



BAY AREA ASSOCIATION OF REALTORS® **AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT**

This form is intended to provide notice to you that the real estate company you are working with has established business relationships with certain providers of real estate settlement services. The real estate company may receive a financial return, as noted below from your use of one or more of these providers. You are free to use any provider of your choice, whether or not they appear on this list. This notice shall also advise you that the agent you are dealing with will share in the commission paid to their real estate company as a result of the settlement of any property you buy or sell. Agents are typically paid a higher percentage of the total commission for selling a property listed by their company than for one listed by another broker. Agents may receive a bonus for selling a particular property.

Real estate companies typically receive a processing fee ranging from \$40.00 to \$80.00 for the handling of a home warranty application. The real estate company does not issue, guarantee, service, or endorse any such policy, or stand responsible for the issuance, service, or coverage. The real estate company only makes available the coverage to you if you are interested.

Many real estate companies have ownership interests in mortgage, title, or insurance companies, or business relationships in which such companies pay fees to real estate companies for marketing services. The real estate company you are dealing with has a relationship(s) with _____

_____. Lenders typically charge fees ranging from 1% to 3% of the loan amount, although they could be substantially more, or less, depending on each set of circumstances. You are advised to consider the total fees, points, and rate and not just the interest rate when shopping for a lender. Title Companies typically charge fees ranging from \$250 to \$1,000 for settlement services, plus costs for title insurance. You are advised to consider the total settlement fees when shopping for a title company, and not just the settlement fee. Fees for insurance vary widely depending on the property, location, value, and contents. Your agent is unable to advise you on the cost of insurance.

Many real estate companies have established relationships with local builders whom past clients have found to operate honestly and provide quality construction. The real estate company you are dealing with may receive a portion of a builder's profit in return for the referral of a building customer lead. These fees typically range from one to five percent of the building contract.

You are not required to use any provider referred to you by your agent or real estate company. You are free to use any provider, or to shop for competitive rates and services. You should consider the potential benefits of using a provider that has an established business relationship with your real estate company as part of your decision making process. The quality of service you receive from your real estate company is not dependent on your selection of service providers.

I/We have read and understand this notice.

Date
Signature

Date
Signature

Date

Date

Form: AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT January 2013

This form is the property of the Bay Area Association of Realtors® and may be used only by Realtors®.