buyer's purpose in purchase of the property is not to use the property as buyer's personal residence and (4) the property is in foreclosure or buyer has notice that any loan secured by the property is at least thirty (30) days delinquent or in default. if all requirements 1, 2, 3 and 4 are met and the act otherwise applies, then a contract, between buyer and seller for the sale of the property, that complies with the provisions of the act is required. If the transaction is a short sale transaction and a short sale addendum is part of the contract between seller and buyer, the act does not apply. it is recommended that seller consult with an attorney.

Colorado Stature minimum level of performance

A Buyer's Agent minimal duties

- Buyer agents have to perform the following required duties (referenced in the buyer representation contract).
- I especially want to highlight the following items of special interest (5.1.2.; 5.1.3.; 5.2.; 5.7.; and 6).

BUYER AGENT REQUIRED DUTIES

BROKERAGE DUTIES. Brokerage Firm, acting through Broker, as either a Transaction-Broker or a Buyer's Agent, must perform the following **Uniform Duties** when working with Buyer:

5.1. Broker must exercise reasonable skill and care for Buyer, including but not limited to the following:

5.1.1. Performing the terms of any written or oral agreement with Buyer;

5.1.2. Presenting all offers to and from Buyer in a timely manner regardless of whether Buyer is already a party to a contract for the Purchase of Property;

5.1.3. Disclosing to Buyer adverse material facts actually known by Broker;

5.1.4. Advising Buyer regarding the transaction and advising Buyer to obtain expert advice as to material matters about which Broker knows but the specifics of which are beyond the expertise of Broker;

5.1.5. Accounting in a timely manner for all money and property received; and

5.1.6. Keeping Buyer fully informed regarding the transaction.

5.2. Broker must not disclose the following information without the informed consent of Buyer:

5.2.1. That Buyer is willing to pay more than the purchase price offered for the Property;

5.2.2. What Buyer's motivating factors are;

5.2.3. That Buyer will agree to financing terms other than those offered; or

5.2.4. Any material information about Buyer unless disclosure is required by law or failure to disclose such information would constitute fraud or dishonest dealing.

5.3. Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

5.4. Broker may show properties in which Buyer is interested to other prospective buyers without breaching any duty or obligation to Buyer. Broker is not prohibited from showing competing buyers the same property and from assisting competing buyers in attempting to purchase a particular property.

5.5. Broker is not obligated to seek other properties while Buyer is already a party to a contract for the Purchase of Property.

5.6. Broker has no duty to conduct an independent inspection of the Property for the benefit of Buyer and has no duty to independently verify the accuracy or completeness of statements made by a seller or independent inspectors. Broker has no duty to conduct an independent investigation of Buyer's financial condition or to verify the accuracy or completeness of any statement made by Buyer.

5.7. Broker must disclose to any prospective seller all adverse material facts actually known by Broker, including but not limited to adverse material facts concerning Buyer's financial ability to perform the terms of the transaction and whether Buyer intends to occupy the Property as a principal residence.

5.8. Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

6. ADDITIONAL DUTIES OF BUYER'S AGENT. If the Buyer Agency box at the top of page 1 is checked, Broker is Buyer's Agent, with the following additional duties:

6.1. Promoting the interests of Buyer with the utmost good faith, loyalty and fidelity;

6.2. Seeking a price and terms that are acceptable to Buyer; and

6.3. Counseling Buyer as to any material benefits or risks of a transaction that are actually known by Broker.

A Seller's Agent minimal duties

- Seller agents have to perform the following required duties (referenced in the seller representation contract).
- I especially want to highlight the following items of special interest (5.1.2.; 5.1.3.; 5.2.1.; 5.7.; 5.8.; and 6).

SELLER AGENT REQUIRED DUTIES

5. BROKERAGE DUTIES. Brokerage Firm, acting through Broker, as either a Transaction-Broker or a Seller's Agent, must perform the following "Uniform Duties" when working with Seller:

5.1 Broker must exercise reasonable skill and care for Seller, including, but not limited to the following:

5.1.1. Performing the terms of any written or oral agreement with Seller;

5.1.2. Presenting all offers to and from Seller in a timely manner regardless of whether the Property is subject to a contract for Sale;

5.1.3. Disclosing to Seller adverse material facts actually known by Broker;

5.1.4. Advising Seller regarding the transaction and advising Seller to obtain expert advice as to material matters about which Broker knows but the specifics of which are beyond the expertise of Broker;

5.1.5. Accounting in a timely manner for all money and property received; and

5.1.6. Keeping Seller fully informed regarding the transaction.

5.2. Broker must not disclose the following information without the informed consent of Seller:

5.2.1. That Seller is willing to accept less than the asking price for the Property;

5.2.2. What the motivating factors are for Seller to sell the Property;

5.2.3. That Seller will agree to financing terms other than those offered;

5.2.4. Any material information about Seller unless disclosure is required by law or failure to disclose such information would constitute fraud or dishonest dealing; or

5.2.5. Any facts or suspicions regarding circumstances that could psychologically impact or stigmatize the Property.

5.3. Seller consents to Broker's disclosure of Seller's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Seller, or use such information to the detriment of Seller.

5.4. Brokerage Firm may have agreements with other sellers to market and sell their property. Broker may show alternative properties not owned by Seller to other prospective buyers and list competing properties for sale.

5.5. Broker is not obligated to seek additional offers to purchase the Property while the Property is subject to a contract for Sale.

5.6. Broker has no duty to conduct an independent inspection of the Property for the benefit of a buyer and has no duty to independently verify the accuracy or completeness of statements made by Seller or independent inspectors. Broker has no duty to conduct an independent investigation of a buyer's financial condition or to verify the accuracy or completeness of any statement made by a buyer.

5.7. Seller understands that Seller is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Seller.

5.8. When asked, Broker **Will** **Will Not** disclose to prospective buyers and cooperating brokers the existence of offers on the Property and whether the offers were obtained by Broker, a broker within Brokerage Firm or by another broker.

6. ADDITIONAL DUTIES OF SELLER'S AGENT. If the Seller Agency box at the top of page 1 is checked, Broker is Seller's Agent, with the following additional duties:

6.1. Promoting the interests of Seller with the utmost good faith, loyalty and fidelity;

6.2. Seeking a price and terms that are set forth in this Seller Listing Contract; and

6.3. Counseling Seller as to any material benefits or risks of a transaction that are actually known by Broker.

ⁱ <https://www.coloradorealtors.com/legal-help/file-a-complaint/>

ⁱⁱ <https://dora.colorado.gov/file-complaint>

ⁱⁱⁱ https://cdn.pixabay.com/photo/2016/03/31/18/42/home-1294564__340.png