New Buyer FAQ

Please keep in mind that this document was created by Dean Chiusano and is not an official document. These are questions I anticipate getting from customers and have done my best to answer them below. I have answered these questions based on the information I currently have from NAR. These rules may change as we navigate this new climate.

To avoid any confusion, when I refer to REALTOR in this document, I am referring to a buyer agent who is a member of the National Association of Realtors (NAR). It is also important to define the terms REALTOR and real estate agent. A real estate agent is a licensed sales professional who helps clients buy, sell, and lease property. They may or may not have access to the local MLS. A REALTOR is a real estate agent who is also a member of the National Association of Realtors. A REALTOR has access to all the local MLS services and must adhere to a strict code of ethics.

Buyer: Do I have to work with a real estate professional on my home purchase?

Agent: No. It is not a requirement to hire a real estate agent to purchase property. You have the option to use a REALTOR, real estate agent, or an attorney. You may also choose to represent yourself.

Buyer: Why am I being presented a buyer-broker agreement & when did these new rules take place?

Agent: Any buyer wishing to be represented by a REALTOR must sign a buyer-broker agreement. This is not yet part of the Florida State Statutes but rather a National Association of Realtors policy. This policy takes effect August 17th, 2024. As a member of the National Association of Realtors and my local board, I have unlimited access to all local MLS services. This membership is instrumental in providing you the best service possible. I do have the designation of REALTOR and therefore must present his document to you.

Buyer: If I decide I don't want to sign a buyer-broker agreement, can I find another REALTOR who will work with me without a signed agreement?

Agent: No. Effective August 17th, 2024 ALL real estate agents with a NAR designation of REALTOR must have these agreements in place prior to showing property or working with a buyer. If you do not wish to sign a buyer-broker agreement, your options are to use a real estate agent who may or may not ask you to sign one, an attorney, or you can represent yourself..

Buyer: How long is this agreement for & can I exit the agreement?

Agent: The length of this agreement is determined by the buyer and REALTOR. It can be for as long or as short as you specify. I allow my customers to cancel this agreement at any time. I also do not charge a cancellation fee for terminating this agreement. I want our relationship to exist only if it makes sense for both of us. We will need a written termination. There may be a protection period outlined in the buyer-broker agreement. This clause protects the REALTOR and broker. Please keep in mind that while Florida offers state forms for use, brokerages are also permitted to create their own forms within the boundaries of the laws and policies. This may cause subtle differences between broker forms. It will be critical to read the document carefully and to ensure understanding prior to signing.

Buyer: What is the "Compensation to Broker" section listed on this document and what does it mean? Does this mean I have to pay my REALTOR'S commission if the seller doesn't?

Agent:

The percentage you see on this document is the fee that I charge to the buyer to work on securing their next property. You may have to pay that fee, but you have options.

- You may pay for your own REALTOR out of pocket.
- You may request in the offer that the seller pay your REALTOR fee.
- You may adjust your purchase price and request a seller concession at closing. You may use this concession to pay your REALTOR.
- The seller may already be offering REALTOR compensation. I will do my best to find out any REALTOR compensation being offered by the seller prior to each home we see.

The bottom line is, you are only going to sign a purchase agreement on a home that you can afford, with terms that you agree to. We will simply make an adjustment to the purchase price to accommodate your needs. I will do everything in my power to try and get the seller to pay my fee using the options above.

Buyer: What happens if the seller still says no?

Agent: We will continue to change our offer price to a number that makes sense for all parties involved. If we have submitted a fair and reasonable offer & the seller still doesn't want to pay the REALTOR fee, we then have to determine if we are dealing with a reasonable seller with realistic expectations. At that point it will be up to you as the buyer to determine if you want to pay the fee or walk away from the purchase.

Buyer: Can sellers still offer buyer agent commissions and buyer concessions before we write an offer?

Agent: Yes. Sellers can still offer buyer agent commissions and buyer concessions but commissions are not allowed to be advertised on the Multiple Listing Service. I will attempt to find out ahead of time which sellers are offering buyer concessions and REALTOR compensation. I will show you any property you want to see, regardless of any compensation being offered by a seller.

Buyer: What happens if we adjust the purchase price to an amount where the home might not appraise?

Agent: The goal is to provide you with an accurate Comparative Market Analysis (CMA) that shows our offer is within the parameters of all the recent sales. If the home still doesn't appraise, we continue to negotiate the sale until all parties are satisfied. I always recommend adding an appraisal addendum to each offer as this will help protect us from overpaying on the purchase.

Buyer: What if I need help paying for both closing costs & my REALTOR fees? Am I allowed to ask for both in our offer?

Agent: Yes, you may ask for both seller concessions and buyer agent compensation in your offer. This will be negotiated until both parties are satisfied with the terms of the contract. It is recommended that we specifically separate those requests on the purchase agreement to avoid any confusion to lender and seller.

Buyer: If the seller offers compensation to my REALTOR, am I still required to pay the percentage my REALTOR has on the buyer-broker agreement?

Agent: You are only required to pay the difference between the seller compensation and the amount on the buyer-broker agreement. For example, if the buyer-broker agreement says X% and the seller offers compensation of X-1%, you only owe your agent a fee of 1% for their services. Please keep in mind that I will always attempt to get my entire fee paid by the seller in our offer.

Buyer: Does the seller have to pay for my REALTOR commissions in the contract or can I pay my REALTOR myself at closing?

Agent: You may choose to pay your REALTOR out of pocket at closing. It does not have to be part of the deal.

Buyer: Can you come down on your Buyer's agent fee?

Agent: Yes, commissions are always negotiable, but let me explain the process and strategy. The new rules in place state that in no event can a REALTOR accept more in payment than what is agreed upon in their buyer-broker agreement. If we agree to X% and the seller is offering X+1%, I'd like to be able to accept the additional 1% the seller is offering. We can absolutely address the fee and negotiate when we prepare to make our offer. Again, I will do everything in my power to make sure you don't come out of pocket.

I anticipate many additional questions as we navigate this new real estate climate together and will update this document as they come to me. I realize these changes are being marketed to you as intimidating, but with clear and transparent communication, they don't have to be. It is my job to ensure the home buying process remains as stress-free and as smooth as possible. Please feel free to reach out to me any time.



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