



Good Reading

RESOURCES FOR EVERY STEP IN REAL ESTATE

To pick a real estate agent, become your own private eye

Fool-proof tips for separating the good agents from the frauds

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Do you really know who your real estate agent is? Evaluate a prospect by conducting a thorough background review. (Photo: Ryan J. Lane/iStockphoto)

If you're choosing a real estate agent, you've probably heard all the usual advice: Ask for referrals from friends, interview agents at open houses and monitor who sells the most homes in your neighborhood.

But you might want to take extra steps to ensure the real estate agent is trustworthy. With the number of mortgage fraud claims made to the FBI expected to increase six-fold in 2008, some deeper digging might be necessary.

How much you do is based on your own comfort level, said John North, president and CEO of the **Better Business Bureau of Dayton and the Miami Valley of Ohio**.

"You've got to decide at what point you're comfortable trusting someone with such a big transaction," he said. "Unfortunately today, it's probably not overkill to do at least some in-depth research."

Choose a few of these tools to investigate a prospective real estate agent before making your choice:

- **Mortgage Fraud Blog**, maintained by attorney Rachel Dollar, is a compendium of U.S. mortgage fraud indictment. Search for your agent's name and company, and associated mortgage brokers.
- The local Better Business Bureau offers a **searchable index of professionals** in your area. By Jan. 1, 2009, North said every bureau will offer online reliability reports that assigns letter grades to agents using complaints, length of time in business, quickness in resolving complaints and other factors.

- Your state Department of Real Estate or Department of Finance keeps records of real estate agents who have lost their licenses and why. Some are online.
- Your county records office may offer online search of criminal and civil records. Entries aren't necessarily a bad sign: They could be anything from your agent's divorce to a civil suit for ethical violations. You'll want to ask her about anything that seems relevant.
- The National Association of Realtors keeps records of complaints against agents via a **database of all Realtor boards**. Call and ask if your agent is a Realtor in good standing and if any complaints have been filed against him.

If you think your agent has passed muster, the next step is to interview her, suggested Gary M. Singer, a Florida-based real estate attorney.

Ask about what you found: Can she explain the cases and complaints you turned up? If not, or if she gets defensive, it's time to move on, said Singer.

Also ask your potential real estate agent if a client has ever filed a malpractice suit against him. And find out if he has errors and omissions coverage. E&O insurance covers contract mistakes that could lead to a lawsuit. If an agent doesn't have it, he may have lost it after having too many claims against him, said Kim Halverson, a Realtor in Los Angeles.

"If the agent has no clue what E&O insurance is, say goodbye," she warned.

Finally, find an agent who's willing to put all her services and promises in writing.

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