

CUSTOMER INFORMATION PAMPHLET

What Customers Need to Know When Working With Real Estate Brokers or Licensees

As real estate transactions have become more varied and complex, brokerage services have evolved to meet the changing needs of buyers, sellers, and investors. This pamphlet outlines the different types of brokerage relationships available, helping you decide which option best matches your goals.

Under Louisiana real estate agency law, a licensee is generally presumed to represent the individual they are working with. This presumption only changes if there is a written agreement establishing another arrangement, or if the licensee is performing limited, non-representative (ministerial) tasks.

A licensed real estate broker and their associates can provide a broad range of professional services. These may be offered either as general assistance to customers or as formal representation through an agency agreement. The level of responsibility and service you receive depends on the type of legal relationship you establish with the brokerage.

It is important to review these options with your real estate professional and determine whether you wish to be treated as a customer or as a client. If you choose to become a client, you will also need to decide which type of agency relationship best serves your interests.

A designated agent may share confidential information with their supervising broker when doing so helps ensure the client's best interests are protected.

CONCLUSION

- Assist the buyer in comparing financing options.
- Offer information about recently sold comparable properties, enabling both clients to make informed buying or selling decisions.
- Share the buyer's or lessee's financial qualifications with the seller or lessor.
- Clarify real estate terminology.
- Help buyers or lessees coordinate property inspections.
- Explain the steps and costs involved in closing.

A dual agent is not allowed to disclose:

- One client's confidential information was given to the other without that client's consent.
- Any price the seller or lessor is willing to accept below the listed price, unless the seller or lessor gives permission.
- Any price the buyer or lessee is willing to pay above their offer, unless the buyer or lessee gives permission.

CONFIDENTIAL INFORMATION

Confidential information refers to details a licensee learns from a client during the term of a brokerage agreement that:

- The client has requested or instructed in writing to be kept confidential, **or**
- If disclosed, it could significantly harm the client's position.

However, such information may be disclosed if any of the following occurs:

- The client gives permission, either verbally or through actions.
- Disclosure is required by law or necessary to reveal a serious defect.
- The information becomes publicly known through a source other than the licensee.

Please note: Confidential information **does not include** information related to the physical condition of the property.

CUSTOMER

A **customer** is someone who receives services from a real estate licensee but is **not** considered a **client** because the licensee is only performing **ministerial acts**. In such cases, the licensee is **not** acting as an agent. The type of service you receive from a licensee depends on the agreement you make with them.

Real estate licensees are allowed to perform ministerial acts for customers **without** creating an agency relationship. These acts are limited to providing **factual or informational assistance** and do not involve advocacy or representation.

Examples of ministerial acts include, but are not limited to:

- Answering phone calls about the availability or pricing of brokerage services, or details about a specific property or its location.
Hosting an open house and answering questions from visitors about the property.
- Scheduling appointments for property showings.
- Answering questions from walk-in customers about services offered or specific properties.
- Accompanying professionals such as appraisers, inspectors, or contractors during property visits.
Providing descriptions or information about a property or its condition when asked.
- Filling in factual or business-related information on an offer or contract for someone represented by another licensee.
- Showing a property that is being sold directly by the owner (For Sale by Owner).
- Referring a customer to another broker or service provider.

CLIENT

A client engages a licensee for professional advice and services as their agent.

AGENCY

Agency means a relationship in which a real estate broker or licensee represents a client by the client's consent, whether expressed or implied, in an immovable property transaction. An agency relationship is formed when a real estate licensee works for you in your best interest and represents you. Agency relationships can be formed with buyers/sellers and lessors/ lessees.

DESIGNATED AGENCY

Designated agency refers to the agency relationship that is assumed by law to exist when a real estate licensee is working with a client in a transaction, unless there is a written agreement stating a different type of relationship.

- By default, the law assumes that the licensee you are working with is your designated agent, unless a written agreement says otherwise.
- Other licensees within the same brokerage do not represent you, unless this has been specifically disclosed to you and you have agreed to it.
- To protect your interests, you should discuss your buying or selling needs only with your designated agent(s).

DUTIES THE DESIGNATED AGENT OWES A CLIENT

- Follow all lawful instructions you give
- Act in your best interest
- Use reasonable skill and care in representing you
Keep any information confidential that could negatively impact your negotiating position.
- Present all offers to you promptly.
- Work to secure a transaction with terms and pricing that meet your approval
- Properly account for all money or property received from you promptly

Note: When acting as your agent, your licensee does *not* violate their duty to you by:

- Showing other properties to different buyers
- Showing properties you're interested in to other clients
- Earning compensation based on a percentage of the sale price

DUAL AGENCY

Dual agency refers to a situation where a real estate licensee represents both the buyer and seller, or both the landlord and tenant, in the same transaction. However, this is not considered dual agency if:

- The licensee is selling property they own, or
- The property is owned by a real estate business where the licensee is the sole owner and agent.

Additionally, a dual agency relationship does not exist if the licensee is both the landlord and agent in a lease agreement of three years or less.

Dual agency is only permitted when informed consent is presumed — meaning that all parties involved have signed the dual agency disclosure form required by the Louisiana Real Estate Commission.

In a dual agency situation, the licensee still owes the following duties to both parties (buyer/seller or landlord/tenant):

- To treat all clients honestly
- To provide factual information about the property
- To disclose any hidden material defects in the property that they are aware of

ACKNOWLEDGMENT

By signing below, you acknowledge that you have received information regarding agency law. Your signature does not create or imply any contractual obligation.

- Buyer(s)/Lessee(s)

Signature

Print name and date

Signature

Print name and date

- Seller(s)/Lessor(s)

Signature

Print name and date

Signature

Print name and date