



Broker Price Opinion (BPO) Misconceptions Clarified

by Sue Saunders, General Counsel NVAR

Many agents are still confused about whether or not it is legal to prepare BPOs. There are many misconceptions which need to be dispelled.

MISCONCEPTION NO. 1: Real estate agents cannot prepare a BPO unless they already have the listing.

CORRECTION: Real estate agents can prepare BPOs for prospective clients, hoping to get the listing as long as they do them properly. The agent must write on the BPO or the transmittal letter this language (or similar language): *"This is a suggested listing price done in anticipation of getting the listing."*

MISCONCEPTION NO. 2: Real estate agents cannot prepare BPOs for banks or lenders.

CORRECTION: Real estate agents can prepare BPOs for banks and lenders if they do it correctly. An agent can prepare a BPO for a bank or lender if there is a possibility they would give the listing to the agent, and the agent anticipates they might get the listing. Write this language on the BPO: *"This is a suggested listing price done in anticipation of getting the listing."* Never use the word **value** in a BPO. If the agent knows that there is no possibility of getting the listing on that property they should not do the BPO.

Frequently banks and lenders have their own BPO forms that they want the agents to fill out. Very often, those forms use the words "value". It is important for the agent to put, *"This is a suggested listing price done in anticipation of getting the listing"*, in the comments section of that form.

MISCONCEPTION NO. 3: Real estate agents cannot prepare BPOs for a fee.

CORRECTION: Real estate agents can prepare BPOs for a fee, as long as they use the *"This is a suggested listing price done in anticipation of getting the listing"* language and do not claim in any way that they are doing an estimate of value. Never use the word **value** in a BPO.

The Real Estate Division, Appraisal Department, may consider any information using the word **value** as an appraisal. Never offer an opinion of value, only offer opinions of listing price. Never use the word **value** in a BPO.

The Nevada Association of REALTORS® continues to work with the Real Estate Division to address this issue.

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