What are Customers?

1. A person who receives only statutory duties from the brokerage/agent as described   
   by your state. Typically, these include:

* **honesty**
* **accounting**
* **reasonable skill and care**
* **disclose material facts**

1. Agents **cannot provide advice or counsel** to customers if it breaches **fiduciary   
   to the seller**.

Some states have differing rules on about customers, so check your statutes.

What are Clients?

1. The relationship formed between the agent and the client is called a **fiduciary relationship**.
2. A real estate agent is obligated to promote and protect the best interests of the   
   client by providing:

* **obedience**
* **loyalty**
* **disclosure**
* **confidentiality**
* **accountability**
* **reasonable skill & care**

and any other duties that your state statute may require.

Buyer Customer and Buyer Client Differences

|  |  |
| --- | --- |
| **Buyer is a Customer** | **Buyer is a Client** |
| “I represent the seller” | “I represent the buyer” |
| Complete loyalty to Seller’s needs | Complete loyalty to Buyer’s needs |
| Obligated to relay all information received from the buyer to the seller | Confidentiality – Buyer can speak freely |
| Must provide materials facts but cannot offer advice or opinion regarding the property | Advice and opinion along with material facts; can educate the buyer |
| No price counseling (Cannot provide a CMA unless it supports seller’s price) | Provide price counseling and a CMA |
| Suggestions made regarding financing or any other terms must benefit the seller | Suggestions will be made in the buyer/client’s best interest |
| Negotiate on behalf of the seller | Prepare offer and negotiate on behalf of the buyer |
| Will work to close the transaction to satisfy the **seller** | Will work to close the transaction to satisfy the **buyer** |

Customer vs Client