

**PROTOCOL AS PROMULGATED BY THE JOINT LIAISON COMMITTEE
COMPRISED OF MONTGOMERY COUNTY REALTORS® AND
BAR ASSOCIATION MEMBERS**

In 1991, in an effort to further the joint interests and concerns of Realtors® and Attorneys in Montgomery County, various Montgomery County associations of Realtors® and the Montgomery Bar Association established a committee now comprised of ten Realtors® and ten attorneys to explore and discuss numerous matters of mutual interest. The Committee believes it is beneficial for Realtors® and attorneys to identify their respective functions, duties, and expertise in real estate transactions in order that these transactions may be handled more smoothly, with less conflict, and with greater mutual respect.

The Montgomery Bar Association, as well as the Montgomery County, Delaware Valley and Tri-State Associations of Realtors® have wholeheartedly endorsed and approved the following Protocol. The Committee believes that this Protocol will serve as a guide for relationships between legal and real estate professionals, thereby improving their work with mutual clients. Please consider it and use it in your day to day professional activities.

GUIDE FOR REALTORS®

BEFORE SALE

- Encourage Buyers to utilize attorneys, particularly when problems arise, and try not to solve legal problems on your own.
- Avoid lawyer criticism; attempts should be made to foster feelings in the general community and among other Realtors® of lawyers as allies rather than as enemies.
- Obtain listings
- Advise Sellers of opportunities to have their Listing Agreements reviewed by an attorney
- Determine Sellers' and/or Buyers' needs
- Negotiate terms for your client
- Show premises

AGREEMENT

- Draft Agreement of Sale
- Advise Buyers and Sellers of the right to have Agreement reviewed by Attorney before signing
- Obtain deposits

PRIOR TO CLOSING

- Assist Buyers in making timely mortgage application
- Follow up on mortgage
- Arrange for inspection by mortgagee
- Assist Buyers and Sellers in satisfying contingencies: i.e., termite, home inspection, radon, lead based paint, use and occupancy, repairs, personal property, etc.
- Coordinate with Attorneys for both Buyers and Sellers
- Determine with Attorney who will order title insurance

- Review title report and send copies to appropriate persons
- Schedule time and place of settlement, notify all parties, attorneys and mortgagor
- Make certain deed is prepared
- Assist Sellers in obtaining tax receipts, tax certifications, water and sewer receipts, and payoffs on Sellers' liens
- Assist Buyers in obtaining fire and extended coverage insurance with Mortgagee named and advise Buyers of Buyers' right to insure Buyers' equitable interest
- Obtain preliminary settlement costs and review prior to settlement with Buyers, Sellers and Attorneys
- Attend pre-settlement inspection and assist in preparation of check lists
- Attend settlement
- In connection with leases, show property, negotiate lease on behalf of client, and advise Landlord and Tenant of their opportunity of having the lease reviewed by an Attorney.

GUIDE FOR ATTORNEYS

GENERALLY

- Encourage clients and others to seek and use Realtors® for the sale of properties and for finding properties; they should see that estates over which they have influence are encouraged to list with Realtors®
- Rely on Buyers and Sellers to negotiate price
- Avoid criticism of Realtors®
- Review all documents in a timely fashion
- Review Listing Agreements and make changes where necessary
- Prepare or review Agreements of Sale and explain all terms and ramifications to Buyers

AGREEMENT

- Review Agreements of Sale with clients and explain all terms and ramifications
- Check for existing leases, zoning problems
- Be available for problems that develop and coordinate with Realtors®
- Advise Buyers and Sellers of time deadlines

BEFORE CLOSING

- Determine with Realtors® who will order Title Insurance
- Review estimates of settlement costs for both Buyers and Sellers
- Review Title report for Buyers and Sellers
- Review with Buyers how title will be taken
- Prepare any Seller financing documents
- Review terms of loan commitment
- Review settlement costs

AT CLOSING

- Do not criticize reasonable transaction fee for services actually rendered for Buyers being charged by Realtors® where it has been disclosed to and agreed upon by Buyers
- Check that Deed is properly prepared
- Attend settlement for client and review with client and explain fully any required documents including the mortgage, note, Title report, Deed, and settlement statement.
- Post-closing, obtain Deed and Title policy for Buyers from title company and review policy to be sure it complies with marked-up report
- In connection with leases, prepare, review, and explain carefully terms to Landlords and Tenants
- Review assignment of leases
- Check applicable laws that affect the transaction