

True Agencysm – Frequently Asked Questions

What Does the Term *True Agency* Mean?

True Agency is a *fiduciary* standard of client representation in a real estate brokerage. It is distinguished from the non-fiduciary, *pseudo-agency* representation permitted under Georgia's Brokerage Relationships in Real Estate Transactions Act, known as *BRRETA*.

What is a *Fiduciary Relationship*?

A fiduciary relationship is one in which an agent is legally obligated to act for the sole benefit of his or her client. It is a relationship of uncompromised loyalty, disclosure and confidence in which the agent must place the interests of the client above the agent's own, avoiding all conflicts of interest. *True Agency* is fiduciary real estate representation.

What Conflicts of Interest Does True Agency Avoid?

Because under BRRETA, real estate agents have only a limited legal duty to represent their clients' interest, they may engage in certain practices that conflict with those interests – including engaging in *designated agency*, accepting *excess commissions*, taking on *competing listings* and *steering* buyer clients. True Agency avoids these and other [conflicted agent practices](#).

Why Does Georgia Law (BRRETA) Not Require Fiduciary Agency?

Like most laws that regulate an industry, BRRETA is influenced by input (lobbying) from the industry that the law regulates – the real estate brokerage industry. In the name of consumer protection, BRRETA actually protects the most profitable (conflict of interest) practices of the real estate brokerage industry at the expense of unknowing consumers.

Do Other Atlanta Brokerages Practice Fiduciary Agency?

Real estate brokerages are free to adopt fiduciary agency. To our knowledge, Sage is the only full-service Atlanta brokerage that represents its clients to a fiduciary standard.

How Do I Know the Standard of Representation My Agent Adopts?

In Georgia, a broker-client relationship is established with a written Agency Agreement (a *Listing Agreement* or a *Buyer Agency Agreement*) between you and your agent's brokerage firm. The Agency Agreement dictates the extent of your agent's duty to promote your interests. Virtually all Atlanta brokerage firms use the Georgia Association of Realtors (GAR) form Agreements that incorporate BRRETA's non-fiduciary, *pseudo-agency* standard. Our Agency Agreements incorporate our fiduciary, True Agency client representation standard. We encourage you to compare our form Agency Agreements to the GAR form Agency Agreements.

How is Sage Different From an *Exclusive Buyer Agent* Brokerage?

Some brokerage firms offer only buyer agency. Because they represent only buyers, they avoid the designated agency conflict. This, in itself, does not mean that they practice fiduciary agency. Our True Agency service model allows Sage to be a full-service brokerage company, while avoiding designated agency and other conflicts of interest.



Are Brokerage Companies That Don't Adopt Fiduciary Agency Unethical?

Most real estate agents want to protect their clients' interests. Unfortunately, even the most ethical-minded agents operate under a business model and client representation standard where potentially profitable conflicts of interests are inevitable. These conflicts should cause clients to question where their agent's interests lie. True Agency precludes conflicts of interest all together.

What About Realtor® Standard of Ethics?

National Association of Realtor Standards of Ethics permit non-fiduciary agency. In this respect, True Agency, exceeds Realtor standards of ethics.

Why Does Sage Adopt True Agency?

Sage was founded by attorneys. We understand, respect and value the traditional legal concept of *agency* as a fiduciary relationship. To us, diligent, conflict-free representation is second nature – it's the only way we know how to work with a client. Our business is built around fiduciary representation and based on the premise that competent, professional and ethical real estate service can be delivered only in the context of a *True Agency* relationship.