

BE THE BEST. EXPECT THE BEST. SUBURBAN WEST.

Standard Forms Tip: Consumer Notice; Who, What and When

The [consumer notice](#) is given to all consumers at the initial interview where a substantive discussion about real estate occurs. If the initial interview takes place over the phone there is an [oral consumer notice](#) that must be read WORD FOR WORD AS WRITTEN. Whether written or oral, the primary purpose of this notice is to make sure consumers do not divulge confidential information to a licensee who is not their agent.

While there is much debate between licensees about when to provide the consumer notice (it's rarely too early) most licensees understand that it is required in all residential purchase or sale situations. An amendment to the Real Estate Licensing and Registration Act (RELRA) in 2006 has caused some confusion over when to use consumer notice in a commercial transaction. Although it's never a bad idea to give the consumer notice the 2006 amendments exempted certain commercial transactions where the potential client or customer is a business entity. The Pennsylvania Association of REALTORS® provides a [flowchart](#) to assist licensees with the nuances of these amendments.

Another area of confusion for licensees is consumer notice in a leasing transaction. If the licensee is

- the owner/landlord;
- is the agent for the owner/landlord; or
- is a direct employee of the owner landlord

the [Consumer Notice for Tenants](#) is the appropriate form to give a prospective tenant. In all other leasing situations the licensee should use the 'regular' [consumer notice](#).

Consumer Notice is a disclosure requirement that helps the consumer understand

- That a licensee is not representing the consumer unless an agency relationship selection is made by signing a written agreement
- The general duties a licensee owes to all consumers regardless of business relationship
- The descriptions of the business relationships permitted in Pennsylvania
- The contractual terms that must be included in all agreements and
- The Real Estate Recovery Fund

As such it is not a form to be ignored. Besides being a requirement of RELRA, when used appropriately it is an effective tool to open the door to a business relationship with the consumer.

This Standard Forms Tip is provided by [SWRA Staff Paula Tansey](#).