

**Iowa Association of
REALTORS®**

Member

**Professional Conduct
Manual**

**Prepared and Edited
By**

**Paul McLaughlin, JD
And
Ray Osthus, CRS, GRI**

**Copyright
MCMXCIX**

Forward

This manual has been prepared as a guide to assist the members of the Iowa Association of REALTORS® in their day to day conduct of real estate practice. IT IS THE HOPE OF THE ASSOCIATION THAT HAVING A REFERENCE SOURCE, APPROVED BY ASSOCIATION LEGAL COUNSEL, WILL AID IN THE USE OF STANDARDIZED FORMS AND CLAUSES USED BY MEMBER LICENSEES. Following these guidelines or using forms or clauses found herein is not mandated by the Iowa Association of REALTORS®, however it is recommended. Further, what is offered here will not meet every situation. Therefore, when in doubt, seek advice from your office broker or legal counsel, as may be necessary to protect the public.

***BETTER COMMUNICATIONS WILL ALWAYS PROMOTE
BETTER UNDERSTANDING FOR EVERYONE INVOLVED.***

TABLE OF CONTENTS

SECTION I. PROFESSIONAL CONDUCT

- A. Code of Ethics
- B. Board/Association of Realtors® Bylaws
- C. Multiple Listing Service Rules and Regulations

SECTION II. AGENCY POLICY

- A. Sample Individual office Agency Policy & Procedure pp. 6-11
(Each office should insert THEIR current policy)

SECTION III. SELLING AND BUYING

- A. Forms sequence Guide pp. 12-17
- B. Forms Specimens:
 - 1. Agency Policy Disclosure and Acknowledgement
 - 2. Seller Disclosure of Property Condition
 - 3. Exclusive Listing Agreement
 - 4. Dual Agency Potential/Consent (Seller)
 - 5. Buyer Agency Agreement
 - 6. Dual Agency Potential /Consent Agreement (Buyer)
 - 7. Offer For Real Estate
 - 8. Addendum To Offer For Real Estate (Financing)
 - 9. Addendum/Amendment To Offer For Real Estate
 - 10. Counteroffer
 - 11. Right of First Refusal and Notice (Addendum)
 - 12. Notice to Buyer and Acceptance of Notice (Addendum)
 - 13. Agency/Listing Change Agreement
 - 14. Appointed Agency Agreement
 - 15. For Sale By Owner (Showing Consent Agreement)
 - 16. Sellers Request For Delayed Showings
 - 17. Buyer/Property Registration
 - 18. Lead pamphlet information
 - 19. Lead Paint Disclosure
 - 20. Buyer Profile and Analysis
 - 21. Notice – Taxpayer Identification Number
 - 22. Certification for No Information Reporting Required

SECTION IV. CLOSING GUIDELINES

- A. Guidelines to Listing Agent Duties p. 24
- B. Guidelines to Selling Agent Duties P. 25
- C. Closing Preparation Form:
 - 1. Title Information p. 26
 - 2. Interim Occupancy Agreement p. 27
 - 3. Pre-closing Inspection Checklist p. 28
 - 4. Certification of Taxpayer I.D. Number p. 29

SECTION V. STANDARD CLAUSES

- A. Listing Change Agreement
 - 1. Conditional Release of Listing Agreement p. 30
 - 2. Listing Change Agreement Form

B.	Addendum/Amendment to Offer To Buy	pp. 31 - 34
1.	Addendum Clauses:	
a.	New Construction	
b.	Construction Disclaimer	
c.	Joinder by Seller's Spouse if not a title holder	
d.	Statement as to liens	
e.	Back-up offer to a First Right of Refusal	
f.	First Right of Refusal and Notice	
2.	Amendment Clauses	pp. 35- 37
a.	Mediation Agreement	
b.	Extension for Financing	
c.	Extension for Settlement and Possession	
d.	Release of Contingency	
e.	Authorization to Release Earnest Money	
f.	Change Tax Dates	
C.	Non-MLS Transactions	p. 38
1.	Commission Division Agreement	
2.	Dual Agency/Subagency Disclaimer	
D.	Home Seller/Home Buyers Dispute Resolution System	p. 39(1-4)
	Rules and Procedures	
	Agreement to Mediate	
	Confidentiality Agreement	

SECTION VI. RENTING OR LEASING

A.	Forms Sequence Guide	p. 40
B.	Form Specimens	
1.	Agency/Policy Disclosure Acknowledgement	
2.	Residential/ Commercial Exclusive Right to Rent or Lease	
3.	Dual Agency Possibility Addendum	
4.	Tenant Agency Agreement (Broker Representation)	
5.	Dual Agency Consent Agreement	
6.	Offer to Rent or Lease Real Estate	p. 46
7.	Prospect Equal Service Report – Rentals	p. 47
8.	Rental Application	p. 48

SECTION VII. PERSONAL MANAGEMENT

A.	Listing Status sheet (Inventory)	p. 49
B.	Commissions Earned Record	p. 50
C.	Optional	
1.	Independent Contractor Agreement	
2.	Commission Schedule	
D.	Sex Offender Registry Information/ Form	
E.	Personal Safety tips	

SECTION 1

PROFESSIONAL CONDUCT

- **Insert the bylaws of your local board REALTOR® association here.**

- **Next, Insert the rules and regulations of your local REALTOR® Multiple Listing Service here.**

Section II

Agency Policy

(Following is sample policy. Each office should insert their current policy.)

**AGENCY POLICY AND PROCEDURE GUIDE FOR LISTING AND SELLING
REAL PROPERTY THROUGH**

-- HEREINAFTER REFERRED TO AS "BROKER".

I. SELLING (working with Buyers)

A. POLICY:

1. Broker represents both the Buyer and Seller as a consensual dual agent when Broker is both the listing and selling agent (an in-house listing).
2. Broker represents the Buyer exclusively when Broker is the selling agent on properties listed with any other brokerage company or unlisted properties.
3. You must inform the Buyer at your first contact whom you represent. This may be done orally, but preferably be in writing.

B. PROCEDURE:

1. Provide a copy of the "Agency/Policy Disclosure and Acknowledgement" form to the Buyer at the earliest possible convenience.
 - a. Inform the Buyer of our policy to represent both the Buyer and the Seller as a dual agent on the sale of an in-house listing (Seller Client Property) to a Buyer Client provide "Dual Agency Potential/Consent Agreement.
 - b. Inform the Buyer of our policy to represent a Buyer exclusively on the sale of property listed with any other brokerage company. Buyer Agency Agreement form.
 - c. Go over the balance of the "Agency/Policy Disclosure and Acknowledgement" form. Obtain the Buyer's signature on the disclosure as receipt for a copy given to the Buyer.
2. Enter into the "Buyer Agency Agreement" form with the Buyer at the first substantial contact immediately after presenting the "Agency/Policy Disclosure and Acknowledgment" form. Determine with the Buyer how Broker is to be paid (i.e. flat fee, Buyer wants cooperating Broker to pay from the transaction commission, FSBO to pay from transaction, etc. This must be clear in paragraph 6 of Buyer Agency Agreement form. Be sure Buyer understands that prior to writing an offer, Buyer will be informed in writing if Broker is acting as a dual agent.
3. On those properties which do not offer compensation to Buyer's agent, i.e. For Sale By Owner, Foreclosures, builders, etc., the Broker compensation is stated in paragraph 6 of the "Buyer Agency Agreement form." Use the "For Sale By Owner Commission Agreement/Agency Disclosure" form to establish the commission amount (if the Buyer is not paying the commission) and to disclose to the Seller your Buyer Agency status. This should be done prior to showing this property, and must be done prior to submitting an offer.

4. Before previewing or showing any other brokerage company's listings, you must disclose your Buyer agency status to all parties involved. If the listing brokerage company is not offering cooperation and compensation on the same terms offered to subagents, if subagency is offered, prepare a separate commission agreement with the listing broker prior to the showing.
5. In preparation of an offer for a Buyer client:
 - a. For an in-house sale with consensual dual agency, confirm the dual agency with the "Dual Agency Potential/Consent Agreement" form that Broker represents both the Buyer and the Seller prior to the Buyer signing the offer and prior to the presentation of the offer to the Seller.
 - b. When Broker represents the Buyer exclusively, confirm that the offer acknowledges that fact and that the Seller is represented by an outside company or that Seller has no representation.
6. **IMPORTANT NOTICE:**
Get a signed acknowledgement of receipt of all forms at the time each form is given to a Buyer or Seller. Present all agency forms in timely manner in accordance with the recommended foregoing procedures.

II. LISTING SELLER PROPERTY

A. POLICY:

1. Broker represents the Seller exclusively when Broker is the listing agent but not the selling agent.
2. Broker may represent both the Seller and the Buyer on sale of an in-house listing.
3. Broker will offer compensation and cooperation through the MLS to a selling office but will not offer subagency.
4. Broker will offer compensation and cooperation through the MLS to selling offices who wish to act as Buyer's agents and represent the Buyer exclusively.
5. Broker will not offer compensation to selling offices who wish to act as dual agents.

B. PROCEDURES:

1. Give a copy of the "Agency/Policy Disclosure and Acknowledgement" form to the Seller at the first meeting (when you have to go to the property to gather data).
2. At the listing meeting, prior to presenting the MA and having the Exclusive Right to Sell signed, go over the "Agency Policy Disclosure and Acknowledgement" form.
 - a. Point out that "Agency/Policy Disclosure and Acknowledgement" clearly state that it is the policy of Broker to represent the Seller exclusively when a cooperating Broker is the selling agent.
 - b. Inform the Seller of our policy wherein Broker may represent both the Buyer and Seller as a dual agent on the sale of an in-house listing. Point out that the Seller will be informed in writing prior to the presentation of an offer in those instances wherein Broker is acting as a dual agent.
 - c. Point out to the Seller that other brokerage companies will represent the Buyer. Broker's policy is to cooperate and compensate all offices that represent the Buyer exclusively as provided in the listing agreement. Broker will also cooperate and compensate dual agents providing they are Broker's agents. Also point out that Broker will not offer subagency to any other brokerage companies.
 - d. Go over the balance of the "Agency/Policy Disclosure and Acknowledgement" form. Obtain the Buyer's signature on the disclosure as receipt for a copy given to the Buyer.
 - e. Obtain the Seller's consent to dual agency by having the Seller sign the "Exclusive Right to Sell Real Estate Addendum", "Dual Agency Potential/Consent Agreement" form (attach to the listing agreement).

3. If another office calls requesting to be a subagent representing our Seller exclusively, inform them of our policy not offering subagency.
4. Prior to presenting an offer to a Seller client:
 - a. For an offer from a Buyer Client of Broker, confirm the consensual dual agency status with the “Dual Agency/Potential/Consent Agreement” signed by the Buyer. It must be clear to the Seller that Broker represents both the Seller and the Buyer in this situation. Have Seller sign the Agreement and give the Seller a copy.
 - b. Verify that the “Offer to Buy Property” confirms that Broker as the listing agent represents the Seller. Also, verify that the Offer to Buy properly confirms that an offer from a cooperating broker states that the cooperating broker represents the Buyer exclusively as a selling agent. When an offer is presented by an agent of Broker on one of Broker’s listing, confirm that the offer states that Broker represents the Buyer on the selling portion of the transaction as well as the Seller on the listing portion of the transaction.
5. **IMPORTANT NOTICE:**
Get a signed acknowledgement of receipt of all forms at the time the form is given to a Seller or a Buyer. Present all agency forms in a timely manner in accordance with the foregoing procedures.

SECTION III

SELLING AND BUYING

FORMS SEQUENCE GUIDE

Suggested Only

1. **Consensual Dual Agency Seller Forms.**
 - A. SELLER – First meeting (gather home data, leave forms for review and completion):
 1. “Agency/Policy Disclosure and Acknowledgement”
 2. “Seller Disclosure of Property Condition”
 3. Home warranty information pamphlet
 - B. SELLER – Second meeting (present MA and list):
 1. Go over “Agency/Policy Disclosure and Acknowledgement”, get signatures(s)
 2. Review completed “Seller Disclosure of Property Condition” (retain original and give copy to Seller)
 3. Present market analysis to Seller
 4. Present and complete the “Exclusive Listing Agreement”
 5. Present and complete the “Dual Agency Potential/Consent Agreement”
 6. Have seller approve and sign the property data sheet that goes to the MLS
 7. Review home warranty information. (have Seller sign application for, or waiver of, warranty)
 - C. SELLER – Out of office agent with offer:
 1. Present the “Offer to Buy Real Estate”
 2. Prepare “Counter Offer” if required
 3. Give Seller a copy of “Seller Disclosure of Property Condition” signed by the Buyer
 - D. SELLER – In-office agent with offer from Buyer client:
 1. Present the “Dual Agency Potential Consent Agreement” (This should have come with Offer. Get Seller signature)
 2. Present the “Offer to Buy Real Estate”
 3. Prepare “Counter Offer” if required
 4. Give Seller a copy of “Seller Disclosure of Property Condition” signed by Buyer
 - E. SELLER – Subsequent change at a date after acceptance of offer:
 1. Prepare the “Addendum/Amendment” form using and checking Section B Amendment and the blank space under Section C. Additional terms, provisions and/or conditions (be sure to check the box in front of “B Amendment” again)

II. CONSENSUAL DUAL AGENCY BUYER FORMS

- A. BUYER – First meaningful contact:
1. Present “Agency / Policy Disclosure and Acknowledgement” get signature for receipt of copy.
 2. Present “Buyer Agency Agreement” get signature for receipt of copy.
 3. Provide home warranty information pamphlet.
 4. Qualify and show property.
- B. BUYER – Offer on out of office listing or FSBO:
1. Give Buyer a copy of the “Seller Disclosure of Property Condition” and have Buyer sign the receipt.
 2. Prepare the “Offer to Buy Real Estate”
 - a. Use the Addendum marked “Page 5” for FHA/VA, mortgage assumptions, and installment contract only.
 - b. Use “Addendum/Amendment” form if you need more room than pages provide. Be sure to check the box in front of “A Addendum”, fill in the required information, and use Section C “Additional terms, provisions and/or conditions” (Be sure to check the box in front of “A Addendum” again).
 3. Take Offer and signed “Seller Disclosure of Property Condition” to listing broker.
- C. BUYER – Offer on an in-office Seller client property:
1. Give Buyer a copy of the “Seller Disclosure of Property Condition” and have Buyer sign the receipt.
 2. Present the “Dual Agency Potential/Consent Agreement” and have the Buyer sign.
 3. Prepare the “Offer to Buy Real Estate”
 - a. Use the Addendum marked “Page 5” for FHA/VA, mortgage assumptions, and installment contracts only.
 - b. Use “Addendum/Amendment” form if you need more room than provided. Be sure to check the box in front of “A Addendum”, fill in the required information, and use Section C “Additional terms, provisions and/or conditions” (Be sure to check the box in front of “A Addendum again”).
 4. Take “Offer to Buy”, “Seller Disclosure of Property Condition” and “Dual Agency Potential/Consent Agreement” to Seller.
- D. BUYER – Offer to Buy accepted:
1. If Buyer has property inspection rights, provide “Property Inspection Information” (List of several property inspectors)
 2. If Seller is not providing home warranty, see if Buyer wishes to make application. If not, have Buyer sign waiver.

III. FSBO PROPERTY FORMS

A. CONTACT OWNER:

1. Present “For Sale By Owner Commission Agreement/Agency Disclosure”, get signature for agreement and as receipt of a copy
2. Provide home warranty information pamphlet. If Seller is not interested, obtain a signed waiver
3. Provide a “Seller Disclosure of Property Condition” (ask that Seller have it completed by the time of the showing to the prospective Buyer)
4. If and when you get an “Offer To Buy Real Estate”:
 - a. Return a “Sellers Disclosure of Property Condition”, signed by the Buyer, to the Seller
 - b. Present the “Offer to Buy Real Estate”
 - c. Prepare “Counteroffer” if required
5. Offer to Buy accepted:
 - a. If Buyer has property inspection rights, provide “property Inspection Information” and a list of several inspectors
 - b. If Seller is not providing a home warranty, see if Buyer wishes to make application. If not, have Buyer sign waiver

IV. LISTING AGENT FORMS WHEN THE SELLER IS THE CLIENT:

- A. SELLER – First meeting (gather house data, leave forms for review and completion)
 - 1. “Agency/Policy Disclosure and Acknowledgement”
 - 2. “Seller Disclosure of Property Condition”
 - 3. Provide the Home Warranty information packet

- B. SELLER – Second meeting (present MA and list):
 - 1. Go over Agency Policy Disclosure and Acknowledgement
 - 2. Review completed “Disclosure of Property Condition” (retain original and give a copy to Seller)
 - 3. Present market analysis to Seller
 - 4. Present and complete the “Exclusive Listing Agreement”
 - 5. Have Seller approve and sign the property Data sheet that goes to the MLS
 - 6. Give Seller home warranty information to review. If Seller is not interested in warranty, obtain a waiver

- C. SELLER – In or out of office agent with offer
 - 1. Present the “Offer to Buy Real Estate”
 - 2. Prepare “Counter Offer” if required
 - 3. Give Seller a copy of “Seller Disclosure of property Condition” signed by the Buyer

- D. SELLER – Subsequent change at a date after acceptance of offer:
 - 1. Prepare the “Addendum/Amendment” form using and checking Section “B Amendment” and the blank space under section “C additional terms, provisions and/or conditions” (be sure to check the box in front of “B Amendment” again)

V. SELLER AGENCY FORMS – USE WITH BUYER WHEN THE BUYER IS THE CUSTOMER:

- A. BUYER – at the first earliest possible convenience:
 - 1. Present “Agency Policy Disclosure and Acknowledgment”
 - 2. Provide Home Warranty information packet
 - 3. Qualify and show property

- B. BUYER – Offer on out of office listing or FSBO:
 - 1. Give Buyer a copy of the “Seller Disclosure of Property Condition” and have Buyer sign the receipt
 - 2. Prepare the “Offer to Buy Real Estate”
 - a. Use the Addendum marked “Page 5” for FHA/VA, mortgage assumptions, and installment contracts only
 - b. Use “Addendum/Amendment” form if you need more room than pages 1 and 2 provide. Be sure to check the box in front of “A Addendum”, fill in the required information, and use Section C “Additional terms, provisions, and/or conditions” (be sure to check additional box in front of “A Addendum” again)
 - c. Take “Offer to Buy” and “Seller Disclosure of Property Condition” to the Seller

- C. BUYER – Offer on an in office Seller Client property:
 - 1. Give Buyer a copy of the “Seller Disclosure of Property Condition” and have Buyer sign the receipt
 - 2. Prepare the “Offer to Buy Real Estate”
 - a. Use the Addendum marked “Page 5” for FHA/VA, mortgage assumptions, and installment contracts only
 - b. Use “Addendum/Amendment” form if you need more room than pages 1 and 2 provide. Be sure to check the box in front of “A Addendum”, fill in the required information, and use Section C “Additional terms, provisions and/or conditions” (be sure to check the box in front of “A Addendum” again)
 - 3. Take “Offer to Buy” and “Seller Disclosure of Property Condition” to the Seller

SECTION IV
CLOSING GUIDELINES

SECTION V

STANDARD CLAUSES

STANDARD CLAUSES

The following clauses have been reviewed by legal counsel for use with listing and purchase agreements. Legal counsel assumes no liability for use or misuse of or changes to clauses. Use only with properly designated forms.

If you have further questions, concerns or require further in formation, please contact your private attorney.

SECTION VI
RENTING OR LEASING

LEASE/RENTAL **FORMS SEQUENCE GUIDE**

LANDLORD/LICENSEE

1. Provide “Agency/Policy Disclosure and Acknowledgement”
2. Fill out “Exclusive Listing Agreement” Check box to rent or lease
3. Complete “Dual Agency Potential/Consent Agreement”

When find Leasee/Renter

1. Complete “Dual Agency Potential /Consent Agreement” for Leasee/Renter if an “in house’ transaction
2. Provide Rental Application
3. Complete “Offer for Real Estate” – Check box for Lease or Rent
4. Provide Lead Based Paint Disclosure and Acknowledgement
5. Provide Lead Paint Pamphlet
6. Optional – Complete Equal Service Report

LEASEE/TENANT FORMS – First meaningful contact:

1. Provide “Agency/Policy Disclosure and Acknowledgement” Obtain signature to acknowledge receipt of copy
2. Complete “Dual Agency Potential/Consent Agreement” obtain signature
3. If representing buyer - Complete “Buyer Agency Agreement”
4. Provide Rental Application – have leasee/tenant fill out credential information

TENANT – To offer for a lease/rental for a “in-house” rental:

1. Complete Specific Property section 2 “Dual Agency Potential /Consent Agreement” for Leasee/Renter
2. Complete “Offer for Real Estate” – Check box for Lease or Rent
3. Provide Lead Based Paint Disclosure and Acknowledgement
4. Provide Lead Paint Pamphlet
5. Optional – Complete Equal Service Report

SECTION VII

**PERSONAL
MANAGEMENT**

Important Information for Buyer and Seller

Under federal and state regulations some individuals who have been classified under certain criminal offenses including sex offender may be required to register with local authorities. If this information is important to you, you should contact local authorities, agencies, and neighborhood groups including, but not limited to the following:

These laws are simply a registration and disclosure requirement which place the burden on the public to seek information regarding these individuals or certain potential sex offenders. The law may be weak however, because although registration initially takes place, there is no verification of the address upon registration, therefore the initial address could be inaccurate. Also there is generally no follow up system to verify the new location when an individual moves. Finally, most law enforcement agencies do not aggressively provide sex offender information.

As REALTORS®, we do not know the whereabouts of these individuals and are not required to find and disclose this information. PLEASE contact the agencies listed above.

INFORMATION CONFIRMATION

“Seller / Buyer understands that a prospective buyer may inquire with the local law enforcement as to the location of known sex offenders which may impact the property.”

*“Seller / Buyer acknowledges they have received this information regarding criminal registry requirements and that **they** may inquire with the local law enforcement as to the location of known sex offenders which may impact the property.”*

Signature and Date

Signature and Date