



DUAL AGENCY POTENTIAL AGREEMENT

(For in-house showings/sales when both parties are, or potentially are, “clients”)



This Agreement is to be signed and confirmed by Buyer before signing Offer For Real Estate and confirmed by Seller before reviewing Offer For Real Estate when both parties are treated as “clients.” A “client” means a party to a transaction who has an agency agreement with a broker for brokerage services. A “customer” means a consumer who is not being represented by a licensee but for whom the licensee may perform ministerial acts.

A. AGREEMENT BETWEEN (Brokerage/firm) _____, hereinafter called “Broker,” and
Owner(s) (print name per title) _____, and/or Buyer(s) _____

The terms “Owner” and/or “Seller” shall hereinafter refer to seller, landlord or optionor. The term “Buyer” shall hereinafter refer to buyer, tenant or optionee. The term “Broker” shall also refer to Broker’s affiliated licensees (brokers and salespersons).

B. RECITALS AND GENERAL CONDITIONS.

1. **IF BROKER REPRESENTS OWNER.** When a broker enters into an agreement to represent an owner (client), the broker and all licensees associated with that broker represent the owner, except when “Appointed Agency” is broker policy. An agent for an owner owes the owner the duties of loyalty, obedience, disclosure, confidentiality, reasonable care and diligence, and full accounting.
2. **IF BROKER REPRESENTS BUYER.** When a broker enters into an agreement to represent a buyer (client), the broker and all licensees associated with that broker represent the buyer, except when “Appointed Agency” is broker policy. An agent for a buyer owes the buyer the duties of loyalty, obedience, disclosure, confidentiality, reasonable care and diligence, and full accounting.
3. **IF BROKER REPRESENTS BOTH OWNER AND BUYER DUAL AGENCY EXISTS.** A real estate broker acting directly or through a salesperson can legally be the agent of both the owner and the buyer, but only with the knowledge and written consent of both parties. If a buyer represented by a broker wants detailed information about, or to see, a property of an owner who is also being represented by the same broker, the broker shall make every reasonable effort to remain impartial to both parties. In these circumstances, Broker immediately becomes a dual agent. Owner and Buyer acknowledge that, prior to such circumstances, Broker either acted as representative of the Owner or of the Buyer. In those separate roles, Broker may have obtained information, which, if disclosed, could harm the bargaining position of the party providing such information to Broker. **Provisions that govern the actions of Broker acting as a dual agent:**
 - a. Broker shall not knowingly say or do anything which might place one party at a disadvantage, disclose confidential information or personal confidences of one party to the other party, including motivation to sell/buy, negotiating strategy, or any other information a party specifically instructs Broker in writing not to disclose, unless such disclosure is required by law.
 - b. Broker shall not, without prior express written consent of Owner, disclose to Buyer that Owner might accept a price less than the listing price, or accept terms less favorable to Owner than is indicated in the listing agreement nor shall Broker, without the prior express written consent of Buyer disclose to Owner that Buyer may be willing to pay a higher price, or accept terms less favorable to Buyer than those indicated in Buyers last written offer.
 - c. Broker will endeavor to be impartial between the parties and shall not represent the interests of either Owner or Buyer to the detriment of the other party. Broker is obligated to inform each party of facts Broker knows which likely could affect the party's decision to permit Broker to represent both Owner and Buyer.
Owner/Seller and Buyer are not required to consent to dual agency.
4. **DESCRIPTION OF BROKER’S SERVICES.** Broker may do the following for Owners and Buyers when acting as a Dual Agent: (1) Treat the Owner and Buyer fairly and honestly; (2) Provide helpful information about the property and area; (3) Respond

accurately to questions about the property; (4) Disclose all material facts about the property known to Broker; (5) Explain real estate terms and procedures; (6) Explain to the Owner and Buyer the benefits of having the property inspected; (7) Explain closing costs and procedures; (8) Help Owner and Buyer compare financing alternatives; (9) Provide information about comparable properties so Owner and Buyer may make an informed decision on what price to accept and/or offer; (10) Assist with the standard forms that include the necessary protection and disclosures for the Owner and Buyer; (11) Work diligently to facilitate the sale; and, (12) Receive notices for Owners and Buyers. (13) Keep their client(s) confidential information confidential unless they have written permission to reveal. The preceding list of services is not intended to be all-inclusive, nor will all services listed be necessary in every case. Licensees are not required to answer questions outside the scope of their real estate license. **In providing said services, Broker shall do all of the following:**

- a. Provide brokerage services to all parties to the transaction honestly and in good faith.
- b. Diligently exercise reasonable skill and care in providing brokerage services to all parties.
- c. Disclose to each party all **material adverse facts** (i.e., significant defects or negative circumstances) that the licensee knows except for the following:
 - 1) Material adverse facts known by the party.
 - 2) Material adverse facts the party could discover through a reasonably diligent inspection, and which would be discovered by a reasonably prudent person under like or similar circumstances.
 - 3) Material adverse facts the disclosure of which is prohibited by law.
 - 4) Material adverse facts that are known to a person who conducts an inspection on behalf of the party.
- d. Account for all property coming into the possession of the licensee that belongs to any party within reasonable time of receiving the property.
- e. Disclose to the client all information known by the licensee that is material to the transaction and that is not known by the client or could not be discovered by the client through a reasonably diligent inspection.
- f. Fulfill any obligation that is within the scope of the agency agreement except those obligations that are inconsistent with other duties that the licensee has under law.
- g. Place both clients' interests ahead of Brokers.

DUAL AGENCY POTENTIAL/CONSENT AGREEMENT

5. **DESCRIPTION OF THE RESPONSIBILITIES AND RIGHTS OF OWNER AND BUYER.** In a dual agency situation, Owner and Buyer acknowledge and agree they have the responsibility to negotiate and make their own decisions as to what terms are to be included in any agreement for the purchase and sale of Owner's property. **Owner and Buyer also acknowledge they understand that Broker's representing more than one party in a transaction can create a conflict of interest since both clients may rely upon Broker's advice, and the client's respective interests may be adverse to each other. Owner and Buyer understand they may seek independent legal counsel in order to assist them with any matter relating to a purchase agreement or any other aspect of this transaction. Owner and Buyer have the duty to protect their own interests and are advised by Broker to carefully read all documents to assure that they adequately express the parties understanding of the transaction. If Owner or Buyer have questions regarding the duties and responsibilities of Broker, those questions should be resolved before signing this document.**
6. **BINDING DOCUMENTS.** Owner and Buyer agree that whenever terms of this "Dual Agency Potential Agreement" contradict or conflict with their individual agency agreement with Broker, the Agreement shall supersede and prevail. When this Agreement is attached to an executed agency agreement or purchase agreement, it shall become a part thereof. Further, this Agreement shall be binding on heirs, assigns, executors and administrators of the parties hereto.
7. **REQUEST TO COMPLETE FORM DOCUMENTS.** Owner and/or buyer request that Broker select, prepare and complete form documents as authorized by Iowa law or rule, such as purchase agreements, groundwater hazard, and declaration of value.
8. **FAX TRANSMISSION.** The facsimile transmission of a signed copy hereof shall constitute a binding agreement. The parties

agree to confirm this Agreement by mail or personal delivery of the original signed Agreement between the parties. Owner/Buyer agrees to receive phone calls at Residence.

PART C should be completed by either (or both) Seller or Buyer to acknowledge the Potential for Dual Agency. This consent should be done before engaging in any activities of a dual agent. (i.e., Before showing any client’s property or acquiring confidential information.)

C. DUAL AGENCY POTENTIAL

a. **SELLER / OWNER**

DUAL AGENCY POTENTIAL. Owner acknowledges that in order for Owners property to be exposed to all Buyer clients of Broker, the potential for dual agency exists. Owner understands that, in the process of searching for all property meeting the needs of Buyer, Buyer may want detailed information about, and to possibly see, property of Owner clients of Broker, and therefore a potential for dual agency exists. Owner acknowledges that when Broker presents detailed information or shows an Owner client’s property to a Buyer client, that Broker is immediately a dual agent, undertaking a Consensual Dual Agency representation.

Owner/Seller (agrees) (does not agree) to the Potential for Dual Agency representation.

Signature of Owner _____ Date: _____

Signature of Owner _____ Date: _____

If Brokerage becomes a Dual Agent for Property, Owner shall need to read, confirm and agree to Dual Agency Consent for the Representation by completing Dual Agency Consent form prior to any Offer for Real Estate.

b. **BUYER**

DUAL AGENCY POTENTIAL. Buyer acknowledges that, in the process of searching for all property meeting the needs of Buyer, Buyer may want detailed information about, and to possibly see, property of Owner clients of Broker, and therefore a potential for dual agency exists. Buyer understands that in order for Owners property to be exposed to all Buyer clients of Broker, the potential for dual agency exists. Buyer acknowledges that when Broker presents detailed information or shows an Owner client’s property to a Buyer client, that Broker is immediately a dual agent, undertaking a Consensual Dual Agency representation.

Buyer (agrees) (does not agree) to the Potential for Dual Agency representation.

Signature of Buyer _____ Date: _____

Signature of Buyer _____ Date: _____

If Brokerage becomes Dual Agent for Property, Buyer shall need to read, confirm and agree to Dual Agency Consent for the Representation by completing the Dual Agency Consent form prior to any Offer for Real Estate.

Listing licensee (for Broker)	Time & Date	Selling licensee (for Broker)	Time & Date
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