



**VIRTUAL/TELECONFERENCE
REAL ESTATE EXAMINING BOARD
Virtual, 4822 Madison Yards Way, Madison
Will Johnson (608) 266-2112
April 24, 2025**

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

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda (1-3)**
- B. Approval of Minutes of February 27, 2025 (4-8)**
- C. Introductions, Announcements, and Recognition
- D. Reminders: Conflicts of Interest, Scheduling Concerns
- E. Administrative Matters – Discussion and Consideration**
 - 1. Department, Staff and Board Updates
 - 2. Elections, Appointment of Liaisons and Alternates, Delegation of Authorities
 - 3. 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 (9-32)**
 - 1. Rule drafting discussion for REEB 12 on Application Requirements **(10-12)**
 - 2. Rule drafting discussion for REEB 24 on Conduct and Ethical Practices **(14-31)**
 - 3. Pending or possible rulemaking projects **(32)**
- 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 (33-35)

1. Residential Pre-Agency Showing Agreement Form (34-35)

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**
 - a. 23 REB 158 – Charles Hutchinson (36-42)
- 2. Administrative Warnings**
 - a. 25 REB 0004 – K.B. (43-44)
- 3. Case Closings**
 - a. 25 REB 0013 – B.A.K. (45-50)
 - b. 23 REB 158 – K.S. and C.R.W. (51-55)

O. 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

P. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

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

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

ADJOURNMENT

NEXT MEETING: JUNE 26, 2025

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://dsps.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.

**VIRTUAL/TELECONFERENCE
REAL ESTATE EXAMINING BOARD
MEETING MINUTES
FEBRUARY 27, 2025**

PRESENT: Gurmit Kaleka (*arrived at 10:03*), Cathy Lacy, Elizabeth Lauer, Sonya Mays, Dennis Pierce, Thomas Richie

ABSENT: Jeffery Berry

STAFF: Will Johnson, Executive Director; Renee Parton, Legal Counsel; Jake Pelegrin, Administrative Rule Coordinator; Brenda Taylor, Board Services Supervisor; and Other Department Staff

CALL TO ORDER

Thomas Richie, Chairperson, called the meeting to order at 10:01 a.m. A quorum was confirmed with five (5) members present.

ADOPTION OF AGENDA

MOTION: Cathy Lacy moved, seconded by Thomas Richie, to adopt the Agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES OF DECEMBER 5, 2024

MOTION: Sonia Mays moved, seconded by Cathy Lacy, to approve the Minutes of December 5, 2024 as published. Motion carried unanimously.

Election of Officers

Slate of Officers

NOMINATION: Dennis Pierce nominated the 2024 slate of officers to continue in 2025. All officers accepted their nominations.

Will Johnson, Executive Director, called for nominations three (3) times.

The Slate of Officers was elected by unanimous voice vote.

2025 OFFICERS	
Chairperson	Thomas Richie
Vice Chairperson	Elizabeth Lauer
Secretary	Dennis Pierce

Appointment of Liaisons

LIAISON APPOINTMENTS	
Credentialing Liaison(s)	Elizabeth Lauer <i>Alternate: Thomas Richie</i>
Education and Examinations Liaison(s)	Cathy Lacy <i>Alternate: Sonya Mays</i>
Monitoring Liaison(s)	Elizabeth Lauer <i>Alternate: Jeffery Berry</i>
Professional Assistance Procedure (PAP) Liaison(s)	Gurmit Kaleka <i>Alternate: Dennis Pierce</i>
Legislative Liaison(s)	Sonya Mays, Thomas Richie
Travel Authorization Liaison(s)	Dennis Pierce <i>Alternate: Elizabeth Lauer</i>
Newsletter Liaison(s)	Sonya Mays, Thomas Richie
Website Liaison(s)	Cathy Lacy <i>Alternate: Gurmit Kaleka</i>
COMMITTEE MEMBER APPOINTMENTS	
Real Estate Contractual Forms Advisory Committee Chairperson	Sonya Mays
Council on Real Estate Curriculum and Examination Representative	Elizabeth Lauer
SCREENING PANEL	
Screening Panel Team 1	Dennis Pierce, Thomas Richie, Jeffery Berry
Screening Panel Team 2	Sonya Mays, Elizabeth Lauer
Screening Panel Team 3	Gurmit Kaleka, Cathy Lacy

Delegations

Delegation to Department Attorneys to Approve Prior Discipline

MOTION: Thomas Richie moved, seconded by Elizabeth Lauer, to delegate authority to Department Attorneys to approve an applicant’s prior professional discipline which resulted in a forfeiture/fine/other monetary penalty, remedial education, and/or reprimand, that is 10 years old or older, and the previously disciplined credential is currently in good standing. Motion carried unanimously.

Delegation to Handle Administrative Rule Matters

MOTION: Dennis Pierce moved, seconded by Cathy Lacy, to delegate authority to the Chairperson (or, in the absence of the Chairperson, the highest-ranking officer or longest serving Board member in that succession), to act on behalf of the Board regarding administrative rule matters between meetings. Motion carried unanimously.

Review and Approval of 2024 Delegations including new modifications

MOTION: Cathy Lacy moved, seconded by Dennis Pierce, to reaffirm all delegation motions made in 2024, as reflected in the February 27, 2025 agenda materials, which were not otherwise modified or amended during the February 27, 2025 meeting. Motion carried unanimously.

CLOSED SESSION

MOTION: Thomas Richie moved, seconded by Cathy Lacy, 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 11:37 a.m.

DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Proposed Stipulations, Final Decisions and Orders

MOTION: Thomas Richie moved, seconded by Cathy Lacy, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings of the following cases:

- a. 22 REB 102 – Mark L. Wagner and Hilgart Realty Inc.
- b. 22 REB 105 – John P. Spiegel
- c. 22 REB 125 – Perry L. Hall
- d. 24 REB 0144 – Kierra Wilson

Motion carried unanimously.

Administrative Warnings

MOTION: Cathy Lacy moved, seconded by Elizabeth Lauer, to issue an Administrative Warning in the following DLSC Cases:

- a. 21 REB 078 – B.K.
- b. 22 REB 026 – L.G.S.
- c. 22 REB 026 – J.T.O., O.R.E.
- d. 22 REB 103 – J.V.A.
- e. 23 REB 030 – S.S.D.
- f. 23 REB 098 – R.S.H.
- g. 23 REB 168 – M.L.G.
- h. 24 REB 016 – D.L.C., E.R.
- i. 24 REB 016 – R.E.W.
- j. 24 REB 0174 – J.F.L.J.

Motion carried unanimously.

Case Closings

MOTION: Elizabeth Lauer moved, seconded by Cathy Lacy, to close the following DLSC Cases for the reasons outlined below:

- a) 22 REB 075 – J.M., E.R., T.P., L.R. – Insufficient Evidence
- b) 22 REB 086 – D.M., R.W. – No Violation
- c) 22 REB 102 – J.D., N.H.R.P.C. – No Violation
- d) 23 REB 030 – G.C. – Prosecutorial Discretion (P2)
- e) 23 REB 095 – J.E., S.R., J.H. – No Violation
- f) 23 REB 096 – R.C.R. – Prosecutorial Discretion (P5)
- g) 23 REB 096 – D.L.C., E.R. – No Violation
- h) 23 REB 140 – A.B., C.R.G. – No Violation
- i) 23 REB 140 – J.K. – Insufficient Evidence
- j) 23 REB 152 – K.R.B. – No Violation
- k) 24 REB 0177 – H.H.R.E., P.H. – Insufficient Evidence

Motion carried unanimously.

ORDER FIXING COSTS

Dylan J. Brannon (DHA Case Number SPS-22-0041/ DLSC Case Number 21 REB 080)

MOTION: Thomas Richie moved, seconded by Cathy Lacy, to adopt the Order Fixing Costs in the matter of disciplinary proceedings against Dylan J. Brannon, Respondent – DHA Case Number SPS-22-0041 / DLSC Case Number 21 REB 080. Motion carried unanimously.

(Dennis Pierce recused himself and left the room for deliberation and voting in the matter concerning Dylan J. Brannon, Respondent – DHA Case Number SPS-22-0041 / DLSC Case Number 21 REB 080.)

RECONVENE TO OPEN SESSION

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

The Board reconvened into Open Session at 11:56 a.m.

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

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

The meeting adjourned at 11:58 a.m.

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

AGENDA REQUEST FORM

1) Name and title of person submitting the request: Jake Pelegrin Administrative Rules Coordinator		2) Date when request submitted: 4/11/25 Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 4/24/25	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Administrative Rule Matters – Discussion and Consideration 1. Rule drafting discussion for REEB 12 on Application Requirements 2. Rule drafting discussion for REEB 24 on Conduct and Ethical Practices 3. Pending or possible rulemaking projects	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <i>(If yes, please complete Appearance Request for Non-DSPS Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required: N/A	
10) Describe the issue and action that should be addressed: Attachments: -Proposed sample language and background info -Prelim rule draft for REEB 24 on Conduct and Ethical Practices -REEB 24 -Rule Projects Chart			
11) <i>Jake Pelegrin</i>		Authorization 4/11/25	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

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.

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.

That experience shall include a minimum of X years of experience with/as a...

And/or shall include familiarity with Wisconsin real estate forms, or similar language

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.

That experience shall include a minimum of X years of experience as a licensed real estate salesperson.

And/or shall include familiarity with Wisconsin real estate forms, or similar language

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.

That experience shall include a minimum of X years of experience as a licensed real estate salesperson or attorney.

And/or shall include familiarity with Wisconsin real estate forms, or similar language



To: DSPS Real Estate Contractual Forms Advisory Council
From: WRA
Date: April 9, 2025
Re: REEB 12 Applications

At recent REEB meetings, the Board and DSPS staff have discussed whether the REEB should consider creating a rule to allow waivers of the broker experience requirements for certain license applicants. Wis. Stat. § 452.09(e) authorizes the Board to waive this requirement based on standards established by rule.

According to DSPS staff, a small number of licensees from other states have inquired about waiving the broker experience requirement, citing years of licensure and experience outside of Wisconsin.

Illinois, historically one of the few states with a reciprocal licensing agreement with Wisconsin, is making significant changes. Under the current agreement, a Wisconsin salesperson could take the Illinois exam and apply for an Illinois broker license, while a Wisconsin broker could do the same to obtain a managing broker license—without completing additional education. Illinois’s broker and managing broker licenses closely mirror Wisconsin’s salesperson and broker licenses.

However, effective January 1, 2026, Illinois will end all reciprocal licensing arrangements, including with Wisconsin. Instead, it will adopt an endorsement process. Licensees from other states will need to complete a 30-hour pre-license endorsement course before they may take the Illinois licensing exam.

Licenses already granted under the current reciprocal agreement will remain valid. The WRA brings this development to the REEB’s attention as it considers whether to pursue a rule allowing waiver of the broker experience requirement.

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

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 **repeal** REEB 24.07 (3), to **amend** REEB and to **create** 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, 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.

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. 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.

TEXT OF RULE

SECTION 1. REEB 24.07 (3) is repealed.

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

(END OF TEXT OF RULE)

Chapter REEB 24

CONDUCT AND ETHICAL PRACTICES FOR REAL ESTATE LICENSEES

REEB 24.01	Authority and intent.	REEB 24.08	Agreements to be in writing.
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REEB 24.05	Disclosure of compensation and interests.	REEB 24.12	Confidentiality of offers.
REEB 24.06	Unauthorized practice of law.	REEB 24.13	Drafting and submission of written proposals.
REEB 24.07	Inspection and disclosure duties.	REEB 24.15	Adequate funds required.
REEB 24.075	Tie-in arrangements.	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.**



To: DSPS Real Estate Examining Board
From: WRA
Date: April 8, 2025
Re: REEB 24 Conduct and Ethical Practices for Real Estate Licensees

At the June 13, 2024, Real Estate Examining Board (REEB) approved the scope statement for Wisconsin Administrative Code Chapter REEB 24 Conduct and Ethical Practices for Real Estate Licensees (REEB 24).

The WRA created a REEB 24 Workgroup to solicit feedback from WRA members regarding the provisions of REEB 24. Included with this memo is a draft of REEB showing the suggestions from the WRA REEB 24 Workgroup.

Summary of Revisions

Wis. Admin. Code § REEB 24.07 Inspection and disclosure duties

Current

(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.

Proposed

(c) *Other licensees*. Licensees, other than listing firms, shall inspect the real estate as required by sub. (1) prior to submitting a written proposal, unless the licensee is not given access to the real estate or is instructed by a party to submit a written proposal prior to being able access the real estate, in which case the licensee shall inspect the real estate promptly after submitting the written proposal if the licensee is given access.

The suggested modifications account for situations where buyers instruct their agents to submit an offer on a property “sight unseen” and there will not be a showing of the property. The WRA REEB 24 Workgroup recommended new language instructing a licensee to inspect the property promptly after submitting the written proposal unless they are not given access.

Wis. Admin. Code § REEB 24.07(3) Disclosure of Information Suggesting Material Adverse Facts

Current

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.

Proposed

~~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.~~

At the February 27, 2025, REEB meeting, DSPS staff recommended deleting this provision as the disclosure obligations are already referenced in Wis. Stat. § 452.135 and Wis. Admin. Code § REEB 24.07. The REEB agreed with this recommendation. The WRA REEB 24 Workgroup does not oppose deleting this provision.

Wis. Admin. Code § REEB 24.075 Tie-in arrangements

Current

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.

Proposed

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; or

(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.

The current punctuation is in error. The WRA REEB Workgroup recommends replacing two periods with semicolons and adding the word "or" so the provision clearly distinguishes the three exemptions to the prohibition on tie-in arrangements.

Wis. Admin. Code § REEB 24.12 Confidentiality of offers.

Current

(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 party's offer to purchase, exchange agreement, option, or lease to the party holding the right of first refusal.

Proposed

(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 party's offer to purchase, exchange agreement, option, or lease to the party holding the right of first refusal. **The parties to any right of first refusal remain solely responsible for implementation of any right of first refusal terms.**

This provision allows a licensee to share a buyer's otherwise confidential offer with a person holding a right of first refusal if the licensee has first disclosed the existence of the right of first refusal to the buyer. The WRA REEB 24 Workgroup recommends adding the additional sentence to clarify that a licensee may provide that offer to the person holding a right of first

refusal, but the licensee is not required to provide it nor facilitate any aspect of the right of first refusal.

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:

Published under s. 35.93, Stats. Updated on the first day of each month. Entire code is always current. The Register date on each page is the date the chapter was last published.

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 submitting a written proposal, unless the licensee is not given access to the real estate or is instructed by a party to submit a written proposal prior to being able access the real estate, in which case the licensee shall inspect the real estate promptly after submitting the written proposal if the licensee is given access.

(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 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.

(4) 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.

(5) 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.

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

(7) 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.

Published under s. 35.93, Stats. Updated on the first day of each month. Entire code is always current. The Register date on each page is the date the chapter was last published.

(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 sub-agent 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., 1r., am. (8) (a) 2. (intro.), 3., r. (8) (a) 4., am. (8) (b) (title), 1., 2., (c), r. and recr. (8) (d), (e) Register April 2012 No. 676, eff. 7-1-12; 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.; or

(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.

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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 party's offer to purchase, exchange agreement, option, or lease to the party holding the right of first refusal. **The parties to any right of first refusal remain solely responsible for implementation of any right of refusal terms.**

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) FELON" 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.

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**Real Estate Examining Board
Rule Project Chart**

Clearinghouse Rule Number	Scope #	Scope Expiration	Code Chapter Affected	Relating clause	Current Step	Next Step
	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.

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

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Will Johnson, Executive Director		2) Date When Request Submitted: 04/14/2025 Items will be considered late if submitted after 4:30 p.m. and less than: ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 04/24/2025	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Under Report and Possible Action from Real Estate Forms: Residential Pre-Agency Showing Agreement Form - Discussion and Consideration	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:			
11) Authorization			
Will Johnson		04/14/2025	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Board Admin Specialist prior to the start of a meeting.			

WB-50 RESIDENTIAL PRE-AGENCY SHOWING AGREEMENT

For purposes of this Agreement, “residential” means property with one-to-four dwelling units.

Under Wisconsin law, buyers have choices in their relationship with an agent. There are three agency options available for buyers: pre-agency, subagency, and buyer agency. Each agency type varies by what level of brokerage services may be provided.

A buyer can sign a buyer agency agreement with a firm and be the firm’s client with all the services and duties that come with being a firm’s client. A buyer could work with the firm that has the property listed or another firm and not sign a buyer agency agreement. The buyer would be a customer of the firm with some services and duties but not client-level duties. When the buyer is a customer of either the listing firm or another firm, the agent working with the buyer cannot put the buyer’s interests ahead of the seller’s interests. A buyer and a firm also can operate for a limited time in what is known as pre-agency where the buyer is not yet a customer nor a client. During pre-agency, the agent cannot put the buyer’s interests ahead of the seller’s interests and cannot engage in any negotiation on behalf of the buyer.

BUYER RELATIONSHIPS WITH AGENTS

- Buyer in Pre-Agency:** A buyer in pre-agency is not a client or a customer of the real estate firm and its agents. In pre-agency, the firm and its agents may provide the buyer with services such as showing properties and act as a neutral information provider, but the firm cannot negotiate for the buyer. “Negotiate” is defined in Wis. Stat. § 452.01(5m). One example of negotiations would be drafting an offer for the buyer. If negotiations are requested or initiated, pre-agency authorization ends and the firm and the buyer would establish either subagency, where the firm is a subagent of the listing firm, as defined in Wis. Stat. § 452.01(7r) and the buyer is a customer, or execute a buyer agency agreement where the buyer is a client, if they wish to proceed together. Both the buyer and the firm have a choice at that point whether to proceed together, and if so, under which agency relationship.
- Buyer as Customer:** If a buyer and the firm choose a subagency relationship, the buyer is a customer. The buyer would receive the duties owed to all parties, including the authorization for negotiation, but would not receive client-level services. As a customer, the buyer would not receive advice, such as how much the buyer should offer on a property, recommendations on negotiation or which property or properties to pursue. Buyers who are customers receive a separate disclosure and agents who are working with buyer customers cannot put the buyer’s interests ahead of the seller’s interests.
- Buyer as Client:** When a buyer wants to have access to the full brokerage services offered by a firm, the buyer would sign a written buyer agency agreement with the firm and become the firm’s client. When a buyer is a client, the firm can put the buyer’s interests ahead of the seller’s interests while observing duties that agents owe to all parties in a transaction. When a buyer is a client, the firm can provide information and advice such as how much the buyer should offer for the property, and negotiation recommendations or recommendations regarding which property or properties to pursue, and other client services the firm offers.

RESIDENTIAL PRE-AGENCY SHOWING AGREEMENT

The undersigned Prospective Buyer and the Firm enter into this Residential Pre-Agency Showing Agreement (“Agreement”) on the following terms and conditions:

THIS IS NOT AN AGENCY AGREEMENT. THIS AGREEMENT DOES NOT AUTHORIZE AN AGENT TO DRAFT AN OFFER TO PURCHASE. This Agreement authorizes the Firm and its agents to help the Prospective Buyer identify and locate properties and to show homes to the Prospective Buyer in a pre-agency relationship. The Firm and agents may show properties and provide information, as requested. Either the Prospective Buyer or the Firm may discontinue working together under pre-agency at any time, upon informing the other, and it is agreed and understood that whether to proceed with any further or additional brokerages services, whether under subagency or under buyer agency, is a choice between the Prospective Buyer and the Firm and agents.

Compensation. A firm may receive compensation for showing properties to a prospective buyer during pre-agency. The Prospective Buyer and the Firm agree the Firm shall be paid as follows (insert amount, if any, and terms of payment):

The fee cannot be paid to the agent directly and must be paid to the Firm.

48 **Real estate commissions and compensation are not set by law and are fully negotiable.**

49 **A firm working with a buyer for services covered by this Agreement cannot receive compensation or fees from**
50 **any source that exceeds the amount specified in this Agreement, unless agreed to in writing.**

51 **The compensation paid under a pre-agency agreement to a firm does not prohibit a firm from receiving other**
52 **compensation as an agent working with a buyer as a client or customer in the purchase of property.**

53 **FAIR HOUSING / NON-DISCRIMINATION.** The Firm and its agents agree that they will not discriminate based on race,
54 color, sex, sexual orientation as defined in Wisconsin Statutes § 111.32(13m), disability, religion, national origin, marital
55 status, lawful source of income, age, ancestry, family status, status as a victim of domestic abuse, sexual assault, or
56 stalking, or in any other unlawful manner.

57 **NOTICE ABOUT SEX OFFENDER REGISTRY.** The Prospective Buyer may obtain information about the sex offender
58 registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet
59 at <http://www.doc.wi.gov> or by telephone at (608)240-5830.

60 **DUTIES TO ALL PARTIES.** Under Wisconsin law, a firm and its agents owe certain duties to all parties in transaction,
61 including during pre-agency. The Firm and its agents owe the Prospective Buyer:

- 62 • The duty to provide brokerage services fairly and honestly.
- 63 • The duty to provide brokerage services with reasonable skill and care.
- 64 • The duty to disclose in writing certain material adverse facts about a property, unless disclosure of the
65 information is prohibited by law.
- 66 • The duty to keep confidential information given to the firm in confidence or information a reasonable person
67 would want to be kept confidential, unless the law requires disclosure. The firm and its agents will not
68 disclose the confidential information of the parties.
- 69 • The duty to provide accurate information about market conditions that affect the transaction within a
70 reasonable time of the party's request for it, unless disclosure of the information is prohibited by law.
- 71 • The duty to safeguard trust funds and other property held by the firm or its agents.
- 72 • The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose
73 the advantages and disadvantages of the proposals.

74 (x) _____
75 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

76 (x) _____
77 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

78 (x) _____
79 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

80 (x) _____
81 Prospective Buyer's Signature ▲ Print Name Here ► Date ▲

82 _____
83 Firm Name ▲

84 (x) _____
85 Agent's Signature ▲ Print Name Here ► Date ▲