

## NOTICES REQUIRED BY LAW

The Pennsylvania Real Estate Licensing and Registration Act requires that real estate licensees provide consumers of real estate services with certain Notices. A consumer of real estate services includes owners, buyers, landlords and tenants of all types of property including commercial and industrial property. Although these parties tend to be significantly sophisticated concerning real estate transactions, and are likely represented by legal counsel, the Act requires all licensees to provide the disclosures set forth in this packet. The disclosures do provide important information for you to read and review and it is important to the licensee that you acknowledge receipt by initialing and signing where indicated the additional copy of this notice packet and return it to the licensee for your official file at the brokerage office. In the event you have any questions concerning the Notices you may contact the licensee for further discussions and/or explanations regarding the information provided therein. It is the goal of our members to handle your real estate needs in a professional manner, complying with all laws and regulations required of our members as real estate licensees. We thank you for your time and attention in reviewing this notice packet and appreciate the opportunity you have given our members to provide you with real estate services.

By the Forms Committee  
TriState REALTORS<sup>®</sup> Commercial Alliance  
(formerly TriState Commercial and Industrial Association of Realtors<sup>®</sup>)

### **Notices Attached**

which shall be considered a part of any brokerage agreement as if an Addenda thereto:

1. Act 112 Notice of Services and Financial Interest Notice
2. Consumer Notice
3. Additional Notices as listed below, if any:
  - (a) Landlord Agent Notice

## ACT 112 NOTICE OF SERVICES

Pennsylvania Law requires real estate brokers and salespersons (Licensees) to advise Consumers of the following information at time of the initial interview:

1. Agency Relationships – See Consumer Notice attached.
2. The Consumer has the right to enter into a negotiated agreement with the Licensee limiting the activities or practices that the Licensee will provide for or on behalf of the Consumer, and that the fee and services to be provided are to be determined by negotiation between the Consumer and the Licensee.
3. The Licensee may provide services to another Consumer who may be a party to the transaction in the nature of, but not limited to, deed/document preparation; ordering certificates required for closing; financial services, title transfer and preparation services; ordering insurance, construction, repair, or inspection services. The Licensee may be compensated for these services. The Licensee may also enter into a dual agency relationship with a party to the transaction if consented to by all parties in writing, which dual agency may result in payment of commissions from both parties in the transaction.
4. The Licensee may cooperate and share fees with other brokers who may act as subagents or buyer's agents, transactional agents or designated agents all as defined in the attached Consumer Notice and share fees with those agents.
5. The duration of the Licensee's employment and the amount of the Licensee's fees are negotiable.
6. You are advised to seek expert advice on all matters relating to the real estate transaction that are beyond the Licensee's expertise. That expertise is limited to the sale, listing for sale, lease, listing for rental, negotiation of sale and lease transactions, management of properties, advertising and promoting the sale and lease of properties and such other related but limited services. The Licensee is not engaged for purposes of providing legal advice, financial advice, advice concerning environmental issues or other federal, state and local laws and regulations that may be applicable to the real estate transaction. You are encouraged to seek independent and separate advice from professionals who are trained and experienced in each area and aspect of the real estate transaction.
7. The Licensee will provide you with copies of all documentation that are signed by the parties during the course of the transaction. The documentation provided will set forth certain tasks that must be completed to satisfy conditions under your real estate agreements, including agreements of sale and leases. Unless you request further documentation concerning those tasks in writing or make written inquiry regarding compliance with those task, your Licensee will consider that you have been advised of the obligations and are prepared to comply with those obligations pursuant to the terms and conditions of the Agreements.

8. Your Licensee will advise you from time to time concerning the status of the transaction. If you require any specific time schedule or notification procedures, you must set forth that request in writing so that the Licensee can properly and timely comply with your requests.
9. Unless set forth as a written requirement, your Licensee owes only a limited duty to conduct an independent inspection of the property, improvements, or fixtures located thereon, utility services, mechanical or any other aspects of the property and owes no duty to independently verify the accuracy or completeness of any representation made to the Licensee by a Consumer. If you are requesting that the Licensee perform any specific functions in reference to a Listing Agreement, Management Agreement or Listing for Rental, or with an Agreement of Sale, Lease or other agreement concerning interests in real estate or businesses, you need set forth that request in writing and that request needs to be reviewed and approved by the Licensee as an accepted obligation of the Licensee in consideration of the fee or compensation paid or to be paid.

### **FINANCIAL INTEREST NOTICE**

Pennsylvania Law requires real estate brokers and salespersons (Licensees) to disclose to Consumers any financial interest, including but not limited to, a referral fee or commission, which a Licensee has in any services to be provided to the Consumer by any other person, including but not limited to, financial services, title transfer and preparation services, insurance, construction, repair or inspection services. The law also requires Licensees to provide disclosure regarding any financial interest which an affiliated Licensee may have in any services to be provided to the Consumer by any other person. This disclosure is to be made at the time that the Licensee first recommends that the Consumer purchase a service in which the Licensee or an affiliated Licensee has a financial interest or when the Licensee first learns that the Consumer will be purchasing a service that the Licensee or an affiliated Licensee has a financial interest.

In compliance with this disclosure obligation the Licensee discloses at this time the following financial interest, if any:

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If during the course of the business transaction the Licensee's circumstances change and further disclosures are required, that disclosure shall be set forth hereafter and a copy of this notice sent to the Consumer:

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Initials

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# CONSUMER NOTICE

## THIS IS NOT A CONTRACT

Pennsylvania law requires real estate brokers and salespersons (licensees) to advise consumers who are seeking to sell or purchase residential or commercial real estate or tenants who are seeking to lease residential or commercial real estate where the licensee is working on behalf of the tenant of the business relationships permitted by the real estate licensing and registration act. **This notice must be provided to the consumer at the first contact where a substantive discussion about real estate occurs unless an oral disclosure has been previously provided. If the oral disclosure was provided, this notice must be provided at the first meeting or the first time a property is shown to the consumer by the broker or salesperson.**

**Before you disclose any information to a licensee, be advised that unless you select an agency relationship the licensee is NOT REPRESENTING YOU. A business relationship of any kind will NOT be presumed but must be established between the consumer and the licensee.**

Any licensee who provides you with real estate services owes you the following duties:

- Exercise reasonable professional skill and care which meets the practice standards required by the Act.
- Deal honestly and in good faith.
- Present, in a reasonably practicable period of time, all offers, counteroffers, notices, and communications to and from the parties in writing. The duty to present written offers and counteroffers may be waived if the waiver is in writing.
- Comply with Real Estate Seller Disclosure Act.
- Account for escrow and deposit funds.
- Disclose all conflicts of interest in a reasonably practicable period of time.
- Provide assistance with document preparation and advise the consumer regarding compliance with laws pertaining to real estate transactions.
- Advise the consumer to seek expert advice on matters about the transaction that are beyond the licensee's expertise.
- Keep the consumer informed about the transaction and the tasks to be completed.
- Disclose financial interest in a service, such as financial, title transfer and preparation services, insurance, construction, repair or inspection, at the time service is recommended or the first time the licensee learns that the service will be used.

A licensee may have the following business relationships with the consumer:

### **Seller Agency:**

Seller agency is a relationship where the licensee, upon entering into a written agreement, works only for a seller/landlord. Seller's agents owe the additional duties of:

- *Loyalty* to the seller/landlord by acting in the seller's/landlord's best interest.
- *Confidentiality*, except that a licensee has a duty to reveal known material defects about the property.
- Making a *continuous and good faith effort* to find a buyer for the property, except while the property is subject to an existing agreement.
- Disclosure to other parties in the transaction that the licensee has been engaged as a seller's agent.

A seller's agent may compensate other brokers as *subagents* if the seller/landlord agrees in writing. Subagents have the same duties and obligations as the seller's agent. Seller's agents may also compensate buyer's agents and transaction licensees who do not have the same duties and obligations as seller's agents.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under seller agency. The exception is designated agency. See the designated agency section in this notice for more information.

### **Buyer Agency:**

Buyer agency is a relationship where the licensee, upon entering into a written agreement, works only for the buyer/tenant. Buyer's agents owe the additional duties of:

- *Loyalty* to the buyer/tenant by acting in the buyer's/tenant's best interest.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.
- Making a *continuous and good faith effort* to find a property for the buyer/tenant, except while the buyer/tenant is subject to an existing contract.
- Disclosure to other parties in the transaction that the licensee has been engaged as a buyer's agent.

A buyer's agent may be paid fees, which may include a percentage of the purchase price, and, even if paid by the seller/landlord, will represent the interests of the buyer/tenant.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under buyer agency. The exception is designated agency. See the designated agency section in this notice for more information.

### **Dual Agency:**

Dual agency is a relationship where the licensee acts as the agent for both the seller/landlord and the buyer/tenant in the same transaction with the written consent of all parties. Dual agents owe the additional duties of:

- Taking no action that is *adverse or detrimental* to either party's interest in the transaction.

- Unless otherwise agree to in writing, making a *continuous and good faith* effort to find a buyer for the property and a property for the buyer, unless either are subject to an existing contract.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.

**Designated Agency:**

In designated agency, the employing broker may, with your consent, designate one or more licensees from the real estate company to represent you. Other licensees in the company may represent another party and shall not be provided with any confidential information. The designated agent(s) shall have the duties as listed above under seller agency and buyer agency.

In designated agency, the employing broker will be a dual agent and have the additional duties of:

- Taking reasonable care to protect any confidential information disclosed to the licensee.
- Taking responsibility to direct and supervise the business activities of the licensees who represent the seller and buyer while taking no action that is adverse or detrimental to either party’s interest in the transaction.

The designation may take place at the time that the parties enter into a written agreement, but may occur at a later time. Regardless of when the designation takes place, the employing broker is responsible for ensuring that confidential information is not disclosed.

**Transaction Licensee:**

A transaction licensee is a broker or salesperson who provides communication or document preparation services or performs other acts for which a license is required **WITHOUT being the agent or advocate** for either the seller/landlord or the buyer/tenant. Upon signing a written agreement or disclosure statement, a transaction licensee has the additional duty of limited confidentiality in that the following information may not be disclosed:

- The seller/landlord will accept a price less than the asking/listing price.
- The buyer/tenant will pay a price greater than the price submitted in a written offer.
- The seller/landlord or buyer/tenant will agree to financing terms other than those offered.

Other information deemed confidential by the consumer shall not be provided to the transaction licensee.

**OTHER INFORMATION ABOUT REAL ESTATE TRANSACTIONS**

The following are negotiable and shall be addressed in an agreement/disclosure statement with the licensee:

- The duration of the employment, listing agreement or contract.
- The fees or commissions.
- The scope of the activities or practices.
- The broker’s cooperation with other brokers, including the sharing of fees.

Any sales agreement must contain the zoning classification of a property except in cases where the property is zoned solely or primarily to permit single family dwellings.

Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

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**ACKNOWLEDGMENT**

I acknowledge that I have received this disclosure.

|             |                         |                         |
|-------------|-------------------------|-------------------------|
| Date: _____ | _____                   | _____                   |
|             | Print (Consumer)        | Print (Consumer)        |
|             | _____                   | _____                   |
|             | Signed (Consumer)       | Signed (Consumer)       |
|             | _____                   | _____                   |
|             | Address (Optional)      | Address (Optional)      |
|             | _____                   | _____                   |
|             | Phone Number (Optional) | Phone Number (Optional) |

I certify that I have provided this document to the above consumer.

|             |                   |
|-------------|-------------------|
| Date: _____ | _____             |
|             | Print (Licensee)  |
|             | _____             |
|             | Signed (Licensee) |

**LANDLORD AGENT NOTICE**

**CONSUMER NOTICE**

**THIS IS NOT A CONTRACT**

Your licensee hereby states that with respect to this property described below, that I am acting in the following capacity: (Check One)

- Owner/Landlord of the Property;
- A direct employee of the Owner/Landlord; or
- An agent of the Owner/Landlord pursuant to a Property Management or Exclusive Leasing Agreement.

I acknowledge that I have received this Notice:

Date: \_\_\_\_\_

Print \_\_\_\_\_  
Consumer

Print \_\_\_\_\_  
Consumer

Signed \_\_\_\_\_  
Consumer

Signed \_\_\_\_\_  
Consumer

Phone Number (Optional)  
\_\_\_\_\_

Phone Number (Optional)  
\_\_\_\_\_

I certify that I have provided this Notice:

\_\_\_\_\_  
Licensee

\_\_\_\_\_  
Date

Property Address:

\_\_\_\_\_  
\_\_\_\_\_