

# Updating Your Agency Disclosure Office Policy



## Guide for Qualifying Brokers

Alabama license law is changing on April 18, 2025. To comply with the new requirements, Qualifying Brokers will need to update their company's Agency Disclosure Office Policy and help educate the licensees in their brokerage about the new rules. This guide was created to help Qualifying Brokers ensure their brokerage is compliant by April 18.

*This guide is for information only and is not intended as legal or business advice.*

### Current ADOP Requirements

An **Agency Disclosure Office Policy ("ADOP")** is the document that outlines the brokerage services that your company offers. You may know it by a different name, such as the "RECAD Office Policy" or the "Agency/Brokerage Office Policy." Current Alabama license law requires that every brokerage has an ADOP on file, and that every licensee in the brokerage is given a copy – and an explanation of its meaning – yearly from their Qualifying Broker. The law further requires that licensees sign a copy of the ADOP, acknowledging that they have received it and it has been explained to them.

### ADOP Requirements as of April 18, 2025

When the law changes on April 18, 2025, the above requirements will remain in place. Before then, Qualifying Brokers will need to take the following steps:

- **Step 1** – Add general information about your company's compensation to your ADOP (see the next page for sample text);
- **Step 2** – Distribute the updated ADOP to all licensees in your company, explain it to them, and ask each person to sign a copy acknowledging that they have received it; and
- **Step 3** – Ensure that all licensees in your company understand that consumers must receive a copy of the ADOP along with the RECAD Brokerage Services Disclosure Form.

### What if I Don't Have an ADOP?

In general, your ADOP should follow the outline below, but you are free to add more information if you would like:

- **Title:** Consumers might receive more than one company's ADOP – include your company name in the title.
- **First:** Write a couple of sentences explaining that this document outlines the brokerage services available from your company (in contrast to the RECAD Brokerage Services Disclosure Form, which reviews all types of brokerage services that are legal in Alabama). For help getting started, please see the sample language on the next page.
- **Second:** Your ADOP must list the brokerage services that your company offers. If you would like, you may also include information about what a consumer can expect if they select a particular brokerage service. For help defining or describing the brokerage services that your company offers, please review the following:
  - RECAD Consumer Information Booklet (found in Alabama Real Estate Administrative Rule 790-X-3-.13)
  - RECAD Brokerage Services Disclosure Form
  - Alabama Real Estate Administrative Rule 790-X-3-.14
- **Third:** As of April 18, your ADOP must also include general information about how your company gets paid. Example language can be found on the following page, or you may create your own.

[Learn more at alabamarealtors.com/legal/hb-230-resources](https://alabamarealtors.com/legal/hb-230-resources)

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# Alabama REALTORS® Sample Language Agency Disclosure Office Policy

Are you having trouble figuring out where to start with creating or updating your Agency Disclosure Office Policy? AAR has put together the following sample language to help. You may use the language below exactly as it is written or as a starting point to create your own language. However, please be aware that AAR is unable to review or approve language that you create.

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## Sample Introduction Paragraph:

Thank you for considering working with Example Realty. We have given you a copy of the RECAD Brokerage Services Disclosure Form, which reviews all the brokerage services that are legal in Alabama. We are giving you this Agency Disclosure Office Policy to inform you of the brokerage services that Example Realty offers. If you have any questions, please ask us!

## Sample Compensation Language

*Note: Any of the sample text below that is written in italics will need to be edited to fit your brokerage's compensation model.*

**NOTICE:** Example Realty's compensation is not set by local, state, or federal law or by the rules of any REALTOR® Association and it is negotiable. Please be advised that you may speak with multiple companies about their services and compensation before signing a contract with a company.

- **For sellers:** At Example Realty, we charge a *<flat rate/ percentage of the sales price/ up-front fee>* to list and market your property. We will determine a specific amount/rate of compensation in a Listing Agreement, which is a contract between you and Example Realty. If you choose to work with us, your payment will be due *<provide timing>*. *<If you charge any type of cancellation or reimbursement fee, include that information here.>* Please read your Listing Agreement carefully and ask us about any terms you don't understand or would like to negotiate before signing the document. You may be asked by a prospective buyer to help pay their real estate agent's compensation. This decision is up to you and Example Realty will never require you to pay the buyer's agent in order to list your property with us.
- **For buyers:** At Example Realty, we charge a *<flat rate/ percentage of the sales price/ up-front fee>* to help you locate and purchase a property. We will determine a specific amount/rate of compensation in a Buyer Agreement, which is a contract between you and Example Realty. We will work with you to try to get the seller to pay as much of our compensation as possible. However, any remainder that the seller does not pay will be due from you *<provide timing>*. Please read your Buyer Agreement carefully and ask us about any terms you don't understand or would like to negotiate before signing the document.