



Consumer Advocates
in American Real Estate (501(c)3)

Model compensation language for Exclusive Buyer Agency Agreements.

Disclaimer: The below form language is designed to protect consumers from predatory pricing practices in the real estate brokerage industry. However, it is difficult to draft forms that comply with all state laws and we are not permitted to provide legal advice. If you would like to use this work, please obtain legal counsel to determine if this will work for you.

Buyer Broker Compensation Section

Broker Compensation is fully negotiable and is not fixed, controlled, recommended, or suggested by law or any multiple listing service or association of REALTORS®.

I. **Buyer Broker Fees Owed By Buyer:** Select Fee Type (one or more):

- A. **Pre-Existing Home Services.** Fee owed upon successful closing. Choose one:
1. \$ _____ flat fee, or
 2. _____% commission on List Price or Purchase Price (whichever is less).
- B. **New Construction Services.** Fee owed upon successful closing. Choose one:
1. \$ _____ flat fee, or
 2. _____% commission on Base Price.

[Note: New Construction from large volume builders often require far less work than other single family transactions. Consider paying a nominal flat fee.]

- C. **Unbundled Services.**
1. Choose one or more:
 - a) \$ _____ per showing.
 - b) \$ _____ comparative market analysis on a property.
 - c) \$ _____ fee for drafting and negotiating purchase agreement.
 - d) Other: _____
 2. Unbundled Services are (choose one):
 - a) Owed upon successful closing.
 - b) Owed upon completion of services.

II. **Seller Credit** (choose one):

- A. Buyer Broker is directed to request a credit from the Seller to the Buyer for the amount of Buyer Broker fees owed. Buyer Broker will show all relevant homes to Buyer, even if the Seller is not offering a credit. Above fees are owed only if Buyer Broker obtains a seller credit payable to Buyer for the amount of fees owed.
- B. Buyer owes the above fees even if no seller credit is obtained.

III. **Other Payments to Buyer Broker Belong to the Buyer:** Any compensation received by the Buyer Broker in connection with the representation belongs to the Buyer and shall be promptly paid to the Buyer, including but not limited to payments by the Seller or Seller's Broker to the Buyer Broker or referral fees received by the Buyer Broker for referral of the Buyer to another broker.

[Note 1: Offers of compensation to Buyer Brokers from the Seller or the Seller's Broker may lead to unfair trade practices, inflated Buyer Broker Fees, and legal liability.]

[Note 2: Section III may be illegal in (9) states that have legalized price fixing of buyer brokerage fees by forbidding brokers from rebating any amount of the commissions to their own clients]