

## **Broker, Salesperson & REALTOR®**

### **What Do They Mean?**

By Stephen M. Canale, Ann Arbor, Michigan, USA

In the language of most consumers the terms real estate broker, salesperson, agent and REALTOR are commonly used interchangeably. However, each term has a very specific meaning, and they are definitely not synonymous.

The term "broker" typically refers to someone who is qualified and licensed to be in the real estate brokerage business. This includes helping others to buy, sell, lease, exchange or simply negotiate for any interest in either real property or a business opportunity. The requirements for obtaining a broker's license include advanced education, years of experience and successful examination.

"Salesperson" is a type of license that is available to individuals who are not qualified to be brokers. These individuals are entitled to conduct most all of the same business activities; but must do so under the direct supervision of a licensed broker.

A simple explanation of the term "agent" would be someone who represents another in a business transaction. It is not specific to real estate, but most real estate licensees do act as agents in many transactions.

On the other hand, the word REALTOR is actually a registered trademark. It can only be used by someone who has been accepted as a member of the National Association of REALTORS. This trade group is principally made up of real estate brokers and salespersons who have agreed to submit to the REALTOR Code of Ethics. This code dictates a standard of ethical practice that in most every situation exceeds that of state licensing agencies. REALTORS who violate the "Code of Ethics" may be disciplined, fined and even expelled by their local boards, which are extensions of the national association.

Stephen M. Canale is President, Broker/Instructor of [Acclaim Residential Marketing](#)