



REAL ESTATE EXAMINING BOARD
Room N208, 4822 Madison Yards Way, Madison, WI
Contact: Erin Karow (608) 266-2112
December 13, 2018

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

A. Adoption of Agenda (1-3)

B. Approval of the Minutes of October 18, 2018 (4-8)

C. Administrative Matters – Discussion and Consideration

1. Board and Staff Updates
2. Department Updates
3. Renewal Notification

D. Legislative/Administrative Rule Matters – Discussion and Consideration (9-38)

1. Scope for Amending REEB 24, Relating to Conduct and Ethical Practices for Real Estate Licensees
2. Petition to JCRAR to Repeal Unauthorized REEB 25.028 (2) (g) 5., 25.033 (18) (j), and 25.038 (7) (e), Relating to Rental Unit Energy Efficiency Standards.
3. 2017 Wisconsin Act 108 Report
4. Update on Legislation and Pending or Possible Rulemaking Projects

E. Real Estate Contractual Forms Advisory Council Update – Discussion and Consideration (39-41)

1. Consideration of Appointment to the Real Estate Contractual Forms Advisory Council

F. Real Estate Curriculum and Examination Council Update – Discussion and Consideration

G. Items Received After Preparation of the Agenda

1. Introductions, Announcements and Recognition
2. Election of Officers
3. Appointment of Liaison(s) and Alternates
4. Administrative Matters
5. Education and Examination Matters
6. Credentialing Matters
7. Practice Matters

8. Legislative/Administrative Rule Matters
9. Liaison Report(s)
10. Informational Items
11. Division of Legal Services and Compliance (DLSC) Matters
12. Presentation on Petition(s) for Summary Suspension(s)
13. Presentation on Designation(s) of Hearing Official
14. Presentation of Stipulations, Final Decisions and Orders
15. Presentation of Stipulations and Interim Orders
16. Presentation of Proposed Final Decision and Orders
17. Presentation of Interim Orders
18. Petitions for Re-Hearing
19. Petitions for Assessments
20. Petitions to Vacate Orders
21. Requests for Disciplinary Proceeding Presentations
22. Motions
23. Petitions
24. Appearances from Requests Received or Renewed
25. Speaking Engagement(s), Travel, or Public Relation Request(s)

H. Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).

I. Deliberation on Division of Legal Services and Compliance (DLSC) Matters

- 1. Proposed Stipulations, Finals Decisions and Orders**
 - a. 16 REB 050 – Christopher W. Buttrum **(42-48)**
 - b. 17 REB 032 – Glenn Schauchtner Realty, Inc. **(49-54)**
- 2. Case Closings**
 - a. 17 REB 031 – P.P., N.G., B.R., Inc. **(55-59)**

J. Deliberation of Items Received After Preparation of the Agenda

1. Education and Examination Matters
2. Credentialing Matters
3. DLSC Matters
4. Professional Assistance Procedure (PAP) Matters
5. Monitoring Matters
6. Petitions for Summary Suspension(s)
7. Petitions for Designation of Hearing Examiner
8. Proposed Stipulation(s), Final Decision(s) and Order(s)
9. Proposed Interim Orders
10. Administrative Warning(s)
11. Review of Administrative Warning(s)
12. Proposed Final Decisions and Orders
13. Orders Fixing Costs/Matters Related to Costs

14. Board Liaison Training
15. Case Closings
16. Petitions for Assessments and Evaluations
17. Petitions to Vacate Orders
18. Remedial Education Cases
19. Motions
20. Petitions for Re-Hearing
21. Appearances from Requests Received or Renewed

K. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

L. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

M. Open Session Items Noticed Above Not Completed in the Initial Open Session

ADJOURNMENT

NEXT MEETING DATE: JANUARY 31, 2018

MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 4822 Madison Yards Way, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

**REAL ESTATE EXAMINING BOARD
MEETING MINUTES
OCTOBER 18, 2018**

PRESENT: Robert Larson, Jerry Lyons, Richard Marino, Thomas Richie, Robert Webster

EXCUSED: Dennis Pierce

STAFF: Erin Karow, Executive Director; Kate Stolarzyk, Bureau Assistant; and Other Department Staff

CALL TO ORDER

Robert Webster, Chair, called the meeting to order at 10:10 a.m. A quorum of five (5) members was confirmed.

ADOPTION OF AGENDA

MOTION: Thomas Richie moved, seconded by Jerry Lyons, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF THE MINUTES OF JUNE 14, 2018

MOTION: Jerry Lyons moved, seconded by Richard Marino, to approve the minutes of June 14, 2018 as published. Motion carried unanimously.

PUBLIC HEARING: CLEARINGHOUSE RULE 18-051, RELATING TO VIOLATION OF BOARD ORDERS

Review and Respond to Clearinghouse Report and Public Hearing Comments

MOTION: Thomas Richie moved, seconded by Richard Marino, to accept all Clearinghouse comments for CR 18-051, relating to violation of board orders. Motion carried unanimously.

MOTION: Jerry Lyons moved, seconded by Thomas Richie, to authorize the Chair to approve the Legislative Report and Draft for Clearinghouse Rule 18-051, relating to violation of board orders, for submission to the Governor's Office and Legislature. Motion carried unanimously.

LEGISLATIVE/ADMINISTRATIVE RULE MATTERS

Adoption of CR 18-049, Relating to Revocation Based Upon Conviction

MOTION: Richard Marino moved, seconded by Robert Larson, to approve the Adoption Order for Clearinghouse Rule 18-049, relating to revocation based upon conviction. Motion carried unanimously.

PUBLIC COMMENTS

MOTION: Thomas Richie moved, seconded by Jerry Lyons, to request DSPS staff draft a Scope Statement revising REEB 24 and authorize the Chair to approve the Scope Statement for submission to the Department of Administration and Governor's Office and for publication. Additionally, the Board authorizes the Chair to approve the Scope Statement for implementation no less than 10 days after publication. Motion carried unanimously.

CLOSED SESSION

MOTION: Jerry Lyons moved, seconded by Thomas Richie, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). Robert Webster, Chair, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Robert Larson-yes; Jerry Lyons-yes; Richard Marino-yes; Thomas Richie-yes; Robert Webster-yes. Motion carried unanimously.

The Board convened into Open Session at 11:24 a.m.

RECONVENE TO OPEN SESSION

MOTION: Thomas Richie moved, seconded by Richard Marino, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 1:02 p.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

MOTION: Jerry Lyons moved, seconded by Robert Webster, to affirm all motions made and votes taken in Closed Session. Motion carried unanimously.

(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)

PRE-DETERMINATION OF APPLICATION OF ROMAN ELIZEN

MOTION: Thomas Richie moved, seconded by Robert Webster, to find after review of the materials submitted, Roman Elizen would not be disqualified from obtaining a Real Estate Salesperson license or limited license due to his conviction record pursuant to Wis. Stat. § 111.335(4)(f) and Wis. Admin. Code § REEB 12.011. Motion carried.

DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Monitoring

Rhea Brunette – Requesting Full Licensure

MOTION: Jerry Lyons moved, seconded by Richard Marino, to grant the request of Rhea Brunette for full licensure. Motion carried unanimously.

Michael Bump – Requesting Full Licensure

MOTION: Robert Larson moved, seconded by Jerry Lyons, to grant the request of Michael Bump for full licensure. Motion carried unanimously.

Michael Diebel – Compliance Review

MOTION: Robert Webster moved, seconded by Robert Larson, to suspend the license of, Michael Diebel, Real Estate Salesperson license number 78391-94, for violating Board Order number 0003117 dated January 23, 2014. The suspension shall remain pending Applicant's compliance with the terms of the Order. Applicant is responsible for compliance with all of the terms and conditions of this Order, including the timely submission of reports by others. Motion carried unanimously.

Margaret Hundsrucker – Compliance Review

MOTION: Thomas Richie moved, seconded by Jerry Lyons, to suspend the license of, Margaret Hundsrucker, Real Estate Salesperson license number 74312-94, for violating Board Order Number 0000215 dated May 18, 2010. The suspension shall remain pending Applicant's compliance with the terms of the Order. Applicant is responsible for compliance with all of the terms and conditions of this Order, including the timely submission of reports by others. Motion carried unanimously.

Proposed Stipulations, Final Decisions and Orders

17 REB 029 – Roger W. McDowell

MOTION: Jerry Lyons moved, seconded by Thomas Richie, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Roger W. McDowell, DLSC Case Number 17 REB 029. Motion carried unanimously.

17 REB 040 – Maxwell Dieck

MOTION: Robert Webster moved, seconded by Jerry Lyons, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Maxwell Dieck, DLSC Case Number 17 REB 040. Motion carried unanimously.

17 REB 065 – Letesha D. Fields

MOTION: Robert Webster moved, seconded by Robert Larson, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Letesha D. Fields, DLSC Case Number 17 REB 065. Motion carried unanimously.

17 REB 068 – Patrick J. Bushek

MOTION: Jerry Lyons moved, seconded by Thomas Richie, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Patrick J. Bushek, DLSC Case Number 17 REB 068. Motion carried unanimously.

18 REB 028 – James E. Olszewski

MOTION: Thomas Richie moved, seconded by Richard Marino, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against James E. Olszewski, DLSC Case Number 18 REB 028. Motion carried unanimously.

Case Closings

16 REB 108 – T.B., W.B., H.R., Inc.

MOTION: Thomas Richie moved, seconded by Robert Larson, to close DLSC Case Number 16 REB 108, against T.B., W.B., H.R., Inc., for No Violation. Motion carried unanimously.

17 REB 004 – R.B., R.W., A.R., Inc.

MOTION: Thomas Richie moved, seconded by Robert Webster, to close DLSC Case Number 17 REB 004, against R.B., R.W., A.R., Inc., for No Violation. Motion carried unanimously.

17 REB 029 – C.O., R.V.R., L.L.C.

MOTION: Jerry Lyons moved, seconded by Robert Larson, to close DLSC Case Number 17 REB 029, against C.O., R.V.R., L.L.C., for No Violation. Motion carried unanimously.

17 REB 068 – M.G., R.R., R&A, Inc.

MOTION: Thomas Richie moved, seconded by Robert Webster, to delegate Al Rohmeyer, Department Chief Legal Counsel, the authority to preside over and resolve DLSC Case Number 17 REB 068, against M.G., R.R., R&A, Inc. Motion carried unanimously.

18 REB 023 – R.W., W.P., L.L.C.

MOTION: Robert Webster moved, seconded by Thomas Richie, to close DLSC Case Number 18 REB 023, against R.W., W.P., L.L.C., for No Violation. Motion carried unanimously.

18 REB 042 – N.M.

MOTION: Robert Larson moved, seconded by Jerry Lyons, to close DLSC Case Number 18 REB 042, against N.M., for No Violation. Motion carried unanimously.

ADJOURNMENT

MOTION: Robert Webster moved, seconded by Thomas Richie, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 1:05 p.m.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Sharon Henes Administrative Rules Coordinator		2) Date When Request Submitted: 3 December 2018 Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 13 December 2018	5) Attachments: <input type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Legislative and Administrative Rule Matters 1. Scope for Amending REEB 24 Relating to Conduct and Ethical Practices for Real Estate Licensees 2. Petition to JCRAR to Repeal Unauthorized REEB 25.028 (2) (g) 5., 25.033 (18) (j), and 25.038 (7) (e) Relating to Rental Unit Energy Efficiency Standards. 3. Updates on Legislation and Pending or Possible Rulemaking Projects	
7) Place Item in: <input type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:			
11) Authorization			
<i>Sharon Henes</i>		<i>mm/dd/yy</i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

STATEMENT OF SCOPE

REAL ESTATE EXAMINING BOARD

Rule No.: REEB 24

Relating to: Conduct and Ethical Practices for Real Estate Licensees

Rule Type: Permanent

1. Finding/nature of emergency (Emergency Rule only): N/A

2. Detailed description of the objective of the proposed rule:

The objective of the proposed rule is to complete a comprehensive review of ch. REEB 24 Conduct and Ethical Practices for Real Estate Licensees and make revisions to ensure the chapters are statutorily compliant and are current with professional standards and practices

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

The Real Estate Examining Board is beginning a comprehensive review of the chapter. The Real Estate Examining Board will make revisions to the chapter to create clarity, remove obsolete provisions, ensure statutory compliance and update to current professional standards and practices.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

15.08(5)(b) Each Examining Board shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains, and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession.

452.07 (1) The board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice.

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

100 hours

6. List with description of all entities that may be affected by the proposed rule:

Real estate brokers and salespersons

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

None

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

None to minimal. There is not likely to be a significant economic impact on small businesses.

Rev. 3/6/2012

Contact Person: Sharon Henes, Administrative Rules Coordinator, (608) 261-2377

Authorized Signature

Date Submitted

Chapter REEB 11

AUTHORITY AND DEFINITIONS

REEB 11.01 Authority.

Note: Chapter REB 1 as it existed on April 30, 1972 was repealed and a new chapter REB 1 was created, [Register, April, 1972, No. 196](#), effective May 1, 1972. Renumbered to be chapter RL 11, effective March 1, 1983. Chapter RL 11 was renumbered chapter REEB 11 under s. 13.92 (4) (b) 1., Stats., [Register November 2011 No. 671](#).

Note: Chapters RL 11 to 26 were renumbered REEB chs. 11 to 26 under s. 13.92 (4) (b) 1., Stats., [Register November 2011 No. 671](#). The real estate examining board retained the chapter numbers previously assigned to these chapters by the department of safety and professional services. There are no chapters REEB 1 to 10.

REEB 11.01 Authority. The rules in chs. [REEB 11](#) to [25](#) are adopted by the board pursuant to ss. [227.11 \(2\)](#), [440.03 \(1\)](#) and [452.07](#), Stats.

History: Cr. [Register, April, 1972, No. 196](#), eff. 5-1-72; renum. from REB 1.01 and am. [Register, February, 1983, No. 326](#), eff. 3-1-83; am. [Register, July, 1998, No. 511](#), eff. 8-1-98; correction made under s. 13.92 (4) (b) 6., 7., Stats., [Register November 2011 No. 671](#); CR 13-100: am. [Register September 2014 No. 705](#), eff. 10-1-14.

REEB 11.02 Definitions. In chs. [REEB 11](#) to [25](#):

(1d) “Agency agreement” has the meaning given in s. [452.01 \(1m\)](#), Stats.

(1h) “Associated with a firm” has the meaning given in s. [452.01 \(1o\)](#), Stats.

(1p) “Associated with a subagent” has the meaning given in s. [452.01 \(1p\)](#), Stats.

(1t) “Board” means the real estate examining board.

(2) “Business entity” has the meaning given in s. [452.01 \(3j\)](#), Stats.

(3) “Business representative” has the meaning given in s. [452.01 \(3k\)](#), Stats.

REEB 11.02 Definitions.

(3m) “Client” means a party to a transaction who has an agency agreement with a firm for brokerage services.

(4) “Closing statement” means a detailed computation of the balance of the purchase price due to the seller and the balance of the purchase price due from the buyer at the time of closing.

(4m) “Customer” means a party to a transaction who is provided brokerage services by a firm but who is not a client.

(5) “Department” means the department of safety and professional services.

(5g) “Firm” has the meaning given in s. [452.01 \(4w\)](#), Stats.

(6) “Licensee” has the meaning given in s. [452.01 \(5\)](#), Stats.

(6m) “Member of the licensee’s immediate family” means any of the following:

(a) A parent, stepparent, grandparent, foster parent, child, stepchild, grandchild, foster child, brother, sister, aunt, or uncle of the licensee.

(b) The spouse or domestic partner of the licensee or of any person listed in par. (a).

History: Cr. [Register, April, 1972, No. 196](#), eff. 5-1-72; renum. from REB 1.04 and am. [Register, February, 1982, No. 326](#), eff. 3-1-83; am. (intro.), renum. (2) to be (5), cr. (2), (3), (4) and (6), [Register, July, 1998, No. 511](#), eff. 8-1-98; correction in (intro.), (1), (5) made under s. 13.92 (4) (b) 6., 7., Stats., [Register November 2011 No. 671](#); CR 13-100: am. (intro.) [Register September 2014 No. 705](#), eff. 10-1-14; [EmR1620: emerg. renum. \(1\) to \(1t\), cr. \(1d\), \(1h\), \(1p\), \(5g\), \(6m\), eff. 7-1-16](#); [CR 16-042: renum. \(1\) to \(1t\), cr. \(1d\), \(1h\), \(1p\), am. \(2\), \(3\), renum. REEB 24.02 \(6\), \(9\) to 11.02 \(3m\), \(4m\) and am., cr. \(5g\), am. \(6\), cr. \(6m\) Register February 2017 No. 734, eff. 3-1-17.](#)

Chapter REEB 12

APPLICATIONS

REEB 12.005 Authority.
 REEB 12.01 Applications.
 REEB 12.011 Criminal conviction predetermination.
 REEB 12.013 Salesperson application requirements.

REEB 12.017 Broker application requirements.
 REEB 12.025 Examinations.
 REEB 12.04 Renewal and reinstatement.

Note: Chapter REB 2 as it existed on April 30, 1972 was repealed and a new chapter REB 2 was created, *Register*, April, 1972, No. 196, effective May 1, 1972. Renumbered to be chapter RL 12, effective March 1, 1983. Chapter RL 12 was renumbered chapter REEB 12 under s. 13.92 (4) (b) 1., Stats., *Register* November 2011 No. 671.

REEB 12.005 Authority. The rules in this chapter are adopted pursuant to ss. 227.11 (2), 440.05, 440.06, 440.07, 440.08, 452.07, 452.09, 452.10, 452.11 and 452.12, Stats.

History: Cr. *Register*, July, 1998, No. 511, eff. 8-1-98.

REEB 12.01 Applications. (1) FORMS. Applications for licenses and accompanying documents required by the provisions of ch. 452, Stats., and the rules of the board shall be made on forms provided by the department.

(2) ACTION ON COMPLETED APPLICATIONS. The board shall review and make a determination on an original application for a license within 60 business days after a completed application is received by the department. An application is completed when all materials necessary to make a determination on the application and all materials requested by the board have been received.

(3) VERIFICATION. (a) Individuals. All applications for a license as an individual shall be affirmed or verified by the applicant.

(b) Business entities. Applications for a license made by a business entity must be verified by a business representative of the business entity.

Note: Applications are available upon request to the department offices located at 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935; phone (608) 266-1212 or available for download on the department webpage: <http://dsps.wi.gov/Licenses-Permits/Credentialing/Business-Professions/>.

(4) FEES PREPAID. No action shall be taken on any application until the prescribed fees are paid and deposited at the office of the department.

(5) PREVIOUSLY LICENSED BROKERS AND SALESPERSONS. No action shall be taken on any new application of an applicant who has previously been licensed by the board until the applicant furnishes sufficient proof to the board that the applicant has not acted as a salesperson or broker since the expiration of his or her license. The board may in its discretion waive this requirement.

(6) NEW APPLICATIONS; NON-RESIDENT BROKERS AND SALESPERSONS. No application for a real estate broker's or salesperson's license from any person not a resident of the state of Wisconsin may be processed prior to receipt by the department of an irrevocable consent to be sued as specified in s. 452.11, Stats.

(7) NEW APPLICATIONS; MINORS. No action shall be taken on any new application for a broker's or salesperson's license received from any applicant unless said applicant is a person of the age of 18 years or over.

History: Cr. *Register*, April, 1972, No. 196, eff. 5-1-72; am. (2) (b), *Register*, July, 1972, No. 199, eff. 8-1-72; renum. from REB 2.01, r. (1) (b), renum. (1) (c) and (d) to be (1) (b) and (c), *Register*, February, 1981, No. 302, eff. 3-1-81; renum. from REB 2.02 and am. (1) (a), (c) 2., (e) and (f) and (2), *Register*, February, 1983, No. 326, eff. 3-1-83; am. (1) (a), (c) and (2) (a), r. and recr. (1) (b), *Register*, July, 1998, No. 511, eff. 8-1-98; correction in (1) (a), (b), (f) made under s. 13.92 (4) (b) 6., Stats., *Register* November 2011 No. 671; CR 15-010; renum. (1) (a), (b), (c), (e), (f) to (1) to (5), renum. (2) (a), (b) to (1) (6) to (7), *Register* September 2015 No. 717, eff. 10-1-15; correction in (1) (title), (6) (title), (7) (title) under s. 13.92 (4) (b) 2., Stats., *Register* September 2015 No. 717.

REEB 12.011 Criminal conviction predetermination. (1) An individual who does not possess a broker's or salesperson's license may apply to the board, without submitting a full application 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:

- (a) An application for predetermination.
- (am) A fee in the amount of \$68.00.
- (b) Police report.
- (c) Criminal complaint.
- (d) Judgment of conviction and sentencing.
- (e) Verification of compliance or completion with the terms of the sentencing.
- (f) Personal statement describing the facts that led to each offense and any rehabilitation completed.

(1m) The fee under sub. (1) (am) may be applied to the application fee under s. REEB 12.01 (4) if the individual applies for a real estate broker or salesperson license within 1 year of the determination decision.

(2) An individual who has been convicted of a felony shall meet the requirements of s. 452.25 (1) (b), Stats., prior to submitting a request for predetermination.

(3) The board shall review the information related to the conviction and consider all of the following factors in making a determination:

- (a) The severity and nature of the conviction.
- (b) The amount of time that has elapsed.
- (c) The number or pattern of convictions or other similar incidents that gave rise to the conviction.
- (d) The circumstances surrounding the conviction that may have a bearing on whether the individual might repeat the behavior that was the subject of the conviction.
- (e) The relationship of the conviction to real estate practice.
- (f) The individual's activities since the conviction, including employment, education, participation in treatment, payment of restitution, and any other factor that may be evidence of rehabilitation.

(4) The individual shall receive notification of the board's determination whether the criminal convictions would disqualify the individual from obtaining a license or certificate due to the individual's criminal record.

(5) The determination is binding upon the board and the department if the individual subsequently applies for license or certificate, unless there is information relevant to the determination that was not available to the board at the time of the determination.

History: CR 15-010; cr. *Register* September 2015 No. 717, eff. 10-1-15; EmR1620; emerg. am. (1), cr. (1) (am), eff. 7-1-16; CR 16-042; am. (1), cr. (1) (am), (1m) *Register* February 2017 No. 734, eff. 3-1-17.

REEB 12.013 Salesperson application requirements. (1) EDUCATION REQUIREMENTS. Except as provided in sub. (3), each applicant for a real estate salesperson's license shall submit satisfactory evidence of any of the following:

(a) Completion, within 4 years of licensure, of real estate salesperson's education under s. REEB 25.033 through an education program that has been approved by the board or nonresident salesperson education equivalency under s. REEB 25.038.

(b) Completion of 10 semester hour credits in real estate or real estate law courses at an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(2) EXAMINATION REQUIREMENTS. Except as provided in sub. (3), each applicant shall read and write a comprehensive examination in English, testing the applicant's competency to transact the business of a real estate salesperson. The examination shall be in conformity with s. 452.09 (3), Stats.

(3) RECIPROCITY. An applicant who is licensed as a salesperson in a state or territory that has entered into a reciprocal agreement with this state shall be licensed according to the terms of the reciprocal agreement.

History: CR 15-010; cr. Register September 2015 No. 717, eff. 10-1-15.

REEB 12.017 Broker application requirements.

(1) EDUCATION REQUIREMENTS. Except as provided in sub. (4), each applicant for a real estate broker's license shall submit satisfactory evidence of any of the following:

(a) Completion, within 4 years of broker's licensure, of a real estate broker's education program in business management under s. REEB 25.023 through an education program that has been approved by the board and evidence of any of the following:

1. Licensure as a real estate salesperson.

2. Completion of a real estate salesperson's education program under s. REEB 25.033 or completion of 10 semester hour credits in real estate or real estate related law courses from an accredited institution of higher education.

(b) Completion of nonresident broker equivalency under s. REEB 25.028.

(c) Completion of 20 semester hour credits in real estate or real estate law courses at an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(d) The applicant is licensed to practice law in this state.

(2) EXAMINATION REQUIREMENTS. Except as provided in sub. (4), each applicant for a real estate broker's license shall read and write a comprehensive examination in English, testing the applicant's competency to transact the business of a real estate broker. The examination shall be in conformity with s. 452.09 (3), Stats.

(3) EXPERIENCE REQUIREMENTS. Except as provided in sub. (4):

(a) Each applicant for a real estate broker's license shall submit evidence satisfactory to the board that the applicant has practiced as a licensed salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of application, excluding any time the applicant spent in an apprenticeship. Except as provided in pars. (b) to (d), the evidence shall demonstrate that the applicant's experience as a licensed salesperson qualifies the applicant for a total of at least 40 points based on the following point system:

1. Each completed or closed residential transaction is worth 5 points.

2. Each completed or closed commercial transaction is worth 10 points.

3. Each property management contract is worth 0.5 points per month.

4. Each completed or closed time share is worth one point.

(b) An applicant who is licensed to practice law in this state may satisfy the requirement under par. (a) by submitting to the board any of the following:

1. Evidence satisfactory to the board that the applicant has experience related to real estate.

2. Evidence that the applicant has at least one year experience as a licensed salesperson under the direct supervision of a licensed broker that qualifies the applicant for a total of at least 20 points based upon the point system in par. (a) 1 to 4.

(c) An applicant who holds a current certificate of financial responsibility under s. 101.654, Stats., may satisfy the requirement under par. (a) by submitting to the board any of the following:

1. Evidence satisfactory to the board that the applicant has experience related to real estate sales.

2. Evidence that the applicant has at least one year experience as a licensed salesperson under the direct supervision of a licensed broker that qualifies the applicant for a total of at least 20 points based upon the point system in par. (a) 1 to 4.

(d) A nonresident applicant may satisfy the requirement under par. (a) by submitting to the board evidence satisfactory to the board that the applicant has been a licensed broker under the laws of another state for at least 2 years within the last 4 years preceding the date of the applicant's application.

(4) RECIPROCITY. An applicant who is licensed as a broker in a state or territory that has entered into a reciprocal agreement with this state shall be licensed according to the terms of the reciprocal agreement.

History: CR 15-010; cr. Register September 2015 No. 717, eff. 10-1-15; correction in (3) (intro.) made under s. 35.17, Stats., Register September 2015 No. 717.

REEB 12.025 Examinations. (1m) PASSING SCORE.

The board shall determine the level of examination performance required for minimum acceptable competence after consultation with subject matter experts who have received a representative sample of the examination questions and available candidate performance statistics. The board shall set the passing score at the point that represents minimum acceptable competence in the profession.

(2) REVIEW. All applicants who obtain a failing grade shall receive a report detailing the results of the applicant's examination in the major content areas of the examination.

(3) CHEATING ON EXAMINATION. An applicant may not give or receive unauthorized assistance during an examination, violate the rules of conduct of the examination, or otherwise act dishonestly. The action taken by the board for a violation of this section shall be related to the seriousness of the offense. An action may include withholding the score of the applicant, entering a failing grade for the applicant, and suspending the ability of the applicant to sit for the next scheduled examination after the examination at which the conduct occurred.

Note: This section interprets or implements s. 452.09 (3), Stats.

History: Cr. Register, December, 1976, No. 252, eff. 1-1-77; r. and recr. Register, December, 1978, No. 276, eff. 1-1-79; renum. from REB 2.035, Register, February, 1981, No. 302, eff. 3-1-81; renum. from REB 2.025, Register, February, 1983, No. 326, eff. 3-1-83; r. (3), Register, July, 1998, No. 511, eff. 8-1-98; CR 15-010; am. (title), r. (1), cr. (1m), am. (2), renum. (3) from REEB 12.026 Register September 2015 No. 717, eff. 10-1-15.

REEB 12.04 Renewal and reinstatement.

(1) RENEWAL LESS THAN 5 YEARS AFTER LICENSE EXPIRATION. (a) If a licensee renews his or her real estate license less than 5 years after the renewal date, as defined in s. 440.01 (1) (dm), Stats., the licensee shall pay the applicable renewal fee and late renewal fee specified in s. 440.08, Stats., and provide evidence of having satisfied the continuing education required by s. 452.12 (5), Stats., during the biennium preceding the date of renewal of the license.

(c) The licensee shall before the next renewal date satisfy the continuing education required of all licensees during the biennium in which the licensee renews the license.

(2m) RENEWAL OF LICENSE MORE THAN 5 YEARS AFTER LICENSE EXPIRATION. (a) *General.* A licensee with an expired license may not reapply for the license using the initial application process.

(b) *Salesperson license.* A licensee who renews a salesperson license more than 5 years after the license expiration shall submit evidence of all of the following:

1. 'Education.' Completion of any of the following:
 - a. Real estate salesperson education under s. REEB 25.033 within 5 years of renewal of license.
 - b. Ten semester hour credits in real estate or real estate law courses from an accredited institution of higher education.
 - c. Real estate salesperson education under s. REEB 25.038. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.
2. 'Examination.' Passage of the examination required under s. REEB 12.013 (2).
3. 'Continuing education.' Completion of the continuing education required by s. 452.12, Stats., for the biennium preceding the date of renewal of the license. A licensee completing education under subds. 1. a. and c. meets the continuing education requirement.

(c) *Broker license.* A licensee who renews a broker license more than 5 years after the license expiration shall submit evidence of all of the following:

1. 'Education.' Completion of any of the following:
 - a. Real estate business management education under s. REEB 25.023 and real estate salesperson's education under s. REEB 25.033 within 5 years of renewal of license. The real estate salesperson education is not required if the license is currently licensed in this state as a real estate salesperson.
 - b. Completion of 20 semester hours credits in real estate or real estate law at an accredited institution of higher education.
 - c. Education under s. REEB 25.028. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.
 - d. A licensee who is also licensed to practice law in this state meets the education requirement.
2. 'Examination.' Passing the broker and salesperson examinations required under ss. REEB 12.013 (2) and 12.017 (2).
3. 'Experience.' Practicing as a licensed salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of renewal or has experience related to real estate by any of the following:

a. Accumulation of a total of at least 40 points based on the point system under s. REEB 12.017 (3) (a).

b. Meeting the requirement under s. REEB 12.017 (3) (b).

c. Meeting the requirement under s. REEB 12.017 (3) (c).

d. A licensee who held an active broker license in another jurisdiction within 2 years of renewal of a Wisconsin license meets the experience requirement.

4. 'Continuing education.' Completion of the continuing education required by s. 452.12, Stats., for the biennium preceding the date of renewal of the license. A licensee completing education under subds. 1. a. and c. meets the continuing education requirement.

(d) *Continuing Education Requirement.* All licensees renewing under pars. (b) and (c) shall before the next renewal date satisfy the continuing education required during the biennium in which the license is renewed.

(3) **LICENSE REINSTATEMENT.** (a) A licensee who has a license with unmet disciplinary requirements that has not been renewed within 5 years of the renewal date or whose license has been surrendered or revoked may submit an application for reinstatement with all the following:

1. Evidence of completion of requirements in sub. (2m) (b) or (c) if the licensee has not held an active Wisconsin license within the last 5 years.

2. Evidence of completion of disciplinary requirements, if applicable.

3. Evidence of rehabilitation or change in circumstances warranting reinstatement of license.

(b) A licensee may not reapply for a license through the initial application process if the licensee has unmet disciplinary requirements and failed to renew the license within 5 years of the renewal date or whose credential has been surrendered or revoked. A licensee may not practice real estate prior to being granted reinstatement of the license.

History: Emerg. cr. 6-16-87; cr. Register, December, 1987, No. 384, eff. 1-1-88; r. and recr. Register, March, 1990, No. 411, eff. 4-1-90; r. and recr., Register, September, 1993, No. 453, eff. 10-1-93; am. (2) (intro.), cr. (2) (a) 4., Register, July, 1998, No. 511, eff. 8-1-98; am. (1) (a), r. (1) (b), Register, August, 1999, No. 524, eff. 9-1-99; correction in (1) (a), (2) (a) 1., 2., (b) 1., 2. made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-100; am. (1), (2) Register September 2014 No. 705, eff. 10-1-14; CR 15-010; am. (title), cons. and renum. (1) (intro) and (a) to (1) (a) and am., am. (1) (c), r. (2), cr. (2m), (3) Register September 2015 No. 717, eff. 10-1-15.

Chapter REEB 15

OBLIGATION TO FURNISH COPIES AND MAINTAIN RECORDS

REEB 15.01 Authority.
REEB 15.02 Copies of documents.

REEB 15.04 Retention of records.

Note: Chapter REB 6 as it existed on April 30, 1972 was repealed and a new chapter REB 6 was created. *Register*, April, 1972, No. 196, effective May 1, 1972. Renumbered to be ch. RL 15, effective March 1, 1983. Chapter RL 15 as it existed on November 30, 1985 was repealed and a new chapter RL 15 was created effective December 1, 1985. Chapter RL 15 was renumbered chapter REEB 15 under s. 13.92 (4) (b) 1., Stats., *Register* November 2011 No. 671.

REEB 15.01 Authority. The rules in this chapter are adopted pursuant to ss. 227.11 (2), 452.07 and 452.14 (3) (h) and (i), Stats.

History: Cr. *Register*, November, 1985, No. 359, eff. 12-1-85; correction made under s. 13.93 (2m) (b) 7., Stats., *Register*, May, 1988, No. 389.

REEB 15.02 Copies of documents. (1) A licensee 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.

(2) A licensee shall promptly distribute to the following persons exact and complete copies of offers to purchase, amendments to contracts of sale, counter-offers, exchange agreements, or grants of option which have been accepted and signed by all the parties:

- (a) The seller.
- (b) The buyer.
- (c) The listing broker.
- (d) The selling broker.

(3) A broker or salesperson shall promptly distribute an exact and complete copy of a lease 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.

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

History: Cr. *Register*, November, 1985, No. 359, eff. 12-1-85; **EmR1620:** emerg. am. (1), (3), cr. (4), eff. 7-1-16; **CR 16-042:** am. (1), (2) (intro.), (3), cr. (4) *Register* February 2017 No. 734, eff. 3-1-17.

REEB 15.04 Retention of records. (1) A firm shall retain for at least 2 years, unless required by federal law or there is an active or ongoing investigation by the Board, 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 utilized, received or prepared 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 the listing contract or the agency agreement is terminated. These records shall be available for inspection and copying by the board. The firm shall, upon request of the board, promptly send exact and complete copies to the department without charge to the department or board. The board may not require copies to be submitted beyond the retention period. Electronic or digital means may be used to retain records.

(2) A licensee associated with a firm shall submit documents and records related to transactions that are utilized, prepared, or receive by the licensee to the firm in a timely manner.

History: Cr. *Register*, November, 1985, No. 359, eff. 12-1-85; correction made under s. 13.92 (4) (b) 6., Stats., *Register* November 2011 No. 671; **EmR1620:** emerg. renum. 15.04 to 15.04 (1) and am., cr. (2), eff. 7-1-16; **CR 16-042:** renum. 15.04 to 15.04 (1) and am., cr. (2) *Register* February 2017 No. 734, eff. 3-1-17.

Chapter REEB 16

APPROVED FORMS AND LEGAL ADVICE

REEB 16.01 Authority.
 REEB 16.02 Definitions.
 REEB 16.03 Approved forms.
 REEB 16.04 When to utilize approved forms.

REEB 16.05 Legal advice and practice of law.
 REEB 16.06 How to use approved forms.
 REEB 16.07 Violation of this chapter.

Note: Chapter RL 16 as it existed on March 31, 1986 was repealed and a new chapter RL 16 was created, effective April 1, 1986. Chapter RL 16 was renumbered chapter REEB 16 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

REEB 16.01 Authority. The rules in this chapter are adopted pursuant to ss. 227.11 (2), 452.05 (1) (b), 452.07, and 452.14 (3) (m), Stats.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; correction made under s. 13.93 (2m) (b) 7, Stats., Register, May, 1988, No. 389.

REEB 16.02 Definitions. Definitions contained in s. REEB 11.02 shall also apply to this chapter. In this chapter:

(1) “Agency agreement” has the meaning given in s. 452.01 (1m), Stats.

Note: Section 452.01 (1m) reads: “Agency agreement” means a written agreement between a broker and a client under s. 452.135 (1).

(1e) “Approved form” means a contractual or conveyance form which is either prepared and approved by the board, pursuant to s. 452.05 (1) (b), Stats., or approved in s. REEB 16.03.

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

(2) “Exclusive agency listing” means a written listing agreement containing all of the elements of an exclusive right to sell listing, except that the owner retains the right to sell the property himself or herself without owing the listing broker a commission.

(2e) “Exclusive right to locate buyer agency/tenant representation agreement” means a written buyer agency/tenant representation agreement giving the 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 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 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 firm the exclusive agent for the sale of property for a specific period of time, and which entitles the listing firm to a commission if the property is sold by the owner, by the firm, or by anyone else.

(3m) “Listing contract” means a written agency agreement authorizing a 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 firms, with the first 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 firm is entitled to a commission only if the prop-

erty is sold by the owner, by the firm, or by anyone else to a specific party or parties identified in the written listing contract.

(5) “Use a form” means to complete a contractual or conveyance form by filling in the blanks or modifying printed provisions on a form for the purpose of accomplishing the instruction of a party in a specific real estate transaction.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; r. (2), renum. (3) to be (5), cr. (2) to (4), Register, July, 1998, No. 511, eff. 8-1-98; correction in (1) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; CR 13-073: cr. (intro.), renum. (1) to (1e), cr. (1), (1m), (2e) to (2s), am. (3), cr. (3m), (4m) Register May 2014 No. 701, eff. 7-1-14; correction in (2s) made under s. 35.17, Stats., Register May 2014 No. 701; EmR1620: emerg. am. (1m), (2e) to (5), eff. 7-1-16; CR 16-042: am. (1m), (2e) to (5) Register February 2017 No. 734, eff. 3-1-17.

REEB 16.03 Approved forms. (1) In addition to forms prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats., the board approves the following forms for use by brokers:

(a) Forms prepared and approved by the state bar of Wisconsin for deeds, mortgages, mortgage notes, truth-in-lending disclosures, land contracts, release of mortgage, satisfaction of mortgage, assignment of mortgage, and assignment of land contract.

(b) Uniform commercial code forms: 1, 2, 3, 4, 11, 410, 411, 430, 445, 450, and 451.

(c) Contractual forms for the sale, purchase or rental of real estate or a business opportunity located in another state, if the contractual forms are those which licensees may legally and customarily use for such transactions in the state where the real estate or business opportunity is located.

(d) Forms prepared by governmental, quasi-governmental, and tribal agencies for use in programs administered by them under authority provided by law.

(e) Forms to be used for a property management agreement between a 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.

(2) In addition to forms prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats., the board grants approval of the forms in sub. (1) (c), (d), and (e) for use by salespersons. Board-approved contractual forms for use in real estate practice may be used by licensees and shall be available on the department’s webpage.

Note: Copies of these forms are accessible for printing and downloading from the department’s webpage: <http://dpsps.wi.gov>. These forms, form numbers, and form titles are subject to change; for the most current listing refer to the department’s webpage. Copies of the board-approved contractual forms for use by real estate licensees are available upon request to the Department of Safety and Professional Services; Division of Professional Credentialing Processing; PO Box 8935; Madison, WI 53708-8935; phone (608) 262-2112.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; cr. (1) (d), am. (2), Register, June, 1988, No. 390, eff. 7-1-88; cr. (1) (e), am. (2), Register, January, 1992, No. 433, eff. 2-1-92; am. (1) (a), Register, July, 1992, No. 439, eff. 8-1-92; correction in (2) made under s. 13.92 (4) (b) 6., Stats., Register November 2011 No. 671; CR 13-073: am. (1) (intro.), (a), (b), (e), (2) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am. (1) (intro.), (d), (e), eff. 7-1-16; CR 16-042: am. (1) (intro.), (d), (e) Register February 2017 No. 734, eff. 3-1-17; CR 17-100: am. (1) (intro.) Register July 2018 No. 751, eff. 8-1-18.

REEB 16.04 When to utilize approved forms.

(1) Except as provided in subs. (2) and (3), a licensee shall use approved forms when acting as an agent or a party in a real estate or business opportunity transaction.

(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 firm is a party to the listing contract transaction.

(3) A licensee may in any transaction where the licensee is acting as an agent, negotiate an agreement and permit the parties or an attorney for one or other of the parties to draft or prepare a contractual agreement which embodies all of the negotiated terms and conditions.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; am. (1) to (3), cr. (2m) and (3m), Register, July, 1992, No. 439, eff. 8-1-92; am. (1) and (2), r. (2m) to (3m), renum. (4) to be (3) and am., Register, July, 1993, No. 451, eff. 8-1-93; correction in (2) made under s. 13.92 (4) (b) 6., Stats., Register November 2011 No. 671; EmR1620: emerg. am. (2), eff. 7-1-16; CR 16-042: am. (2) Register February 2017 No. 734, eff. 3-1-17.

REEB 16.05 Legal advice and practice of law. (1) A licensee may not provide advice or opinions concerning the legal rights or obligations of parties to a transaction, the legal effect of a specific contract or conveyance, or the state of title to real estate.

(2) Notwithstanding sub. (1), a licensee may provide a general explanation of the provisions in an approved form to the parties to a transaction at the time of completing the form or when delivering an approved form for the seller's or buyer's acceptance.

(3) A licensee may use approved forms only in those transactions in which the licensee is acting in a capacity as licensee or in which the licensee is a principal, and in either case the use of such forms is incidental to the real estate practice of the licensee.

(4) A licensee may not make a separate charge for completing an approved form in connection with a transaction.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; CR 13-073: am. (1), (2) Register May 2014 No. 701, eff. 7-1-14.

REEB 16.06 How to use approved forms. (1) When a licensee reproduces or arranges for printing a contractual form prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats., the licensee shall comply with all of the following:

(a) Assure that the numbering of lines, line contents, and the lines appearing on each page are identical to those on the board-approved forms.

(b) Not reproduce the form in such a manner that optional provisions are omitted and blank lines are filled in without any indication of where the optional provisions and blank lines occur on the board-approved form.

(c) Shall indicate that the form is reproduced by the firm, stating its address and telephone number at an appropriate place on the form.

(d) May not add additional blank lines or add additional lines containing textual content, or alter the format of the form in any other manner. "Alter the format" does not include modifying margins or font size consistent with par. (a). To add textual content or additional provisions, a licensee shall only fill in blank lines provided for that purpose on a form or add addenda containing additional or altered provisions as provided in subs. (4) and (5).

(e) Retain the board's approval statement and date in the upper left corner exactly as these appear on the board-approved form.

(f) Assure that the formatting of the form is substantially identical to that on the board-approved form.

(2) A licensee who reproduces or arranges for printing a form under s. REEB 16.03 (1) (a) or (b) may not modify the form in any way.

(3) A licensee may cross out provisions on approved forms to reflect the agreement of a party to a transaction, provided that the deleted provisions remain legible.

(4) Except as provided in sub. (5), a licensee may use a pre-prepared addendum form and attach it to an approved form under all of the following circumstances:

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

(b) The addendum is incorporated by reference into the approved form and the approved form and the addendum are properly related to one another.

(c) The addendum relates to the blanks on an approved form; or alters or supplants optional provisions within an approved form.

(5) A licensee may use a pre-prepared addendum which supplants or alters the printed provisions of an approved form only if the following conditions are met:

(a) The addendum has been drafted by an attorney who is identified on the addendum.

(b) There are no optional or multiple choice provisions in the addendum.

(c) There are no blank lines or fill-in provisions in the addendum except for spaces for the signatures of the parties and those items required under par. (d).

(d) The addendum is incorporated by reference into the approved form and the approved form and the addendum are properly related to one another.

(6) A licensee may alter an approved exclusive right to sell listing contract to create an exclusive agency listing, an open listing, or a one-party listing.

(7) A licensee shall use the latest approved version of a board-approved form.

(8) A licensee shall use approved forms and prepare addenda in such a manner as to adequately accomplish the contractual instruction of the person for whom the licensee uses the forms and prepares the addenda.

(9) A licensee may alter an approved buyer agency/tenant representation agreement in order to create an exclusive right to negotiate, exclusive right to locate, or an exclusive right to locate and negotiate buyer agency/tenant representation agreement.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; am. (4), Register, June, 1988, No. 390, eff. 7-1-88; am. (4), Register, July, 1993, No. 451, eff. 8-1-93; cr. (1) (f), Register, August, 1994, No. 464, eff. 9-1-94; r. and recr. (4), Register, July, 1998, No. 511, eff. 8-1-98; EmR0811: emerg. am. (1) (a), (b) and (d), eff. 4-16-08; CR 08-040: am. (1) (a), (b) and (d) Register October 2008 No. 634, eff. 11-1-08; correction in (1) (intro.), (2) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; CR 13-073: am. (1) (intro.), (a), (b), (e), (f), (4) (intro.), (a), (b), (5) (intro.), (a) to (c), (6), (7), cr. (9) Register May 2014 No. 701, eff. 7-1-14; EmR1503: emerg. am. (1) (b), eff. 1-22-15; CR 15-006: am. (1) (b) Register July 2015 No. 715, eff. 8-1-15; EmR1620: emerg. am. (1) (c), (4) (a), (8), eff. 7-1-16; CR 16-042: am. (1) (c), (4) (a), (8) Register February 2017 No. 734, eff. 3-1-17.

REEB 16.07 Violation of this chapter. A licensee who violates this chapter demonstrates, for purposes of s. 452.14 (3) (i), Stats., incompetency to act as a real estate licensee in a manner that safeguards the interests of the public and violates s. 452.14 (3) (m), Stats.

History: Cr. Register, March, 1986, No. 363, eff. 4-1-86; am. Register, July, 1998, No. 511, eff. 8-1-98.

Chapter REEB 17

LICENSEES ASSOCIATED WITH A FIRM

REEB 17.01 Authority.

REEB 17.03 Limitations on licensees associated with a firm.

Note: Chapter REB 8 as it existed on April 30, 1972 was repealed and a new chapter REB 8 was created, *Register*, April, 1972, No. 196, effective May 1, 1972. Renumbered to be chapter RL 17, effective March 1, 1983. Chapter RL 17 as it existed on November 30, 1985 was repealed and a new chapter RL 17 was created effective December 1, 1985. Chapter RL 17 was renumbered chapter REEB 17 under s. 13.92 (4) (b) 1., Stats., *Register* November 2011 No. 671.

REEB 17.01 Authority. The rules in this chapter are adopted pursuant to ss. 227.11 (2), 452.07, 452.12 (2) and (3), 452.14 (3), and 452.30 (5), Stats.

History: Cr. *Register*, November, 1985, No. 359, eff. 12-1-85; correction made under s. 13.93 (2m) (b) 7., Stats., *Register*, May, 1988, No. 389; correction made under s. 13.92 (4) (b) 7., Stats., *Register* February 2017 No. 734; **correction made under s. 13.92 (4) (b) 7., Stats., *Register* March 2017 No. 735.**

REEB 17.03 Limitations on licensees associated with a firm. (2) A licensee associated with a firm may personally employ or engage as independent contractors licensed per-

sons only as unlicensed personal assistants within the meaning of s. 452.34 (1), Stats., subject to the provisions in s. 452.34, Stats.

(3) A broker shall be associated with only one firm unless the broker is engaging in independent practice under s. 452.30 (6) (a), Stats., or acting as business representative for a licensed business entity under s. 452.12 (2) (a), Stats.

(4) A salesperson may engage in real estate practice only when associated with a firm.

History: Cr. *Register*, November, 1985, No. 359, eff. 12-1-85; am. (2), *Register*, January, 1998, No. 505, eff. 2-1-98; am. (2) to (4), *Register*, January, 2001, No. 541, eff. 2-1-01; correction in (2) made under s. 13.92 (4) (b) 7., Stats., *Register* November 2011 No. 671; EmR1620: emerg. am. (title), r. (1), am. (2), r. and recr. (3), am. (4), eff. 7-1-16; CR 16-042: am. (title), r. (1), am. (2), r. and recr. (3), am. (4) *Register* February 2017 No. 734, eff. 3-1-17; correction in (3) made under s. 35.17, Stats., *Register* February 2017 No. 734.

Chapter REEB 18

TRUST ACCOUNTS

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Note: Chapter REB 9 as it existed on February 28, 1983 was renumbered to be chapter RL 18, effective March 1, 1983. Chapter RL 18 was renumbered chapter REEB 18 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

REEB 18.01 Authority. The following rules are adopted pursuant to ss. 227.11, 452.07 and 452.13, Stats.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.01 and am. Register, February, 1983, No. 326, eff. 3-1-83; CR 13-072: am. (title) Register May 2014 No. 701, eff. 7-1-14.

REEB 18.02 Definitions. In this chapter:

Note: See also definitions in s. REEB 11.02.

(1) “Business day” means any day excluding Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President of the United States such that the U.S. postal service does not receive registered mail or make regular deliveries on that day.

(1e) “Client funds” has that meaning given in s. 452.13 (1) (a), Stats.

Note: Section 452.13 (1) (a), Stats., reads: “‘Client funds’ means all downpayments, earnest money deposits or other money related to a conveyance of real estate that is received by a broker, salesperson or time-share salesperson on behalf of the broker’s, salesperson’s or time-share salesperson’s principal or any other person. ‘Client funds’ does not include promissory notes.”

(4) “Depository institution” has that meaning given in s. 452.13 (1) (b), Stats.

Note: Section 452.13 (1) (b), Stats., reads: “‘Depository institution’ means a bank, savings bank, savings and loan association or credit union that is authorized by federal or state law to do business in this state and that is insured by the federal deposit insurance corporation or by the national credit union share insurance fund.”

(5) “Real estate trust account” means an account for real estate trust funds maintained at a depository institution from which withdrawals or transfers can be made without delay, subject to any notice period that the depository institution is required to observe by law, and includes all of the following:

(a) Interest-bearing common trust accounts established for client funds.

(b) Non-interest bearing real estate trust accounts maintained for real estate trust funds other than client funds.

(c) Interest-bearing real estate trust accounts maintained for real estate trust funds other than client funds.

(6) “Real estate trust funds” means any cash, checks, share drafts, drafts, or notes received by a firm or licensee on behalf of a principal or any other person including any of the following:

(a) Payments on land contracts, mortgage payments and any other receipts pertaining to mortgages.

(b) Tax and insurance payments held in escrow.

(c) Advance fees and finder’s fees, unless non-refundable.

(d) Rental application deposits and rents, but only when received while acting as an agent for another.

(e) Payments received for subsequent repayment to a third party.

(f) Security deposits on rental property, except as provided in s. REEB 18.031 (4).

(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 receives the downpayments or funds when negotiating the sale of real estate or a business opportunity which the broker or 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.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; r. and recr. (3), Register, April, 1982, No. 316, eff. 5-1-82; renum. from REB 9.02 and am. (1), Register, February, 1983, No. 326, eff. 3-1-83; cr. (2m), am. (3) (a) (intro.), renum. (3) (c) and (d) to be (3) (a) 4. and 5. and am. 5., Register, June, 1984, No. 342, eff. 7-1-84; r. and recr. Register, August, 1994, No. 464, eff. 9-1-94; r. (3), am. (5) (intro.), Register, July, 1998, No. 511, eff. 8-1-98; correction in (6) (f) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: renum. (1) to (1e), cr. (1), am. (5) (intro.) to (b), (6) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. r. (2), am. (6) (intro.), (g), eff. 7-1-16; CR 16-042: r. (2), am. (6) (intro.), (g) Register February 2017 No. 734, eff. 3-1-17.

REEB 18.031 Deposits and types of accounts.

(1) **TIME OF DEPOSIT.** A firm shall deposit all real estate trust funds received by the 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 firm shall deposit the funds within the next 2 business days. If a firm receives funds which cannot be deposited by the firm, the firm shall, no later than one business day after receipt, either:

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

(b) Return the funds to the payer.

(2) **DUTY OF LICENSEES.** A licensee who receives real estate trust funds shall promptly submit the funds to the firm of the 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 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 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 firm.

(4) **SECURITY DEPOSITS.** A licensee having an ownership interest in a rental property shall either place security deposits related to that property in a real estate trust account or shall provide in a lease for security deposits to be held in an account maintained in the name of the owner or owners.

(5) **RENTAL OWNER’S ACCOUNT.** (a) In this subsection, “owner’s account” means an account maintained by an owner of rental

property for depositing and disbursing any funds payable to or by the owner.

(b) A 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 firm or licensee associated with the 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.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction made in (title) under s. 13.92 (4) (b) 2., Stats., Register November 2011 No. 671; CR 13-072: am. (1) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am. (1) (intro.), (a), (2), (3), (5) (b), eff. 7-1-16; CR 16-042: am. (1) (intro.), (a), (2), (3), (5) (b) Register February 2017 No. 734, eff. 3-1-17.

REEB 18.032 Number of real estate trust accounts.

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

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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

(2) CLOSING AN ACCOUNT. A 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.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; CR 13-072: am. (title), (2) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

REEB 18.034 Account designation. (1) NAME ON TRUST ACCOUNT. A firm shall name the 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 firm shall imprint the name of the real estate trust account on real estate trust account checks, share drafts or drafts.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction in (1) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: cr. (1) (title) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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 firm shall provide the department with the name and number of the account, with the name of the depository institution in which the 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 firm shall notify the department no later than 10 days after a firm 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 firm may inform the board by letter.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction in (1), (2) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: am. (2) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

REEB 18.036 Authorization to examine real estate trust accounts and records. (1) FIRM'S AUTHORIZATION. No later than 10 days after opening a real estate trust account a firm shall furnish the department authorization for the department to examine and audit all of the firm's real estate trust account records

and authorization for the department of administration to examine all of the 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 firm shall obtain the certification of every depository institution in which the 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.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction in (1), (2) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

REEB 18.037 Form for notification and authorization. A firm shall provide the information and authorization as specified in ss. REEB 18.035 and 18.036 on a form provided by the department. This form shall be designated "consent to examine and audit trust account."

Note: A copy of this form may be obtained from the Department of Safety and Professional Services, Division of Professional Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935 or downloading from the department's webpage: <http://dps.wi.gov>.

History: Cr. Register, August, 1994, No. 464, eff. 9-1-94; correction made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: am. Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.04 and am. (1), (2), (4) and (5), Register, February, 1983, No. 326, eff. 3-1-83; am. (1), (2), (3) (intro.) and (4), Register, June, 1984, No. 342, eff. 7-1-84; am. (1), r. (2) (a), renum. (2) (b) to be (2) (a) and am., Register, June, 1988, No. 390, eff. 7-1-88; am. (1), r. (2) to (5), Register, August, 1994, No. 464, eff. 9-1-94; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.05, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, August, 1994, No. 464, eff. 9-1-94; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.06, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, June, 1984, No. 342, eff. 7-1-84; am. Register, August, 1994, No. 464, eff. 9-1-94; CR 13-072: am. Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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 firm in the 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 firm holds these funds, the firm shall place them in the firm's real estate trust

account. The 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 firm may hold in the 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 firm is holding the funds.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; am., Register, April, 1982, No. 316, eff. 5-1-82; renum. from REB 9.07, Register, February, 1983, No. 326, eff. 3-1-83; renum. to be (1) and am., cr. (2), Register, June, 1984, No. 342, eff. 7-1-84; am. Register, August, 1994, No. 464, eff. 9-1-94; correction in (1) made under s. 13.92 (4) (b) 6., Stats., Register November 2011 No. 671; **EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.**

REEB 18.09 Disbursement of trust funds.

(1) PROPER DISBURSEMENT. A firm who disburses trust funds from the 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.:

(a) To the payer upon the rejection, expiration or withdrawal prior to binding acceptance of an offer to purchase, lease, exchange agreement or option on real estate or a business opportunity.

(b) As directed in a written earnest money disbursement agreement signed by all parties having an interest in the trust funds. For the purposes of this subsection, a closing statement is a written earnest money disbursement agreement.

(c) To a court having jurisdiction over a civil action involving all parties having an interest in the trust funds.

(d) As directed by order of a court.

(e) Upon a good faith decision based upon advice of an attorney not representing any party to the contract.

(f) Upon authorization granted within the contract.

(g) As otherwise provided by law.

(2) NOTIFICATION OF DISBURSEMENT. Prior to making a disbursement of trust funds under sub. (1) (a) where the 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 firm has knowledge that either party disagrees with the disbursement, the 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 firm shall withdraw commissions or fees earned by the firm from real estate trust accounts maintained by the 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 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.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.09 and am. (3) (intro.), Register, February, 1983, No. 326, eff. 3-1-83; am. (2), (3) (a) and (b) and (4), Register, June, 1984, No. 342, eff. 7-1-84; r. and recr., Register, July, 1993, No. 451, eff. 8-1-93; renum. (3) to be (3) (a), cr. (3) (b), Register, August, 1994, No. 464, eff. 9-1-94; CR 13-072: am. (1) (intro.), (a) to (f) Register May 2014 No. 701, eff. 7-1-14; **EmR1620: emerg. am. (1) (intro.), (2), (3), eff. 7-1-16; CR 16-042: am. (1) (intro.), (2), (3) Register February 2017 No. 734, eff. 3-1-17.**

REEB 18.10 Comingling funds prohibited.

(1) DEPOSITABLE FUNDS. A firm shall deposit only real estate trust funds in the firm's real estate trust account.

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

(b) A firm may deposit and maintain a sum not to exceed \$300.00 from 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 firm shall deposit additional personal funds in sums consistent with sub. (1) (b) in the 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.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.10, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, July, 1984, No. 342, eff. 7-1-84; am. Register, January, 1992, No. 433, eff. 2-1-92; am. Register, August, 1994, No. 464, eff. 9-1-94; CR 13-072: r. and recr. Register May 2014 No. 701, eff. 7-1-14; **EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.**

REEB 18.11 Non-depositable items. A 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.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.11, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, August, 1994, No. 464, eff. 9-1-94; correction in (2) (a) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: (1) renum. REEB 18.11, r. (2) Register May 2014 No. 701, eff. 7-1-14; **EmR1620: Emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.**

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

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

(a) For funds received, the journal shall include at least the date, the name of the party providing the money, and the amount.

(b) For disbursements, the journal shall include at least the date, the payee, the number of the check, share draft, or draft, and the amount.

(c) The journal shall identify each transaction by including at least the name of the principal, an identification number or other means of identification linking the journal to the transactions and the ledger described in sub. (2).

(d) The journal shall include a running balance for each day on which receipts or disbursements are entered.

(2) LEDGER. A 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 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 firm or a person designated by the 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 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 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 firm or a person designated by the 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 firm’s bookkeeping system if:

(a) The system complies fully with subs. (1) to (5).

(b) All bookkeeping entries required by this chapter are made in the computerized system, even if other records are being simultaneously maintained.

(c) A backup copy of the bookkeeping records required under subs. (1) to (2) is made on any day on which entries are made in the computerized bookkeeping system. The backup copy shall be made on a disk or other medium which is separate and distinct from that on which the source documents reside.

(d) After complying with subs. (3) to (5), the document which

records the account reconciliation, trial balance and validation is immediately copied to a backup medium and maintained by the broker.

(e) All records 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.

(f) All computerized trust account records are retained pursuant to s. REEB 15.04.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.13, Register, February, 1983, No. 326, eff. 3-1-83; am. (intro.), (1) (b), (2) to (5), Register, June, 1984, No. 342, eff. 7-1-84; am. (1) (intro.), (a) and (b), (2) and (4), renum. (1) (c) to be (1) (d), cr. (1) (c) and (6), Register, August, 1994, No. 464, eff. 9-1-94; correction in (6) (f) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; CR 13-072: am. (1) to (4), (6) (e) Register May 2014 No. 701, eff. 7-1-14; EmR1620: emerg. am. (intro.), (1) (intro.), (2) to (5), (6) (intro.), (e), eff. 7-1-16; CR 16-042: am. (intro.), (1) (intro.), (2) to (5), (6) (intro.), (e) Register February 2017 No. 734, eff. 3-1-17.

REEB 18.14 Violation of rules. A 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.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.14 and am. Register, February, 1983, No. 326, eff. 3-1-83; am. Register, June, 1984, No. 342, eff. 7-1-84; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

Chapter REEB 23

CHANGE OF NAME OR ADDRESS ON LICENSE, TRADE NAME OR FORM OF ORGANIZATION

REEB 23.01 Authority.
REEB 23.02 Change of name or address.

REEB 23.03 Trade name.
REEB 23.04 Change of form of business organization.

Note: Chapter REB 14 as it existed on December 31, 1981 was repealed and a new chapter REB 14 was created effective January 1, 1982. Renumbered to be chapter RL 23, effective March 1, 1983. Chapter RL 23 was renumbered chapter REEB 23 under s. 13.92 (4) (b) 1., Stats., [Register November 2011 No. 671](#).

REEB 23.01 Authority. The rules in this chapter are adopted pursuant to ss. 227.11, 452.07, 452.09, 452.10 and 452.12, Stats.

History: Cr. [Register, December, 1981, No. 312](#), eff. 1-1-82; renum. from REB 14.01 and am. [Register, February, 1983, No. 326](#), eff. 3-1-83; correction made under s. 13.93 (2m) (b) 7., Stats., [Register, May, 1988, No. 389](#).

REEB 23.02 Change of name or address. Any person licensed under ch. 452, Stats., who changes the name appearing on a current license or moves from the last address provided to the department shall notify the department in writing of the new name or address within 30 days of the change.

History: Cr. [Register, December, 1981, No. 312](#), eff. 1-1-82; renum. from REB 14.02 and am. [Register, February, 1983, No. 326](#), eff. 1-1-83; am. [Register, July, 1998, No. 511](#), eff. 8-1-98.

REEB 23.03 Trade name. (1) DEFINITION. “Trade name” means the name other than the name appearing on the license, under which the licensed individual broker or a licensed broker business entity advertises or does business.

(2) NOTIFICATION. A licensee, before doing business under any trade name, shall notify the department in writing of the trade name.

History: Cr. [Register, December, 1981, No. 312](#), eff. 1-1-82; renum. from REB 14.03 and am. (2), [Register, February, 1983, No. 326](#), eff. 3-1-83; **EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734**, eff. 3-1-17.

REEB 23.04 Change of form of business organization. (1) APPLICATION. A licensed broker business entity who intends to conduct business under a different business type, shall apply for a new license. Upon payment of the fee specified in s. 440.05 (1), Stats., the board shall issue to the applicant a license under the new business type.

(2) NEW LICENSE REQUIRED. A broker business entity shall not engage in real estate activities under a different business type until a new license is issued.

Note: Applications are available upon request to the department offices located at 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935; phone (608) 266-1212 or available for download on the department webpage: <http://dsps.wi.gov/Licenses-Permits/Credentialing/Business-Professions/>.

History: Cr. [Register, December, 1981, No. 312](#), eff. 1-1-82; renum. from REB 14.04 and am. (1), [Register, February, 1983, No. 326](#), eff. 3-1-83; am. [Register, July, 1998, No. 511](#), eff. 8-1-98; **EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734**, eff. 3-1-17.

Chapter REEB 24

CONDUCT AND ETHICAL PRACTICES FOR REAL ESTATE LICENSEES

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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 or 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; EmR1620: emerg. am. (3), eff. 7-1-16; CR 16-042: am. (3) Register February 2017 No. 734, eff. 3-1-17.

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.

(3) “Brokerage service” means any service described under s. 452.01 (2), Stats., provided to a person by a firm and any licensees associated with the firm.

(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 firm” means a firm who has an agency agreement with a buyer.

(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.

(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 firm” means a firm 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; **EmR1620**: emerg. r. (2), am. (3), (5), (6), (9), (13m), eff. 7-1-16; **CR 16-042**: r. (2), am. (3), (5), renum. (6), (9) to **REEB 11.02** (3m), (4m), am. (13m) February 2017 No. 734, eff. 3-1-17.

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 licensee, a licensee shall in all advertising disclose the firm name exactly as printed on the licensed individual broker or the licensed broker business entity'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 firm 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 associated with a firm shall advertise under the supervision of and in the name of the firm.

(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. Licensees shall not advertise property without the consent of the owner.

(4) ADVERTISED PRICE. Licensees 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; **EmR1620**: emerg. am. (2) (a), (b), (3), (4), eff. 7-1-16; **CR 16-042**: am. (2) (a), (b), (3), (4) Register February 2017 No. 734, eff. 3-1-17.

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 firm, or firm the licensee is associated with 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 firm, on behalf of any member of the licensee's immediate family or any combination of members of the licensee's immediate family, 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 firm 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 firm.

(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; **EmR1620**: emerg. am. (1) (a), (2), (4), (5) (a) 3., eff. 7-1-16; **CR 16-042**: am. (1) (a), (2), (4), (5) (a) 3. Register February 2017 No. 734, eff. 3-1-17.

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 firm.* 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 firms, 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 ss. 703.33 and 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 firm may not negotiate on behalf of a party who is not the firm's client unless the firm provides to the party a copy of the 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 firm shall request the party's signed acknowledgement that the party has received a copy of the written disclosure statement.

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

1r. If a client enters into an agency agreement with a firm to receive brokerage services related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, and the disclosure to clients is not incorporated into the agency agreement, the firm 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 firm the exclusive right to sell, shall notify the seller or the listing firm, 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 firm 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 firm.

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. Firms and the licensees associated with the firm shall explain to their clients the responsibilities of listing agents, buyer's agents, and subagents before entering into an agency agreement.

2. No firm or licensees associated with the firm may permit other firms to act as subagents in a transaction unless the firm'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 firm shall provide a 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 firm.

2. A buyer's firm shall provide a 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 firm.

3. A subagent shall provide a 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 firm's client.

4. A principal firm is not required to provide a 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 disclosure statement as required in s. 452.135 (2), Stats.

2. A licensee shall provide to prospective tenants a 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., Ir., 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; EmR1620: emerg. am. (1) (b) (title), (c), (3), (8) (a) 1. to Ir., 2. (intro.), a., c., (b), (d), (e), eff. 7-1-16; CR 16-042: am. (1) (b) (title), (c), (3), (8) (a) 1. to Ir., 2. (intro.), a., c., (b), (d), (e) Register February 2017 No. 734, eff. 3-1-17.

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 firm 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; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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 firms 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 licensed individual broker acting as a sole proprietor or licensee associated with a listing firm may not submit his or her own personal written proposal or offer to purchase a property which the firm has listed if the licensee has knowledge of the terms of any pending offer, except that a firm 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 firm 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 firm. A licensee shall immediately provide a written statement to the other party's firm 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 firm.

(5) NEGOTIATION THROUGH FIRM. 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 firm holding the exclusive right to sell, lease, or negotiate, and not with the party, except with the consent of the firm or where the absence of the firm, or other similar circumstances, reasonably compels direct negotiation with the party. A listing firm 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; EmR1620: emerg. am. (2) (a), (3) (b), (4), (5), eff. 7-1-16; CR 16-042: am. (2) (a), (3) (b), (4), (5) Register February 2017 No. 734, eff. 3-1-17.

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. Firms 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; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

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 licensee. 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 licensee, 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; EmR1620: emerg. am. (1), eff. 7-1-16; CR 16-042: am. (1) Register February 2017 No. 734, eff. 3-1-17.

Chapter REEB 25

EDUCATION

REEB 25.005 Authority.

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REEB 25.068 Approval for continuing education programs or courses.

REEB 25.09 Denial or withdrawal of approval.

Note: Chapter REB 16 as it existed on October 31, 1979, was repealed and a new Chapter REB 16 was created effective November 1, 1979. Renumbered chapter RL 25, effective March 1, 1983. Chapter RL 25 was renumbered chapter REEB 25 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

REEB 25.005 Authority. The following rules are adopted pursuant to ss. 227.11 (2), 452.05, 452.07, 452.09 (2) and (3) and 452.12 (5) (c), Stats.

History: Cr. Register, October 1979, No. 286, eff. 11-1-79; renum. from REB 16.005 and am. Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1992, No. 433, eff. 2-1-92.

REEB 25.01 Definitions. As used in this chapter, unless the context otherwise specifically requires:

(1) "Accredited institution of higher education" means a law school accredited by the American bar association or other schools accredited by one of the regional institutional accrediting commissions or associations which have been recognized by the U.S. department of education.

(2) "Board" means the real estate examining board.

(3) "Continuing education course" means an approved segment of a continuing education program required by the board pursuant to s. 452.05 (1) (d), Stats.

(4) "Continuing education program" means the total number of continuing education hours or subjects required by the board pursuant to s. 452.05 (1) (d), Stats.

(6) "Evidence of completion" means an official transcript, student grade report, or board-approved certificate showing satisfactory completion of education programs or courses.

(7) "Hour" means a period of 50 minutes of actual instruction and shall not include time spent in writing tests or examinations given by the school.

History: Cr. Register, October, 1979, No. 286, eff. 11-1-79; renum. from REB 16.01 and am. (1) and (6), Register, February, 1983, No. 326, eff. 3-1-83; renum. (1) to (5) to be (2), (7), (5), (8), (1) and am. (8), cr. (3) and (4), am. (6), Register, January, 1992, No. 433, eff. 2-1-92; am. (1), Register, July, 1998, No. 511, eff. 8-1-98; cr. (2m), (5m), am. (3), (4) and (7), Register, August, 1999, No. 524, eff. 9-1-99; correction in (2) to (4), (6) made under s. 13.92 (4) (b) 6., Stats., Register November 2011 No. 671; CR 15-010: r. (2m), (5), (5m), am. (6), r. (8) Register September 2015 No. 717, eff. 10-1-15.

REEB 25.023 Real estate broker's pre-license business management program. An education program in business management for applicants for a real estate broker's license shall consist of 72 hours. The education program in business management shall contain all of the following topics:

(1) **CONTRACTS.** Instruction relating to real estate contracts shall include all of the following:

(a) The definition of a contract, including the difference between a contract and an agreement.

(b) Elements of a contract, including all of the following:

1. Offer.
2. Acceptance.
3. Consideration.
4. Competent parties.

(c) Parties to a contract, including all of the following:

1. Parties to an agency agreement.

2. Parties to a sales contract, option, or lease.

3. Multiple parties.

(d) Creating binding contracts, including all of the following:

1. Signatures.
2. Acceptance and binding acceptance.
3. Delivery.
4. Deadlines.
5. Time is of the essence.

(e) Validity of contracts.

(f) Drafting contracts and contingencies, including all of the following:

1. Properly drafting.
2. Pre-printed.
3. Customized.

(g) Ending the contractual relationship, including all of the following:

1. Rescission.
2. Termination.
3. Modification.
4. Death of a party.
5. Default and breach.

(h) Acceptance and counteroffers, including the difference between acceptance and counteroffers.

(i) The law of conveyances, including all of the following:

1. Conveyance defined.
2. Requirements for a valid conveyance.

(j) Agreement to arbitrate real estate transaction disputes under s. 788.015, Stats.

(k) Commercial real estate commission lien under s. 779.32, Stats.

(2) **APPROVED FORMS.** Instruction relating to real estate approved forms shall include all of the following:

(a) The forms approval process, including all of the following:

1. Forms committee.
2. Real estate examining board.
3. Department of safety and professional services.

(b) The authorized practice of law, including all of the following:

1. Reynolds v. Dinger, 14 Wis. 2d 193.
2. Chapter REEB 16.

(c) Review of forms, including all of the following:

1. Listing contract for sale.
2. Offer.
3. Counteroffer.
4. Amendment.
5. Buyer agency agreement.
6. Listing contract for lease.
7. Option.
8. Bill of sale.

9. Exchange.
10. Cancellation agreement and mutual release.
11. State bar forms under s. REEB 16.03 (1).
12. Uniform commercial code forms.
13. Forms used in other states.
- (d) Developing a form and contingency manual
- (e) Supervising salesperson's use of approved forms.
- (3) TRUST ACCOUNTS, ESCROW, CLOSING STATEMENT.** Instruction relating to real estate trust accounts, escrow and closing statement shall include all of the following:
 - (a) Trust accounts under ch. REEB 18, including all of the following:
 1. Trust account definition.
 2. Trust funds definition.
 3. When is a trust account required.
 4. Registering a trust account.
 5. Procedure to open a trust account.
 6. Authorization to sign trust account checks.
 7. Depositing of trust funds.
 8. Disbursement of trust funds.
 9. Bookkeeping system.
 10. Closing a trust account.
 - (b) Escrow agreement procedures, including all of the following:
 1. Escrows requiring separate escrow agreements.
 2. Pre-closing earnest money escrows.
 3. Post closing escrows.
 4. Escrows not requiring separate escrow agreements.
 5. Drafting escrow agreements.
 - (c) Closing procedures, including all of the following:
 1. Licensees are not required by license law to perform closings.
 2. Choosing a closing statement.
 3. Closing preparation procedures.
 4. Setting a closing date.
 5. Preparing closing documentation.
 6. Closing procedures.
 7. Post closing procedures.
- (4) BROKER MANAGEMENT AND MARKETING.** Instruction relating to real estate broker management and marketing shall include all of the following:
 - (a) The legal environment, including all of the following:
 1. Requirements for licensure.
 2. Liability concerns and risk reduction.
 - (b) The business plan, including all of the following:
 1. Form of ownership.
 2. Start up.
 3. Capital budget.
 4. Operation budget.
 5. Marketing strategies.
 - (c) Professional services, including all of the following:
 1. Attorneys.
 2. Accountants.
 - (d) Operational policies, including all of the following:
 1. Policy and procedures manual.
 2. Independent contractors agreement.
- (5) FINANCIAL AND OFFICE MANAGEMENT.** Instruction relating to financial and office management shall include all of the following:
 - (a) Financial management, including all of the following:
 1. System of income and expense accounting.
 2. Accounts used for handling funds.
 3. Bank reconciliations.
 4. Financial reports.
 - (b) Budgeting, including all of the following:
 1. Definition of a budget.
 2. Purpose of the budget.
 3. Comparison of budget income and expenses.
 4. Preparing the budget.
 - (c) Office management under ch. REEB 15 including retention of records.
 - (6) PERSONNEL.** Instruction relating to personnel shall include all of the following:
 - (a) Hiring, including all of the following:
 1. Agents.
 2. Personal assistants.
 3. The difference between employee and independent contractor.
 4. Equal opportunity.
 5. Workers' compensation.
 - (b) Policy manual, including all of the following:
 1. Purpose.
 2. Recommended content.
 3. Maintenance.
 4. Access.
 - (c) Training.
 - (d) Licensure and supervision of employees under ch. REEB 17.
 - (7) BUSINESS ETHICS.** Instruction relating to real estate business ethics shall include all of the following:
 - (a) Dealing with the public, including all of the following:
 1. Avoiding discrimination as required under s. REEB 24.03 (1).
 2. Competence in the area of service under s. REEB 24.03 (2).
 3. Legal counsel are not to be discouraged under s. REEB 24.06.
 4. Tie-in arrangements under s. REEB 24.075.
 5. Agreements in writing under s. REEB 24.08.
 6. Misleading market values under s. REEB 24.09.
 7. No net listings under s. REEB 24.10.
 - (b) Advertising, including all of the following:
 1. False advertisements.
 2. Disclosure to the public.
 3. Obtain permission.
 4. Advertised price.
 - (c) Offers under ss. REEB 24.12 and 24.13, including all of the following:
 1. Confidentiality.
 2. Drafting and submitting all offers.
 3. Submitting promptly.
 4. Presenting fairly.
 5. Prompt notification.
 - (d) Disclosure of compensation and interest under s. REEB 24.05, including all of the following:
 1. Disclosure of profits.
 2. Disclosure of intent.
 3. Property owned by licensee.
 4. Referral of service.
 5. Compensation from more than one party.
 - (e) Disclosure under s. REEB 24.07, including all of the following:
 1. Material facts.

2. Material adverse facts.
 3. Property inspection.
 4. Agency.
 5. “As-is” sales.
 6. Optional disclosure
- (f) Dealings with fellow licensees, including all of the following:
1. Negotiations through a listing broker under s. REEB 24.13 (5).
 2. Obtaining a seller’s permission for subagent under s. REEB 24.07 (8) (b) 2.
 3. Confidentiality of offer under s. REEB 24.12.
 4. Disclosing material adverse facts under s. REEB 24.07 (2).
 5. False information under s. REEB 24.07 (3).
 6. Disclosing buyer agent and seller subagent under s. REEB 24.07 (8).
- (g) Dealings with licensee and salespeople, including all of the following:
1. Licensee supervision under s. REEB 17.08.
- Note:** Section REEB 17.08 was repealed by CR 16-042. Corrections will be made in future rulemaking.
2. Office supervision under s. REEB 17.08.
- Note:** Section REEB 17.08 was repealed by CR 16-042. Corrections will be made in future rulemaking.
- (h) Commercial real estate broker’s commission under s. 779.32, Stats.
- (i) Agency relationships, including all of the following:
 1. Multiple representation with designated agency.
 2. Multiple representation without designated agency.
 3. Single agency.
- (8) CONSUMER PROTECTION.** Instruction relating to real estate consumer protection shall include all of the following:
- (a) Disclosure, including all of the following:
 1. Property inspections under s. REEB 24.07 (1) (a).
 2. Investigation of other facts under s. REEB 24.07 (1) (b).
 3. Use of third party inspectors under s. REEB 24.07 (5).
 4. Property condition under s. 452.23, Stats.
 5. Civil liability for misrepresentation.
 6. Seller’s disclosure duties under ch. 709, Stats.
 7. Buyer’s inspection obligation.
 - (b) Fair housing, including all of the following:
 1. Federal law.
 2. State of Wisconsin law.
 3. Local fair housing law.
 4. Sanctions for violations.
 5. Testers and fair housing organizations.
 6. Conduct prohibited by fair housing law.
 7. Responding to fair housing questions.
 8. Instituting equal professional service procedures.
 - (c) Antitrust: conspiracy and group boycotts, including all of the following:
 1. Section 1 of the Sherman Act.
 2. “Conspiracy” requirement.
 3. “Restraint of trade” requirement.
 4. Compensation and “prices” that have been fixed.
 5. Situations creating inferences of price fixing.
 6. How to respond to antitrust situations.
 7. Elements same as price fixing, including conspiracy and restraint of trade.
 8. Situations creating inference of boycott.
 - (d) Complaint handling procedures, including all of the following:
 1. Consumer satisfaction.
 2. Liability avoidance.
 3. Feedback on fair housing or other law violations.
 4. Preventing complaint through education.
 5. Documenting the compliant handling program in policy and procedures manual.
 6. Informing the parties of the complaint handling program.
 7. Dispute resolution systems.
 - (e) Environmental factors, including all of the following:
 1. Underground storage tanks, including registration and closure.
 2. Asbestos.
 3. Radon.
 4. Lead-based paint.
 5. Procedures for high risk properties.
 6. Wetlands and floodplain.
 - (f) Education buyers and sellers, including all of the following:
 1. Property inspection and disclosing of defects.
 2. Earnest money procedures.
 3. Licensees’ responsibilities and expertise.
 4. Utilizing third party experts.
- (9) SPECIALTY AREAS.** Instruction relating to real estate specialty areas shall include all of the following:
- (a) Property management, including all of the following:
 1. Management contracts.
 2. Insurance liability.
 3. Security deposits.
 4. Breach of lease.
 5. Property inspections.
 6. Tenant and landlord rights and obligations under ch. ATCP 134.
 7. Rules regarding negotiating leases.
 - (b) Business opportunities, including all of the following:
 1. Special expertise and licensing requirements under s. REEB 24.03.
 2. Approved forms.
 - (c) Selling specialized properties as a brokerage activity.
 - (d) Alternative marketing methods, including all of the following:
 1. Exchanges.
 2. Installment sales.
 3. Cooperatives.
 - (e) Mortgage banking, including all of the following:
 1. Definitions of mortgage banker, loan originator and loan solicitor.
 2. When separate registration is needed.
 3. Real Estate Settlement Procedures Act.
 - (f) Real estate appraisal.
 - (g) Farms.
 - (h) Auctions.
 - (i) Mobile homes.
 - (j) Time-Share, including familiarity with ch. 707, Stats., when selling time-shares.
- (10) NOTIFYING THE DEPARTMENT.** Instruction relating to notifying the department shall include all of the following:
- (a) Change of name, address or trade name under ch. REEB 23
 - (b) Criminal conviction under s. 440.03 (13) (am), Stats.
- History:** CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; CR 17-100: r. (4) (a) 3. Register July 2018 No. 751, eff. 8-1-18.

REEB 25.028 Nonresident broker education equivalency. An applicant who has held an active real estate broker’s license in another licensing jurisdiction within the 2

year period prior to filing an application for a real estate broker's license in this state is deemed to have met the equivalency to the business management and salesperson program education based upon his or her education required to obtain a license in the other licensing jurisdiction and the completion of Wisconsin specific education consisting of all of the following:

(1) Business management education consisting of 6 hours, including all of the following:

(a) Broker—only contracts and contract issues, including all of the following:

1. Reynolds v. Dinger, 14 Wis. 2d 193.
2. State bar forms under s. REEB 16.03 (1).
3. Uniform commercial code forms under s. REEB 16.03 (1).
4. Forms used in other states.
5. Developing forms and contingency manual.
6. Supervising salesperson's use of approved forms.
7. Commercial real estate broker's commission under s. 779.32, Stats.

(b) Agency relationships, including all of the following:

1. Multiple representation with designated agency.
2. Multiple representation without designated agency.
3. Single agency.

(c) Disclosure, including all of the following:

1. Property inspections.
2. "As-is" sales.
3. Optional disclosure.

(d) Trust accounts under ch. REEB 18, including all of the following:

1. When is a trust account required.
2. Registering a trust account.
3. Procedure to open a trust account.
4. Authorization to sign trust account checks.
5. Deposit of trust funds.
6. Disbursement of trust funds.
7. Bookkeeping system.
8. Closing a trust account.

(e) Notifying the department, including all of the following:

1. Change of name, address or trade name under ch. REEB 23.
2. Criminal conviction under s. 440.03 (13) (am), Stats.

(f) Wisconsin fair housing law under s. REEB 24.03 (1), and ss. 66.1011 and 106.50, Stats.

(g) Licensees associated with a firm under ch. REEB 17.

(2) Salesperson education consisting of 13 hours, including all of the following:

(a) Contracts, including all of the following:

1. Law of conveyances, including all of the following:
 - a. Conveyance defined under s. 706.01, Stats.
 - b. Requirements for a valid conveyance under ss. 706.02, and 706.03, Stats.
2. Chapter REEB 16.

3. Review of forms approved by the board, including all of the following:

- a. Listing contracts.
- b. Offers to purchase.
- c. Addenda.
- d. Buyer agency agreements.
- e. Counter offers.
- f. Multiple counter proposals.
- g. Amendment.
- h. Notices.
- i. Option.

j. Bill of sale.

k. Exchange.

L. Cancellation agreement and mutual release.

(b) Agency, including all of the following:

1. Duties owed to parties and clients under s. 452.133, Stats.
2. The requirement for an agency agreement and disclosure of agency under s. 452.135, Stats.
3. Revisions to common law duties and responsibilities under s. 452.139, Stats.

(c) Agency relationship, including all of the following:

1. Multiple representation with designated agency.
2. Multiple representation without designated agency.
3. Single agency.

(d) Business conduct, including all of the following:

1. Direct contact with the public, including all of the following:

- a. Competence in area of service under s. REEB 24.03.
- b. Tie-in arrangements under s. REEB 24.075.
- c. Agreements in writing under s. REEB 24.08.
- d. Misleading market values under s. REEB 24.09.
- e. Net listings under s. REEB 24.10.
2. Advertising under s. REEB 24.04.
3. Completing and presenting written proposals under ss. REEB 24.12 and 24.13., including all of the following:

- a. Confidentiality.
- b. Drafting and submitting offers.
- c. Prompt delivery to buyer.
- d. Fair presentation of offers.
- e. Prompt notification.

4. Disclosure of compensation and interest under s. REEB 24.05, including all of the following:

- a. Disclosure of interest.
- b. Referral services.
- c. Disclosure of profits.
- d. Disclosure of licensure.

(e) Consumer protection, including all of the following:

1. Property inspections under s. REEB 24.07 (1) (a).
2. Inquiry by listing broker under s. REEB 24.07 (1) (b).
3. Disclosure of material adverse facts under s. REEB 24.07 (2).

4. Disclosure of material suggesting adverse material facts under s. REEB 24.07 (3).

5. Disclosure of side agreements under s. REEB 24.07 (4).
6. Reliance upon third parties under s. REEB 24.07 (5).
7. Investigations and inspections under s. 452.23, Stats.
8. Civil liability for misrepresentation.
9. Seller's disclosure duties under ch. 709, Stats.

(f) Wisconsin fair housing law under s. REEB 24.03 (1), and ss. 66.1011 and 106.50, Stats.

(g) Environmental factors, including all of the following:

1. Underground storage tanks under ch. ATCP 93.
2. Floodplains under s. 87.30, Stats., and ss. NR 116.01 and 116.06.
3. Wetlands under s. 23.32, Stats.
4. Farmland preservation under ss. 91.60 to 91.70, Stats.
5. Rental unit energy efficiency standards under ss. SPS 367.03 and 367.08.

(h) Trust accounts and escrows, including all of the following:

1. Trust accounts under s. 452.13, Stats., and ch. REEB 18, including all of the following:

- a. Definition of trust account.

- b. Interest-bearing and non-interest bearing accounts.
- c. Definition of trust funds.
- d. When a trust account is required.
- e. Depositing of trust funds.
- 2. Escrow agreement procedures, including all of the following:
 - a. Escrows requiring separate escrow agreements.
 - b. Pre-closing earnest money escrows.
 - c. Post-closing escrows.
 - d. Escrows not requiring separate escrow agreement.
 - e. Drafting escrow agreements.
 - (i) Miscellaneous issues, including all of the following:
 - 1. Condominiums under ss. 703.08, 703.21 and 703.33, Stats.
 - 2. Homestead under ss. 706.01 (7) and 766.605, Stats.
 - 3. Taxes under ss. 74.15, and 74.47 (1) and (2), Stats.
 - 4. Taxation and transfer fees under ss. 77.22 and 77.27, Stats.
 - 5. Residential rental practices under ss. ATCP 134.02, 134.06, and 134.09.
 - 6. Documents and records under ch. REEB 15.
 - 7. Licensure and supervision of employees under ch. REEB 17.
 - 8. Property rights of married persons under ss. 766.31, 766.51, 766.60, and 766.63, Stats.
 - 9. Mortgage banking under s. 224.71, Stats.

History: CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; CR 17-100: renum. (1) (g) (intro.) to (1) (g) and am., r. (1) (g) 1. to 3. Register July 2018 No. 751, eff. 8-1-18.

REEB 25.033 Salesperson's pre-license program.

An education program for applicants for a real estate salesperson's license shall consist of 72 hours. The education program shall contain all of the following topics:

- (1) REAL PROPERTY. Instruction relating to real property shall include all of the following:
 - (a) Land, real estate and real property.
 - (b) The difference between real property and personal property.
 - (c) Classification of fixtures.
 - (d) Characteristics of real estate.
 - (e) Types of home ownership.
 - (f) Mobile homes under s. 70.043, Stats.
 - (g) Ownership expenses.
 - (h) Property features.
 - (i) Investment considerations.
 - (j) Tax benefits for home ownership.
 - (k) Homeowner's insurance.
- (2) THE REAL ESTATE BUSINESS. Instruction relating to the real estate business shall include all of the following:
 - (a) Real estate specialties.
 - (b) The real estate market.
 - (c) Factors affecting supply and demand.
 - (d) Business cycles.
 - (e) Real estate practice under ch. 452, Stats.
- (3) REAL ESTATE BROKERAGE. Instruction relating to real estate brokerage shall include all of the following:
 - (a) Law of agency.
 - (b) Creating and terminating of agency.
 - (c) Fiduciary duties.
 - (d) Responsibilities to third parties.
 - (e) Broker's and salesperson's compensation.
 - (f) Antitrust laws.

- (g) The difference between independent contractor and employee.
- (h) Broker-to-broker relationships.
- (i) Sales associate-to-sales associate relationships.
- (j) Agency, including all of the following:
 - 1. Duties owed to parties and clients under s. 452.133, Stats.
 - 2. The requirement for an agency agreement and disclosure of agency under s. 452.135, Stats.
 - 3. Revisions to common law duties and responsibilities under s. 452.139, Stats.
- (k) Agency relationship, including all of the following:
 - 1. Multiple representation with designated agency.
 - 2. Multiple representation without designated agency.
 - 3. Single agency.
- (4) LISTING AGREEMENTS. Instruction relating to real estate listing agreements shall include all of the following:
 - (a) Listing property.
 - (b) Listing agreements under ch. REEB 16.
 - (c) Special listing provisions.
 - (d) Terminating listings.
 - (e) Obtaining listings.
 - (f) Pricing the property.
 - (g) Disclosures.
 - (h) Home warranties.
- (5) INTERESTS IN REAL ESTATE. Instruction relating to interests in real estate shall include all of the following:
 - (a) Government powers.
 - (b) Estates in land.
 - (c) Encumbrances.
 - (d) Water rights.
 - (e) Forms of ownership.
 - (f) Trusts.
 - (g) Ownership by business organizations.
 - (h) Cooperatives.
 - (i) Time-shares under ss. 70.095, 707.02, 707.05, 707.40, 707.47, and 707.49, Stats.
 - (j) Condominiums under ss. 703.08, 703.21 and 703.33, Stats.
 - (k) Homestead under ss. 706.01 (7) and 766.605, Stats.
- (6) LEGAL DESCRIPTIONS. Instruction relating to real estate legal descriptions shall include all of the following:
 - (a) Methods of describing real estate.
 - (b) Land units and measurements.
- (7) TAXES AND OTHER LIENS. Instruction relating to taxes and other liens shall include all of the following:
 - (a) Liens.
 - (b) Tax liens.
 - (c) General tax assessment, equalization, and tax bills.
 - (d) Mortgage liens.
 - (e) Construction liens.
 - (f) Judgments.
 - (g) Estate and inheritance tax liens.
 - (h) Other liens.
 - (i) Taxes under ss. 74.15 and 74.47 (1) and (2), Stats.
 - (j) Taxation and transfer fees under ss. 77.22 and 77.27, Stats.
- (8) REAL ESTATE CONTRACTS. Instruction relating to real estate contracts shall include all of the following:
 - (a) Contract law.
 - (b) Elements of a valid contract.
 - (c) Performance of contract.
 - (d) Discharging of contract.
 - (e) Default or breach of contract.

(f) Forms used in real estate under ch. REEB 16, including all of the following:

1. Listing agreements under s. 240.10, Stats.
2. Offers to purchase.
3. Addenda.
4. Buyer agency agreements.
5. Counteroffers.
6. Multiple counter proposals.
7. Amendments.
8. Notices.
9. Understanding closing statements.
10. Disclosure forms, including all of the following:
 - a. Seller condition report.
 - b. Agency.
 - c. Buyer and seller disclosure.
11. Cancellation agreement and mutual release agreements.
12. Option.
13. Bill of sale.
14. Exchange.

(g) Agreement to arbitrate real estate transaction disputes under s. 788.015, Stats.

(9) TITLE RECORDS AND TRANSFERS OF TITLE. Instruction relating to real estate title records and transfers of title shall include all of the following:

- (a) Requirements of a valid conveyance under ss. 240.10, 706.02 and 706.03, Stats.
- (b) Types of deeds.
- (c) Involuntary alienation.
- (d) Probate.
- (e) Transferring of a title by will.
- (f) Public records and recording.
- (g) Evidence of title.
- (h) Conveyance defined under s. 706.01, Stats.

(10) REAL ESTATE FINANCE AND BASIC MATH. Instruction relating to real estate finance and basic math shall include all of the following:

- (a) Buyer qualification.
- (b) Mortgage instruments.
- (c) Payment plans.
- (d) Provisions for default; assignment; release and subject to.
- (e) Land contracts.
- (f) Secondary mortgage market.

(11) APPRAISAL AND MARKET ANALYSIS. Instruction relating to real estate appraisal and market analysis shall include all of the following:

- (a) Basic principles of value.
- (b) Direct market comparison approach.
- (c) Cost approach.
- (d) Income approach.
- (e) Appraisal process.

(12) FAIR HOUSING LAWS. Instruction relating to real estate fair housing laws shall include all of the following:

- (a) Equal opportunity in housing.
- (b) Federal fair housing law.
- (c) Blockbusting, steering and redlining.
- (d) Equal rights under s. 106.50, Stats.
- (e) Organizations.

(13) ETHICAL REAL ESTATE PRACTICES. Instruction relating to ethical real estate practices shall include all of the following:

- (a) Chapter REEB 24.
- (b) Ethical business conduct, including all of the following:

1. Direct contact with the public, including all of the following:

- a. Competence in area of service under s. REEB 24.03.
- b. Tie-in arrangements under s. REEB 24.075.
- c. Agreements in writing under s. REEB 24.08.
- d. Misleading market values under s. REEB 24.09.
- e. Net listings under s. REEB 24.10.
2. Advertising under s. REEB 24.04.
3. Completing and presenting written proposals under ss. REEB 24.12 and 24.13., including all of the following:

- a. Confidentiality.
- b. Drafting and submitting offers.
- c. Prompt delivery to buyer.
- d. Fair presentation of offers.
- e. Prompt notification.
4. Disclosure of compensation and interest under s. REEB 24.05, including all of the following:

- a. Disclosing of interest.
- b. Referral services.
- c. Disclosing of profits.
- d. Disclosing of licensure.

(14) CONSUMER PROTECTION. Instruction relating to consumer protection shall include all of the following:

- (a) Property inspections under s. REEB 24.07 (1) (a).
- (b) Inquiry by listing firm under s. REEB 24.07 (1) (b).
- (c) Disclosure of material adverse facts under s. REEB 24.07 (2).
- (d) Disclosure of material suggesting adverse material facts under s. REEB 24.07 (3).
- (e) Disclosure of side agreements under s. REEB 24.07 (4).
- (f) Reliance upon third parties under s. REEB 24.07 (5).
- (g) Investigations and inspections under s. 452.23, Stats.
- (h) Civil liability for misrepresentation.
- (i) Seller's disclosure duties under ch. 709, Stats.

(15) LEASES. Instruction relating to real estate leases shall include all of the following:

- (a) Leasehold estates.
- (b) Standard lease provisions.
- (c) Lease documents.
- (d) Legal principles of leases.
- (e) Improvements.
- (f) Maintenance.
- (g) Breach.
- (h) Residential rental practices under ss. ATCP 134.02, 134.06, and 134.09.

(16) PROPERTY MANAGEMENT. Instruction relating to property management shall include all of the following:

- (a) Functions of property manager.
- (b) Management agreement.
- (c) Management considerations.
- (d) Renting and maintaining the property.
- (e) Risk management.

(17) LAND USE CONTROL AND DEVELOPMENT. Instruction relating to land use control and development shall include all of the following:

- (a) Public controls.
- (b) The master plan.
- (c) Zoning.
- (d) Subdivision regulations.
- (e) Private land-use controls.
- (f) Building codes.
- (g) Land development.

(h) Subdividing.

(18) ENVIRONMENTAL CONCERNS. Instruction relating to real estate environmental concerns shall include all of the following:

- (a) Radon.
- (b) Asbestos.
- (c) Lead-based paint.
- (d) Toxic waste.
- (e) Underground storage tanks under ch. [ATCP 93](#).
- (f) Floodplains under s. [87.30](#), Stats., and ss. [NR 116.01](#) and [116.06](#).
- (g) Flood insurance.
- (h) Wetlands under s. [23.32](#), Stats.
- (i) Farmland preservation under ss. [91.01](#), and [91.60](#) to [91.70](#), Stats.
- (j) Rental unit energy efficiency standards under ss. [SPS 367.03](#) and [367.08](#).
- (k) Disclosure documents under s. [452.23](#) and ch. [709](#), Stats., and s. [REEB 24.07](#).

(19) MISCELLANEOUS WISCONSIN LICENSE LAWS. Instruction relating to miscellaneous Wisconsin license laws shall include all of the following:

- (a) Chapter [REEB 15](#).
- (b) Chapter [REEB 16](#).
- (c) Chapter [REEB 17](#).
- (d) Chapter [REEB 18](#), including all of the following:
 1. Definition of trust account.
 2. Interest-bearing and non-interest bearing accounts.
 3. Definition of trust funds.
 4. When a trust account is required.
 5. Deposit of trust funds.
- (e) Chapter [REEB 23](#).
- (f) Property rights of married persons under ss. [766.31](#), [766.51](#), [766.60](#) and [766.63](#), Stats.
- (g) Mortgage banking under s. [224.71](#), Stats.
- (h) Escrow agreement procedures, including all of the following:
 1. Escrows requiring separate escrow agreements.
 2. Pre-closing earnest money escrows.
 3. Post-closing escrows.
 4. Escrows not requiring separate escrow agreement.
 5. Drafting escrow agreements.

History: CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; CR 17-100: am. (14) (b) Register July 2018 No. 751, eff. 8-1-18.

REEB 25.038 Nonresident salesperson education equivalency. An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2 year period prior to filing an application for a real estate salesperson's license in this state is deemed to have met the equivalency to the salesperson program education based upon his or her education required to obtain a license in the other licensing jurisdiction and completion of Wisconsin specific education consisting of 13 hours and containing the following content:

- (1) Contracts**, including all of the following:
 - (a) Law of conveyances, including all of the following:
 1. Conveyance defined under s. [706.01](#), Stats.
 2. Requirements for a valid conveyance under ss. [706.02](#) and [706.03](#), Stats.
 - (b) Chapter [REEB 16](#).
 - (c) Review of forms approved by the board, including all of the following:
 1. Listing contracts.
 2. Offers to purchase.

3. Addenda.

- 4. Buyer agency agreements.
- 5. Counter offers.
- 6. Multiple counter proposals.
- 7. Amendment.
- 8. Notices.
- 9. Option.
- 10. Bill of sale.
- 11. Exchange.
- 12. Cancellation agreement and mutual release.
- (2) Agency**, including all of the following:
 - (a) Duties owed to parties and clients under s. [452.133](#), Stats.
 - (b) Requirement for an agency agreement and disclosure of agency under s. [452.135](#), Stats.
 - (c) Revisions to common law duties and responsibilities under s. [452.139](#), Stats.
- (3) Agency relationship**, including all of the following:
 - (a) Multiple representation with designated agency.
 - (b) Multiple representation without designated agency.
 - (c) Single agency.
- (4) Business conduct**, including all of the following:
 - (a) Direct contact with the public, including all of the following:
 1. Competence in area of service under s. [REEB 24.03](#).
 2. Tie-ins under s. [REEB 24.075](#).
 3. Agreements in writing under s. [REEB 24.08](#).
 4. Misleading market values under s. [REEB 24.09](#).
 5. Net listings under s. [REEB 24.10](#).
 - (b) Advertising under s. [REEB 24.04](#).
 - (c) Completing and presenting written proposals under ss. [REEB 24.12](#) and [24.13](#)., including all of the following:
 1. Confidentiality.
 2. Drafting and submitting offers.
 3. Prompt delivery to buyer.
 4. Fair presentation of offers.
 5. Prompt notification.
 - (d) Disclosure of compensation and interest under s. [REEB 24.05](#), including all of the following:
 1. Disclosure of interest.
 2. Referral services.
 3. Disclosure of profits.
 4. Disclosure of licensure.
- (5) Consumer Protection**, including all of the following:
 - (a) Property inspections under s. [REEB 24.07 \(1\) \(a\)](#).
 - (b) Inquiry by listing firm under s. [REEB 24.07 \(1\) \(b\)](#).
 - (c) Disclosure of material adverse facts under s. [REEB 24.07 \(2\)](#).
 - (d) Disclosure of material suggesting adverse material facts under s. [REEB 24.07 \(3\)](#).
 - (e) Disclosure of side agreements under s. [REEB 24.07 \(4\)](#).
 - (f) Reliance upon third parties under s. [REEB 24.07 \(5\)](#).
 - (g) Investigations and inspections under s. [452.23](#), Stats.
 - (h) Civil liability for misrepresentation.
 - (i) Seller's disclosure duties under ch. [709](#), Stats.
- (6) Wisconsin fair housing law** under s. [REEB 24.03 \(1\)](#), and ss. [66.1011](#) and [106.50](#), Stats.
- (7) Environmental factors**, including all of the following:
 - (a) Underground storage tanks under ch. [ATCP 93](#).
 - (b) Floodplains under s. [87.30](#), Stats., and ss. [NR 116.01](#) and [116.06](#).
 - (c) Wetlands under s. [23.32](#), Stats.

(d) Farmland preservation under ss. 91.01 and 91.60 to 91.70, Stats.

(e) Rental unit energy efficiency standards under ss. SPS 367.03 and 367.08.

(8) Trust accounts and escrows, including all of the following:

(a) Trust accounts under s. 452.13, Stats., and ch. REEB 18, including all of the following:

1. Definition of trust account.
2. Interest-bearing and non-interest bearing accounts.
3. Definition of trust funds.
4. When a trust account is required.
5. Deposit of trust funds.

(b) Escrow agreement procedures, including all of the following:

1. Escrows requiring separate escrow agreements.
2. Pre-closing earnest money escrows.
3. Post-closing escrows.
4. Escrows not requiring separate escrow agreement.
5. Drafting escrow agreements.

(9) Miscellaneous issues, including all of the following:

(a) Condominiums under ss. 703.08, 703.21, and 703.33, Stats.

(b) Homestead under ss. 706.01 (7) and 766.605, Stats.

(c) Taxes under ss. 74.15, and 74.47 (1) and (2), Stats.

(d) Taxation and transfer fees under ss. 77.22 and 77.27, Stats.

(e) Residential rental practices under ss. ATPC 134.02, 134.06 and 134.09.

(f) Documents and records under ch. REEB 15.

(g) Licensure and supervision of employees under ch. REEB 17.

(h) Property rights of married persons under ss. 766.31, 766.51, 766.60, and 766.63, Stats.

(i) Mortgage banking under s. 224.71, Stats.

History: CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; (1) (a) 1. and 2. renum. from (1) (a) a. and b. under s. 13.92 (4) (b) 1., Stats., Register September 2015 No. 717; CR 17-100: am. (5) (b) Register July 2018 No. 751, eff. 8-1-18.

REEB 25.055 Approval for pre-licensure education programs or courses. (1) GENERAL. (a) The board may approve a pre-licensure education program if it covers all of the required content and hours in ss. REEB 25.023, 25.028, 25.033, or 25.038. The board may approve a pre-licensure education course if it alone or in conjunction with one or more other courses covers the content and hours required under ss. REEB 25.023, 25.028, 25.033, or 25.038.

(b) Instructors shall be knowledgeable in the subject that they are teaching. An instructor whose real estate license has been limited, suspended or revoked may not instruct in a program or a course while the disciplinary action is in effect.

(c) A school or organization may not discriminate against anyone on the basis of sex, race, color, sexual orientation as defined in s. 111.32 (13m), Stats., handicap, religion, age, physical disability or national origin in its education program or courses.

(2) APPROVAL. A school or organization seeking approval of a pre-licensure education program or course shall submit to the board at least 30 days prior to offering the program or course all of the following:

- (a) Application provided by the board.
- (b) Organizational structure of the school or organization.
- (c) Registration policies.
- (d) Promotional materials.

(e) Detailed outline of each program or course with specific allocations of hours to each topic. A school or organization utilizing a curriculum, which has already been approved by the board, may provide verification of utilization of the approved curriculum to meet this requirement.

(f) Method of instruction.

(g) Method for ensuring the students who complete the course are the enrolled students.

(h) Method for evaluating instructors and program.

(i) Names of all instructors.

(j) Evidence that each instructor is one of the following:

1. A person who is or has been engaged in the practice of teaching real estate courses at an accredited institution of higher education.

2. A person who is properly licensed or certified by the board or other governmental agency who, for at least 5 years continuously, has been engaged in the real estate aspects of any of the following:

- a. Appraising.
- b. Financing.
- c. Marketing.
- d. Brokerage management.
- e. Real property management.
- f. Real estate counseling.
- g. Real property law.

3. A member of the Wisconsin state bar who is engaged in the field of real estate related law.

4. A person who, in the judgment of the board, is qualified by experience or education to teach a course of study.

(3) CHANGES TO PROGRAM OR COURSE. A school or organization shall inform the board of any change in instructors and any substantive change in the information submitted in sub. (2) (a) to (j) within 10 days following the date of the change.

(4) EVIDENCE OF COMPLETION. (a) A school or organization shall provide all students with evidence of completion of the education program or course.

(b) A certificate of completion may not be issued unless the student received all the required contents of the education program and course. A certificate of completion shall include all of the following:

1. Name of the school or organization.
2. Name of the student.
3. Name of the program or course
4. Number of hours.
5. Date of completion.
6. Signature of authorized person at the school or organization.

(c) A school or organization shall maintain attendance and completion records for at least 5 years after a program or course has been conducted.

History: CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15.

REEB 25.065 Continuing education requirements for brokers and salespersons. (1) Each licensed broker and salesperson shall satisfy the continuing education requirement specified in s. 452.12 (5) (c), Stats., during each licensing biennium.

Note: The contents of the continuing education programs and courses are not designated in the Wisconsin administrative code, pursuant to an exemption under s. 227.01 (13) (zj), Stats.

(2) A licensee may only satisfy the continuing education requirement by successfully completing the continuing education program or courses which are approved by the board before the programs or courses are conducted.

(3) A licensee shall submit evidence of completion of the continuing education requirement when applying for renewal of

license. The department shall withhold issuance of the renewal license until such evidence is submitted and the licensee may not engage in the practice of real estate until having submitted such evidence and having received the license.

(5) A person who receives an original salesperson's or broker's license is required to satisfy the continuing education requirement during the biennium in which the person receives that license, except a person who receives an original salesperson's license after October 1 in an even year is not required to satisfy the continuing education requirement during that biennium.

(6) A licensee may attend more than one school in order to complete approved courses which are part of the continuing education program designated by the board under s. 452.05 (1) (d) and (g), Stats.

(8) A licensee who acts as an instructor of an approved continuing education program or course may receive credit toward satisfaction of the licensee's continuing education requirement. The licensee may not receive credit for teaching a specific course more than one time.

(9) The board may grant an extension of time for completion of the continuing education requirement by a licensee and the licensee may obtain a renewal license for the extension period for one of the following reasons:

(a) Health reasons that prevented attendance at continuing education courses.

(b) Active duty in the military service with assignment to a duty station outside Wisconsin.

(c) Other compelling reasons beyond the control of the applicant while engaged in the real estate business.

(10) A licensee shall retain for a minimum period of 5 years and shall make available to the board, or its agent upon request, the evidence of completion issued by the school or organization for all continuing education programs for which the licensee claims credit for purposes of renewal of the license.

History: Cr. Register, January, 1992, No. 433, eff. 2-1-92; am. (6m), r. (4), r. and rec. (5), Register, September, 1993, No. 453, eff. 10-1-93; am. (7), Register, July, 1998, No. 511, eff. 8-1-98; am. (5), Register, August, 1999, No. 524, eff. 9-1-99; correction in (2), (3), (6) to (9) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; CR 13-100; am. (1) Register September 2014 No. 705, eff. 10-1-14; CR 15-010; am. (2), (5), r. (6m), (7), am. (8), (9) (a), (b), cr. (10) Register September 2015 No. 717, eff. 10-1-15.

REEB 25.068 Approval for continuing education programs or courses. (1) GENERAL.

(a) A school or organization shall conduct an examination at the end of each continuing education program or course consisting of at least 15 multiple-choice questions for each program or course. The passing score shall be no less than 70%, unless the school or organization provides substantial justification to the board for a lower score and the board approves the lower passing score. A school or organization may not count examination time as part of the number of hours of the program or course.

(b) Instructors of continuing education programs or courses shall be knowledgeable in the subject that they are teaching. An instructor whose real estate license has been limited, suspended or revoked may not instruct in a program or a course while the disciplinary action is in effect.

(c) A school or organization may not discriminate against anyone on the basis of sex, race, color, sexual orientation as defined in s. 111.32 (13m), Stats., handicap, religion, age, physical disability or national origin in its education program or courses.

(2) APPROVAL. A school or organization seeking approval of a continuing education program or course shall submit to the board at least 30 days prior to offering the program or course all of the following:

(a) Application provided by the board.

(b) Organizational structure of the school or organization.

(c) Registration policies.

(d) Promotional materials.

(e) Detailed outline of each program or course with specific allocations of hours to each topic. A school or organization utilizing a curriculum that has already been approved by the board may provide verification of utilization of the approved curriculum to meet this requirement.

(f) Method of instruction.

(g) Method for ensuring the students who complete the course are the enrolled students.

(h) Method for evaluating instructors and program.

(i) Names of all instructors.

(j) Evidence that each instructor is any of the following:

1. A person who is or has been engaged in the practice of teaching real estate courses at an accredited institution of higher education.

2. A person who is properly licensed or certified by the board or other governmental agency who, for at least 5 years continuously, has been engaged in the real estate aspects of any of the following:

a. Appraising.

b. Financing.

c. Marketing.

d. Brokerage management.

e. Real property management.

f. Real estate counseling.

g. Real property law.

3. A member of the Wisconsin state bar who is engaged in the field of real estate related law.

4. A person who, in the judgment of the board, is qualified by experience or education to teach a course of study.

(k) A minimum of 15 multiple-choice questions for each program or course, the answer to each question, the portion of the course outline to which the question relates and the passing score for the examination. The questions shall comply with reasonable standards of test development and relate to the substantive contents of the continuing education program or course.

(3) CHANGES TO PROGRAM OR COURSE. A school or organization shall inform the board of any change in instructors and any substantive change in the information submitted in sub. (2) (a) to (k) within 10 days following the date of the change.

(4) EVIDENCE OF COMPLETION. (a) A school or organization shall provide all students with evidence of completion of the continuing education program or course.

(b) A certification of completion may not be issued unless the student received all the required contents of the education program or course. A certificate of completion shall include all of the following:

1. Name of the school or organization.

2. Name of the student.

3. Name of the program or course

4. Number of hours.

5. Date of completion.

6. Signature of authorized person at the school or organization.

(c) A school or organization shall maintain attendance and completion records for at least 5 years after a program or course has been conducted.

History: CR 15-010; cr. Register September 2015 No. 717, eff. 10-1-15.

REEB 25.09 Denial or withdrawal of approval. The board may deny or withdraw approval of a program or course that had been approved under s. REEB 25.055 or 25.068.

History: CR 15-010; cr. Register September 2015 No. 717, eff. 10-1-15; correction made under s. 13.92 (4) (b) 7., Stats., Register September 2015 No. 717.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Erin Karow, Executive Director		2) Date When Request Submitted: 12/5/2018 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 12/13/2018	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Real Estate Contractual Forms Advisory Council Update – Discussion and Consideration Consideration of Appointment to the Real Estate Contractual Forms Advisory Council	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required: N/A	
10) Describe the issue and action that should be addressed: Please review the attached resume and cover letter from Angela Rowland, candidate for appointment to the Real Estate Contractual Forms Advisory Council. Suggested Motion Language: To approve/ table/ decline the appointment of Angela Rowland to the Real Estate Contractual Forms Advisory Council.			
11) Authorization			
<i>Erin Karow</i>		12/5/2018	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

Angela L. Rowland

██████████
Waupaca, WI ██████████

Wisconsin DPSP
Real Estate Examining Board
Contractual Forms Advisory Council

December 3, 2018

To Whom it May Concern:

I am writing today to submit my resume for your review and to request your consideration of my service on the Contractual Forms Advisory Council. I'd like to thank Jerry Lyons, Real Estate Examining Board, for his recommendation.

I reside in Waupaca, Wisconsin. I have held a WI real estate license and been a member of the REALTORS Association of NE Wisconsin since 2003. I worked for Jerry Lyons starting in January of 1993 as Office Staff and eventually as a Broker/Manager until he sold the firm to his son & his business partner in 2016 . I continue in that capacity today.

One of my many duties as a Broker/Manager at RE/MAX Lyons Real Estate is to examine every accepted contract that passes through the firm. I've performed this duty for many years. I've been instrumental in providing continued training of our Licensees in the use of State and Local Board Forms. This has helped the firm build a reputation as the experts in our market . I also served on the RANW Forms Committee.

I believe I will have something to add to the process of forms revision from the viewpoint and experience of a real estate professional practicing in northern Wisconsin and would welcome the opportunity to serve on the Contractual Forms Advisory Council. Thank you for your time and consideration.

Sincerely,



Angela Rowland

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