

TENNESSEE AGENCY LAW REQUIREMENTS FOR AGENTS WORKING AS A DESIGNATED AGENT

A DESIGNATED AGENT IS AN AGENT APPOINTED BY THE MANAGING BROKER TO SERVE AS THE EXCLUSIVE AGENT OF AN ACTUAL OR PROSPECTIVE BUYER OR SELLER IN A REAL ESTATE TRANSACTION.

The Managing Broker may actually appoint a DESIGNATED AGENT or he may have a Company Policy which states that, whenever an Agent takes a listing contract with a Seller or Buyer, that agent automatically becomes the DESIGNATED AGENT of that CLIENT.

The most important stipulation of the law in Designated Agency is that the DESIGNATED AGENT represents the Client to the EXCLUSION of the other agents with the Company.

This means that a DESIGNATED SELLER'S AGENT, within the Company, may receive offers from other agents within the Company who may be working as DESIGNATED BUYER'S AGENTS or as a FACILITATOR/TRANSACTION BROKER with a Buyer Customer without the Managing Broker or Company being considered a Dual Agent in the transaction.

All CONFIDENTIAL information received by a DESIGNATED AGENT from his CLIENT should only be shared with the Managing Broker. A DESIGNATED AGENT may not discuss any confidential information with any other agent in the Company. The Managing Broker, by law, must see that Client confidential information is not shared with other in-house Agents nor other Clients and/or Customers. Therefore, the Managing Broker **CANNOT** be a DESIGNATED AGENT for an In-House Transaction. The Managing Broker cannot represent one CLIENT and another In-House Agent represents another CLIENT. If the Managing Broker is going to be actively involved in an In-House Transaction, then the Broker and Agent and the Company should be either a DISCLOSED DUAL AGENT or default to a FACILITATOR/ TRANSACTION BROKER.

Upon initial contact with a BUYER OR SELLER, according to TCA 62-13-405, you must disclose to the BUYER or SELLER your status as a DESIGNATED AGENT for Transactions and your status as just a SELLER'S AGENT or a BUYER'S AGENT for transactions involving Cooperating Real Estate Companies.

You must disclose everything about Tennessee Agency Law and the required duties you will owe to your CLIENT under Tennessee Law.

You must disclose everything to your CLIENT as previously discussed about being a SELLER'S AGENT or BUYER'S AGENT. The only difference in how you will work with your CLIENT will be when it is an IN-HOUSE TRANSACTION.

You are required by Law (TCA 62-13-405) to have a signed DISCLOSURE FORM stating that you have given your client all of this Agency information before you obtain a contract to provide real estate services. You must have an agency contract to be a DESIGNATED AGENT.