



---

**HYBRID (IN-PERSON/VIRTUAL)  
REAL ESTATE EXAMINING BOARD  
N208, 4822 Madison Yards Way, 2<sup>nd</sup> floor, Madison  
Will Johnson (608) 266-2112  
June 26, 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. Be advised that board members may attend meetings designated as "Hybrid" in-person or virtually.*

**AGENDA**

**10:00 A.M.**

**OPEN SESSION – CALL TO ORDER – ROLL CALL**

- A. Adoption of Agenda (1-4)**
- B. Approval of Minutes of April 24, 2025 (5-7)**
- 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 (8-27)**
  - 1. Rule drafting discussion for REEB 12 on Application Requirements (9-16)
  - 2. Rule drafting discussion for REEB 24 on Conduct and Ethical Practices (17-26)
  - 3. Pending or possible rulemaking projects (27)
- H. Disciplinary Trends in Real Estate – Discussion and Consideration**
- I. Practice Considerations – Antitrust Settlement**

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

**M. Public Comments**

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

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

- 1. **Proposed Stipulations, Final Decisions and Orders**
  - a. 21 REB 093 – Cary Cybul and Results Realty USA, LLC **(28-35)**
  - b. 21 REB 093 – Casey Cybul **(36-42)**
  - c. 22 REB 039 – Michael Coke and Terra Firma Realty, Inc. **(43-49)**
  - d. 23 REB 091 – Michael Poe **(50-56)**
  - e. 23 REB 163 – David Arndt and Grizzly Financial, LLC **(57-63)**
  - f. 24 REB 0176 – Jean-Phillipe Buanton-Mendoza **(64-69)**

2. **Administrative Warnings**
  - a. 24 REB 0180 – M.P.Z.T. (71-72)
3. **Case Closings**
  - a. 22 REB 090 – P.O. and O.C.I. (73-81)
  - b. 23 REB 091 – I.R.E. (82-87)
  - c. 23 REB 055 – C.L. and S.D.H. (88-93)
  - d. 24 REB 0031 – M.B., R.C.S. and B.R.R.I. (94-98)

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: AUGUST 28, 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  
APRIL 24, 2025**

**PRESENT:** Gurmit Kaleka, Cathy Lacy, Elizabeth Lauer, Sonya Mays, Dennis Pierce

**ABSENT:** Jeffery Berry, Thomas Richie

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

**CALL TO ORDER**

Elizabeth Lauer, Vice 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 Dennis Pierce, to adopt the Agenda as published. Motion carried unanimously.

**APPROVAL OF MINUTES OF FEBRUARY 27, 2025**

**MOTION:** Dennis Pierce moved, seconded by Cathy Lacy, to approve the Minutes of February 27, 2025 as published. Motion carried unanimously.

**ADMINISTRATIVE RULES MATTERS**

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

**MOTION:** Elizabeth Lauer moved, seconded by Cathy Lacy, to recommend DSPS staff move forward with preliminary rule drafting of a waiver provision for REEB 12 relating to Application Requirements. Motion carried unanimously.

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

**Residential Pre-Agency Showing Agreement Form**

**MOTION:** Cathy Lacy moved, seconded by Elizabeth Lauer, to accept all recommendations from the Real Estate Contractual Forms Advisory Council regarding Residential Pre-Agency Showing Agreement Form as presented. Motion carried unanimously.

**CLOSED SESSION**

**MOTION:** Elizabeth Lauer moved, seconded by Sonya Mays, 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.). Elizabeth Lauer, Vice 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; and Dennis Pierce-yes. Motion carried unanimously.

The Board convened into Closed Session at 11:16 a.m.

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

### **Proposed Stipulations, Final Decisions and Orders**

#### ***23 REB 158 – Charles Hutchinson***

**MOTION:** Cathy Lacy moved, seconded by Elizabeth Lauer, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Charles Hutchinson, DLSC Case Number 23 REB 158. Motion carried unanimously.

### **Administrative Warnings**

#### ***25 REB 0004 – K.B.***

**MOTION:** Cathy Lacy moved, seconded by Sonya Mays, to issue an Administrative Warning in the matter of K.B., DLSC Case Number 25 REB 0004. Motion carried unanimously.

### **Case Closings**

#### ***23 REB 158 – K.S. and C.R.W. – No Violation***

**MOTION:** Cathy Lacy moved, seconded by Elizabeth Lauer, to close DLSC Case Number 23 REB 158, against *K.S. and C.R.W.*, for (P1) and no violation. Motion carried unanimously.

#### ***25 REB 0013 – B.A.K. – No Violation***

**MOTION:** Elizabeth Lauer moved, seconded by Sonya Mays, to close DLSC Case Number 25 REB 0013, against B.A.K., for no violation. Motion carried unanimously.

## **RECONVENE TO OPEN SESSION**

**MOTION:** Cathy Lacy moved, seconded by Sonya Mays, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 11:28 a.m.

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

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

The meeting adjourned at 11:29 a.m.

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

**AGENDA REQUEST FORM**

<b>1) Name and title of person submitting the request:</b> Jake Pelegrin Administrative Rules Coordinator		<b>2) Date when request submitted:</b> 6/13/25 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>											
<b>3) Name of Board, Committee, Council, Sections:</b> Real Estate Examining Board													
<b>4) Meeting Date:</b> 6/26/25	<b>5) Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> <b>Administrative Rule Matters – Discussion and Consideration</b> 1. Rule drafting discussion for REEB 12 on Application Requirements 2. Rule drafting discussion for REEB 24 on Conduct and Ethical Practices 3. Pending or possible rulemaking projects											
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b> <i>(If yes, please complete <a href="#">Appearance Request</a> for Non-DSPS Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>9) Name of Case Advisor(s), if required:</b> N/A											
<b>10) Describe the issue and action that should be addressed:</b> Attachments: -Prelim rule draft for REEB 12 on Application Requirements -Prelim rule draft for REEB 24 on Conduct and Ethical Practices -Rule Projects Chart													
<table style="width: 100%; border: none;"> <tr> <td style="width: 40%; border: none;">11)</td> <td style="width: 60%; border: none; text-align: right;">Authorization</td> </tr> <tr> <td style="border: none;"><i>Jake Pelegrin</i></td> <td style="border: none; text-align: right;">6/13/25</td> </tr> </table> <hr/> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%; border: none;">Signature of person making this request</td> <td style="width: 30%; border: none; text-align: right;">Date</td> </tr> </table> <hr/> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%; border: none;">Supervisor (if required)</td> <td style="width: 30%; border: none; text-align: right;">Date</td> </tr> </table> <hr/> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%; border: none;">Executive Director signature (indicates approval to add post agenda deadline item to agenda)</td> <td style="width: 30%; border: none; text-align: right;">Date</td> </tr> </table>				11)	Authorization	<i>Jake Pelegrin</i>	6/13/25	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
11)	Authorization												
<i>Jake Pelegrin</i>	6/13/25												
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												
<b>Directions for including supporting documents:</b> 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.													



STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

---

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

---

PROPOSED ORDER

An order of the Real Estate Examining Board to **create** REEB 12.017 (5) relating to broker application requirements.

Analysis prepared by the Department of Safety and Professional Services.

---

ANALYSIS

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

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

**Explanation of agency authority:**

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession.”

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

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

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

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

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

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

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

None.

**Comparison with rules in adjacent states:**

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

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

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

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

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

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

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

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

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

**Agency contact person:**

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

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

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

---

TEXT OF RULE

SECTION 1. 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)**, through experience as a real estate salesperson **or broker** licensed in another state, the board may waive the requirements under sub. (3) for that applicant.

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

-----  
(END OF TEXT OF RULE)  
-----

## Chapter REEB 12

### APPLICATIONS

REEB 12.005 Authority.

REEB 12.01 Applications.

REEB 12.011 Criminal conviction predetermination.

REEB 12.012 Application procedure for service members, former service members, and their spouses.

REEB 12.013 Salesperson application requirements.

REEB 12.017 Broker application requirements.

REEB 12.025 Examinations.

REEB 12.04 Renewal and reinstatement.

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

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

**History:** Cr. [Register, July, 1998, No. 511](#), eff. 8-1-98.

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

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

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

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

**Note:** Instructions for applications can be found on the department of safety and professional services' website at <http://dps.wi.gov>.

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

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

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

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

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

to (1) to (5), renum. (2) (a), (b) to (1) (6) to (7), [Register September 2015 No. 717](#), eff. 10-1-15; correction in (1) (title), (6) (title), (7) (title) under s. 13.92 (4) (b) 2., Stats., [Register September 2015 No. 717](#); [CR 23-075](#): am. (5) [Register August 2024 No. 824](#), eff. 9-1-24.

**REEB 12.011 Criminal conviction predetermination. (1)** An individual who does not possess a broker's or salesperson's license may apply to the board, without submitting a full application for a determination of whether the individual would be disqualified from obtaining a license or certificate based upon a criminal conviction by submitting all of the following:

(a) An application for predetermination.

(am) A fee in the amount of \$68.00.

(b) Police report.

(c) Criminal complaint.

(d) Judgment of conviction and sentencing.

(e) Verification of compliance or completion with the terms of the sentencing.

(f) Personal statement describing the facts that led to each offense and any rehabilitation completed.

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

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

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

(a) The severity and nature of the conviction.

(b) The amount of time that has elapsed.

(c) The number or pattern of convictions or other similar incidents that gave rise to the conviction.

(d) The circumstances surrounding the conviction that may have a bearing on whether the individual might repeat the behavior that was the subject of the conviction.

(e) The relationship of the conviction to real estate practice.

(f) The individual's activities since the conviction, including employment, education, participation in treatment, payment of restitution, and any other factor that may be evidence of rehabilitation.

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

**(5)** The determination is binding upon the board and the department if the individual subsequently applies for license or certificate, unless there is information relevant to the determination

that was not available to the board at the time of the determination.

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

### REEB 12.012 Application procedure for service members, former service members, and their spouses.

#### (1) In this section:

- (a) “Former service member” has the meaning in s. 440.09 (1) (a), Stats.
- (b) “Service member” has the meaning in s. 440.09 (1) (b), Stats.
- (c) “Spouse” has the meaning in s. 440.09 (1) (c), Stats.

(2) Each applicant for reciprocal licensure as a real estate salesperson or real estate broker shall submit all of the following, notwithstanding the materials required under ss. REEB 12.013 and 12.017:

- (a) A completed application form with the signature of the applicant.
- (b) A fee as determined by the department under s. 440.05 (2), Stats.
- (c) A statement that the applicant resides in this state.
- (d) Documentation that the applicant is a service member, a former service member, or the spouse of a service member. If an applicant is unable to provide the documentation, the applicant may submit an affidavit to the board stating that the individual is a service member, a former service member, or the spouse of a service member or former service member.
- (e) Evidence of holding a license, in good standing, that was granted by a governmental authority in a jurisdiction outside of Wisconsin that qualifies the individual to perform acts authorized under a real estate salesperson or real estate broker license granted by the board.

**Note:** Application forms are available from the Department of Safety and Professional Services’ website at <http://dps.wi.gov>.

(3) A license granted under this subsection expires on the applicable renewal date specified in s. 440.08 (2) (a), Stats., except that if the first renewal date specified in s. 440.08 (2) (a), Stats., after the date on which the license is granted is within 180 days of the date on which the license is granted, the license expires on the 2nd renewal date specified in s. 440.08 (2) (a), Stats., after the date on which the license is granted.

**History:** CR 21-055: cr. Register March 2022 No. 795, eff. 4-1-22; correction in (2) (d), (3) made under s. 35.17, Stats., Register March 2022 No. 795.

**REEB 12.013 Salesperson application requirements.** (1) **EDUCATION REQUIREMENTS.** Except as provided in sub. (3) and s. REEB 12.012, each applicant for a real estate salesperson’s license shall submit satisfactory evidence of any of the following:

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

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

(2) **EXAMINATION REQUIREMENTS.** Except as provided in sub. (3) and s. REEB 12.012, each applicant shall read and write a comprehensive examination in English, testing the applicant’s competency to transact the business of a real estate salesperson. The examination shall be in conformity with s. 452.09 (3), Stats.

(3) **RECIPROCITY.** An applicant who is licensed as a salesperson in a state or territory that has entered into a reciprocal agree-

ment with this state shall be licensed according to the terms of the reciprocal agreement.

**History:** CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; CR 21-055: am. (1) (intro.), (2) Register March 2022 No. 795, eff. 4-1-22.

### 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 experi-

ence 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.

**History:** CR 15-010: cr. Register September 2015 No. 717, eff. 10-1-15; correction in (3) (intro.) made under s. 35.17, Stats., Register September 2015 No. 717; CR 21-055: am. (1) (intro.), (2), (3) (intro.) Register March 2022 No. 795, eff. 4-1-22; CR 21-018: am. (3) (a) Register August 2023 No. 812, eff. 9-1-23; CR 23-075: am. (3) (a) (intro.), (d) Register August 2024 No. 824, eff. 9-1-24.

**REEB 12.025 Examinations. (1m) PASSING SCORE.** The board shall determine the level of examination performance required for minimum acceptable competence after consultation with subject matter experts who have received a representative sample of the examination questions and available candidate performance statistics. The board shall set the passing score at the point that represents minimum acceptable competence in the profession.

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

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

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

**History:** Cr. Register, December, 1976, No. 252, eff. 1-1-77; r. and recr. Register, December, 1978, No. 276, eff. 1-1-79; renum. from REB 2.035, Register, February, 1981, No. 302, eff. 3-1-81; renum. from REB 2.025, Register, February, 1983, No. 326, eff. 3-1-83; r. (3), Register, July, 1998, No. 511, eff. 8-1-98; CR 15-010: am. (title), r. (1), cr. (1m), am. (2), renum. (3) from REEB 12.026 Register September 2015 No. 717, eff. 10-1-15; CR 23-075: am. (2), (3) Register August 2024 No. 824, eff. 9-1-24.

**REEB 12.04 Renewal and reinstatement. (1) RENEWAL LESS THAN 5 YEARS AFTER LICENSE EXPIRATION.** (a) If a licensee renews their real estate license less than 5 years after the renewal date, as defined in s. 440.01 (1) (dm), Stats., the licensee shall pay the applicable renewal fee and late renewal fee specified in s. 440.08, Stats., and provide evidence of having satisfied the continuing education required by s. 452.12 (5), Stats., during the biennium preceding the date of renewal of the license.

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

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

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

1. 'Education.' Completion of any of the following:

- a. Real estate salesperson education under s. REEB 25.033 within 5 years of renewal of license.

- b. Ten semester hour credits in real estate or real estate law courses from an accredited institution of higher education.

- c. Real estate salesperson education under s. REEB 25.038. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.

2. 'Examination.' Passage of the examination required under s. REEB 12.013 (2).

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

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

1. 'Education.' Completion of any of the following:

- a. Real estate business management education under s. REEB 25.023 and real estate salesperson's education under s. REEB 25.033 within 5 years of renewal of license. The real estate salesperson education is not required if the license is currently licensed in this state as a real estate salesperson.

- b. Completion of 20 semester hours credits in real estate or real estate law at an accredited institution of higher education.

- c. Education under s. REEB 25.028. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.

- d. A licensee who is also licensed to practice law in this state meets the education requirement.

2. 'Examination.' Passing the broker and salesperson examinations required under ss. REEB 12.013 (2) and 12.017 (2).

3. 'Experience.' Practicing as a licensed salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of renewal or has experience related to real estate by any of the following:

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

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

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

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

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

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

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

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



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

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

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

**History:** Emerg. cr. 6-16-87; cr. [Register, December, 1987, No. 384](#), eff. 1-1-88;

r. and recr. [Register, March, 1990, No. 411](#), eff. 4-1-90; r. and recr., [Register, September, 1993, No. 453](#), eff. 10-1-93; am. (2) (intro.), cr. (2) (a) 4., [Register, July, 1998, No. 511](#), eff. 8-1-98; am. (1) (a), r. (1) (b), [Register, August, 1999, No. 524](#), eff. 9-1-99; correction in (1) (a), (2) (a) 1., 2., (b) 1., 2. made under s. 13.92 (4) (b) 7., Stats., [Register November 2011 No. 671](#); [CR 13-100](#): am. (1), (2) [Register September 2014 No. 705](#), eff. 10-1-14; [CR 15-010](#): am. (title), cons. and renum. (1) (intro) and (a) to (1) (a) and am., am. (1) (c), r. (2), cr. (2m), (3) [Register September 2015 No. 717](#), eff. 10-1-15; [CR 23-075](#): am. (1) (a), (2m) (b) 3., (c) 4. [Register August 2024 No. 824](#), eff. 9-1-24; correction in (2m) (b) 3., (c) 4. made under s. 35.17, Stats., [Register August 2024 No. 824](#).



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); and to **amend** REEB 24.07 (1) (c), 24.075 (3) (intro.), and 24.12 (2) relating to Conduct and Ethical Practices.

Analysis prepared by the Department of Safety and Professional Services.

---

ANALYSIS

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

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

**Explanation of agency authority:**

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession.”

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

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

**Related statute or rule:** None.

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

clarify provisions covering disclosure duties and to make other updates deemed necessary.

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

None.

**Comparison with rules in adjacent states:**

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

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

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

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

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

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

## **Michigan:**

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

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

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

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

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

A licensee is not required to disclose information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. "Qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

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

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

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

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

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

**Agency contact person:**

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

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

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

---

TEXT OF RULE

SECTION 1. REEB 24.07 (1) (c) is amended to read:

**REEB 24.07 (1) (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. 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 to 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.~~

SECTION 2. REEB 24.07 (3) is repealed.

SECTION 3. REEB 24.075 (3) (intro.) is amended to read:

**REEB 24.075 (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 one or more of the following apply:

SECTION 4. REEB 24.12 (2) is amended to read:

**REEB 24.12 (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. Licensees are not responsible for implementation of any right of first refusal terms.

SECTION 5. 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 24.02 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 one-self 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:

- The first contact with the seller or the listing firm where information regarding the seller or transaction is being exchanged.
- A showing of the property.
- 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., 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.

(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.**

**Real Estate Examining Board**  
**Rule Project Chart**

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