

## Legal Questions & Answers

November 2016

Question: A licensed real estate broker signs a two year independent contractor agreement with a brokerage, leaves the brokerage after one year, and enters into a separate independent contractor agreement with a new brokerage. Is the new brokerage obligated to pay a commission to the former brokerage during the initial two year term of their agreement?

Answer: Although the new brokerage may be impacted if the real estate broker is obligated to pay a referral fee to the former brokerage, this is a dispute between the former brokerage and individual broker only.

Question: If a buyer is acting in good faith to close a real estate transaction but the closing date passes, is the seller obligated to agree to an extension of the closing?

Answer: A seller is not obligated to agree to an extension of the closing date unless the agreement between the parties indicates otherwise. The buyer's good faith efforts to close the transaction do not obligate the seller.