



If you're working with a relocating employee, read this.

You may be contacted by a relocating employee anxious to put their home on the market, or to start house hunting. You may even be approached by a family member, friend or neighbor who wants to list or buy a home through you, with no mention of a relocation. Before you do anything, read this entire page!

STOP! Find out about your broker's referral fee relationships.

It is critical to be mindful of employee relocation issues and policy restrictions. Corporations and government agencies relocating their employees frequently absorb many of the accompanying costs, so the purchase and sale generated by the relocation will be administered according to the employer's established relocation package. This may include utilizing certain service providers and real estate brokerages for all of the employee's housing needs. If so, these relationships are an important part of the process:

- The brokerages and service providers identified in the relocation policy have a proven track record in providing specialized services to transferees.
- The employer, or the relocation management company they utilize, may have an agreement with brokerages like yours, that provide a referral fee for having referred the transferee as a client.

The employer's relocation program may rely on referral fees to provide employees with maximum allowable benefits. If the process is not adhered to, it could jeopardize the transferee's opportunity to receive maximum benefits, the real estate company's relationship with the referral originator, and your own relationship with the transferee.

ALWAYS make yourself aware of your broker's relationships with employers and relocation management companies. If a blanket agreement/contract with an employer or their selected relocation management company exists, you may also be obligated to abide by the agreement/contract, so check with your managing broker to see how that impacts you.

VERIFY! Ask the right questions.

As noted above, the employer is likely to be incurring the cost of their employees' relocations and directing business to real estate professionals. An employee may not understand that their transaction is subject to a referral fee, particularly if their benefits are different than in the past. This may occur regardless of whether the employee has a full home sale program, direct reimbursement, lump sum, or other type of benefit. To preclude any confusion or question regarding the payment of referral fees, make sure to ask a potential client:

- Is your reason for moving related to your employment?
- Does your employer provide a relocation benefits program?

REACT! Do the right thing.

- Remember that employee relocation creates business for the real estate community.
- Ask the right questions of the transferee and your managing broker.
- Protect your own professional standing by being proactive and knowledgeable.
- If you feel you're being asked to pay an "after-the-fact" referral fee, use *The Interchange* referral fee resolution program at <http://www.worldwideerc.org/gov-relations/Pages/interchange.aspx>