



**REAL ESTATE RULES COMMITTEE
of the
REAL ESTATE EXAMINING BOARD**

Room 121C, 1400 East Washington Avenue, Madison, WI 53703
Contact: Brittany Lewin (608) 266-2112
May 11, 2016

*Notice: The following agenda describes the issues that the Committee plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. A **quorum of the Board may be present during any committee meetings.***

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER

- A. Approval of Agenda (1)**
- B. Legislation and Rule Matters – Discussion and Consideration**
 - 1) Proposals for REEB 11-25 Relating to Act 258 (2-15)**
- C. Public Comments**

ADJOURNMENT

TEXT OF RULE

SECTION 1. REEB 11.02 (1) is renumbered to 11.02 (1t)

SECTION 2. REEB 11.01 (1d), (1h), (1p), (5g) and (5r) are created to read:

REEB 11.01 (1d) “Agency agreement” has the meaning under s. 452.01 (1m), Stats.

(1h) “Associated with a firm” has the meaning under s. 452.01 (1o), Stats.

(1p) “Associated with a subagent” has the meaning under s. 452.01 (1p), Stats.

(5g) “Firm” has the meaning under s. 452.01 (4w), Stats.

(5r) “Immediate family” means any of the following:

- (a) Parents, stepparents, grandparents, foster parents, children, stepchildren, grandchildren, foster children, brothers and their spouses or domestic partners, sisters and their spouses or domestic partners, of a licensee or a licensee’s spouse or domestic partners.
- (b) The spouse or domestic partners of a licensee.
- (c) Aunts and uncles, sons-in law or daughters-in-law of a licensee or a licensee’s spouse or domestic partners.

SECTION 3. REEB 12.011 (1) is amended to read:

(1) An individual who does not possess a broker’s or salesperson’s license ~~or a time share salesperson’s certificate~~ may apply to the board, without submitting a full application ~~and payment of application fee~~, for a determination of whether the individual would be disqualified from obtaining a license or certificate based upon a criminal conviction by submitting all of the following:

SECTION 4. REEB 12.011 (1) (am) is created to read:

REEB 12.011 (1) (am) A fee in the amount of \$68.00. The fee may be applied to the application fee under REEB 12.01 (4) if the individual applies for a real estate broker or salesperson license within 1 year of the determination decision.

SECTION 5. REEB 15 (chapter title is amended to read)

~~BROKER’S~~ OBLIGATION TO FURNISH COPIES AND MAINTAIN RECORDS

SECTION 6. REEB 15.02 (1) and (3) are amended to read:

REEB 15.02 Copies of documents (1) A broker or salesperson shall promptly provide an exact and complete copy of any document utilized, prepared or received by the licensee in real estate practice to any person who has signed the document.

(3) A broker or salesperson shall promptly distribute an exact and complete copy of a license or rental agreement which has been accepted and signed by all parties to the tenant upon execution

of the lease or rental agreement when the tenant leases the property and to the landlord upon the landlord's request.

SECTION 7. REEB 15.02 (4) is created to read:

REEB 15.02 (4) A broker or salesperson shall promptly distribute an exact and complete copy of an agency agreement which has been accepted and signed by all parties to the client when the client signs an agency agreement.

SECTION 8. REEB 15.03 is repealed.

SECTION 9. REEB 15.04 is amended to read:

REEB 15.04 Retention of records. (1) ~~A broker firm~~ shall retain for at least ~~3~~ 2 years exact and complete copies of all listing contracts, agency agreements, offers to purchase, leases, closing statements, deposit receipts, cancelled checks, trust account records and other documents or correspondence received or prepared ~~by the broker~~ in connection with any transaction. The retention period shall run from the date of closing of the transaction or, if the transaction has not been consummated, from the date ~~of the listing contract or the agency agreement is terminated.~~ These records shall be available for inspection and copying by the board. If the records are retained outside this state, the broker ~~The firm~~ shall, upon request ~~to~~ of the board, promptly send exact and complete copies to the department without charge to the department or board. Electronic or digital means may be used to retain records. (2) A broker or salesperson shall submit in a timely manner documents and records related to transactions that are used or received by the salesperson or broker to assist in complying with par. (1).

SECTION 10. REEB 16.02 (1m) (2e), (2m), (2s), (3), (3m), (4) and (4m) are amended to read:

REEB 16.02 (1m) "Buyer agency/tenant representation agreement" means a written agency agreement authorizing a ~~broker firm~~ to provide brokerage services to the client for the procurement of an interest in property and providing the terms whereby the broker may earn a commission.

(2e) "Exclusive right to locate buyer agency/tenant representation agreement" means a written buyer agency/tenant representation agreement giving the ~~broker firm~~ the exclusive right to locate an interest in property for the client.

(2m) "Exclusive right to locate and negotiate buyer agency/tenant representation agreement" means a written buyer agency/tenant representation agreement giving the ~~broker firm~~ the exclusive right to locate an interest in property and to negotiate the procurement of an interest in property for the client.

(2s) "Exclusive right to negotiate buyer agency/tenant representation agreement" means a written buyer agency/tenant representation agreement giving the ~~broker firm~~ the exclusive right to negotiate the procurement of an interest in a property for the client.

(3) "Exclusive right to sell listing" means a written listing contract making a ~~broker firm~~ the exclusive agent for the sale of property for a specific period of time, and which entitles the listing

broker to a commission if the property is sold by the owner, by the ~~broker~~ firm, or by anyone else.

(3m) “Listing contract” means a written agency agreement authorizing a ~~broker~~ firm to provide brokerage services to the client for the sale or rental of property and providing the terms whereby the broker may earn a commission.

(4) “Open listing” means a written listing agreement, which may be given to any number of ~~brokers~~ firms, with the first ~~broker~~ firm to secure a buyer under the terms of the listing agreement earning the commission.

(4m) “One-party listing” means a written listing contract containing all of the elements of an exclusive right to sell listing, except that listing ~~broker~~ firm is entitled to a commission only if the property is sold by the owner, by the ~~broker~~ firm, or by anyone else to a specific party or parties identified in the written listing contract.

SECTION 11. REEB 16.03 (1) (e) is amended to read:

REEB 16.03 (1) (e) Forms to be used for a property management agreement between a ~~broker~~ firm and a landlord, prepared by the broker entering into the agreement, an attorney, or the landlord, that contain provisions relating to leasing, managing, marketing, and overall management of the landlord’s property.

SECTION 12. REEB 16.04 (2) is amended to read:

REEB 16.04 (2) For those kinds of real estate or business opportunity transactions for which the board has not approved contractual forms a licensee, when acting as an agent or a party, may use contractual forms drafted by a party or an attorney, if the name of the drafter is imprinted on the form before use by a licensee. For the purpose of this subsection, a listing ~~broker~~ firm is a party to the listing contract transaction.

SECTION 13. REEB 16.06 (1) (c) and (4) (a) are amended to read:

REEB 16.06 (1) (c) Shall indicate that the form is reproduced by the ~~licensee’s~~ firm, stating its address and telephone number at an appropriate place on the form.

(4) (a) The addendum has been prepared by the ~~broker~~ firm or an attorney who is identified on the addendum.

SECTION 14. Chapter REEB 17.

SECTION 15. REEB 18.02 is repealed.

SECTION 16. REEB 18.02 (6) (intro) and (g) are amended to read:

REEB 18.02 (6) (intro) “Real estate trust funds” means any cash, checks, share drafts, drafts, or notes received by a ~~broker or a broker’s salesperson or time share salespersons~~ a firm or licensee on behalf of a principal or any other person including any of the following:

(g) Initial and additional earnest money downpayments and other funds received in connection with offers to purchase, options, and exchanges, even if the broker; or salesperson; ~~or time share~~

~~salesperson~~ receives the downpayments or funds when negotiating the sale of real estate or a business opportunity which the broker, or salesperson, or time share salesperson owns in whole or in part, or when negotiating the purchase of real estate or a business opportunity for ownership in whole or in part by the broker, or salesperson, or time share salesperson.

SECTION 17. REEB 18.031 (1) (intro) and (a), (2), (3) and (5) (b) are amended to read:

REEB 18.031 (1) (intro) TIME OF DEPOSIT. A broker shall deposit all real estate trust funds received by the ~~broker or broker's salespersons or time share salespersons~~ firm or licensees associated with the firm in a real estate trust account within 48 hours of receipt of the trust funds. If funds are received on a day prior to a holiday or other day when the depository institution is closed, the ~~broker~~ firm shall deposit the funds within the next 2 business days. If a ~~broker~~ firm receives funds which cannot be deposited by the ~~broker~~ firm, the ~~broker~~ firm shall, no later than one business day after receipt, either:

(a) Forward the funds to the payee, if someone other than the ~~broker~~ firm.

(2) DUTY OF SALESPERSON LICENSEES. A ~~salesperson or time share salesperson~~ licensee who receives real estate trust funds shall promptly submit the funds to the ~~employer~~ broker firm of the ~~salesperson or time share salesperson~~ licensee.

(3) INTEREST-BEARING ACCOUNTS. (a) Client funds shall be deposited in an interest-bearing common trust account and the department of administration shall be the beneficial owner of the interest accruing to the account, minus any service charges. At no time may the ~~broker~~ firm remove or use the interest earned on such accounts.

(b) Real estate trust funds, other than client funds, may be deposited in an interest-bearing account if the ~~broker~~ firm obtains from the persons for whom the funds are being held written authorization to deposit the funds in an interest-bearing account and if the authorization specifies how and to whom the interest will be disbursed. None of the interest earned on the funds deposited into an interest-bearing account may inure to the benefit of the ~~broker~~ firm.

(5) (b) A ~~broker~~ firm may directly deposit into an owner's account rental application deposits, rents and security deposits which may have been made payable to one or more owners. The ~~broker~~ firm may be designated as a signatory on the owner's account and may make disbursements from that account to the extent authorized by the owner in writing.

SECTION 18. REEB 18.032, 18.033, 18.034, 18.035 and 18.036 are amended to read:

REEB 18.032 Number of real estate trust accounts. A ~~broker~~ firm may maintain more than one real estate trust account, including more than one interest-bearing common trust account for client funds, if the ~~broker~~ firm notifies the department of these accounts, as required in s. REEB 18.035.

REEB 18.033 Opening and closing real estate trust accounts. (1) OPENING AN ACCOUNT. A ~~broker~~ firm shall open a real estate trust account if the ~~broker~~ firm receives real estate trust funds.

(2) CLOSING AN ACCOUNT. A ~~broker~~ firm may close a real estate trust account if no real estate trust funds remain in the account or for reasons specified in s. REEB 18.035.

REEB 18.034 Account designation. (1) NAME ON TRUST ACCOUNT. A broker firm shall name the broker firm's real estate trust account with the name appearing on the broker's license or with a trade name submitted to the department under s. REEB 23.03 and shall include the words "trust account" in the name of the account.

(2) NAME ON CHECKS. A broker firm shall imprint the name of the real estate trust account on real estate trust account checks, share drafts or drafts.

REEB 18.035 Duty to notify the department. (1) OPENING AN ACCOUNT. No later than 10 days after opening any real estate trust account a broker firm shall provide the department with the name and number of the account, with the name of the depository institution in which the broker firm holds the account and with information concerning whether the account is for client funds or for real estate trust funds other than client funds. The information shall be provided on a form, as required in s. REEB 18.037.

(2) CHANGING OR CLOSING AN ACCOUNT. A broker firm shall notify the department no later than 10 days after a broker changes a real estate trust account name or number, changes the real estate trust account from one depository institution to another, closes a real estate trust account or changes a real estate trust account to or from an interest-bearing common trust account established for client's funds. The notification shall be provided on a form, as required in s. REEB 18.037. When closing a real estate trust account, a broker firm may inform the board by letter.

REEB 18.036 Authorization to examine real estate trust accounts and records.

(1) BROKER'S FIRM'S AUTHORIZATION. No later than 10 days after opening a real estate trust account a broker firm shall furnish the department authorization for the department to examine and audit all of the broker's firm's real estate trust account records and authorization for the department of administration to examine all of the broker's firm's interest-bearing common trust accounts maintained for client funds. The authorization shall be provided on a form, as required in s. REEB 18.037.

(2) DEPOSITORY INSTITUTION'S CERTIFICATION. No later than 10 days after opening a real estate trust account a broker firm shall obtain the certification of every depository institution in which the broker firm maintains a real estate trust account attesting to the existence of the account and consenting to the examination and audit of the account by a duly authorized representative of the department or, in the case of interest-bearing common trust accounts maintained for client funds, the department of administration. The certification shall be provided to the department on a form, as required in s. REEB 18.037.

SECTION 19. REEB 18.04, 18.05, 18.06 and 18.07 are amended to read:

REEB 18.04 Authorization to sign trust account checks. A broker firm may authorize other persons to sign real estate trust account checks, share drafts or drafts drawn on the broker's firm's real estate trust account if the person is at least 18 years of age.

REEB 18.05 Receipt for earnest money received by the broker licensee. A broker licensee shall indicate on the offer to purchase the receipt of earnest money received from a buyer at the time the offer is drafted.

REEB 18.06 Escrow agreement for earnest money not held by the broker. If the parties to a transaction do not desire that the broker firm hold the earnest money in the broker's firm's real estate trust account, and wish to designate an escrow agent other than the broker firm, the broker licensee may not draft the escrow agreement. The escrow agreement shall be drafted by the parties or an attorney. The broker firm may not hold the funds in the firm's real estate trust account, nor may the broker firm act in any way as custodian of the funds for the parties. The funds, pursuant to the escrow agreement, shall be held by a party other than the broker firm, such as: a bank, a savings and loan association, a credit union, or an attorney.

REEB 18.07 After closing escrow agreements. (1) BY SEPARATE AGREEMENT. If the parties to a contract wish, or are required, to place funds in escrow which are to be held after closing by the broker firm in the broker's firm's trust account or by another person until some future occurrence, an agreement to that effect shall be prepared by the parties or an attorney. If the broker firm holds these funds, the broker firm shall place them in the broker's firm's real estate trust account. The broker licensee may draft the escrow agreement if a form for this purpose has been approved by the board for use by licensees pursuant to s. REEB 16.03.
(2) ON CLOSING STATEMENT. A broker firm may hold in the broker's firm's trust account without a separate escrow agreement occupancy or possession escrows, escrows for final proration of taxes, and escrows for charges incurred by a seller but not yet billed, provided that the closing statement shows that the broker firm is holding the funds.

SECTION 20. REEB 18.09 (1) (intro), (2), and (3) are amended to read:

REEB 18.09 Disbursement of trust funds. (1) PROPER DISBURSEMENT. A broker firm who disburses trust funds from the broker's firm's real estate trust account under any of the following circumstances shall not be deemed to have violated s. 452.14 (3) (i), Stats.:

(2) NOTIFICATION OF DISBURSEMENT. Prior to making a disbursement of trust funds under sub. (1) (a) where the broker firm has knowledge that not all parties agree that the rejection or withdrawal occurred prior to binding acceptance, and prior to making a disbursement under sub. (1) (e), (f) and (g) where the broker firm has knowledge that either party disagrees with the disbursement, the broker firm shall attempt to notify all parties in writing of the intent to disburse. The notice shall be delivered by certified mail to the parties' last known addresses and shall state to whom and when the disbursement will be made. The disbursement may not occur until 30 days after the date on which the notice is sent.

(3) WITHDRAWAL OF COMMISSIONS. (a) A broker firm shall withdraw commissions or fees earned by the broker firm from real estate trust accounts maintained by the broker firm within 24 hours after transactions are consummated or terminated, or after the commissions or fees are earned in accordance with the contract involved.

(b) A broker firm providing property management services shall disburse the fee earned for providing property management services as a regular monthly basis unless otherwise agreed in a written property management agreement signed by the parties to that agreement.

SECTION 21. REEB 18.10 and 18.11 are amended to read:

REEB 18.10 Comingling funds prohibited. (1) DEPOSITABLE FUNDS. A ~~broker~~ firm shall deposit only real estate trust funds in the ~~broker's~~ firm's real estate trust account.

(a) Except for sub. (b), a ~~broker~~ firm shall not commingle ~~the broker's~~ personal funds or other funds in the real estate trust account.

(b) A ~~broker~~ firm may deposit and maintain a sum not to exceed \$300.00 from ~~the broker's~~ personal funds in any real estate trust account. Such sum shall be specifically identified and deposited to cover service charges relating to the real estate trust account.

(2) ADDITIONAL FUNDS. A ~~broker~~ firm shall deposit additional personal funds in sums consistent with sub. (1) (b) in the ~~broker's~~ firm's real estate trust account within 10 business days following receipt of a statement or other notification from a depository institution that a service charge has been made against the account for which insufficient personal funds are available in the real estate account.

REEB 18.11 Non-depositable items. A ~~broker~~ firm shall not hold any instrument, equity or thing of value which is not depositable in a real estate trust account. Non-depositable items shall be held by one of the parties to a transaction or some other party, subject to an escrow agreement prepared by the parties or an attorney.

SECTION 22. REEB 18.13 (intro), (1) (intro), (2), (3), (4), (5), and (6) (intro) and (e)

REEB 18.13 Bookkeeping system. Each ~~broker~~ firm shall maintain and be responsible for a bookkeeping system in the broker's office consisting of at least the following:

(1) CASH JOURNAL. A ~~broker~~ firm shall maintain a record, called a journal showing the chronological sequence in which real estate trust funds are received and disbursed as follows:

(2) LEDGER. A ~~broker~~ firm shall maintain a record including the receipts and the disbursements as they affect each particular transaction, including transactions between buyer and seller, landlord and tenant, etc. The ledger entry shall include the names of all parties to a transaction, the dates and the amounts received and the name of the party or parties providing the money if different from the buyer. Ledger entries shall include at least the date, payee, number of the check, share draft or draft and amount when funds are disbursed. The ledger shall include a running balance and segregate each transaction. The ~~broker~~ firm shall maintain a separate ledger or separate section of the ledger for each of the various kinds of real estate transactions, including sales, rental collections, or mortgage and land contract collections.

(3) ACCOUNT RECONCILIATION. The ~~broker~~ firm or a person designated by the ~~broker~~ firm shall reconcile the real estate trust account or accounts in writing each month except in the case where there has been no activity during the month. The written reconciliation shall include at least the ending account statement balance, the date and amounts of the deposits in transit, the number of the check, share draft, or draft, and amount of checks, share drafts, or drafts written but not paid by the depository institution as of the ending date shown on the account statement to be reconciled, and the reconciled account statement ending balance.

(4) TRIAL BALANCE. The ~~broker~~ firm shall prepare or have prepared, in conjunction with sub. (3), a written listing of all open items in the real estate trust account. The written listing shall be referred to as the "trial balance". The listing shall include at least the names of all parties to the transaction and the amount held in trust for the parties at the time corresponding to the account reconciliation. The ~~broker~~ firm may in lieu of the names of the parties to the transaction

substitute the ledger page number or other means of identification from the ledger to label the funds in the trial balance.

(5) VALIDATION. The ~~broker~~ firm or a person designated by the ~~broker~~ firm shall review the reconciled account statement balance, the open ledger account listing, and the journal running balance to ensure that all of these records are valid and in agreement as of the date the account statement has been reconciled.

(6) USE OF COMPUTERS. A computerized system may be used to maintain the ~~broker's~~ firm's bookkeeping system if:

(e) All records ~~which are not maintained as written paper records are capable of being immediately converted to written paper records and immediately~~ shall be made available for inspection and copying by the department and exact and completed copies promptly sent to the department upon the request of the department without charge to the department or board for the purposes of an audit or investigation.

SECTION 23. REEB 18.14 is amended to read:

REEB 18.14 Violation of rules. A ~~broker~~ firm who fails to comply with the rules in this chapter shall be considered to have demonstrated incompetency to act as a licensed individual broker or a licensed broker business entity in a manner as to safeguard the interests of the public, as specified in s. 452.14 (3), Stats.

SECTION ?. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

Chapter REEB 24

CONDUCT AND ETHICAL PRACTICES FOR REAL ESTATE LICENSEES

REEB 24.01	Authority and intent.	REEB 24.085	False portrayal of interest, prohibited.
REEB 24.02	Definitions.	REEB 24.09	Securing agency agreements.
REEB 24.03	Competent services.	REEB 24.10	Net listing prohibited.
REEB 24.04	Advertising.	REEB 24.12	Confidentiality of offers.
REEB 24.05	Disclosure of compensation and interests.	REEB 24.13	Drafting and submission of written proposals.
REEB 24.06	Unauthorized practice of law.	REEB 24.15	Adequate funds required.
REEB 24.07	Inspection and disclosure duties.	REEB 24.16	Availability of rules.
REEB 24.075	Tie-in arrangements.	REEB 24.17	Miscellaneous requirements.
REEB 24.08	Agreements to be in writing.		

Note: Chapter REB 15 as it existed on February 29, 1980 was repealed and a new chapter REB 15 was created effective March 1, 1980. Renumbered from chapter REB 15, effective March 1, 1983. Chapter RL 24 was renumbered chapter REEB 24 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

REEB 24.01 Authority and intent. (1) The rules in this chapter are adopted pursuant to ss. 227.11, 452.01, 452.07, 452.133, 452.138, 452.139 and 452.14, Stats.

(2) The intent of the board in adopting the rules in this chapter is to establish minimum standards of conduct for real estate licensees and to define that conduct which may result in board discipline pursuant to s. 452.14, Stats.

(3) If a licensee violates rules in this chapter, the licensee has demonstrated incompetency to act as a broker, salesperson or time-share salesperson in such manner as to safeguard the interests of the public under s. 452.14 (3) (i), Stats. However, the term “incompetency” is not limited in its meaning to violations of this chapter.

(4) If a licensee violates the rules set forth in s. REEB 24.075, the licensee has engaged in improper, fraudulent or dishonest dealing as used in s. 452.14 (3) (k), Stats. However, the terms “improper, fraudulent or dishonest dealing” are not limited in their meaning to violations of s. REEB 24.075.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) to be (5), (3) renum. from REB 15.02 (2) and cr. (4), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.01 and am. (2) to (4), Register, February, 1983, No. 326, eff. 3-1-83; am. (1) and (3), r. (5) (intro.) and (d), renum. (5) (a) to (c) to be RL 24.025, RL 24.03 (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87; correction in (4) made under s. 13.93 (2m) (b) 4., Stats., Register, May, 1988, No. 389; am. Register, April, 1995, No. 472, eff. 5-1-95; correction in (2), (4) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671.

REEB 24.02 Definitions. (1) “Adverse fact” means any of the following:

(a) A condition or occurrence that is generally recognized by a competent licensee as doing any of the following:

1. Significantly and adversely affecting the value of the property.

2. Significantly reducing the structural integrity of improvements to real estate.

3. Presenting a significant health risk to occupants of the property.

(b) Information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or agreement made concerning the transaction.

(2) “Agency agreement” means a written agreement between a broker and a client in which the client authorizes the broker to provide brokerage services to the client.

(3) “Brokerage service” means any service described under s. 452.01 (2), Stats., provided by a broker to another person.

(4) “Builder” means any person engaged in the business of constructing homes without a buyer under contract or constructing homes under a contract with the buyer.

(5) “Buyer’s broker” means a licensee who has an agency agreement with a buyer.

(6) “Client” means a party to a transaction who has an agency agreement with a broker for brokerage services.

(7) “Commonly controlled corporation” means one of 2 or more corporations in which the same person or persons own stock in each of the corporations, possessing at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock of the corporations.

(9) “Customer” means a party to a transaction who is provided brokerage services by a broker but who is not a client.

(10) “Effectively controlled” means having the power or authority to cause the transfer of an interest in real estate for oneself or another but does not include the authority conferred by a real estate listing contract.

(12) “Material adverse fact” means an adverse fact that a party indicates is of such significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect the party’s decision to enter into a contract or agreement

concerning a transaction or affects or would affect the party's decision about the terms of such a contract or agreement.

(13) "Party" means a person seeking to engage in a transaction.

(13m) "Principal broker" means a broker who engages a subagent to provide brokerage services in a transaction.

(14) "Qualified third party" means a federal, state or local governmental agency, or any person whom the broker, salesperson or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report described in s. 452.23 (2) (b), Stats.

(15) "Secured lender" means an individual or organization originating a loan in a real estate or business opportunity transaction secured by real estate or by the assets of a business or a business opportunity.

(16) "Real estate practice" means engaging in conduct which requires a license under ch. 452, Stats.

(18) "Transaction" means the sale, exchange, purchase or rental of, or the granting or acceptance of an option to sell, exchange, purchase or rent, an interest in real estate, a business or a business opportunity.

(19) "Written proposal" means any written document provided by one party to another during the course of a transaction, including but not limited to notices, offers, counteroffers, options, exchanges, rental agreements, and amendments.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (1) to be (5), renum. (2) to be REB 15.01 (3), cr. (1) to (4) and (6), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.02, Register, February, 1983, No. 326, eff. 3-1-83; renum. (4) to (6) to be (7) to (9) under s. 13.93 (2m) (b) 1., Stats., Register, September, 1990, No. 417; renum. (1) to (3) to be (2), (4) and (6), cr. (1), (3) and (5), Register, September, 1990, No. 417, eff. 10-1-90; am. (1), Register, January, 1992, No. 433, eff. 2-1-92; am. (1), Register, July, 1993, No. 451, eff. 8-1-93; r. and recr. (1), renum. (2) to (4) to be (4), (5), (7), (6) and (7) to be (8) and (10), (8) to be (11) and am., (a) to be (17), r. (5), cr. (2), (3), (6), (9), (12) to (16), (18), Register, April, 1995, No. 472, eff. 5-1-95; am. (7), r. (11), Register, July, 1998, No. 511, eff. 8-1-98; correction in (3) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 10-136: am. (2) to (5), r. (8), am. (13), cr. (13m), r. (17), cr. (19) Register April 2012 No. 676, eff. 7-1-12.

REEB 24.03 Competent services. (1)

DISCRIMINATION PROHIBITED. Licensees may not discriminate against, nor deny equal services to, nor be a party to any plan or agreement to discriminate against any person in any manner unlawful under applicable federal, state or local fair housing law.

Note: The primary references for federal and state fair housing laws are the 1988 amendments to the Federal Housing Act (Title VII of the Civil Rights Act of 1968) and Chapter 106, Subchapter II, Stats.

(2) COMPETENCE REQUIRED. (a) Licensees shall not provide services which the licensee is not competent to provide unless the licensee engages the assistance of one who is competent. Any person engaged to provide such assistance shall be identified and that person's contribution shall be described.

(b) Licensees shall act to protect the public against fraud, misrepresentation and unethical practices.

(c) Licensees shall be knowledgeable regarding laws, public policies and current market conditions on real estate matters and assist, guide and advise the buying or selling public based upon these factors.

(d) Licensees are not required to have the technical knowledge, skills or training possessed by competent third party inspectors and investigators of real estate and related areas.

Note: Paragraph (d) recognizes that licensees are not required to have the knowledge, skills or training possessed by, for example, persons such as home inspectors, plumbers, electricians or land surveyors.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (1), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.03, Register, February, 1983, No. 326, eff. 3-1-83; am. (1), renum. (2) to be (2) (a), (2) (b) and (c) renum. from RL 24.01 (5) (b) and (c) and am., Register, January, 1987, No. 373, eff. 2-1-87; am. (1), cr. (2) (d), Register, July, 1993, No. 451, eff. 8-1-93.

REEB 24.04 Advertising. (1) FALSE ADVERTISING.

Licensees shall not advertise in a manner which is false, deceptive, or misleading.

(2) DISCLOSURE OF NAME. (a) Except for advertisements for the rental of real estate owned by the broker, a broker shall in all advertising disclose the broker's name exactly as printed on the broker's license or disclose a trade name previously filed with the department, as required by s. REEB 23.03, and in either case clearly indicate that the broker is a business concern and not a private party.

(b) Except for advertisements for the rental of real estate owned by the licensee, a licensee employed by a broker shall advertise under the supervision of and in the name of the employing broker.

(c) A licensee may advertise the occasional sale of real estate owned by the licensee or the solicitation of real estate for purchase by the licensee without complying with pars. (a) and (b), provided that the licensee clearly identifies himself, herself or itself as a real estate licensee in the advertisement.

(3) ADVERTISING WITHOUT AUTHORITY PROHIBITED. Brokers shall not advertise property without the consent of the owner.

(4) ADVERTISED PRICE. Brokers shall not advertise property at a price other than that agreed upon with the owner; however, the price may be stated as a range or in general terms if it reflects the agreed upon price.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (4), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.04 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; renum. (2) to be (2) (a) and am., cr. (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87; am. (2) (c), Register, April, 1995, No. 472, eff. 5-1-95; correction in (2) (a) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

REEB 24.05 Disclosure of compensation and interests. (1) COMPENSATION.

(a) A licensee acting as an agent in a real estate or business opportunity transaction may not accept any fee or compensation related to the transaction from any person, other than the licensee's client, principal broker, or broker-employer without prior written consent from all parties to the transaction.

(b) A licensee acting as an agent in a real estate or business opportunity transaction may not recommend or suggest to a party to the transaction the services of another individual or

entity from which the licensee may receive compensation for a referral or in which the licensee has an interest, unless the licensee, prior to or at the time of the referral, discloses to the party in writing the fact that he or she may receive compensation for the referral or that he or she has an interest in the individual or entity providing the services. This paragraph does not apply when the licensee makes a referral to another licensee for real estate services under s. 452.19, Stats.

(2) DISCLOSURE OF INTEREST. A licensee acting as an agent in a real estate or business opportunity transaction may not act in the transaction on the licensee's own behalf, on behalf of the licensee's immediate family or firm, or on behalf of any other organization or business entity in which the licensee has an interest without the prior written consent of all parties to the transaction. For the purpose of this subsection, a licensee shall obtain the written consent in the offer to purchase, option, lease or other transaction contract.

(4) DISCLOSURE TO SELLER. A listing broker may not pay any compensation or incentive to a licensee who is acting as a buyer in a transaction without prior written consent from the seller.

(5) DISCLOSURE OF LICENSURE. (a) A licensee acting as a principal in a real estate or business opportunity transaction shall disclose his, her, or its license status and intent to act in the transaction as a principal at the earliest of all of the following:

1. The first contact with the other party or an agent representing the other party where information regarding the other party or the transaction is being exchanged.
2. A showing of the property.
3. Any other negotiation with the seller or the listing broker.

(b) The disclosure under this subsection shall be made in writing to the other party in a transaction or to an agent representing the other party.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) and (4) to be (4) and (5), cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; am. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.05, Register, February, 1983, No. 326, eff. 3-1-83; am. (1) and (5), Register, June, 1988, No. 390, eff. 7-1-88; r. and recr. Register, July, 1993, No. 451, eff. 8-1-93; am. (1), (2), (3), (5), Register, April, 1995, No. 472, eff. 5-1-95; renum. (5) to be (5) (a) (intro.), cr. (5) (a) 1. to 3., and (b), Register, January, 2001, No. 541, eff. 2-1-01; CR 10-136: am. (title), (1) (title), renum. (1) to be (1) (a) and am., am. (2), r. (3) (title), renum. (3) to be (1) (b) and am., r. and recr. (4), am. (5) (b) Register April 2012 No. 676, eff. 7-1-12.

REEB 24.06 Unauthorized practice of law. (1) UNAUTHORIZED PRACTICE OF LAW PROHIBITED. Licensees shall not engage in activities that constitute the unauthorized practice of law.

(2) LEGAL COUNSEL NOT TO BE DISCOURAGED. Licensees shall not discourage any person from retaining an attorney.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.06, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.07 Inspection and disclosure duties. (1) INSPECTION OF REAL ESTATE. (a) *General requirement.* A licensee, when engaging in real estate practice which involves real estate improved with a structure, shall conduct a reasonably

competent and diligent inspection of accessible areas of the structure and immediately surrounding areas of the property to detect observable, material adverse facts. A licensee, when engaging in real estate practice which involves vacant land, shall, if the vacant land is accessible, conduct a reasonably competent and diligent inspection of the vacant land to detect observable material adverse facts.

(b) *Listing broker.* When listing real estate and prior to execution of the listing contract, a licensee shall inspect the real estate as required by sub. (1), and shall make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property as applicable. The licensee shall request that the seller provide a written response to the licensee's inquiry.

(c) *Other licensees.* Licensees, other than listing brokers, shall inspect the real estate as required by sub. (1) prior to or during the showing of the property, unless the licensee is not given access for a showing.

(d) *Specific conduct regarding inspections.* A reasonably competent and diligent inspection of real estate improved with a structure does not require the operation of mechanical equipment; the opening of panels, doors or covers for access to mechanical systems; or the moving of furniture, boxes or other property; nor does it require a licensee to observe areas of the property for which entry presents an unreasonable risk of injury or areas accessible only by ladder, by crawling or other equivalent means of access. A licensee is not required to retain third party inspectors or investigators to complete a reasonably competent and diligent inspection. A reasonably competent and diligent inspection of vacant land does not require an observation of the entire property, but shall include, if given access, an observation of the property from at least one point on or adjacent to the property.

(2) DISCLOSURE OF MATERIAL ADVERSE FACTS. A licensee may not exaggerate or misrepresent facts in the practice of real estate. A licensee, when engaging in real estate practice, shall disclose to each party, in writing and in a timely fashion, all material adverse facts that the licensee knows and that the party does not know or cannot discover through a reasonably vigilant observation, unless the disclosure of the material adverse fact is prohibited by law. This provision is not limited to the condition of the property, but includes other material adverse facts in the transaction.

Note: Certain "material adverse facts", as defined in s. REEB 24.02 (12), may not be disclosed by law. For example, unless specifically authorized by a seller, a licensee may not disclose to a potential buyer the actual minimum sales price the seller will accept. See s. 452.133 (1) (d), Stats.

(3) DISCLOSURE OF INFORMATION SUGGESTING MATERIAL ADVERSE FACTS. A licensee, when engaging in real estate practice, who becomes aware of information suggesting the possibility of material adverse facts to the transaction, shall be practicing competently if the licensee discloses to the parties the information suggesting the possibility of material adverse facts to the transaction in writing and in a timely fashion, recommends the parties obtain expert assistance to inspect or investigate for possible material adverse facts to the transaction, and, if directed by the parties, drafts appropriate inspection or

investigation contingencies. This provision is not limited to the condition of the property, but includes other material adverse facts to the transaction, including but not limited to defects and conditions included within the report form under s. 709.03, Stats. A licensee is not required to retain third party inspectors or investigators to perform investigations of information suggesting the possibility of a material adverse fact to the transaction.

(4) DISCLOSURE OF SIDE AGREEMENTS. A licensee, when engaging in real estate practice, who becomes aware of the fact that a party to the transaction has not disclosed that party's entire agreement regarding the transaction to that party's secured lender, shall disclose this fact, in writing and in a timely manner, to the party's secured lender.

(5) RELIANCE UPON THIRD PARTY INSPECTIONS AND INVESTIGATIONS. If a licensee or a party in a transaction engages the services of a qualified third party to conduct a property inspection or investigation of material facts, the licensee may rely on the results of the inspection or investigation providing the licensee obtains a written report of the inspection or investigation and delivers a copy of the report to all interested parties in a timely manner.

(6) INCONSISTENCIES. If a licensee's reasonably competent and diligent inspection reveals facts materially inconsistent with or materially contradictory to the seller's statements provided under sub. (1) (a), or the inspection or investigation report of a third party, the inconsistency shall be disclosed in writing and in a timely manner to the parties.

(7) FALSE INFORMATION. Licensees shall not knowingly give false information about another licensee or property listed with another licensee.

(8) DISCLOSURE OF AGENCY. (a) *General requirements.* 1. A broker may not negotiate on behalf of a party who is not the broker's client unless the broker provides to the party a copy of the broker disclosure to customers required under s. 452.135 (1), Stats. If the brokerage services are related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, the broker shall request the party's signed acknowledgement that the party has received a copy of the written disclosure statement.

1g. A broker may not negotiate on behalf of a client unless the broker gives the client a copy of the broker disclosure required under s. 452.135 (2), Stats.

1r. If a client enters into an agency agreement with a broker to receive brokerage services related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, and the broker disclosure to clients is not incorporated into the agency agreement, the broker shall request the client's signed acknowledgement that the client has received a copy of the written disclosure statement required in s. 452.135 (2), Stats.

2. Licensees acting as agents of potential buyers of real estate that is used or intended to be used principally for one to 4 family residential purposes, who are negotiating directly with the seller or who are aware that the owner of the real estate has granted a listing broker the exclusive right to sell, shall notify

the seller or the listing broker, as applicable, of the licensee's buyer agency relationship at the earlier of all of the following:

a. The first contact with the seller or the listing broker where information regarding the seller or transaction is being exchanged.

b. A showing of the property.

c. Any other negotiation with the seller or the listing broker.

3. When the nature of a licensee's representation of a client or customer changes such that it makes the initial disclosure that was provided under s. 452.135, Stats., incomplete, misleading, or inaccurate, the licensee shall provide the customer or client with a new disclosure, as required in s. 452.135, Stats.

(b) *Agency agreements.* 1. Brokers or their salespeople shall explain to their clients the responsibilities of seller's agents, buyer's agents and subagents before entering into an agency agreement.

2. No broker or broker's salesperson may permit other brokers to act as subagents in a transaction unless the broker's client has authorized the use of a subagent in the agency agreement.

(c) *Written proposals.* Licensees shall state, in the offer to purchase, the lease, the option to purchase, or the exchange agreement, whom the licensee represents as an agent in a transaction.

(d) *Subagency arrangements.* 1. A listing broker shall provide a broker disclosure statement to a customer as required in s. 452.135 (1), Stats., to the buyer if negotiations are being conducted directly with the buyer and not through a buyer's broker.

2. A buyer's broker shall provide a broker disclosure statement to a customer as required in s. 452.135 (1), Stats., to a seller if negotiations are being conducted directly with the seller and not through a seller's broker.

3. A subagent shall provide a broker disclosure statement to a customer as required in s. 452.135 (1), Stats., with whom he or she is working but not to the principal broker's client.

4. A principal broker is not required to provide a broker disclosure statement to a customer as required in s. 452.135 (1), Stats., to a customer of their subagents.

(e) *Agency agreements for lease and property management contracts.* 1. A licensee who is entering into agency agreements for lease or property management contracts shall provide to his or her clients the broker disclosure statement as required in s. 452.135 (2), Stats.

2. A licensee shall provide to prospective tenants a broker disclosure statement as required in s. 452.135 (1), Stats., when negotiating the terms of a lease on behalf of the client.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; emerg. r. (2), eff. 10-14-80; cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; r. (2), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.07, Register, February, 1983, No. 326, eff. 3-1-83; cr. (2), Register, January, 1987, No. 373, eff. 2-1-87; am. (1), r. and recr. (2), cr. (4), Register, June, 1988, No. 390, eff. 7-1-88; am. (1), cr. (1) (a) to (c) and (4) (d), r. and recr. (2), Register, September, 1990, No. 417, eff. 10-1-90; r. and recr. (1), renum. (2), (3), (4) to be (5), (6), (7), cr. (2), (3), (4), Register, July, 1993, No. 451, eff. 8-1-93; am. (1) (a), (d), (2), (3), (5), renum. (1)

(a), (b) to be (1) (b), (c) and am., (6) to be (7), r. (1) (c), (7), r. and recr. (4), cr. (6), (8), Register, April, 1995, No. 472, eff. 5-1-95; am. (8) (a) 2. (intro.), a. and c., Register, January, 2001, No. 541, eff. 2-1-01; CR-136: r. and recr. (8) (a) 1., cr. (8) (a) 1g., 1r., am. (8) (a) 2. (intro.), 3., r. (8) (a) 4., am. (8) (b) (title), 1., 2., (c), r. and recr. (8) (d), (e) Register April 2012 No. 676, eff. 7-1-12.

REEB 24.075 Tie-in arrangements. Licensees shall not:

(1) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee to a buyer upon the buyer's agreement to purchase another parcel or real estate.

(2) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to list the real estate or other real estate owned by the buyer with the licensee.

Note: The following are 2 common examples of activities which would violate this subsection: (1) requiring a builder to list a speculation home with the licensee; and (2) requiring a buyer to list a present home with the licensee.

(3) Condition the sale of vacant real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to employ one or more specific builders to make improvements on the real estate unless:

(a) The builder owns a bona fide interest in the real estate; and there is full disclosure as specified in s. REEB 24.05 (1) (b).

(b) The builder and the licensee or the builder and the owner of the real estate are the same person or are commonly controlled corporations and whose business is selling improved property and not vacant land; and there is full disclosure as in s. REEB 24.05 (1) (b).

(c) The agreement is a bona fide effort to maintain development quality or architectural uniformity and no consideration passes from contractor to licensee for soliciting this agreement.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.075 and am. (3) (a) and (b), Register, February, 1983, No. 326, eff. 3-1-83; correction in (3) (a), (b) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; correction in (3) (a), (b) made under s. 13.92 (4) (b) 7., Stats., Register April 2012 No. 676.

REEB 24.08 Agreements to be in writing. A licensee shall put in writing all listing contracts, guaranteed sales agreements, buyer agency agreements, offers to purchase, property management agreements, option contracts, financial obligations and any other commitments regarding transactions, expressing the exact agreement of the parties unless the writing is completed by the parties or their attorneys or the writing is outside the scope of the licensee's authority under ch. REEB 16.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.08, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87; am. Register, June, 1988, No. 390, eff. 7-1-88; am. 24.08, Register, July, 1993, No. 451, eff. 8-1-93; correction made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

REEB 24.085 False portrayal of interest, prohibited. No licensee shall draft or use any document which the licensee knows falsely portrays an interest in real estate.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.085, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.09 Securing agency agreements.

Licensees may not mislead a potential client regarding the benefits which might be realized through the use of the licensee's services. A licensee also may not mislead a potential client regarding the market value of real estate or a business opportunity to be leased, rented, purchased, optioned, or sold under an agency agreement.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.09, Register, February, 1983, No. 326, eff. 3-1-83; r. and recr. Register, April, 1995, No. 472, eff. 5-1-95; CR 10-136: am. Register April 2012 No. 676, eff. 7-1-12.

REEB 24.10 Net listing prohibited. Licensees shall not obtain, negotiate or attempt to obtain or negotiate any listing contract providing for a stipulated net price to the owner with the excess over the stipulated net price to be received by the broker as commission.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.10, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.12 Confidentiality of offers. (1) Except as provided in sub. (2), a licensee acting as a principal or an agent in a real estate or business opportunity transaction shall not disclose any of the terms of one prospective buyer's offer to purchase, exchange agreement or option contract proposal to any other prospective buyer or to any person with the intent that this information be disclosed to any other prospective buyer. Licensees shall encourage all prospective buyers to submit their best offers. A licensee may, but is not required to, disclose information known by the licensee regarding the existence of other offers on the property, the fact that a seller has accepted an offer, that the offer is subject to contingencies and that the offer is subject to a clause requiring removal of certain contingencies upon the occurrence of an event such as receipt, acceptance or conditional acceptance of another offer.

(2) As used in this subsection, "right of first refusal" means the right of a person to have the first opportunity to purchase or lease real property. "Right of first refusal" does not mean a so-called "bump clause" which is a contingency provision in a purchase agreement that requires the prospective buyer to remove certain contingencies in the buyer's purchase agreement or to relinquish the buyer's primary status to a secondary offer. If a licensee is providing brokerage services in a transaction and the licensee has knowledge that the property is subject to a right of first refusal, the licensee shall disclose the right of first refusal, in writing and in a timely manner, to all persons seeking to acquire an interest subject to the right of first refusal. After disclosure of the right of first refusal to a party seeking to acquire an interest in the property, the licensee may deliver a copy of that party's subsequent offer to purchase, exchange agreement, option contract or lease proposal to the party holding the right of first refusal.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.12, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, July, 1993, No. 451, eff. 8-1-93; renum. RL 24.12 to be (1), cr. (2), Register, January, 2001, No. 541, eff. 2-1-01.

REEB 24.13 Drafting and submission of written proposals. (1) REFUSAL PROHIBITED. Licensees shall not

refuse to draft or submit any written proposal unless the terms of the written proposal would be contrary to specific instructions of the other party.

(2) WITHHOLDING WRITTEN PROPOSALS PROHIBITED. (a) Listing brokers shall permit access to listed property for showing purposes, to all buyers and persons assisting or advising buyers, without unreasonable delay, unless the buyer's or other person's access is contrary to specific written instructions of the seller.

(b) Licensees shall promptly present all written proposals received to the licensee's client or customer. Licensees shall not withhold any written proposal from presentation pending the party's action on a written proposal previously presented.

(3) FAIR PRESENTATION OF WRITTEN PROPOSALS. (a) Licensees shall present all written proposals in an objective and unbiased manner to their clients and customers. Licensees shall inform their clients and customers of the advantages and disadvantages of all submitted written proposals.

(b) A listing broker or the listing broker's employee may not submit his or her own offer to purchase a property which the broker has listed if the broker or broker's employee has knowledge of the terms of any pending offer, except that a broker may arrange for a guaranteed sale at the time of listing.

(4) NOTIFICATION OF ACTION ON WRITTEN PROPOSAL. Licensees shall promptly inform their clients and customers whether the other party has accepted, rejected, or countered their written proposal. A licensee shall immediately provide a written statement to the other party's broker that includes the date and time when the written proposal was presented when such a statement is requested by the other party or the other party's broker. A licensee shall immediately provide a written statement to the other party's broker that includes the date and time when the written proposal was rejected or had expired without acceptance when such a statement is requested by the other party or the other party's broker.

(5) NEGOTIATION THROUGH BROKER. A licensee may not negotiate a sale or lease of real estate directly with a party if the licensee knows that the party has an unexpired written contract in connection with the real estate which grants to another licensee an exclusive right to sell, lease, or negotiate. All negotiations shall be conducted with the broker holding the exclusive right to sell, lease, or negotiate, and not with the party, except with the consent of the broker or where the absence of the broker, or other similar circumstances, reasonably compels direct negotiation with the party. A listing broker has no duty to investigate whether a buyer has granted a buyer's agent an exclusive right to negotiate.

Note: The Department of Safety and Professional Services' approved form, WB-36, does not grant the buyer's agent an exclusive right to negotiate.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; cr. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.13, Register, February, 1983, No. 326, eff. 3-1-83; renum. (3) to be (3) (a), cr. (3) (b), am. (4), Register, January, 1987, No. 373, eff. 2-1-87; am. (3) (a), Register, June, 1988, No. 390, eff. 7-1-88; am. (3) (b), r. and recr. (2), Register, July, 1993, No. 451, eff. 8-1-93; am. (3) (b) and (5), Register, January, 2001, No. 541, eff. 2-1-01; CR 10-136: am. (title), (1), (2) (title), (b), (3) (title), (a), (4), (5) Register April 2012 No. 676, eff. 7-1-12.

REEB 24.15 Adequate funds required. Licensees shall not issue checks upon business or trust accounts which contain insufficient funds.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.15, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.16 Availability of rules. Brokers shall have the rules of the department readily available in all offices for the use of all licensees.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.16, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87; correction made under s. 13.92 (4) (b) 6., Stats., Register November 2011 No. 671; CR 10-136: am. Register April 2012 No. 676, eff. 7-1-12.

REEB 24.17 Miscellaneous requirements. (1) VIOLATIONS OF LAW. Licensees may not violate, or aid or abet the violation of, any law the circumstances of which substantially relate to the practices of a real estate broker or salesperson. A licensee who has been convicted of a crime shall send to the board within 48 hours after the judgment of conviction a copy of the complaint or other information which describes the nature of the crime and the judgment of conviction in order that the board may determine whether the circumstances of the crime of which the licensee was convicted are substantially related to the practice of a real estate broker or salesperson, pursuant to s. 111.335 (1) (c), Stats.

(2) CONVICTION. The board may discipline a licensee on the basis of a conviction of any crime, the circumstances of which substantially relate to the practice of real estate. A certified copy of a judgment of a court of record showing such conviction, within this state or without, shall be presumptive evidence of conviction.

(2m) FELONY CONVICTION. The board may revoke a license or registration on the basis of a conviction of a felony that is a bar to licensure or registration under s. 452.25 (1) (a), Stats.

(3) VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND DISCIPLINARY ORDERS. Licensees shall not violate any provisions or terms or conditions of, or aid or abet the violation of ch. 452, Stats., chs. REEB 11 to 25 or any disciplinary order of, the board.

(4) IMPAIRED PRACTICE. Licensees shall not render services while the ability of the licensee to competently perform duties is impaired by mental or emotional disorder, drugs or alcohol.

(5) DUTY TO COOPERATE WITH THE BOARD AND THE DEPARTMENT. Licensees and applicants shall respond to the department and the board regarding any request for information within 30 days of the date of the request.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (2), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.17 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; am. (1), Register, January, 1986, No. 373, eff. 2-1-87; renum. (2) and (3) to be (3) and (4), cr. (2), Register, June, 1988, No. 390, eff. 7-1-88; am. (3), Register, July, 1998, No. 511, eff. 8-1-98; correction in (1), (3) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; CR 10-136: am. (1), cr. (5) Register April 2012 No. 676, eff. 7-1-12; **CR 15-051: cr. (2m) Register January 2016 No. 721, eff. 2-1-16; correction in (3) made under s. 13.92 (4) (b) 7., Stats., Register January 2014 No. 721.**