

Required BBAs for All Licensees

Oklahoma REALTORS® is pursuing legislation which will require all licensees to use a Buyer Broker Agreement (BBA) when working with a buyer.

The primary purpose is to:

1. Encourage Consumer Transparency

- Consumers deserve to know how they are being represented in a real estate transaction, including what services they are being offered, the cost of a real estate transaction, and how they are paying for their representation.
- Listing agreements clearly outline these expenses for sellers, and the buyer broker agreement is similarly important for buyers to understand how they are paying their agent/broker.
- In today's climate, there is absolutely no room for a lack of transparency in what will likely be a consumer's largest financial transaction they may ever make. A written buyer broker agreement should be required for every transaction.

2. Minimize Risk for Brokers and Agents

- The Department of Justice has made it clear that it cares about both competition and transparency – even before the recent class-action lawsuit judgment or the NAR settlement – and it remains a primary focus of the DOJ and a number of trial lawyers.
- The policy proposal clarifies the practice of real estate agents and buyers memorializing their working relationship by documenting it in writing. This means the State of Oklahoma will set the standard for brokers and their agents to follow, providing a nail for brokers to hang their hat on in the face of pressure from the DOJ, trial lawyers, and pundits alike.

3. Level the Playing Field for All Agents

- Currently consumers face a patchwork of agents who do or do not have to use a buyer broker agreement. This policy proposal will put all agents on a level playing field, and will ensure that consumers can be made aware of the cost of their real estate transaction, before they get to the closing table.
- The specific proposed policy language would require a written agreement between a buyer and a broker and must contain the services provided, length of the agreement, and compensation agreed to between the parties. This agreement cannot exceed one year, per other state statutes.
- Current Oklahoma law mandates brokers disclose what and how they are compensated to buyers, and a recent national settlement mandates that REALTORS® must use a buyer broker agreement. This bill would create uniformity and clarity for consumers by ensuring all real estate licensees must disclose important details to them in writing through a buyer broker agreement.