

ANOTHER ETHICAL DILEMMA

REALTOR Kruger had 123 Elm St. under contract for \$50,000 less than list price. The contract eventually failed. Soon thereafter, the listing expired and the seller made the decision not to sell. Several weeks later REALTOR Kruger was working with a buyer (as a buyer's agent) who might be interested in the house on Elm St. REALTOR Kruger obtained permission from the seller to show the property to his buyer.

Here is the question.....Can/should REALTOR Kruger tell the buyer that the seller will accept \$50,000 less than the asking price? What do you think? Before reading any furtherhow would you answer the question? Does REALTOR Kruger have any remaining responsibility to the seller? Since there is an agency relationship with the buyer, should the buyer be told about the previous transaction? What if REALTOR Kruger was a transaction broker? Would that change anything? Would it matter if REALTOR Kruger had originally been an agent or transaction broker for the seller?

Here is one of the reasons that being a REALTOR is so important to us. The Code of Ethics addresses this dilemma. It gives us guidance on a situation such as the above. Standard of Practice 1.9 of the Code states "The obligation of REALTORS to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. (Because of space limitations, your author has eliminated a portion of Standard of Practice 1.9. You may want to go to the Code and read the entire article) The last sentence of Standard of Practice 1.9 states..."Information concerning latent material defects is not considered confidential information under this Code of Ethics."

You may have noticed the words "as defined by state law" in Standard of Practice 1.9. What does Colorado have to say about this? Colorado statute 12-61-809 (2) (a) and (b) and (3) cover this. The Code of Ethics and Colorado Law are in agreement.

I have one last question for you. This is important. If you have been reading this article closely, you will know the answer to this question immediately. The question is.....What is REALTOR Kruger's first name?you should know it.....what was the address of the house in the above article?

If you have any ethical questions you can contact Steve at stazels@msn.com

