

BUY A BUSINESS

Why do business brokers make you sign an NDA first?

By Ayodele Olasiji, Optimax Commercial · Updated October 18, 2026 · 2 min read · Online at [optimaxdeals.com/guides/why-brokers-require-an-nda](https://www.optimaxdeals.com/guides/why-brokers-require-an-nda)

SHORT ANSWER

Brokers ask buyers to sign a confidentiality agreement, often called an NDA, because a business that is known to be for sale can lose staff, customers and suppliers before it ever closes. The NDA promises you will keep the name, location and financials private and not contact the business directly. In return you get the real numbers, not a teaser.

How to, at a glance

1. Read the agreement in full before you sign
2. Check for fees, exclusivity or non circumvention terms
3. Confirm your lawyer, CPA and lender may see the information
4. Sign, then ask for the full financials

Questions buyers ask

Is it safe to sign a business broker NDA?

Usually, if it is confidentiality only and you read it. Check for fees, exclusivity or a non circumvention clause, and ask what each one means before you sign.

Can I share the information with my lender?

Most NDAs allow your advisors and lenders to see it, as long as they keep it confidential too. Check the wording.

Why can I not just contact the owner directly?

Because the NDA usually says you will go through the broker, and contacting the business can cause the exact leak the seller is worried about.

What the seller is protecting

- **Staff.** Employees who hear about a sale may leave before it closes.
- **Customers and suppliers.** Some will hesitate to sign contracts with a business that may change hands.
- **Competitors.** A competitor who reads the financials learns exactly where to push.
- **Price.** Numbers that leak publicly can undercut the seller's negotiating position.

What a typical NDA asks of you

1. Keep the business name, location and financials private.
2. Use the information only to decide whether to buy.
3. Do not contact the owner, staff, landlord or suppliers except through the broker.
4. Return or destroy the information if you walk away.

What to check before you sign

- Whether it is confidentiality only, or also a buyer agreement with fees or exclusivity. Read it in full.
- How long the obligations last.
- Whether your lawyer, CPA and lender may see the information. They need to.

Why signing helps you

Without an NDA you see a teaser: business type, region, a few headline numbers. With one you see the name, the location and the real financials, so you can decide in days instead of weeks. Brokers also share new deals with signed buyers first.

Looking for a business to buy?

See the businesses on the Optimax board by state, and get an email when one matching what you buy comes in. Sign one confidentiality agreement online to see full details, including owner direct deals that are not on listing sites.

Browse by state and get deal alerts

www.optimaxdeals.com/businesses-for-sale

Sign once and see the deals

www.optimaxdeals.com/deals

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