

Licenses who are working with rentals may base their fee as a percentage of rent and charge when a tenant renews the lease. There are no fixed or set fees. This means that fees and commissions can be negotiated. This is why it's important to ask before you sign a contract. All fees or commissions must be paid to the broker or company.

#### **7. Who will pay the commission?**

That can be negotiated also. If you are selling or leasing your home, you will most likely pay the licensee out of your own pocket. If you are buying a property, the broker can be compensated in different ways. For example, you can pay the licensee out of your own pocket or the broker may ask for compensation from the listing company or seller, but require you to pay if the listing company refuses.

#### **8. Will more than one person at a real estate company represent me?**

One or more real estate licensees in the same company can represent you as a designated client representative, depending on your wishes and the company's policy. Other licensees in the same company may represent clients with different interests than yours or may act as neutral transaction facilitators who do not represent anyone. Or a real estate licensee may assist both a buyer and seller or landlord and tenant in the transaction as a dual facilitator.

#### **9. Will the real estate company cooperate with and offer compensation to other real estate companies?**

It depends. If you are selling your home or other real estate, make sure to ask the real estate licensee whether his/her company cooperates with other real estate companies by letting them show your home to their buyer customers and clients. Also, you may wish to ask whether the real estate company will share part of its commission with another company who finds or procures a buyer for your home.

#### **10. How will the licensee protect my personal information?**

When you're involved in a real estate transaction, you may have personal information or financial information that should not be disclosed to other consumers or real estate licensees without your permission. Rhode Island law requires all real estate companies to have a confidentiality policy to ensure that your information is protected.

**Resources:** If you have questions, please visit <http://www.dbr.ri.gov/>.

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## ***Ten Questions to Ask When Choosing a Real Estate Professional***

*This brochure was approved by:*

*The RI Real Estate Commission and  
The RI Department of Business Regulation  
Real Estate Section  
233 Richmond Street  
Providence, RI 02903*

*Website: <http://www.dbr.ri.gov/>*

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## Introduction:

If you are buying, selling or leasing real estate, you may find it helpful to work with a real estate broker or salesperson, also called a "real estate licensee."

Real estate licensees can provide many useful services and work with you in different ways. When working with a licensee, it is important for you to know whether a real estate licensee is working for you as your representative or simply working with you.

Here are ten important questions to ask before choosing a relationship or signing a contract with a real estate licensee.

### 1. How can a real estate licensee help me?

Real estate licensees can help you sell or lease your home or property or help you rent or buy your future home. The services that a licensee can provide range from educating you about property values in the area, providing you with tax and zoning information, assisting with contract negotiations, marketing and advertising, arranging showings of the property, helping you find qualified professionals to help you with your real estate transaction, providing you with necessary forms, and more.

### 2. Does the licensee represent me?

When you first meet or speak with any real estate licensee, he or she automatically is a neutral transaction facilitator, which means that he or she can assist you with basic services but does not represent you and has no duty to protect your confidential information. Do not share any personal information, such as your reason for buying or selling, how much you are willing to spend, or what your bottom line is unless you know that the licensee represents you. If you wish to have a licensee represent you, you must sign a Mandatory Real Estate Relationship Disclosure form that says that the licensee is your designated client representative. You may also wish to sign a contract.

### 3. When do I need to sign a disclosure form?

Rhode Island law requires a real estate licensee to provide you with a Mandatory Real Estate Relationship Disclosure form, at the first personal contact or before an offer to purchase is made, whichever comes first. You will need to sign the form. The form is also available on-line by visiting this website: <http://www.dbr.ti.gov/>.

### 4. Do I need a licensee to represent me and help me negotiate?

It depends. You may choose to have a real estate licensee work with you as a designated client representative who must act in your best interest. A designated client representative can help you decide how much to offer or counteroffer, help you evaluate offers or counteroffers, act in your best interest, and keep your information confidential. You may also choose to work with a neutral transaction facilitator.

### 5. Is it a good idea to sign a contract with a licensee?

You are not legally required to sign a contract with a real estate licensee but it may be a good idea to do so to make sure that you and the real estate company understand what the company will do and will not do for you. A contract will also discuss compensation for the licensee and how long the contract will last. Some companies may be willing to help you without a written contract.

### 6. How much will the licensee charge?

It depends on what kind of services you need. Fees or commissions can be charged as a percentage of the actual sales price or as a specific dollar amount. Some licensees may charge an hourly rate as a consultant.