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**VIRTUAL/TELECONFERENCE  
REAL ESTATE EXAMINING BOARD  
Virtual, 4822 Madison Yards Way, 2<sup>nd</sup> Floor, Madison  
Will Johnson (608) 266-2112  
December 5, 2024**

*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 (1-4)**
- B. Approval of Minutes of October 17, 2024 (5-8)**
- C. Reminders: Conflicts of Interest, Scheduling Concerns
- D. Introductions, Announcements and Recognition
- E. Administrative Matters**
  - 1) Department, Staff and Board Updates
  - 2) Board Members – Term Expiration Dates
    - a. Berry, Jeffery K. – 7/1/2026
    - b. Kaleka, Gurmit S. – 7/1/2025
    - c. Lacy, Cathy J – 7/1/2025
    - d. Lauer, Elizabeth A. – 7/1/2026
    - e. Mays, Sonya G. – 7/1/2028
    - f. Pierce, Dennis M. – 7/1/2013
    - g. Richie, Thomas J. – 7/1/2026
- F. Legislative and Policy Matters – Discussion and Consideration
- G. Administrative Rules Matters – Discussion and Consideration (9-41)**
  - 1) Rule drafting discussion for REEB 12 on Application Requirements **(10-28)**
  - 2) Rule drafting discussion for REEB 24 on Conduct and Ethical Practices **(29-40)**
  - 3) Discussion of Biennial Rules Report under s. 227.29 (1) Stats., on board rules which may be unauthorized, obsolete, or duplicative
  - 4) Pending or possible rulemaking projects **(41)**
- H. Disciplinary Trends in Real Estate – Discussion and Consideration**

- I. **Practice Considerations – Antitrust Settlement**
- J. **Report and Possible Action from the Real Estate Contractual Forms Advisory Council – Discussion and Consideration**
- K. Newsletter Matters – Discussion and Consideration
- L. Discussion and Consideration of Items Added After Preparation of Agenda:
  - 1) Introductions, Announcements and Recognition
  - 2) Administrative Matters
  - 3) Election of Officers
  - 4) Appointment of Liaisons and Alternates
  - 5) Delegation of Authorities
  - 6) Education and Examination Matters
  - 7) Credentialing Matters
  - 8) Practice Matters
  - 9) Legislative and Policy Matters
  - 10) Public Health Emergencies
  - 11) Administrative Rule Matters
  - 12) Liaison Reports
  - 13) Board Liaison Training and Appointment of Mentors
  - 14) Informational Items
  - 15) Division of Legal Services and Compliance (DLSC) Matters
  - 16) Presentations of Petitions for Summary Suspension
  - 17) Petitions for Designation of Hearing Examiner
  - 18) Presentation of Stipulations, Final Decisions and Orders
  - 19) Presentation of Proposed Final Decisions and Orders
  - 20) Presentation of Interim Orders
  - 21) Petitions for Re-Hearing
  - 22) Petitions for Assessments
  - 23) Petitions to Vacate Orders
  - 24) Requests for Disciplinary Proceeding Presentations
  - 25) Motions
  - 26) Petitions
  - 27) Appearances from Requests Received or Renewed
  - 28) Speaking Engagements, Travel, or Public Relation Requests, and Reports

**M. 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.).**

**N. Deliberation on Department of Legal Services and Compliance (DLSC) Matters**

- 1) **Proposed Stipulations, Final Decisions and Orders (42-63)**
  - a. 21 REB 097 – Andrew R. Bandy (42-49)
  - b. 22 REB 008 – Jeff S. Konig (50-56)
  - c. 22 REB 033 – Jeremy Huber & Impact Companies LLC (57-63)

- 2) **Administrative Warnings (64-76)**
  - a. 22 REB 033 – R.J.B. (64-65)
  - b. 23 REB 001 – K.N. (66-68)
  - c. 23 REB 006 – S.M.S. & S.R.I.L. (69-71)
  - d. 24 REB 0101– S.G.E., R.E.P.S.L. (72-74)
  - e. 24 REB 0109 – S.M.D. (75-76)
- 3) **Case Closings**
  - a. 22 REB 008 – L.R.A., M.G.S., J.R.E.L. (77-88)
  - b. 22 REB 114 – D.L.C., R.M.R., E.R.L. (89-94)
  - c. 22 REB 118 – C.R.K., M.R.M., K.I.L., J.K.P., A.R.R., R.R.G. (95-113)
  - d. 23 REB 001 – D.L.C., D.X., E.R.L. (114-119)
  - e. 23 REB 013 – D.L.B. & P.C.R.L. (120-127)
  - f. 23 REB 023 – T.F.J., M.B.R., L.C.L. (128-137)
  - g. 23 REB 150 – J.S. & B.J.S. (138-143)

**O. Deliberation on Proposed Final Decision and Orders**

- 1) Lane H. Fitzgerald – (DHA Case Number SPS-23-0048/DLSC Case Number 20 REB 089) (144-655)

**P. Order Fixing Costs**

- 1) Courtney K. Kelbel and WI Realty Services, LLC – (DHA Case Number SPS-22-0064/DLSC Case Number 18 REB 079) (656-686)

**Q. Deliberation of Items Added After Preparation of the Agenda**

- 1) Education and Examination Matters
- 2) Credentialing Matters
- 3) DLSC Matters
- 4) Monitoring Matters
- 5) Professional Assistance Procedure (PAP) Matters
- 6) Petitions for Summary Suspensions
- 7) Petitions for Designation of Hearing Examiner
- 8) Proposed Stipulations, Final Decisions and Order
- 9) Proposed Interim Orders
- 10) Administrative Warnings
- 11) Review of Administrative Warnings
- 12) Proposed Final Decisions and Orders
- 13) Matters Relating to Costs/Orders Fixing Costs
- 14) Case Closings
- 15) Board Liaison Training
- 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

**R. Consulting with Legal Counsel**

**RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

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

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

**ADJOURNMENT**

**NEXT MEETING: FEBRUARY 27, 2025**

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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 virtually unless otherwise indicated. In-person meetings are typically conducted at 4822 Madison Yards Way, Madison, Wisconsin, unless an alternative location is listed on the meeting notice. In order to confirm a meeting or to request a complete copy of the board's agenda, please visit the Department website at <https://dps.wi.gov>. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of any agenda item may be changed by the board for the convenience of the parties. The person credentialed by the board has the right to demand that the meeting at which final action may be taken against the credential be held in open session. Requests for interpreters for the hard of hearing, or other accommodations, are considered upon request by contacting the Affirmative Action Officer or reach the Meeting Staff by calling 608-267-7213.

**HYBRID (IN-PERSON/VIRTUAL)  
REAL ESTATE EXAMINING BOARD  
MEETING MINUTES  
OCTOBER 17, 2024**

**PRESENT:** Gurmit Kaleka, Cathy Lacy, Elizabeth Lauer, Sonya Mays, Dennis Pierce (*via Zoom*), Thomas Richie

**ABSENT:** Jeffery Berry

**STAFF:** Will Johnson, Executive Director; Renee Parton, Legal Counsel; Jake Pelegrin, Administrative Rule Coordinator; Dialah Azam, Board Administration Specialist; and Other Department Staff

**CALL TO ORDER**

Thomas Richie, Chairperson, called the meeting to order at 10:03 a.m. A quorum was confirmed with six (6) members present.

**ADOPTION OF AGENDA**

**MOTION:** Cathy Lacy moved, seconded by Elizabeth Lauer, to adopt the Agenda as published. Motion carried unanimously.

**APPROVAL OF MINUTES OF AUGUST 15, 2024**

**MOTION:** Dennis Pierce moved, seconded by Thomas Richie, to approve the Minutes of August 15, 2024 as published. Motion carried unanimously.

**ADMINISTRATIVE RULES MATTERS**

**Rule drafting discussion for REEB 12 on Application Requirements**

**MOTION:** Cathy Lacy moved, seconded by Thomas Richie, to table preliminary rule drafting for REEB 12 relating to Application Requirements. Motion carried unanimously.

**Rule drafting discussion for REEB 24 on Conduct and Ethical Practices**

**MOTION:** Thomas Richie moved, seconded by Cathy Lacy, to authorize Elizabeth Lauer to work with DSPS staff on preliminary rule drafting for REEB 24 relating to Conduct and Ethical Practices. Motion carried unanimously.

**REPORT AND POSSIBLE ACTION FROM THE REAL ESTATE CONTRACTUAL  
FORMS ADVISORY COUNCIL**

**Pre-Agency Agreement Form**

**MOTION:** Thomas Richie moved, seconded by Cathy Lacy, to recommend that the Real Estate Contractual Forms Advisory Council pursue creating a WB Pre-Agency Agreement Form. Motion carried unanimously.

## CLOSED SESSION

**MOTION:** Elizabeth Lauer moved, seconded by Gurmit Kaleka, 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.). Thomas Richie, Chairperson, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Gurmit Kaleka-yes; Cathy Lacy -yes; Elizabeth Lauer-yes; Sonya Mays-yes; Dennis Pierce-yes; and Thomas Richie-yes. Motion carried unanimously.

The Board convened into Closed Session at 11:42 a.m.

### DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

#### Proposed Stipulations, Final Decisions and Orders

##### *22 REB 066 – Sandra J. Kent*

**MOTION:** Elizabeth Lauer moved, seconded by Cathy Lacy, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Sandra J. Kent, DLSC Case Number 22 REB 066. Motion carried unanimously.

#### Administrative Warnings

##### *23 REB 068 – N.A.S.*

**MOTION:** Cathy Lacy moved, seconded by Thomas Richie, to refer back DLSC Case Number 23 REB 068 for further investigation. Motion carried unanimously.

**MOTION:** Thomas Richie moved, seconded by Cathy Lacy, to issue an Administrative Warning in the following DLSC Cases:

- a) 20 REB 036 – D.H.G.
- b) 24 REB 0078 – K.E.N. & T.D.N.
- c) 24 REB 0092 – D.S.R.
- d) 24 REB 0092 – T.L.E.

Motion carried unanimously.

**23 REB 165**

**MOTION:** Thomas Richie moved, seconded by Gurmit Kaleka, to refer DLSC Case Number 23 REEB 165 to Chief Legal Counsel for determination. Motion carried unanimously.

*(Cathy Lacy recused herself and left the room for deliberation and voting in the matter concerning DLSC Case Number 23 REB 165.)*

**Case Closings**

**MOTION:** Sonya Mays moved, seconded by Cathy Lacy, to close the following DLSC Cases for the reasons outlined below:

- a) 22 REB 054 – S.S., A.2.S.R.P.R.I., R.L.P. – No Violation
- b) 22 REB 116 – D.H.G, D.R.G., J.B.S. – No Violation & Prosecutorial Discretion (P5)
- c) 23 REB 005 – B.A.I., G.L.B., C.P.K. – Insufficient Evidence
- d) 23 REB 061 – N.M.P. – Prosecutorial Discretion (P1)
- e) 23 REB 169 – T.J.G., B.E.B., B.R.L. – No Violation

Motion carried unanimously.

**DELIBERATION ON PROPOSED FINAL DECISION AND ORDERS**

**Lane H. Fitzgerald – (DHA Case Number SPS-23-0048/DLSC Case Number 20 REB 089)**

**MOTION:** Cathy Lacy moved, seconded by Gurmit Kaleka, to table consideration of DHA Case Number SPS-23-0048/DLSC Case Number 20 REB 089 until next Board meeting. Motion carried unanimously.

*(Thomas Richie recused himself and left the room for deliberation and voting in the matter concerning Lane H. Fitzgerald, Respondent – DHA Case Number SPS-23-0048/DLSC Case Number 20 REB 089.)*

**RECONVENE TO OPEN SESSION**

**MOTION:** Elizabeth Lauer moved, seconded by Gurmit Kaleka, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 12:36 p.m.

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

**MOTION:** Dennis Pierce moved, seconded by Elizabeth Lauer, 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.)*

## **ADJOURNMENT**

**MOTION:** Cathy Lacy moved, seconded by Sonya Mays, to adjourn the meeting.  
Motion carried unanimously.

The meeting adjourned at 12:38 p.m.

DRAFT



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

**AGENDA REQUEST FORM**

<b>1) Name and title of person submitting the request:</b> Jake Pelegrin Administrative Rules Coordinator		<b>2) Date when request submitted:</b> 11/22/24 Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
<b>3) Name of Board, Committee, Council, Sections:</b> Real Estate Examining Board			
<b>4) Meeting Date:</b> 12/5/24	<b>5) Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> <b>Administrative Rule Matters – Discussion and Consideration</b>  1. Rule drafting discussion for REEB 12 on Application Requirements 2. Rule drafting discussion for REEB 24 on Conduct and Ethical Practices 3. Discussion of Biennial Rules Report under s. 227.29 (1) Stats., on board rules which may be unauthorized, obsolete, or duplicative 4. Pending or possible rulemaking projects	
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b> <i>(If yes, please complete <a href="#">Appearance Request</a> for Non-DSPS Staff)</i>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>9) Name of Case Advisor(s), if required:</b>  N/A	
<b>10) Describe the issue and action that should be addressed:</b>  Attachments: -Prelim rule draft for REEB 12 on Application Requirements -Excerpts from the relevant statutes and code -Proposed sample language and background info -Prelim rule draft for REEB 24 on Conduct and Ethical Practices -Proposed edits to REEB 24.07 -Rule Projects Chart			
<b>11)</b> <i>Jake Pelegrin</i>		<b>Authorization</b>  11/22/24	
<b>Signature of person making this request</b>		<b>Date</b>	
<b>Supervisor (if required)</b>		<b>Date</b>	
<b>Executive Director signature (indicates approval to add post agenda deadline item to agenda)</b>		<b>Date</b>	
<b>Directions for including supporting documents:</b> 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.			

STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

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IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE  
PROCEEDINGS BEFORE THE : REAL ESTATE EXAMINING BOARD  
REAL ESTATE EXAMINING BOARD : ADOPTING RULES  
: (CLEARINGHOUSE RULE )  
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PROPOSED ORDER

An order of the Real Estate Examining Board to create REEB relating to application requirements.

Analysis prepared by the Department of Safety and Professional Services.

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ANALYSIS

**Statutes interpreted:** Section 452.09 (4) (a) to (e), Stats.

**Statutory authority:** Sections 15.08 (5) (b), 227.11 (2) (a), 452.07 (1), and 452.09 (4) (e), Stats.

**Explanation of agency authority:**

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall 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.”

Section 227.11 (2) (a), Stats., states that an agency “may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 452.07 (1), Stats.: “The board shall promulgate rules for the guidance of the real estate profession...”

Section 452.09 (4) (e), Stats.: “The board may waive any requirement under par. (a), (b), (c), or (d) for any applicant based on standards established by the board by rule.”

**Related statute or rule:** Section 452.09 (4) (a) to (e), Stats.

**Plain language analysis:** The objective of the proposed rule is to create waiver provisions related to experience requirements established in s. 452.09 (4) (a) to (d), Stats. The Board will consider rulemaking for that purpose and for making other updates deemed necessary. Wisconsin Administrative Code chapter REEB 12 contains more

details on real estate broker and salesperson license application requirements, and this is where the code changes will be made

**Summary of, and comparison with, existing or proposed federal regulation:**

None.

**Comparison with rules in adjacent states:**

**Illinois:** Illinois requires an applicant for a broker's license to be at least 18 years of age, graduated from high school or equivalent, complete 75 hours of education in real estate courses or be licensed to practice law in Illinois, and pass an examination. An applicant for a managing broker's license is required to be at least 20 years of age, graduated from high school or equivalent, complete 165 hours of specified education or be licensed to practice law in Illinois, be actively licensed as a broker for 2 of the last 3 years, and pass an examination. An out of state applicant is required to take an Illinois-specific real estate brokerage laws exam. Reciprocity is granted to brokers who hold an active broker license, or its equivalent, by examination in a state with a reciprocal agreement with the Department, if the broker has been actively engaged in licensed activities as a broker during the preceding 2 years in the state of licensure, and the broker's licensing standards are substantially equivalent to Illinois's [225 ILCS 454].

**Iowa:** Iowa requires an applicant for a salesperson's license to be at least 18 years of age, complete 96 hours of specified education and pass an examination. An applicant for a broker's license is required to complete 60 hours of live instruction in addition to the required salesperson's education, have engaged in real estate practice for a period of at least 24 months and pass an examination. An applicant for a broker license may use active experience as a former Iowa salesperson or active salesperson experience in another state or jurisdiction, or a combination of both, to satisfy the experience requirement for a broker license only if the former Iowa salesperson or applicant from another state or jurisdiction was actively licensed for not less than 24 months and if the license on which the experience is based has not been expired for more than three years prior application [IA 193E-3.1-193E5.12 (543B)].

**Michigan:** Michigan requires an applicant for a salesperson's license to complete 40 hours of education and pass an examination. An applicant for a broker's license must complete 90 hours of education (a law degree counts towards 60 hours and a master's degree in business administration counts as 60 hours of education, respectively), have 3 years of real estate experience, and pass an examination. The 3 years of real estate experience can have taken place in any state or jurisdiction, as long as proof is provided. Reciprocity may be achieved by conforming to the prevailing licensing rules for real estate salespersons and brokers [MCL 339.2502-339.2514].

**Minnesota:** An applicant for a broker's license is required to complete 30 hours of education, 3 years of experience as a licensed salesperson, and pass an examination. The 3-year experience requirement may be waived for applicants who have a degree in real estate from an accredited college or university, are a licensed practicing attorney whose

practice involves real estate law, or are a public officer whose official duties involve real estate law or real estate transactions. Real estate salespersons and brokers seeking license reciprocity with the State of Minnesota may be granted provided (1) there is a written reciprocal licensing agreement in effect between Minnesota and the licensing officials of that jurisdiction, (2) the individual is licensed and in good standing in that jurisdiction, and (3) the licensing requirements of that jurisdiction are substantially similar to existing Minnesota provisions [Minnesota Statutes 2023, section 82].

**Summary of factual data and analytical methodologies:** The proposed rule was developed by reviewing the statutes in 452.09 (4) (a) to (e), reviewing the provisions of ch. REEB 12, and determining what changes the Board wished to make.

**Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:** The proposed rules will be posted for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals.

**Fiscal Estimate and Economic Impact Analysis:** The Fiscal Estimate and Economic Impact Analysis will be attached upon completion.

**Effect on small business:** These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department’s Regulatory Review Coordinator may be contacted by email at [Jennifer.Garrett@wisconsin.gov](mailto:Jennifer.Garrett@wisconsin.gov), or by calling (608) 266-2112.

**Agency contact person:**

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-7139; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

**Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366, or by email to [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov). Comments must be received on or before the public hearing, held on a date to be determined, to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. REEB 12 created to read:

SECTION 4. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)

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[Home](#) > [Education](#) > [Careers](#) > Out-of-State Licensee

## Reciprocity Sales Information for States with a Reciprocal Agreement

The Wisconsin Department of Safety and Professional Services (DSPS) has entered into a reciprocal agreement with the states of **Illinois** and **Indiana**.

### Wisconsin sales license information

**Reciprocal agreement:** Licensees holding an active nonmanaging real estate broker license in Illinois or Indiana are exempt from the education requirement and may take the sales exam directly. The original license in the reciprocal state must have been issued on the basis of passing the state's examination.

**Endorsement application:** If your Illinois or Indiana license is not active, but was active within the past 2 years, you may apply to obtain a Wisconsin salesperson license by endorsement.

### Obtain a salesperson license by reciprocity

**For nonmanaging real estate broker credential-holders in Illinois or Indiana, which is equivalent to a Wisconsin salesperson.**

1. Pass the Wisconsin salesperson examination administered by [Pearson VUE](#).
2. Submit an [application](#) to the DSPS. A complete application includes:
  - Form 3166, Application for Real Estate Salesperson license.
  - Evidence of passing the Wisconsin salesperson examination. Submit copy of your certificate from Pearson VUE.
  - Form 2688, Verification of Examination or Registration. Completed by each state in which you have been issued a license.
  - Evidence that you hold an active salesperson license in good standing, obtained by examination in Illinois or Indiana.
  - Form 813, Irrevocable Consent for Nonresident applicants.
  - \$60 reciprocal license fee.

### Study aids

#### Sales Reciprocity Pre-exam Review On Demand

The Sales Reciprocity Pre-exam Review On Demand course includes videos with interactive reading. You can read, watch or do both. The Sales Mock Exam is also included at the end of the course to help you prepare for the Wisconsin exam. Download your book within the course or an optional hard copy book is available for purchase.



[Sales Reciprocity Pre-exam Review](#)

## Sales Mock Exam

The online exam mirrors the real estate sales exam in content, number of questions and time allowed to take the exam. The exam consists of 140 multiple-choice questions that must be completed within a four-hour time limit. Students may retake the mock exam up to three times to practice.



[Sales Mock Exam](#)

## Obtain a salesperson license by endorsement

**If your Illinois or Indiana license is not active, but was active within the past two years, you may apply to obtain a salesperson license by endorsement.**

1. Satisfy one of the following education requirements:

- Complete the 13-hour Sales Course On Demand.
- Complete 10 semester hour credits in real estate or real estate-related law courses from an accredited institution of higher education.

2. Pass the Wisconsin-specific salesperson exam.

3. Submit an application to the DSPS. A [complete application](#) includes:

- Form 3166, Application for Real Estate Salesperson license.
- Form 2688, Verification of Examination or Registration. Completed by each state in which you have been issued a license.
- Proof that you satisfied the education requirements.
- Evidence that you passed the salesperson exam.
- Form 813, Irrevocable Consent for Nonresident applicants.
- \$60 credentialing fee.

Applicants applying for a Wisconsin sales license will need to show proof of their current license when submitting their application to the Wisconsin Department of Safety and Professional Services.

## Wisconsin licensees seeking to become licensed in Illinois should contact:

### Illinois Real Estate Division:

Illinois Department of Financial & Professional Regulation

320 W. Washington St.

Springfield, IL 62786

Licensing: 1-888-473-4858 or review the [Examination Candidate Handbook](#).

For the Illinois reciprocity application, go to [www.idfpr.com/dre.asp](http://www.idfpr.com/dre.asp). Review the requirements for a sponsoring broker who is a Wisconsin resident and who has an active Illinois broker's license and an active Wisconsin broker's license.

**Wisconsin licensees seeking to become licensed in Indiana should contact:**

**Indiana Professional Licensing Agency:**

Indiana Real Estate Commission

402 W. Washington St., Room W072

Indianapolis, IN 46204

Licensing: 317-234-3009 or review the [Examination Candidate Handbook](#).

For the Indiana reciprocity application, visit [www.in.gov/pla/real.htm](http://www.in.gov/pla/real.htm). Review the requirements for a sponsoring broker who is a Wisconsin resident and who has an active Indiana broker's license and an active Wisconsin broker's license.

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## Reciprocity Broker Information for States with a Reciprocal Agreement

The Wisconsin Department of Safety and Professional Services (DSPS) has a reciprocal agreement with the states of Illinois and Indiana.

### Wisconsin broker's license information

**Reciprocal agreement:** Licensees holding an active managing broker license in Illinois or Indiana are exempt from the education requirement and may take the broker exam directly. Applicants for the broker license must have a current license in good standing as a licensed managing broker in Illinois or Indiana immediately prior to taking the broker exam. Applicants for the broker license are only required to take the broker exam. The original license in the reciprocal state must have been issued on the basis of passing the state's examination.

**Endorsement application:** If your Illinois or Indiana license is not active, but was active within the past two years, you may apply to obtain a broker's license by endorsement.

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### Obtain a broker's license by reciprocity

#### For Illinois or Indiana credential-holders with a current broker license in Illinois or Indiana

1. Pass the Wisconsin-specific [broker examination](#) administered by Pearson VUE.
2. Submit an application to the Wisconsin DSPS. A [complete application](#) includes:
  - Form 809, Application for Real Estate Broker License.
  - Form 813, Irrevocable Consent by Nonresident Applicant for Service of Process, if you are not a resident of Wisconsin.
  - Active broker license: Evidence that you hold an active broker license in good standing obtained by examination in Illinois or Indiana. **In Illinois, a broker-manager is the equivalent of a Wisconsin broker.**
  - \$60 reciprocal license fee.

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### Study aids

**Broker Reciprocity Pre-exam Review On Demand:** This course includes video and printable course materials. The Broker Mock Exam is also included at the end of the course to help you prepare for the Wisconsin broker exam. The WRA's On Demand format allows you to start your review today!



Broker Reciprocity Pre-exam Review

**Broker Mock Exam:** This online exam mirrors the broker exam in content, the number of questions and the time allowed to complete the exam. The exam consists of 100 multiple-choice questions that must be completed within a time limit of 3.25 hours. Students may retake the mock exam up to three times to practice.



Broker Mock Exam

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### Obtain a broker's license by endorsement

**If your Illinois or Indiana license is not active, but was active within the past two years, you may apply to obtain a broker's license by endorsement.**

1. Satisfy one of the following requirements:

- Complete the board-approved six-hour pre-license education program for brokers and the board-approved 13-hour pre-license education program for salespersons.



#### 13-hour Sales Course On Demand

(If you already hold a Wisconsin salesperson license, you do not have to pass the Wisconsin-specific salesperson exam.)



#### 6-hour Broker Course On Demand

- Complete 20 semester hour credits in real estate or real estate-related law courses from an accredited institution of higher education.
- Submit proof that you are licensed to practice law in Wisconsin.

2. Pass the Wisconsin-specific [salesperson exam](#) and the Wisconsin-specific [broker exam](#).

3. Submit evidence satisfactory to the Real Estate Examining Board of salesperson experience.

4. Submit an application to the Wisconsin DSPS. A complete application includes:

- Form 809, Application for New Salesperson or Broker License.
- Form 813, Irrevocable Consent by Nonresident Applicant for Service of Process, if you are not a resident of Wisconsin.
- Evidence that you satisfied the education requirements.
- Evidence that you passed the salesperson and broker exam.
- Request a license verification from your state as evidence that you held an active broker license in good standing, for at least two years (within the last four years preceding the date of application).
- \$60 credentialing license fee.

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**Wisconsin licensees seeking to become licensed in Illinois or Indiana**

**Wisconsin licensees seeking to become licensed in Illinois should contact the Illinois Real Estate Division:**

Illinois Department of Financial & Professional Regulation  
320 W. Washington St.  
Springfield, IL 62786  
Licensing 1-888-473-4858 or review the [Examination Candidate Handbook](#).

For a copy of the Illinois Reciprocity Application, go to [www.idfpr.com/dre.asp](http://www.idfpr.com/dre.asp). Review the requirements for a sponsoring broker who is a Wisconsin resident and who has an active Illinois broker's license and an active Wisconsin broker's license.

**Wisconsin licensees seeking to become licensed in Indiana should contact the Indiana Professional Licensing Agency:**

Indiana Real Estate Commission  
402 West Washington St., Room W072  
Indianapolis, IN 46204  
317-234-3009 or review the [Examination Candidate Handbook](#).

For the Indiana Reciprocity Application, visit [www.in.gov/pla/real.htm](http://www.in.gov/pla/real.htm). Review the requirements for a sponsoring broker who is a Wisconsin resident and who has an active Indiana broker's license and an active Wisconsin broker's license.

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#### **452.09 Application for license, contents.**

##### **(4) Experience requirements for broker's license applicants.**

###### **(a)**

1. An applicant for a broker's license who is an individual shall submit to the board 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 the applicant's application for a broker's license.

2. Except as provided under pars. (b) to (e), the board may not accept evidence as satisfactory under subd. 1. unless the evidence demonstrates 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:

- a. Each completed or closed residential transaction is worth 5 points.
- b. Each completed or closed commercial transaction is worth 10 points.
- c. Each property management contract is worth 0.5 points per month.
- d. 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 evidence satisfactory to the board that the applicant has experience related to real estate.

(c) An applicant who holds a current certificate of financial responsibility under s. 101.654 may satisfy the requirement under par. (a) by submitting to the board evidence satisfactory to the board that the applicant has experience related to real estate sales.

(d) Except as provided in a reciprocal agreement under s. 452.05 (3), an applicant for a broker's license who is a nonresident 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 for a broker's license.

(e) The board may waive any requirement under par. (a), (b), (c), or (d) for any applicant based on standards established by the board by rule.



**REEB 12.017 Broker application requirements.**

(1) Education requirements. Except as provided in sub. (4) and s. [REEB 12.012](#), 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) and s. [REEB 12.012](#), 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) and s. [REEB 12.012](#):

(a) Each individual 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 the application. 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)** Except as provided in a reciprocal agreement under s. [452.05 \(3\)](#), Stats., 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.

- How many people actually ask and want a waiver?
  - We got a handful over the last year.
- We can look at the exact language for the reciprocal agreement with Illinois and Indiana.
  - Answer: The reciprocal agreement allows them to skip the Wisconsin education requirements, but they still have to take the Wisconsin sales or broker exam and submit a complete application.
- Is the Illinois broker’s license similar to our salesperson license? Is the managing broker’s license similar to our broker's license?
  - Answer: Yes, in Illinois and Indiana they call them “broker” and “managing broker” licenses, but they are considered equal to our “salesperson” and “broker” licenses, respectively.

The statutory language allowing the waiver reads:

(e) The board may waive any requirement under par. (a), (b), (c), or (d) for any applicant based on standards established by the board by rule.

A couple options of sample language:

REEB 12.017 (5) is created to read:

**REEB 12.017 (5)** If the board determines that an applicant for a real estate broker’s license has experience equivalent to the requirements in one of the options in sub. (3) (a) to (d), the board may waive the requirements under sub. (3) for that applicant.

*OR*

**REEB 12.017 (5)** If the board determines that an applicant for a real estate broker’s license has experience equivalent to the requirements in one of the options in sub. (3) (a) to (d), **through experience as a real estate salesperson licensed in another state**, the board may waive the requirements under sub. (3) for that applicant.

*OR*

**REEB 12.017 (5)** If the board determines that an applicant for a real estate broker's license has experience equivalent to the requirements in one of the options in sub. (3) (a) to (d), through experience as a real estate salesperson **or attorney** licensed in another state, the board may waive the requirements under sub. (3) for that applicant.

STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

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IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE  
PROCEEDINGS BEFORE THE : REAL ESTATE EXAMINING BOARD  
REAL ESTATE EXAMINING BOARD : ADOPTING RULES  
: (CLEARINGHOUSE RULE )  
-----

PROPOSED ORDER

An order of the Real Estate Examining Board to create REEB relating to Conduct and Ethical Practices.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

**Statutes interpreted:** Section 452.07 (1), Stats.

**Statutory authority:** Sections 15.08 (5) (b), 227.11 (2) (a), and 452.07 (1), Stats.

**Explanation of agency authority:**

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall 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.”

Section 227.11 (2) (a), Stats., states that an agency “may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 452.07 (1), Stats.: “The board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice.”

**Related statute or rule:** None.

**Plain language analysis:** The objective of the proposed rule is to update and clarify provisions relating to conduct for real estate licensees. The Board has identified the need to clarify provisions covering disclosure duties due to stakeholder confusion and will make other updates deemed necessary in chapter REEB 24. Wisconsin Administrative Code chapter REEB 24 covers conduct and ethical practices for real estate licensees. The Board has identified the need to review the chapter and propose changes to update and clarify provisions covering disclosure duties and to make other updates deemed necessary.

**Summary of, and comparison with, existing or proposed federal regulation:**

None.

**Comparison with rules in adjacent states:**

**Illinois:** In Illinois, licensees representing clients have the duty to disclose to the client material facts concerning the transaction of which the licensee has actual knowledge, unless that information is confidential information. Material facts do not include the following when located on or related to real estate that is not the subject of the transaction: (i) physical conditions that do not have a substantial adverse effect on the value of the real estate, (ii) fact situations, or (iii) occurrences and acts at the property.

No cause of action shall arise against a licensee for the failure to disclose: (ii) that the property was the site of an act or occurrence that had no effect on the physical condition of the property or its environment or the structures located thereon; (iii) fact situations on property that is not the subject of the transaction; or (iv) physical conditions located on property that is not the subject of the transaction that do not have a substantial adverse effect on the value of the real estate that is the subject of the transaction.

Licensees must act in a manner consistent with promoting the client's best interests as opposed to a licensee's or any other person's self-interest. Licensees must treat all customers honestly and must not negligently or knowingly give them false information. A licensee engaged by a seller client shall timely disclose to customers who are prospective buyers all latent material adverse facts pertaining to the physical condition of the property that are actually known by the licensee and that could not be discovered by a reasonably diligent inspection of the property by the customer.

Real estate licensees may be disciplined for any of the following, among others:

- (10) Making any substantial misrepresentation or untruthful advertising.
- (11) Making any false promises of a character likely to influence, persuade, or induce.
- (12) Pursuing a continued and flagrant course of misrepresentation or the making of false promises through licensees, employees, agents, advertising, or otherwise.
- (21) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public, including, but not limited to, conduct set forth in rules adopted by the Department.
- (25) Any other conduct, whether of the same or a different character from that specified in this Section, that constitutes dishonest dealing [225 ILCS 454].

**Iowa:** In Iowa, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer [IA 193E (543B)].

**Michigan:**

In Michigan, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer.

The transferor or his or her agent is not liable for any error, inaccuracy, or omission in any information delivered if the error, inaccuracy, or omission was not within the personal knowledge of the transferor, or was based entirely on information provided by public agencies or inspectors, and ordinary care was exercised in transmitting the information. It is not a violation if the transferor fails to disclose information that could be obtained only through inspection or observation of inaccessible portions of real estate or could be discovered only by a person with expertise in a science or trade beyond the knowledge of the transferor.

A licensee that is acting under the terms of a service provision agreement owes, at a minimum, the following duties to a client:

- (a) The exercise of reasonable care and skill in representing the client and carrying out the responsibilities of the agency relationship.
- (c) Loyalty to the interest of the client.
- (e) Referral of the client to other licensed professionals for expert advice related to material matters that are not within the expertise of the broker [MCL 339.2512d, 565.951-966].

**Minnesota:** A licensee shall disclose to a prospective purchaser all material facts of which the licensee is aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensee is aware.

A licensee is not required to disclose information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. "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 and who is acceptable to the person to whom the disclosure is being made.

A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report if a copy of the report is provided to the licensee [Minnesota Statutes 2023, section 82].

**Summary of factual data and analytical methodologies:** The proposed rule was developed by reviewing the provisions of ch. REEB 24, specifically s. REEB 24.07, and determining what changes the Board wished to make.

**Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:** The proposed rules will be posted for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals.

**Fiscal Estimate and Economic Impact Analysis:** The Fiscal Estimate and Economic Impact Analysis will be attached upon completion.

**Effect on small business:** These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at [Jennifer.Garrett@wisconsin.gov](mailto:Jennifer.Garrett@wisconsin.gov), or by calling (608) 266-2112.

**Agency contact person:**

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-7139; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

**Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366, or by email to [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov). Comments must be received on or before the public hearing, held on a date to be determined, to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. REEB 24 created to read:

SECTION 4. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)

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## Chapter REEB 24

### CONDUCT AND ETHICAL PRACTICES FOR REAL ESTATE LICENSEES

REEB 24.01 Authority and intent.  
 REEB 24.02 Definitions.  
 REEB 24.03 Competent services.  
 REEB 24.04 Advertising.  
 REEB 24.05 Disclosure of compensation and interests.  
 REEB 24.06 Unauthorized practice of law.  
 REEB 24.07 Inspection and disclosure duties.  
 REEB 24.075 Tie-in arrangements.

REEB 24.08 Agreements to be in writing.  
 REEB 24.085 False portrayal of interest, prohibited.  
 REEB 24.09 Securing agency agreements.  
 REEB 24.10 Net listing prohibited.  
 REEB 24.12 Confidentiality of offers.  
 REEB 24.13 Drafting and submission of written proposals.  
 REEB 24.15 Adequate funds required.  
 REEB 24.17 Miscellaneous requirements.

**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 conduct that 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; CR 21-043: am. (2) Register March 2022 No. 795, eff. 4-1-22.

**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 that 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 licensee 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 that requires a license under ch. 452, Stats.

(16m) “Right of first refusal” means the right of a person to have the first opportunity to purchase or lease real property.

(18) “Transaction” means the sale, exchange, purchase or rental of, or the granting or acceptance of an option, 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 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; CR 21-043: am. (13m), (14), (16), cr. (16m), am. (18), (19) Register March 2022 No. 795, eff. 4-1-22.

**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 that the licensee is not competent to provide unless the licensee engages the assistance of another person who is competent. Any person engaged to provide such assistance shall be identified and that person's contribution shall be described in the documents or records related to the transaction.

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

(c) A licensee shall be knowledgeable regarding laws, public policies and current market conditions on real estate matters and shall assist, guide, and advise the parties on 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; CR 21-043: am. (2) (a), (c) Register March 2022 No. 795, eff. 4-1-22.

**REEB 24.04 Advertising.** A licensee shall follow the requirements for advertising as specified under s. 452.136, Stats.

**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; CR 21-043: r. and recr. Register March 2022 No. 795, eff. 4-1-22.

**REEB 24.05 Disclosure of compensation and interests. (1) COMPENSATION.** A licensee shall follow the requirements for compensation as specified under s. 452.133 (3) (a) and (c), Stats.

**(2) DISCLOSURE OF INTEREST.** A licensee shall follow the requirements for disclosure of interest as specified under s. 452.133 (3) (b), Stats.

**(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, the listing firm, or other party or firm representing the other party.

(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; CR 21-043: r. and recr. (1), (2), am. (5) (a) 3. Register March 2022 No. 795, eff. 4-1-22.

#### 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 that 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 that 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 a 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, is 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 defects and conditions included within the report form under ss. 709.03 and 709.033, 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 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 or licensee shall provide a written disclosure statement as prescribed under s. 452.135, Stats.

1r. If a firm is negotiating on behalf of a party who is not the client of another firm and the negotiations 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.

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) *Disclosure statements.* 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. This requirement may be waived if the buyer's firm has an exclusive right to locate buyer agency agreement that includes a provision removing the exclusive right to negotiate.

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, unless the seller has waived the firm's duty to negotiate under s. 452.133(6), Stats.

3. A subagent shall provide a disclosure statement to a customer as required in s. 452.135 (1), Stats., with whom the subagent 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 the client 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 1r., 2. (intro.), a., c., (b), (d), (e), eff. 7-1-16; CR 16-042: am. (1) (b) (title), (c), (3), (8) (a) 1. to 1r., 2. (intro.), a., c., (b), (d), (e) Register February 2017 No. 734, eff. 3-1-17; CR 21-043: am. (1) (a), (c), (3), (5), r. and recr. (8) (a) 1., r. (8) (a) 1g., am. (8) (a) 1r., (d) (title), 1. to 3., (e) 1. Register March 2022 No. 795, eff. 4-1-22; correction in (3) made under s. 13.92 (4) (b) 7., Stats., Register March 2022 No. 795.

**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 under s. 452.133 (3) (c), Stats.

(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 specified in s. 452.133 (3) (c), Stats.

(c) The agreement is a bona fide effort to maintain development quality or architectural uniformity and no consideration passes from a builder to a 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; **CR 21-043: am. (3) (a) to (c) Register March 2022 No. 795, eff. 4-1-22.**

**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, options, financial obligations and any other written proposals regarding transactions, expressing the exact agreement of the parties. This section does not apply if 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; **CR 21-043: am. Register March 2022 No. 795, eff. 4-1-22.**

**REEB 24.085 False portrayal of interest, prohibited.** No licensee shall draft or use any document that 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; **CR 21-043: am. Register March 2022 No. 795, eff. 4-1-22.**

**REEB 24.09 Securing agency agreements.** A licensee may not mislead a potential client regarding the benefits that might be realized by using 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; **CR 21-043: am. Register March 2022 No. 795, eff. 4-1-22.**

**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 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, 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)** 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 par-

ty's offer to purchase, exchange agreement, option, or lease 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; **CR 21-043: am. Register March 2022 No. 795, eff. 4-1-22.**

**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 written instructions of the other party.

**(2) ACCESS TO PROPERTY FOR SHOWINGS.** 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.

**(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)** If a firm has a property listed, no licensee associated with the listing firm, including a licensed individual broker acting as a sole proprietor and licensed broker business entity, or listing firm, may submit a personal written proposal or offer to purchase a property, 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.

**(c)** A licensee shall promptly present all written proposals received to the licensee's client or customer unless the presentation would be contrary to specific written instructions from the licensee's client or customer. A licensee shall not withhold any written proposal from presentation pending the party's action on a written proposal previously presented unless the presentation would be contrary to specific written instructions from the licensee's client or customer.

**(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 that 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; **CR 21-043: am. (1), (2) (title), renum. (2) (a) to (2), r. (2) (b), am. (3) (b), cr. (3) (c), am. (5) Register March 2022 No. 795, eff. 4-1-22.**

**REEB 24.15 Adequate funds required.** Licensees may not issue checks upon business or trust accounts that 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; **CR 21-043: am. Register March 2022 No. 795, eff. 4-1-22.**

**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 that describes the nature of the crime and the judgment of conviction in order that the board 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 (3) (a), 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 based on a conviction of a felony that is a bar to licensure under s. 452.25 (1) (a), Stats.

**(3) VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND BOARD ORDERS.** Licensees may 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 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; correction in (1) made under s. 13.92 (4) (b) 7., Stats., Register December 2018 No. 756; CR 18-051: am. (3) Register July 2019 No. 763, eff. 8-1-19; **CR 21-043: am. (1), (2m), (3) Register March 2022 No. 795, eff. 4-1-22.**

## **452.07 Rules.**

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

### **452.133 Duties of licensees; prohibitions.**

- (1) DUTIES TO ALL PARTIES TO A TRANSACTION. A firm providing brokerage services to a party to a transaction owes all of the following duties to the party:

- (a) The duty to provide brokerage services honestly and fairly.
- (b) The duty to provide brokerage services with reasonable skill and care.
- (c) The duty to timely disclose in writing all material adverse facts that the firm knows and that the party does not know or cannot discover through reasonably vigilant observation, unless the disclosure of a material adverse fact is prohibited by law.
- (d) The duty to keep confidential any information given to the firm in confidence, or any information obtained by the firm that the firm knows a reasonable person would want to be kept confidential, unless the information must be disclosed by law or the person whose interests may be adversely affected by the disclosure specifically authorizes the disclosure of particular information. The firm shall continue to keep the information confidential after the transaction is complete and after the firm is no longer providing brokerage services to the party.
- (e) The duty to provide accurate information about market conditions that affect the transaction, within a reasonable time after a request for such information by the party, unless disclosure of the information is prohibited by law.
- (f) The duty to safeguard trust funds and other property held as required by rules promulgated under s. [452.13 \(5\)](#).
- (g) When the firm is negotiating on behalf of a party, the duty to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

- (2) DUTIES TO CLIENTS. A firm providing brokerage services to a client owes the client the duties that the firm owes to a party under sub. [\(1\)](#) and all of the following additional duties:

- (a) The duty to loyally represent the client's interests by doing all of the following:
  - 1. Placing the client's interests ahead of the interests of the firm.
  - 2. Placing the client's interests ahead of the interests of persons in the transaction who are not the firm's clients by not disclosing to persons in the transaction other than the firm's clients information or advice the disclosure of which is contrary to the interests of a client of the firm, unless the disclosure is required by law.
- (am) The duty to provide, when requested by the client, information and advice to the client on matters that are material to the client's transaction and that are within the scope of the knowledge, skills, and training required under this chapter.
- (b) The duty to disclose to the client all information known by the firm that is material to the transaction and that is not known by the client or discoverable by the client through reasonably vigilant observation, except for confidential information under sub. [\(1\) \(d\)](#) and other information the disclosure of which is prohibited by law.
- (c) The duty to fulfill any obligation required by the agency agreement, and any order of the client that is within the scope of the agency agreement, that is not inconsistent with another duty that the firm has under this chapter or any other law.
- (d) The duty to negotiate on behalf of the client.

#### **452.23 Disclosures and inspections by brokers and salespersons.**

- (1) No licensee may disclose to any person in connection with the sale, exchange, purchase, or rental of real property information, the disclosure of which constitutes unlawful discrimination in housing under s. [106.50](#) or unlawful discrimination based on handicap under [42 USC 3604](#), [3605](#), [3606](#), or [3617](#).
- (2) A licensee is not required to disclose any of the following to any person in connection with the sale, exchange, purchase, or rental of real property:
  - (a) That the property was the site of a specific act or occurrence, if the act or occurrence had no effect on the physical condition of the property or any structures located on the property.
  - (b) Except as provided in sub. (3), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified 3rd party and provided to the person. In this paragraph, “qualified 3rd party” means a federal, state, or local governmental agency, or any person whom the licensee 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 3rd party in order to prepare the written report.
  - (c) The location of any adult family home, as defined in s. [50.01 \(1\)](#), community-based residential facility, as defined in s. [50.01 \(1g\)](#), or nursing home, as defined in s. [50.01 \(3\)](#), in relation to the location of the property.
  - (d) Except as provided in s. [452.24](#), any information related to the fact that a particular person is required to register as a sex offender under s. [301.45](#) or any information about the sex offender registry under s. [301.45](#).
- (3) A licensee shall disclose to the parties to a real estate transaction any facts known by the licensee that contradict any information included in a written report described under sub. (2) (b).
- (4) In performing an inspection and in making a disclosure in connection with a real estate transaction, a licensee shall exercise the degree of care expected to be exercised by a reasonably prudent person who has the knowledge, skills, and training required for licensure under this chapter.
- (5) A licensee that in good faith provides information attributable to a state or local governmental or quasi-governmental entity, including an agency, department, board, commission, bureau, or division, or a military or public safety organization, may not be held civilly liable if that information is subsequently determined to be inaccurate, unless the licensee knew the information was inaccurate at the time the licensee provided the information. For the purpose of any proceeding, the good faith shall be presumed.

**History:** 1989 a. 341; 1995 a. 27; 1999 a. 82, 89; 2015 a. 258; 2023 a. 208.

An independent inspection by a qualified third party operates to relieve a broker from liability for disclosures related to the physical condition of the property. *Conell v. Coldwell Banker*, [181 Wis. 2d 894](#), [512 N.W.2d 239](#) (Ct. App. 1994).

Sub. (2) (b) relieves a broker from the obligation to disclose information disclosed in a 3rd party report. Sub. (2) (b) does not apply to a separate affirmative act of negligence and does not preclude a broker's liability for a breach of other duties. *Johnson v. Neuville*, [226 Wis. 2d 365](#), [595 N.W.2d 100](#) (Ct. App. 1999), [98-1680](#).

#### **452.24 Disclosure duty; immunity for providing notice about the sex offender registry.**

- (1) If, in connection with the sale, exchange, purchase or rental of real property, a licensee receives a request from a person to whom the licensee is providing brokerage services in connection with the sale, exchange, purchase or rental for information related to whether a particular person is required to register as a sex offender under s. [301.45](#) or any other information about the sex offender registry under s. [301.45](#), the licensee has a duty to disclose such information, if the licensee has actual knowledge of the information.
- (2) Notwithstanding sub. (1), the licensee is immune from liability for any act or omission related to the disclosure of information under sub. (1) if the licensee in a timely manner provides to the person requesting the information written notice that the person may obtain information about the sex offender registry and persons registered with the registry by contacting the department of corrections. The notice shall include the appropriate telephone number and Internet site of the department of corrections.

(3) DISCLOSURE OF POTENTIAL INFORMATION SUGGESTING THAT MAY CONSTITUTE A MATERIAL ADVERSE FACTS. A licensee, when engaging in real estate practice, who becomes aware of information suggesting that may constitute the possibility of a material adverse facts to the transaction, is practicing competently if the licensee discloses to all of the parties the potential 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 defects and conditions included within the report form under ss. 709.03 and 709.033, 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.

(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, is practicing competently if the licensee may 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

Something that might be helpful to add after that edited sentence: “The reasonable licensee standard is the standard for informing the parties to a transaction under this subsection. The reasonable licensee standard recommends disclosure only of information that a reasonable real estate salesperson or broker would consider a potential material adverse fact and disclose under the circumstances.”



**Real Estate Examining Board  
Rule Project Chart**

<b>Clearinghouse Rule Number</b>	<b>Scope #</b>	<b>Scope Expiration</b>	<b>Code Chapter Affected</b>	<b>Relating clause</b>	<b>Current Step</b>	<b>Next Step</b>
	076-24	1/22/2027	REEB 12	Application Requirements	Rule drafting.	Board approval of preliminary rule draft.
	077-24	1/22/2027	REEB 24	Conduct and Ethical Practices	Rule drafting.	Board approval of preliminary rule draft.