

Louisiana Real Estate Commission

LOUISIANA REAL ESTATE BROKERAGE SAMPLE POLICIES AND PROCEDURES

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A PREFACE

This policy manual is designed for the real estate brokerage. Prudent management suggests that every office implement a policy and procedure manual regardless of size. Procedures must be clear to all staff members. Employee conduct and policies have a tendency to parallel Associate policies. There is no room for racism, sexism, ageism or other indignities and discourtesies. This manual is designed for your use with Associates. It deals with Employee relations by reference only.

Policies and procedures appropriate for employees may not be appropriate for independent contractors. A prudent broker will deliver a copy of the policy manual to an attorney and accountant for review.

You are welcome to adopt parts of this policy manual or use it as a whole if it fits your requirements. Do not be afraid to reshape any section. It is suggested that you edit this policy manual or otherwise reflect differences unique to your office. Some brokers make available of a copy of this manual to each associate. Another philosophy suggests that only one copy of the manual be either printed or made available on computer.

This manual is not constructed to be either dictatorial or prescriptive. Make sure it reflects your policy, not the author's. A policy manual should be updated as frequently as necessary to remain current at all times.

Commission structures have been deliberately ignored in order to assure compliance with the federal Anti-Trust legislation. Therefore, fee policies, office hours and items of that nature should be added. Each broker determines the fee structure appropriate to the organization. Brokers do not compare rates or enter into any conspiracy to restrain trade.

WELCOME

The sole reason for the existence of the company is to create a profit. Honest dealing and aggressive planned work habits guarantee the success of any Associate. It is not enough to want to be a member of the real estate community because an Associate enjoys working with people - if that is the only motivation, then perhaps that Associate would be best advised to become a social worker.

Every gesture must be aimed at professionally providing the service for which we are contracted and maintaining a profit margin consistent with the work accomplished.

Throughout your association with the company you will be asked to excel. The Associate who waits for the phone to ring always has more time than income. Create your own luck and prosper with the company.

TERMS OF ASSOCIATION AND IN-HOUSE POLICIES

Sexual Harassment

Sexual harassment is no longer taken for granted nor tolerated in the marketplace. An awareness of the issues may decrease brokerage vulnerability to a charge of gender bias. The following guidelines are similar to those of other realty organizations.¹

Sexual harassment may be overt or subtle. It includes behavior that is not welcome, that is personally offensive, that fails to respect the rights of others, that lowers morale and that, therefore, interferes with the effectiveness of our work. Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

❖ Verbal

Sex jokes of a sexual nature, sexual propositions, threats.

❖ Non-verbal

Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering whistling, obscene gestures.

❖ Physical

Unwanted physical contact, including touching, pinching, brushing the body, etc.

Whatever form it takes - verbal, non-verbal, or physical - sexual harassment is insulting and demeaning. Sexual harassment of any member or employee by any other member or employee will not be tolerated. All employees and members will be expected to behave accordingly and take appropriate measures to ensure that such conduct does not occur.

Appropriate disciplinary action will be taken against anyone who engages in sexual harassment.

Sexual harassment can create liability for a real estate brokerage. Discrimination by a brokerage representative can cause a broker to be liable.

The U.S. Supreme Court in the case of *Meritor Savings Bank v. Vincent* established tests in order to determine whether sexual conduct is unwelcome.

1. **Evaluate evidence.**
2. **Determine if a work environment is sexually hostile.**
3. **Hold employers liable for sexual harassment.**
4. **Evaluate response to claims of sexual harassment.**

Brokerage risk management requires steps for preventing sexual harassment from occurring, such as: Affirmatively raising the subject; expressing strong disapproval; developing appropriate sanctions; informing employees of their right to raise the issue; and how to raise the issue; and developing methods to sensitize all concerned.

The Company will not tolerate any form of sexual harassment.

Associates' Contracts

It is necessary to for association with the Company that each Associate enter into a contract defining both status and obligation as an Independent Contractor or Employee. Broker and Salesperson agree to enter into the agreement on a yearly basis.

Each Associate and Broker shall maintain one copy of this contract.

Minimum Standards

This office maintains minimum standards. If an Associate cannot meet these standards by listing and selling real estate, that Associate's tenure shall be terminated. Your Manager may allow a probationary period.

Company minimum standards are posted in this manual and are subject to review and pro-ration at any time after an Associate is with this Company six months.

If it becomes apparent that an Associate is unable to meet the minimum standards, that Associate will be asked to leave. It is better for the Company and the Associate if the Associate resigns before being asked to leave.

Not all people can be effective Associates. If the Associate cannot do the job, it is unfair to the Company and the Associate to continue together. A career adjustment would be beneficial to both. Every courtesy will be extended by the management of this Company.

Independent Contractor Status

In order to maintain our Independent Contractor status, the following items are both understood and followed in day-to-day operations:

- 1 Associate pays all own dues.
- 2 Associate pays auto expenses without compensation from Broker.
- 3 Associate pays own entertainment expenses without reimbursement.
- 4 Associate has not been required to maintain specific floor day schedules, nor forced to attend meetings.
- 5 Associate is not required to meet mandatory quotas.
- 6 Each Associate shall decide individually when to take vacations.
- 7 Associate pays own income tax and FICA.
- 8 Associate receives no minimum salary or sick pay.
- 9 Association with Broker may be terminated by either party at any time upon notice, but the rights of the parties to any fees which accrue prior to said parting shall not be divested by either party.
- 10 This policy manual is advisory only.
- 11 Each Associate is directly subject to sanctions from governmental bodies and the Code of Ethics of the National Association of REALTORS® (if applicable)
- 12 An Associate is not required to join training programs or group programs.

Employee Status

If an Associate of the Company wishes to be an Employee, rather than an Independent Contractor, the Broker will endeavor to work out a suitable commission split to compensate for the difference in status between an Independent Contractor and Employee.

If the Associate wishes to be an Employee, then the Company will retain FICA and federal with-holding taxes for that Associate. The office will also maintain unemployment compensation insurance. It is the prerogative of the Company and the Associate to mutually decide whether to be an Independent Contractor or an Employee.

Requirements of New Associates

All new Associates of this Company must satisfactorily complete all of the following items prior to accepting any Floor Time. In addition, the Manager will not assign Floor Time until satisfied that all of the following items have been completed.

1. Each Associate shall promptly apply for, and maintain membership in, the local Board of REALTORS® (**if company is a member of the Realtors**) and shall remain a member in good standing.
2. Associate shall be thoroughly familiar with this policy manual and all Company policies. The Manager will administer an oral exam relating to the contents of this document.
3. This office has obtained a training program. This is a thorough presentation. Each Associate shall be assigned suitable materials for this course. Initial and continuous training is essential for success.
4. Each Associate shall execute an Independent Contractor Contract and an Independent Contractor Rider which defines obligations of both Associate and the Company.
5. Every Associate shall complete Purchase Agreements, Listing Contracts, Multiple Listing Service profile sheets, referral forms and other commonly used documents. Each of these contracts will be closely scrutinized by the Manager for accuracy.
6. Each Associate shall be fully aware of all INTERPRETATIONS OF THE CODE OF ETHICS as published by the National Association of REALTORS®.(if applicable)
7. All current Listing Contracts must be reviewed and vacant Company listings inspected.

No Associate shall accept Floor Time unless all of these items are satisfactorily completed. The following checklist will assist both Broker and Associate.

CHECKLIST FOR NEW ASSOCIATES

Associate		
Date		Note date next to item when completed.
_____	1.	Submit application and copy of license for office files.
_____	2.	Schedule goal setting session with manager.
_____	3.	Apply to Board of REALTORS®.(if company is a member)
_____	4.	Acquire key for office.
_____	5.	Move personal items into desk or work area.
_____	6.	Locate assigned message box.
_____	7.	Order business cards, name badge, and sign riders.
_____	8.	Sign up for computer training.
_____	9.	Sign up for GRI I. (if applicable)
_____	10.	Register for an appraisal training class.
_____	11.	Review policy manual thoroughly.
_____	12.	Execute independent contractor contract and amendment.
_____	13.	Make copies of all office listings.
_____	14.	Review all office listings. (Be sure to make appointment with listing Associate if property is not vacant.)
_____	15.	Acquire roster of office staff and associates.
_____	16.	Complete press release information and submit to broker.
_____	17.	Purchase signs for car doors.
_____	18.	Purchase lock-box key.
_____	19.	Apply for long distance services card and log.
_____	20.	Have insurance agent supply co-insurance proof.
_____	21.	Complete sample listing and purchase contract.
_____	23.	Review office files, copier operation, etc.
_____	24.	Review opportunity time procedures.
_____	25.	Learn telephone system and answering service.
_____	26.	Register for MLS® computer classes. (if applicable)
_____	27.	Review long distance, postage and advertising policies.
_____	28.	Practice with microfiche reader, cards and crisscross directory.
_____	30.	Review all marketing tools available.
_____	31.	Determine which principal-follow up service is used by office.
_____	32.	Go through referral network handbook and complete sample forms.
_____	33.	Study lender rate sheets.
_____	34.	Study all forms in contracts, forms & clauses book.

Each associate must complete all items prior to accepting any opportunity time.

Associate

Manager

Confidential Monthly Report

The following information will be made available to each Associate on a monthly basis: Yearly earnings, number of listings acquired, sold, and the number of offers acquired. In addition, sale to list price, office sale to list price, average residential list and sale price, number of listings expiring unsold, and a summary of additional statistical information. These figures will include month-to-date and year-to-date breakdowns.

This information is helpful and should be analyzed closely. It is confidential and should not be shared with anyone outside the company.

Commission Splits

Our commission splits are determined by the Company. Please see our attached commission schedule for office breakdowns.

It is essential that real estate be properly priced and secured with a six month Exclusive Right of Sale Listing Contract.

Joint Ventures

The Company Joint Venture commission is the remaining commission income after another office shares in a sale with us. The Company will share that fee with the listing or selling Associate, as appropriate. See the commission schedule for exact amounts.

Automobile Insurance

We suggest that each Associate shall carry automobile insurance with public liability and property damage insurance with minimum limits of \$100,000.00 / \$300,000.00 bodily injury and \$100,000.00 property damage coverage.

Issuance of Policy Manual

This policy manual is the property of the Company. Each Associate shall be issued one manual for which that Associate shall sign a receipt. It is to be returned to the Company immediately upon notice of termination or for updating when requested by the Manager.

Business Apparel

We ask that all Associates wear business apparel. Casual clothes are inappropriate during business hours. Successful Associates project a successful image.

This company has invested a great deal of money to assist in your success. Business apparel is one of your contributions to this image.

Floor Time Responsibilities

If an Associate accepts Floor Time, that Associate also accepts all responsibilities of its proper use. General responsibilities include the satisfactory handling of all new Company business that is not specifically directed to another Associate. Typical business includes new customer and principal contact by phone, mail or personal visit.

It is the responsibility of the Associate engaging in Floor Time to remain at the appropriate station unless listing, selling or valuing (CMA's) real estate.

If an Associate finds it necessary to be unavailable during Floor Time, he or she is responsible for locating another Associate to assume the responsibility.

It is suggested that Associates arrange the listing, showing and valuing (CMA's) of real estate outside of Floor Time. Under no circumstance may an Associate instruct the office clerical staff to locate a substitute Associate to staff the Floor Time desk. Finding a replacement for Floor Time is the sole responsibility of the scheduled Associate.

In addition to the general responsibilities of Floor Time, more specific responsibilities also apply.

If the Associate is the first Floor Time Associate of the day, it is that Associate's responsibility to organize the Floor Desk area in preparation for the day's work. This area includes, but is not limited to, the desk itself, updating of daily records (including the Multiple Listing Service update, if applicable), general reception area and the conference areas. This means that the office be prepared to reflect an atmosphere conducive to conducting Company business in a professional, organized manner.

In the event that the previous Floor Time Associate has not completed all of the above items, the person next responsible for the Floor Desk shall do so.

Personal Real Estate

Any real estate bought or sold by an Associate of the Company must be run through the Company. Violation is grounds for termination. The Broker must be aware of all transactions.

An Associate has a special responsibility when buying or selling personal real estate. If that Associate is a professional, he or she is aware of market trends and other information not available to the general public. In order to maintain ethical conduct, it is necessary for the Manager to know of each transaction, and more, to have that transaction run through the Company.

With regard to an Associate's own home, the Company may relinquish the right to any brokerage fee ordinarily due, providing that the Associate's own home transaction does not occur more than twice in a calendar year. If an Associate wishes to buy a property not listed by any real estate office, that transaction shall be

run through the office, with the purchasing Associate paying a brokerage fee. Any other real estate bought or sold by an Associate shall be subject to a commission and run through the office at the discretion of the Manager.

In any event, the Purchase Agreement must state that the Associate is a licensed real estate Salesperson in the State of Louisiana, and, further, that the property is being purchased for speculation or profit. Other disclosures may also be relevant.

It is essential that each Associate fully disclose in order to maintain the high ethical conduct of all those associated with the Company.

Vacations

The importance of vacations cannot be stressed highly enough. Every hard working Associate periodically becomes "tired." A distant vacation removes the Associate completely from the real estate environment. Being able to maintain a perspective is very important to the Associate's mental and physical health. It is recommended that an Associate take a vacation whenever this need is recognized.

The perspective of being away from the office and in a different environment is most important and enriching and ultimately adds to the Associate's motivation and productivity.

Bonus Programs and Awards

From time to time, this office will participate in Bonus Programs. It must be stressed that these Bonus Programs are designed for self challenge, not direct competition against colleagues. The dollar amount of the award is bonus commission, and will be added to Internal Revenue Service (IRS) reporting form 1099, which an Associate receives at the end of the taxable year. This amount reflects commission income. The type of Bonus Program established will be in writing and submitted to all Associates during staff meetings.

Illness

In case of illness, it shall be the option of the Associate to return or not return to work, and to set a suitable timetable. Please confer with the Manager as soon as

possible so that appropriate scheduling can be done. The Manager agrees to make every effort to return an Associate to an active sales position as soon as that Associate's health warrants.

Complaints by Customers or Principals

The only commodity that this Company has to sell is service. Our Company cannot operate profitably if its representatives are the object of complaints by either principals or customers.

The following procedure shall be adhered to regarding complaints: Upon receiving a complaint from either a customer or principal, the Manager will discuss the issue with the Associate involved and determine whether the complaint is justified or unjustified. If the complaint is valid, the offending Associate may be placed on probation insofar as the complaining customer or principal is concerned and will be expected to handle this person without further incident. Management does not anticipate having to go beyond this point.

The only way to avoid becoming involved with this sort of problem is to provide the kind of service to every customer or principal that you would like to receive from them. We are paid for service, nothing else.

Termination

It is acknowledged that occasionally an Associate may terminate association with the Company. At that time the Associate no longer represents the Company completely. A loyalty will hopefully remain but the decision to depart will interfere with the day to day operation and rapport with both Manager and other Associates.

In the event of an Associate's termination with the Company, that Associate will be paid 100% of any fees due and owing that are in the process of closing. No fees will be paid on listing contracts not currently under a purchase and sales agreement.

Listing Contracts are the personal property of the Company. Listings of a terminated Associate will be assigned by the Company to another Associate. The renewal or re-listing of expired or canceled Listing Contracts by another Associate shall not be a basis of a commission due and owing if the property did not sell during the

association of the terminated Associate.

Assignment of Listing Contracts

When an Associate leaves this Company, the Manager will re-assign all listings. The departing Associate may not assign or promise these listings to another Associate - it is the prerogative of the Manager.

Recruiting Other Associates

Due to the potential influx of sales personnel, it is recommended that Associates keep alert for potential Associates who may fit into our organization. It is important that any new Associate be able to work with those in this office. Suggestions to the Manager by Associates are appreciated.

Assisting New Personnel

Please recall how you were treated when you first became associated with the Company. Every effort was made to answer any question, to orient you, and to provide enough assistance to become successful in this business.

Please extend every consideration to any new Associate. If you see that novice doing something they should not, please indicate it directly to the Associate, or to the Manager, as the situation warrants. It is a difficult experience to become associated with a new organization, and small acts of kindness and assistance go far in encouraging that a new Associate will be successful.

Office Hours

Our office hours are posted in the reception area. When the office remains open after the Secretary has left, it is the attending Associate's responsibility to satisfactorily secure it.

Please be thorough in locking the office and securing the premises. Be sure that the answering service or call forwarding is engaged. All Associates will be available during all office hours.

STAFF MEETINGS

Staff meetings will be held from time to time. At these meetings we bring up new business, discuss listings and showings, policies and procedure, and discuss any problems that may arise.

It is strongly recommended that all Associates attend staff meetings whenever possible, as they are for the benefit of the entire staff. If an Associate is having a problem or would like to discuss any matter, that Associate is encouraged to do so at the staff meeting or privately with the Manager.

Manager Out of Town (Procedures)

In the event of the Manager's absence, another Broker will attend this office. Please give this person complete cooperation. On those rare occasions when a Manager may not be in the office the following procedure shall be followed:

In the event of a new Purchase Agreement, please have that Agreement double-checked by the Acting Manager. Give the Purchase Agreement to the Acting Manager and order a deal file. Please draft thorough notes. If appropriate, order inspections and post SOLD signs as soon as confirmation of financing is received.

In the event a legal question is raised, or some occasion necessitates calling an attorney, please contact the Company attorney.

Give any deposit monies to the Broker for deposit. If the Associate completes the deposit slip, indicate the date of deposit, date the money was received by this office, name of purchaser, and the name of the seller. Please initial each ticket. Any trust money must be deposited immediately. (Items not suitable for direct deposit shall be placed in the Company safe deposit box within the same time frame.)

Office Conduct

It is recognized by your Manager that positive, comfortable working conditions will directly influence the productivity of each Associate. Therefore, it has been the policy to maintain a most comfortable, well equipped real estate brokerage. Please use these resources wisely.

While it is the intent of your Manager to maintain a comfortable working environment, it must be stressed that the office is not a place to regularly socialize. Friendly bantering and discussion will take place in any well balanced office; however, our purpose in being together is to list and sell real estate. General socializing is best left for another environment. If an Associate is in the office, that Associate is in the office to list or sell real estate, not to socialize.

Politics

Each Associate has the sole discretion to believe or not to believe in any political system, so long as it does not interfere with the day to day professional conduct of the real estate business as it relates to this office.

It is inappropriate to discuss politics in the presence of customers or principals.

Alcoholic Beverages

Alcoholic beverages will neither be stored nor consumed on the premises. Violation shall result in immediate termination.

Secretarial Assistance

The Company maintains Secretarial personnel during regular business hours. Associates are invited to use the services of the Secretary to efficiently carry out the listing, selling and valuing (CMA's) of real estate.

Please understand that the Secretary has many obligations, and works within a limited time frame, so if it is possible to handle routine matters on your own, please do so. The Secretary is always willing to come to your aid whenever you request it.

Confidentiality

The confidential nature of our business cannot be stressed strongly enough. It is most important that what each Associate hears in this office and in the course of doing business be kept within the confines of our walls.

A sure way to ruin is to find that the staff members cannot hold trade secrets that are entrusted to them. This includes never discussing names of customers or principals with anyone. When in doubt, seek the council of your Manager.

It is highly inappropriate to discuss such matters with the person, neighbors, friends, or anyone else who does not qualify for this knowledge. Any violation shall result in automatic termination and possible civil liability or prosecution.

Office Records

Office records are the sole property of the Company. Under no circumstance is it acceptable for Associates to peruse the accounting files or other administrative records without prior consent of the Manager.

Office Property

Any property furnished for the purpose of obtaining and selling real estate are the sole property of the Company, and are to be returned upon termination. Office property includes signs, prospect cards, copies of all agreements, this policy manual, and whatever personal property purchased by the office now in the possession of the Associate. Listing and Purchase Contract copies shall also remain with the office. Any failure to promptly return Company property shall be dealt with as breach of trust or larceny, as appropriate.

Taking the original of any document is larceny. Photocopying materials and removing them from the office is evidence of bad faith. Either occasion may warrant prosecution by the Company.

Messages

It is important that every Associate log any message to other Associates. Please be accurate with the name and phone number in addition to the time and date called.

A duplicate of every message taken will be maintained by the Company for reference.

Calculator

Proper tools are necessary to do a thorough job. The Company suggests each Associate own a Hewlett-Packard HP-10B or current version of accepted financial calculator for agents.

These machines are specifically designed for real estate uses. In addition to a thorough manual which comes with the machine, training programs are offered throughout the state on the proper use of the machine.

Farms

Develop a more consistent income by effectively farming one or more neighborhoods. A successful Associate has between 175 and 300 homes in each farm. Each property owner should be contacted at least monthly.

Associate name must appear exactly as licensed on all advertising, including sign riders, note pads, pens, etc. In addition, license status must also be indicated or the agent will be assumed to be a broker. That is a requirement of the office and not of the LREC. We want the public to know who you are and with whom you are associated.

The Company computer and copier can make many thousands of dollars for you if you use them wisely. Computer literacy is necessary to conduct business.

Proper follow-up is essential so be sure to contact each home owner by phone within one week after sending a mailing. This is most important. If you promise to call and you do not, you effectively wipe out your credibility.

Mobile Homes

It is the policy of the Company not to list mobile homes unless they are situated on real estate to be conveyed with the mobile. The Company does not sell personal property. Mobile homes not attached to real property should not be listed.

Empty Houses

The Company does not assume any responsibility, except through its own negligence, for the security of vacant houses.

If an agent lists property that is vacant, please ask the owner to issue a neighbor, friend or relative the key to that property so that the air conditioning, heating, plumbing and electrical systems may be periodically inspected. We can accept no liability for the premises.

Under no circumstance will an Associate bind the Company to any such verbal or written agreement.

Listing Presentation Book

It is recommended that each Associate prepare a listing presentation book for use in obtaining listings. This book should include photographs of our yard sign, examples of marketing media, Associate information, copies of contracts and additional information necessary to inform the public of the Company services.

Material is available from the Manager and Secretary, and other Associates will be glad to share their knowledge and allow examination of their Listing Presentation Books for details and ideas.

Post Showing Report

This office uses a Post Showing Report form which must be submitted to the listing Agent immediately after each showing. This form states the address of the property, date shown, time of showing, prospect name, reactions to showing and other comments.

Office Contact

It is necessary that each Associate be accessible during all business hours.

Pagers and Cell Phones

Associates may obtain a pager, or cell phone, to facilitate constant contact with the office. This serves the principal, customer, Company and the Associate by allowing immediate availability.

Each Associate pays for pager and cell phone rental or purchase.

This is full time profession, and if a principal or prospect cannot get in touch with the Associate, they will find someone else who is more accessible. Associates are urged to keep their pagers and cell phones on during all office hours, and on their person when away from home after office hours. No other Associate will bother an Associate after hours unless the situation is important enough to warrant it.

Answering Service and Call Forwarding

This office owns automatic answering or call forwarding equipment. It is imperative that this equipment be operated properly. We advertise that we are always available; therefore, it is important to properly use the equipment we have.

The best way to verify that the equipment is working properly is to call the office from one of the other lines. If the equipment responds, the system is functioning properly.

Key Board

The office maintains a coded key system. The Secretary and Manager maintain a copy of this list. It is necessary that the key cabinet remain locked at all times. When you require a key, please request it from the Secretary. The Associate will sign the key log listing the key number, name of Associate and the time the key was removed.

When the key is returned an appropriate notation will be posted in the key log and the key will be left with the Secretary. The Secretary will return the key to the key cabinet.

Telephones

The sole purpose of the telephone is to arrange face to face contact. Very little real estate is sold over the phone. However, the phone can be an effective tool if used properly and can increase an Associates' income. Attitude is important when using the telephone. No Associate will make a sale if the customer perceives him as being grouchy or uninterested.

A telephone credit card will be assigned to each Associate. Long distance charges are charged to and paid by each Associate. Each Associate making long distance calls will be able to review those charges and directly reimburse the office upon presentation of the invoice. The reimbursement includes the actual amount of the telephone call, in addition to federal and state taxes included on the bill.

The check shall be payable to the Company. Full cooperation is required to retain these phone privileges.

Repeat Business

When a potential principal/customer indicates previous contact with the Company the floor person should ask whether or not they wish to deal with that original contact. If yes, they should be turned over to that Associate.

If not, they are considered legitimate new business. It is the principal/customer prerogative. Please remember to treat each Associate with courtesy.

Remember and practice the Golden Rule!

Follow Up

The importance of follow-up calls cannot be stressed strongly enough. There is always a regular listing and selling income for the Associate who diligently follows up each potential principal or customer. Attention to detail produces income. The message book is an excellent source for call-backs.

Follow-up calls are an excellent source of new business. Ask the following questions of every contact and you will significantly increase your income:

1. "Do you have any real estate needs?"
2. "Do you know of anyone who has real estate to sell?"
3. "Do you know of anyone who is looking for real estate?"

The ability to follow up on all customer and principal inquiries, in addition to the consistent asking of the above questions makes the difference between a mediocre and superior Associate.

Listing Inventory

It is suggested that each Associate maintain at least 20 marketable residential listings at all times. If an Associate can maintain that quantity, without neglecting the full service of each principal, a steady income stream may be relied upon even in the absence of selling commissions. Twenty residential listings is a reasonable inventory to service - in fact, we consider twenty to be a minimum number for success.

Obligations of Listing Salesperson

The listing Associate has ultimate responsibility for servicing his or her listings. This includes keeping in regular contact with the principal and setting up any showing appointments for Associates of this or any other office.

If an Associate is particularly busy or wishes the extra help, the Secretary will be glad to assist in the setting up of appointments. However, it is the listing Associate's ultimate responsibility.

Servicing the Transaction

It is necessary for both the listing and the selling Associate to cooperate in servicing a transaction. The listing Associate will service as much of the transaction as possible as it relates to the seller's needs. The selling Associate shall satisfy the purchaser's demands. The Manager will offer whatever assistance possible.

In the event of a problem, please contact the Manager so that these problems may be mutually and satisfactorily resolved.

The listing Associate should call the seller weekly and fully inform his or her manager of any progress in the transaction. This avoids confusion that may occur at the time of closing when both parties are not fully aware of all aspects of the transaction.

Escrow Monies

Any deposit on real estate must be immediately deposited.

The escrow account deposit book is available to the Associate in the Manager's absence. Each deposit ticket should be filled out completely, with the date of the deposit, date deposit was received by our office, name of person making the deposit, name of the principal in whose name the deposit is being held, and the initials of the Associate making the deposit.

The office suggests a 10% deposit on any sale. If the Purchase Agreement is subject to any government assisted financing (such as Federal Housing Administration, or Veteran's Administration financing), then a lesser amount may be satisfactory.

Please remind the client or customer that no refund may be made until his or her check clears the host bank. We may not follow instructions to "hold" a check until a purchaser has a chance to get back home. Checks must be deposited immediately.

Release of Escrowed Funds

No funds shall be released from escrow unless they have cleared their host banks. The only exception is when the Company receives cash or a cashier's or certified check.

If there is not agreement regarding the release of Escrowed monies, the broker is to be immediately notified. Trust money is sacred, out of the hands of interested parties, and will be treated as such. In the event of an escrow dispute, implied or actual, the Manager is to be immediately notified.

Costs After Closing

The Company does everything possible to see that no costs are incurred after a transaction has closed. If a cost is incurred after closing and the Associate is at fault, that Associate is responsible for 100% of the after closing costs.

If the fault cannot be accurately determined, then the costs are divided into a percentage commensurate with benefits received.

Complaints

If an Associate has a complaint, directly approach the Manager so that it may be resolved. If complaints are bantered among Associates without the Manager's knowledge, the natural tendency will be for morale to suffer.

Every reasonable alternative will be considered, and an amicable solution will be striven for, whatever the complaint and whenever possible.

Prospect Disputes

It is the policy of this office to avoid prospect disputes. If a dispute arises over which Associate should deal with a certain prospect, those Associates should attempt to work out an amicable agreement. If an acceptable settlement cannot be reached, the matter shall be turned over to the Manager who will make the final decision.

Commission Disputes

In the event of a dispute over commissions, it is the obligation of those Associates involved to amicably resolve the problem. Only upon the request of one or both parties will the Manager enter and make the final decision. We work on a team basis. Full trust is necessary among all Associates. Violation of this trust will not be tolerated.

Under no circumstance is it acceptable to involve a customer or principal, past or present, in an internal commission dispute.

Simultaneous Offers

It is inevitable that simultaneous offers and deposits be received for the same parcel of real estate. In that event, all offers tendered will be immediately submitted to the seller. No Associate involved shall take unfair advantage of the situation by informing their purchaser of the amount of their offer. It is also inappropriate to make any price suggestions whatever about a counter-offer.

In the event of a simultaneous offer, no Associate shall take any step without first consulting with both the Manager and the other Associate, in that order. Do not divulge the prices to prospective purchasers. Seek the advice of the Manager or Company attorney. Tread carefully.

If a simultaneous offer is to occur, please let the Manager know early enough so that he or she may be informed of all stages of the transaction from the time offers are anticipated or received.

It is inevitable that one party will get the property. With this in mind, a sense of fair play is absolutely necessary and the License Law and Rules must be strictly followed. It is not difficult to be honest when the outcome of the situation will be in your favor - a test of honesty will occur when an Associate must make a decision knowing that his purchaser may not get the house. Honesty is essential in all phases of the real estate business.

Litigation

It is this Company's policy to avoid litigation whenever possible. The Broker will make the final decision whether litigation will be commenced. An Associate has two options if litigation is initiated by the Company:

1. An Associate may pay our attorney an amount of money commensurate with the benefits received from the transaction; that is, if an Associate would earn [x %] of the fee they are responsible for [x %] of the legal costs. These fees are not reimbursed if the case is lost.
2. If an Associate does not wish to become a party to the litigation, that Associate is not charged of any legal fee, nor does he or she receive liquidated damages rewarded. In any event; it is the duty of each Associate to cooperate with the Company, and honestly reflect all facts.

If an Associate is sued, immediately notify the Manager. Each Associate shall bear the cost of his or her legal defense. In all cases the Company attorney shall have access to all facts.

Rental Referral Services

The Company does not actively engage in rental management, except under unusual circumstances. Most offices charge a fee for this service. In order to promote good will, we will put prospective tenants directly in contact with home owners simply by registering the home owner's name and phone number, upon request of the purchase. Any prospective tenants calling for a rental unit will be given these names and phone numbers. This service is available to anyone who buys and sells through the Company.

All calls from tenants go to the Floor Time Associate. Many sales have been made to the prospective tenants who did not realize that they had enough money for a down payment. If they do not have a down payment and they remember that they were courteously treated when they called the Company, they will buy from you when ready. Follow up.

Credit Bureau

This office holds membership in the Credit Bureau. We can obtain a full written credit report on any customer, with his or her permission, and pay only the member rate.

All Bond for Deeds and Purchase Money Mortgages should require a credit report so that the principal can be made aware of the credit history of the potential buyer. The buyer generally pays for compiling the credit report. In most cases, the title company or attorney closing the transaction will order the appropriate documents. If the buyer and the principal agree that a credit report not be ordered, please note this on the Purchase Agreement. It is a prudent business practice to always recommend that a credit report be obtained in seller-financed transactions.

INTER-OFFICE RELATIONS

Real Estate Listed by Other Offices

If a prospect wants to see property listed with another office, it is the Associate's obligation to contact the other company and allow that office to set up the showing.

We are Multiple Listing Service members (if applicable). Your thorough understanding of the MLS computer will earn you many thousands of dollars. Be sure to attend all MLS classes. They are regularly offered in this area.

It is frustrating to learn that a prospect has purchased listed property through another office when a Company Associate could have sold it.

Joint Ventures

When selling a property listed by another brokerage, use our Purchase Agreement. Our Company will also hold the deposit money in escrow. It is up to the listing brokerage to submit any Purchase Agreement.

If a Company Associate wishes to be present when that Purchase Agreement is presented, please indicate this as early as possible so that arrangements may be made. It is also acceptable for an Associate of another office to be present when his offer is submitted by a Company Associate as long as our client agrees. Turnabout, and all of that.

Before delivering a Company Purchase Agreement, please be sure to copy it along with the Listing Contract. Place the copy in a permanent deal file.

Whenever possible, please present the Purchase Agreement to the Manager for inspection before it is delivered to the listing office.

Keys - Other Offices

The more support we have from other offices the more potential we have for putting transactions together and maintaining a desirable working relationship.

When you sign out a key from another office, please return it as soon as possible.

This gives us more ammunition to back up our request that other companies promptly return our keys, especially when we show them our good record of doing the same.

CONTRACTS

Original Contracts

Original contracts are never removed from the office after signing. It is most helpful for an Associate to have a copy of the Listing Contract or MLS sheet for any real estate being shown. Bring a copy, not the original.

If the situation does arise where an original contract must be removed, please be sure to leave an exact copy in the deal file along with your receipt.

Forms and Clauses

Please be familiar with all office contracts and forms. All forms are bound in the FORMS AND CLAUSES book. Please be sure not to remove the FORMS AND CLAUSES Book from the office.

New Listing Contracts

A new Listing Contract shall not be considered active until all of the following are submitted to the Manager for inspection and approval:

1. Three ads for newspaper use.
2. MLS copy and profile sheet.
3. Two photographs.
4. Key to the property, if applicable.
5. Original contract.

Listing Contracts

In order for the Company to remain profitable, it is necessary that the Listing Contract, which is our Employment Contract, be completely and accurately completed. A true and identical copy must be left with the principal signed, not mailed later. Try to obtain a six month listing whenever possible. The Associate is asked to use discretion. Please keep in mind that our current brokerage split is based on maintaining six month Listing Contracts.

When completing the legal description, please include the lot, block and subdivision in addition to the book and page of the recorded document (if known).

Obtain and use the full legal description and names of the owners from a previous conveyance or title policy. (if available)

Our brokerage fees are based on our costs to conduct business. There is no going rate. If asked by anyone about fees of competitors, advise that person to contact those firms directly.

At no time do we ever discuss fees with competitors nor will anyone in the company be party to any agreement in restraint of trade. Any violation is in direct conflict with Federal law and Company policy. Stay legal. Stay safe.

Cancellation of Listing Contracts

It is the policy of this Company not to cancel Listing Contracts. Extenuating circumstances may dictate that a listing be suspended from showings. This should be discussed with the Manager to determine proper procedure. Under extreme situations, it may be necessary to prematurely terminate a Listing Contract.

If a problem is anticipated notify the Manager.

Unlisted Property

Any real estate not secured by a valid Listing Contract should not be shown. There is no obligation for a seller to pay a fee unless the Company is secured by a valid listing contract. Consult with your Manager if there are questions.

Purchase Agreements

The Purchase Agreement is a vital document, setting forth all terms under which the Company will close a sale. It must be completely filled out. It is also necessary to specify any items of personal property that are to be conveyed with the sale.

If the amount of personal property is not significant, it is not necessary to incur the expense of a Bill of Sale. Inform the closing agent or attorney if personal property is included in the sale.

If it is not necessary for the purchaser to obtain financing, the terms are CASH. If financing is questionable, please use a Financing Contingency from the FORMS AND CLAUSES book.

If the transaction includes a Purchase Money Mortgage, indicate full terms of transaction, stating payments, date of payments, interest rate, to whom payments be made, that the purchaser pay any collection and credit report fee and the location of the Satisfaction of Mortgage along with the proof of title, if applicable.

Our standard closing time is 45 days. If the Purchase Agreement covers property to be guaranteed or insured by the government, allow 90 days.

The Company suggests that 10% be the minimum deposit on any conventional purchase. If the Purchase Agreement represents a non-conventional sale, a lesser deposit may be necessary.

As purchasers it is suggested that both husband and wife sign a Purchase Agreement exactly as they choose to take title. All titleholders must sign the Purchase Agreement.

Presentation of Purchase Agreements

All offers will be transmitted to a principal. The final decision to accept or reject any offer must be made by the principal with no pressure by the Associate.

In presenting an offer, it is strongly suggested that an Associate know all costs in advance, and be able to leave the principal with a net sheet. It is important to fully explain the transaction without assuming the posture of attorney. Do not practice law.

Remember, we are working for the principal and that principal's best interests but that does not relieve us of the obligation to treat fairly all parties to the transaction.

It is the obligation of the listing Associate to present the offer. If the selling Associate wishes to be present when an offer is submitted, that will be construed to be a reasonable request.

The seller should be asked for permission for the buyer's agent to be present.

MARKETING

Sold Signs

SOLD signs are the most effective advertising medium and listing tool. SOLD signs are far more effective than classified advertising. SOLD signs should be placed by either the listing or selling Associate immediately if the Purchase Agreement is for cash and does not contain any contingencies, and the listing is ours.

If the Purchase Agreement does not contain contingencies, then the SOLD signs should be placed when these are removed. Your sign rider looks very fine with SOLD on the Company sign. Be sure to comply with advertising requirements of the Louisiana Real Estate Commission.

Business Cards

It is the responsibility of each Associate to order and pay for business cards. Many approved styles are available. The Secretary has sample business cards to inspect.

Direct Mail Campaigns

The Company will give its support whenever possible in conducting a direct mail campaign. Please contact the Manager with an outline of the type of direct mail campaign you anticipate so that it may be approved and organized for maximum efficiency.

The Company computer, data base and word processing software is capable of assisting any Associate in the production of income. A computer literate Associate has access to more resources. All Associates are encouraged to make extensive use of Company resources.

Word Processing Equipment

This office owns sophisticated word processing equipment. An identical letter can be automatically typed and merged with your mailing list. Each of these letters is an original and requires your original signature.

Suggested uses for this equipment include listing farms, prospect contact, notices to offices and many other public relation functions. Any use to generate new business is justified.

Car Signs

Car signs are available at cost - these magnetic panels may be easily removed when desired.

Bumper Stickers

The Company purchases bumper stickers and logos suitable for windows or bumpers of cars. Many people see these stickers daily. Please use them and pass them out whenever feasible.

EDUCATION

Continuing Education

Continuing education is recommended for all Associates. Excellent courses are available on the local, state and national levels. Locally, courses are available through the Louisiana Real Estate Commission, the Board of REALTORS® and private schools.

Associates who recognize the importance of continuing real estate education make more money. Associates with a closed mind ultimately fail. Stay flexible. You are in an ever changing business. The only way you can keep up is to continually further your education.

Goal Setting

There is a direct correlation between goal setting and success.

If you do not know where you are going, any road will get you there. Goal setting will be arranged between the Broker and Associate periodically. It is important that realistic goals be set and striven for. Please remember that goals are minimum standards. A goal setting form is included in the company contracts, forms and clauses manual.

The Manager will make available the average selling price and average listing and selling commissions so that each Associate can personally determine the number of transactions to be obtained. It is suggested that each Associate take an active interest in goal setting and do everything possible to obtain those goals. Goals will be reviewed every month by the Associate and the Manager.

Self-Fulfilling Prophecies

The self-fulfilling prophecy is a very powerful force. The best way to be assured of a bad day is to predict one. An open and optimistic attitude, combined with hard work, assures success.

There is nothing your mind can perceive that it cannot achieve. Succeed because you choose to succeed.

Library

The Company maintains a library of books, audio cassettes and video tapes, all of which are available to Associates. Please check out any material with the Secretary.

Many books or cassettes not presently owned by the Company may be available through the library of the National Association of REALTORS® or from your local Board of REALTORS® or from the public library.