

# BROKER'S FEE AGREEMENT

(for properties not listed with a broker)

BFA

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

1 Broker (Company) \_\_\_\_\_ Licensee(s) (Name) \_\_\_\_\_  
2 \_\_\_\_\_  
3 Company License # \_\_\_\_\_ State License # \_\_\_\_\_  
4 Company Address \_\_\_\_\_ Direct Phone(s) \_\_\_\_\_  
5 \_\_\_\_\_ Cell Phone(s) \_\_\_\_\_  
6 Company Phone \_\_\_\_\_ Licensee Fax \_\_\_\_\_  
7 Company Fax \_\_\_\_\_ Email \_\_\_\_\_

8 **SELLER** \_\_\_\_\_

9 \_\_\_\_\_

10 **SELLER'S MAILING ADDRESS** \_\_\_\_\_

11 \_\_\_\_\_

12 **PHONE** \_\_\_\_\_ **CELL** \_\_\_\_\_

13 **E-MAIL** \_\_\_\_\_ **FAX** \_\_\_\_\_

14 *Note: The terms "buyer," "seller," "buy" and "sale" also will be construed to mean "tenant," "landlord," and "rent," respectively,*  
15 *throughout this agreement.*

16 **Seller understands that this Broker's Fee Agreement is between Broker and Seller.**

17 **Does Seller have a listing contract with another broker?** ☐ Yes ☐ No

18 **If yes, explain** \_\_\_\_\_

## 19 **1. PROPERTY**

20 Seller is offering Seller's Property, at \_\_\_\_\_ for sale.

## 21 **2. SELLER IS NOT REPRESENTED BY A BROKER**

22 Broker listed above is a Buyer Agent who works exclusively for the buyer and must act in the buyer's best interest, as described in the  
23 Consumer Notice adopted by the Pennsylvania State Real Estate Commission at 49 Pa. Code §35.336.

## 24 **3. BUYER**

25 Licensee has identified \_\_\_\_\_ ("Buyer") as a potential buyer  
26 for the Property. Licensee is working with Buyer as a Buyer's Agent, as described in the Consumer Notice. Seller acknowledges that  
27 Seller has no business relationship, as described in the Consumer Notice, with Broker or Licensee.

## 28 **4. FEE AND TERM**

29 (A) This Agreement only applies to Buyer identified in Paragraph 3. **No law or Association of Realtors® has set or recommended**  
30 **the Broker's Fee or term of this Agreement.**

31 (B) Broker and Seller have negotiated the fee that Seller will pay Broker. Broker's Fee is \_\_\_\_\_% of the Purchase Price AND  
32 \$\_\_\_\_\_, paid by Seller.

33 (C) This Agreement ends when Seller sells the Property or when negotiations between Buyer and Seller end. If Buyer purchases the  
34 Property within \_\_\_\_\_ days of the end of this Agreement, Seller will pay Broker's Fee.

35 (D) If a buyer enters into an Agreement of Sale, then refuses to buy the Property, or if the buyer is unable to buy because of failing  
36 to do the things required of the buyer in the Agreement of Sale, Seller (or deposit holder) will pay Broker:

- 37 1. \_\_\_\_\_ of/from monies paid by buyer, and retained by Seller, on account of the transaction, including, but not  
38 limited to, extension fees, option payments, liquidated damages, judgments, etc., OR  
39 2. Broker's Fee, whichever is less.

## 40 **5. SELLER WILL REVEAL DEFECTS AND ENVIRONMENTAL HAZARDS**

41 (A) Seller (including Sellers exempt from the Real Estate Seller's Disclosure Law) will disclose all known material defects and/or  
42 environmental hazards on a separate disclosure statement. A material defect is a problem with a residential real property or any  
43 portion of it that:

- 44 1. would have a significant adverse impact on the value of the property; or  
45 2. involves an unreasonable risk to people on the property.

46 **Seller Initials:** \_\_\_\_\_

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**Broker/Licensee Initials:** \_\_\_\_\_



- 47 (B) If Seller fails to tell of known material defects and/or environmental hazards:  
48 1. Seller will not hold Broker or Licensee responsible in any way;  
49 2. Seller will protect Broker and Licensee from any claims, lawsuits, and actions that result;  
50 3. Seller will pay all of Broker's and Licensee's costs that result, including attorneys' fees and court-ordered payments or settle-  
51 ments (any money Broker or Licensee pays to end a lawsuit or claim).

52 **6. RECORDINGS ON THE PROPERTY**

- 53 (A) Seller understands that potential buyers viewing the Property may engage in photography, videography or videotelephony on  
54 the Property. Seller should remove any items of a personal nature Seller does not wish to have photographed or recorded, such  
55 as family photos, important or confidential paperwork (including any information relating to the listing or communications with  
56 Broker or Licensee) and all other personally identifiable information such as birthdates, social security numbers, telephone  
57 numbers, etc. Seller is responsible for providing this same notification to any occupants of the Property.  
58 (B) Any person who intentionally intercepts oral communications by electronic or other means without the consent of all parties is  
59 guilty of a felony under Pennsylvania law. Seller understands that recording or transmitting audio may result in violation of state  
60 or federal wiretapping laws. **Seller hereby releases all BROKERS, their LICENSEES, EMPLOYEES and any OFFICER or**  
61 **PARTNER of any one of them, and any PERSON, FIRM or CORPORATION who may be liable by or through them, from**  
62 **any claims, lawsuits and actions which may arise from any audio or video recordings occurring in or around the Property.**

63 **7. IF PROPERTY WAS BUILT BEFORE 1978**

64 The Residential Lead-Based Paint Hazard Reduction Act says that any Seller of property built before 1978 must give the buyer an EPA  
65 pamphlet titled *Protect Your Family From Lead in Your Home*. The Seller also must tell the buyer and the Broker what the Seller knows  
66 about lead-based paint and lead-based paint hazards that are in or on the property being sold. Seller must tell the buyer how the Seller  
67 knows that lead-based paint and lead-based paint hazards are on the property, where the lead-based paint and lead-based paint hazards  
68 are, the condition of the painted surfaces, and any other information Seller knows about lead-based paint and lead-based paint hazards  
69 on the property. Any Seller of a pre-1978 structure must also give the buyer any records and reports that the Seller has or can get about  
70 lead-based paint or lead-based paint hazards in or around the property being sold, the common areas, or other dwellings in multi-family  
71 housing. According to the Act, a Seller must give a buyer 10 days (unless Seller and the buyer agree to a different period of time) from  
72 the time an Agreement of Sale is signed to have a "risk assessment" or inspection for possible lead-based paint hazards done on the  
73 property. Buyers may choose not to have the risk assessment or inspection for lead paint hazards done. If the buyer chooses not to have  
74 the assessment or inspection, the buyer must inform the Seller in writing of the choice. The Act does not require the Seller to inspect  
75 for lead paint hazards or to correct lead paint hazards on the property. The Act does not apply to housing built in 1978 or later.

76 **8. DEPOSIT MONEY**

- 77 (A) Broker, or any person Seller and Buyer name in the Agreement of Sale, will keep all deposit monies paid by or for the buyer in an  
78 escrow account. If held by Broker, this escrow account will be held as required by real estate licensing laws and regulations. The  
79 broker holding the deposit monies may only release the deposit monies according to the terms of a fully executed written agreement  
80 between Buyer and Seller and as permitted by the Rules and Regulations of the State Real Estate Commission. Seller agrees that  
81 the person keeping the deposit monies may wait to deposit any uncashed check that is received as deposit money until Seller has  
82 accepted an offer.  
83 (B) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to  
84 determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:  
85 1. If an agreement of sale is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written  
86 agreement signed by both parties is evidence that there is no dispute regarding deposit monies.  
87 2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, directing  
88 Broker how to distribute some or all of the deposit monies.  
89 3. According to the terms of a final order of court.  
90 4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the  
91 deposit monies if there is a dispute between the parties that is not resolved.  
92 (C) If Buyer names Broker or Broker's licensee(s) in litigation regarding deposit monies, the attorneys' fees and costs of the Broker(s)  
93 and licensee(s) will be paid by Buyer.

94 **9. NOTICE TO PERSONS OFFERING TO SELL OR RENT HOUSING IN PENNSYLVANIA**

95 Federal and state laws make it illegal for Seller, Broker, or anyone to use RACE, COLOR, RELIGION or RELIGIOUS CREED,  
96 SEX, DISABILITY (physical or mental), FAMILIAL STATUS (children under 18 years of age), AGE (40 or older), NATIONAL  
97 ORIGIN, USE OR HANDLING/TRAINING OF SUPPORT OR GUIDE ANIMALS, or the FACT OF RELATIONSHIP OR  
98 ASSOCIATION TO AN INDIVIDUAL KNOWN TO HAVE A DISABILITY as reasons for refusing to sell, show, or rent prop-  
99 erties, loan money, or set deposit amounts, or as reasons for any decision relating to the sale of property.

101 **10. COOPERATION WITH OTHER BROKERS**

102 Broker has not cooperated with other brokers in procuring the Buyer for this Property.

103 **11. CONFLICT OF INTEREST**

104 If Broker, or any of Broker’s licensees, has a conflict of interest, Broker will notify Seller in a timely manner.

105 **12. BROKER’S SERVICES TO BUYERS**

106 Broker may provide services to a buyer for which Broker may accept a fee. Broker will disclose to Seller if any fees are to be paid by  
107 Buyer.

108 **13. REAL ESTATE RECOVERY FUND**

109 Pennsylvania has a Real Estate Recovery Fund (the Fund) to repay any person who has received a final court ruling (civil judgment)  
110 against a Pennsylvania real estate licensee because of fraud, misrepresentation, or deceit in a real estate transaction. The Fund repays  
111 persons who have not been able to collect the judgment after trying all lawful ways to do so. For complete details about the Fund, call  
112 (717) 783-3658.

113 **14. SPECIAL INSTRUCTIONS**

114 The Office of the Attorney General has not pre-approved any special conditions or additional terms added by any parties. Any special  
115 instructions in this Agreement must comply with the Pennsylvania Plain Language Consumer Contract Act.

116 **15. ENTIRE AGREEMENT**

117 This is the entire Agreement between Broker and Seller. Any verbal or written agreements that were made before are not a part of this  
118 Agreement. Any changes or additions to this Agreement must be in writing and signed by Broker and Seller.

119 **Seller has read the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.**

120 **Seller has read the entire Contract before signing. Seller must sign this Contract.**

121 **Seller gives permission for Broker to send information about this transaction to the fax number(s) and/or e-mail address(es) listed.**  
122

**Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures**  
123 **of all parties, constitutes acceptance by the parties.**

124 **This Contract may be executed in one or more counterparts, each of which shall be deemed to be an original and which counter-**  
125 **parts together shall constitute one and the same Agreement of the Parties.**

126 **NOTICE BEFORE SIGNING: IF SELLER HAS LEGAL QUESTIONS, SELLER IS ADVISED TO CONSULT A PENN-**  
127 **SYLVANIA REAL ESTATE ATTORNEY.**

128 <b>SELLER</b> _____	<b>DATE</b> _____
129 <b>SELLER</b> _____	<b>DATE</b> _____
130 <b>SELLER</b> _____	<b>DATE</b> _____

131 **BROKER (COMPANY)** \_\_\_\_\_

132 **ACCEPTED ON BEHALF OF BROKER BY** \_\_\_\_\_ **DATE** \_\_\_\_\_