



COUNCIL ON REAL ESTATE CURRICULUM AND EXAMINATIONS
Room 121C, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608) 266-2112
August 20, 2014

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

AGENDA
10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

A. Adoption of Agenda (1)

B. Approval of Minutes – May 21, 2014 (2)

C. Administrative Matters

D. Legislation and Administrative Rules Matters – Discussion and Consideration

1. Proposals and Recommendations for Amending REEB 12 and 25 (3-15)
2. 2015-2016 Curriculum

E. Public Comments

ADJOURNMENT

**COUNCIL ON REAL ESTATE CURRICULUM AND EXAMINATIONS
MEETING MINUTES
May 21, 2014**

PRESENT: Robert Blakely, Marie Hetzer, Kathryne Kuhl, Robert Larson, Kathy Zimmermann

STAFF: Brittany Lewin, Executive Director; Karen Rude-Evans, Bureau Assistant; Sharon Henes, Rules Coordinator

CALL TO ORDER

Marie Hetzer, Council Chair, called the meeting to order at 10:04 a.m. A quorum of five (5) members was confirmed.

ADOPTION OF AGENDA

MOTION: Robert Blakely moved, seconded by Kathy Zimmermann, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES – APRIL 9, 2014

MOTION: Kathy Zimmermann moved, seconded by Kathryne Kuhl, to approve the Minutes of April 9, 2014 as published. Motion carried unanimously.

LEGISLATIVE/ADMINISTRATIVE RULE MATTERS

Chs. REEB 12 and 25 – Proposed Rule Drafts

MOTION: Kathryne Kuhl moved, seconded by Robert Larson, to designate Marie Hetzer to serve as liaison to DSPS staff for drafting and providing recommendations regarding REEB 12 and 25. Motion carried unanimously.

ADJOURNMENT

MOTION: Kathy Zimmermann moved, seconded by Robert Blakely, to adjourn the meeting at 11:34 a.m. Motion carried unanimously.

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

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Sharon Henes Administrative Rules Coordinator		2) Date When Request Submitted: 8 August 2014 Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Council on Real Estate Curriculum and Examinations			
4) Meeting Date: 20 August 2014	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Legislation and Rule Matters – Discussion and Consideration 1. Proposals for amending REEB 12 and 25	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:			
11) Authorization			
<i>Sharon Henes</i>		<i>8 August 2014</i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

NOTE: This draft is a work in progress. There are some provisions and/or topics which will be discussed with the Council on Curriculum and Exams and the Real Estate Examining Board before addressing in the rule draft.

TEXT OF RULE

SECTION 1. REEB 12.01(2)(a) and (b) are renumbered to REEB 12.01(1)(e) and (f).

SECTION 2. REEB 12.013 is created to read:

REEB 12.013 Salesperson application requirements. (1) EDUCATIONAL REQUIREMENTS. Each applicant for a real estate salesperson's license shall submit satisfactory evidence of one of the following:

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

(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. 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. Applicants who are licensed as salespersons 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.

SECTION 3. REEB 12.015 is repealed.

SECTION 4. REEB 12.017 is created to read:

REEB 12.017 Broker application requirements. (1) EDUCATIONAL REQUIREMENTS. Each applicant for a real estate broker's license shall submit satisfactory evidence of one of the following:

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

1. Licensure as a real estate salesperson.

2. Completion of a real estate salesperson's educational program under REEB 25.03.

(b) 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.

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

(2) EXAMINATION REQUIREMENTS. 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. (a) Each applicant for a real estate broker's license shall submit evidence satisfactory to the board that the applicant has practiced as a licensed salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of application, excluding any time the applicant spent in an apprenticeship. The evidence, except as provided in par. (b) through (d), 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 one of the following:

1. Evidence satisfactory to the board that the applicant has experience related to real estate.
2. Evidence that the applicant has experience as a licensed salesperson which qualifies the applicant for a total of at 20 points based upon the point system in par. (a) 1 through 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 one 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 experience as a licensed salesperson which qualifies the applicant for a total of at 20 points based upon the point system in par. (a) 1 through 4.

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

(4) RECIPROCITY. Applicants who are licensed as brokers 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.

SECTION 5. REEB 12.02 is repealed.

SECTION 6. REEB 12.025(title) is amended to read:

REEB 12.025 ~~Review of examinations and examination results~~ Examinations.

SECTION 7. REEB 12.025(1) is repealed.

SECTION 8. REEB 12.025(1m) is created to read:

REEB 12.025(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 which represents minimum acceptable competence in the profession.

SECTION 9. REEB 12.025(2) is amended to read:

REEB 12.025(2) ~~REPORTS REVIEW.~~ All applicants who obtain a failing grade shall receive a report, ~~for facilitating further study,~~ detailing the results in the major content areas of the examination.

SECTION 10. REEB 12.026 is renumbered to REEB 12.025(3).

SECTION 11. REEB 12.04 (title) is amended to read:

REEB 12.04 Renewal ~~after license expiration~~ and reinstatement.

SECTION 12. REEB 12.04(1)(intro) and (a) are consolidated, renumbered to REEB 12.04(1)(a) and amended to read:

REEB 12.04(1) RENEWAL LESS THAN 5 YEARS AFTER LICENSE EXPIRATION. (a) If an applicant a licensee files an application for renewal of the applicant's their real estate license with the department less than 5 years after the renewal date, as defined in s. 440.01 (1) (dm), Stats., and the applicant is not registered as an inactive licensee, the applicant licensee shall pay the applicable renewal fee and ~~penalty~~ 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., ~~in one of the following manners:~~

~~(a) The applicant shall either provide proof of having successfully completed the classroom education which was required during the biennium preceding the date of renewal of the applicant's license, provide proof of having successfully passed the test-out examination which was administered during the biennium preceding the date of renewal of the applicant's license, or provide proof of having successfully completed any 8 of the 15 hours of education in s. REEB 25.03 (3) (h) and the 4 hours of education in s. REEB 25.03 (3) (m), or of having successfully completed the educational program in s. REEB 25.035 (2). In this paragraph "successfully completed" means passing an examination pursuant to s. REEB 25.066 (6) (d).~~

SECTION 13. REEB 12.04(1)(c) is amended to read:

(c) The applicant shall ~~also~~ before the next renewal date satisfy the continuing education required of all licensees during the biennium in which the applicant renews ~~his or her~~ the license.

SECTION 14. REEB 12.04(2) is amended to read:

(2) RENEWAL MORE THAN 5 YEARS AFTER LICENSE EXPIRATION. A licensee who has failed to renew within 5 years after its renewal date may not reapply for their license by the initial credentialing process. ~~If an applicant files an application for renewal of a real estate license~~ a licensee renews 5 or more years after the renewal expiration date ~~and the applicant is not registered as an inactive licensee~~, the applicant licensee shall pay the late renewal fee specified in s. 440.08 (3), Stats., the examination fee specified in s. 440.05 (1) (b), Stats., and satisfy education and examination requirements, as follows:

(a) *Education requirements.* 1. Except as provided in subd. 3., an applicant for a broker's license shall satisfy requirements specified in any one of the following: s. REEB 25.02 (1) (b), (c), or (2). An applicant who obtains classroom education pursuant to s. REEB 25.02 (2) must complete the education within 5 years preceding the date of the application for license.
2. Except as provided in subd. 3., an applicant for a salesperson's license shall satisfy requirements in s. REEB 25.03. An applicant must complete the education within 5 years preceding the date of application for license.
3. An applicant who has held a real estate license in another licensing jurisdiction within the 2 years prior to filing an application for renewal is not required to obtain any education described in subds. 1. and 2.
4. An applicant completing the education described in subds. 1. and 2. satisfies the requirements in s. 452.12 (5) (c), Stats.

(b) *Examination requirements.* 1. An applicant for a broker's license shall successfully pass both the salesperson's and the broker's examination pursuant to s. REEB 12.02.
2. An applicant for a salesperson's license shall successfully pass the salesperson's examination pursuant to s. REEB 12.02.

Note: The applicant shall apply to and pay the cost of the examination directly to the testing agency under contract with the department for administration of the examination pursuant to s. 440.07 (2), Stats.

SECTION 15. REEB 12.04(3) is created to read:

REEB 12.04(3) LICENSE REINSTATEMENT. (a) A licensee whose license has been surrendered or revoked or has a license with unmet disciplinary requirements which has not been renewed within 5 years of the renewal date may apply and have their license reinstated in accordance with all the following:

(b) A licensee may not practice real estate prior to being granted reinstatement of the license.

SECTION 16. REEB 25.02 is repealed.

SECTION 17. REEB 25.023 is created to read:

REEB 25.023 Real estate broker's pre-license business management program. An education program in business management for applicants for a real estate broker's license shall be designed so that if it were presented as classroom education, it would be presented in not less than 72 hours. The educational program in business management shall contain all of the following topics:

SECTION 18. REEB 25.025 is repealed and recreated to read:

REEB 25.025 Non resident broker educational equivalency. An applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2 year period prior to filing an application for a real estate broker's license in this state is deemed to have met the equivalency to the business management and salesperson program education based upon their education required to obtain a license in the other licensing jurisdiction and completion of a Wisconsin specific course consisting of 16 hours and containing the following content:

SECTION 19. REEB 25.03 is repealed.

SECTION 20. REEB 25.033 is created to read:

REEB 25.033 Salesperson's pre-license program. An education program for applicants for a real estate salesperson's license shall be designed so that if it were presented as classroom education, it would be presented in not less than 72 hours. The educational program shall contain all of the following topics:

SECTION 21. REEB 25.035 is repealed and recreated to read:

REEB 25.035 Non resident salesperson educational equivalency. An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2 year period prior to filing an application for a real estate broker's license in this state is deemed to have met the equivalency to the business management and salesperson program education based upon their education required to obtain a license in the other licensing jurisdiction and completion of a Wisconsin specific course consisting of 16 hours and containing the following content:

SECTION 22. REEB 25.065(1), (2) and (3) are amended to read:

REEB 25.065 Continuing education requirements for brokers and salespersons. (1) Each licensed broker and salesperson, ~~except an inactive licensee under s. 452.12 (6), Stats.,~~ shall satisfy the continuing education requirement specified in s. 452.12 (5) (c), Stats., during each licensing biennium.

Note: The contents of the continuing education programs and courses are not designated in the Wisconsin administrative code, pursuant to an exemption under s. 227.01 (13) (zj), Stats. This information may be obtained from the Wisconsin Department of Safety and Professional Services, Division of Professional Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708.

(2) A licensee may only satisfy the continuing education requirement by successfully completing the continuing education program or courses which are approved by the board before the programs or courses are conducted, ~~except that pursuant to s. 452.12 (5) (e) 2., Stats., the licensee may take the continuing education examination conducted by the department in lieu of~~

~~the education.~~

~~Note: 2011 Wis. Act 32 repealed s. 452.12 (5) (e) 2., Stats., eliminating the continuing education option for renewal. Section REEB 25.065 (2) will be repealed in future rule making by the board.~~

(3) A licensee shall ~~submit~~ evidence of completion of the continuing education requirement and certify when applying for renewal of license that the continuing education was completed. The department shall withhold issuance of the renewal license until such evidence is submitted and the licensee may not engage in the practice of real estate until having submitted such evidence and having received the license.

SECTION 23. REEB 25.065(6m) and (7) are repealed.

SECTION 24. REEB 25.065(8) is amended to read:

REEB 25.065(8) A licensee who acts as an instructor of an approved continuing education program or course may receive credit toward satisfaction of the licensee's continuing education requirement, ~~provided the licensee successfully completes the program or course examination, as specified in s. REEB 25.05.~~ The licensee may not receive credit for teaching a specific course more than one time.

CHAPTER REEB 25 EDUCATION

REEB 25.02 Educational requirements of applicant for an original real estate broker's license. (1) EDUCATIONAL REQUIREMENTS. Each applicant for an original real estate broker's license shall satisfy any one of the following requirements:

(a) Present evidence satisfactory to the board of successful completion, within 5 years before application for a license, of the educational program in sub. (2), which has been approved in accordance with this chapter, and either satisfy the salesperson's educational requirements in s. REEB 25.03 (3) or present evidence satisfactory to the board of licensure as a salesperson.

(b) Submit proof that the applicant has received 20 semester hour credits in real estate or real estate related law courses from an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(c) Submit proof that the applicant is licensed to practice law in Wisconsin.

(2) BROKER'S PRE-LICENSE PROGRAM. The educational program for applicants for an original real estate broker's license shall cover all of the following topics and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 72 hours:

(a) *Contracts*. 1. Definition of a contract.

a. Contract versus agreement.

2. Elements of a contract.

a. Offer.

b. Acceptance.

c. Consideration.

d. Competent parties.

3. Parties to a contract.

a. Parties to an agency agreement.

b. Parties to a sales contract, option, lease,

etc. c. Multiple parties.

4. Creating binding

contracts a. Signatures

b. Acceptance and binding

acceptance c. Delivery

d. Deadlines

e. Time is of the essence

3. Time is of the essence.

5. Validity of contracts

6. Drafting contracts and contingencies a. Property drafting

b. Pre-

printed c.

Customized

7. Ending the contractual relationship a. Rescission

b.

Termination c.

Modification

d. Death of a

party e. Default,

breach

8. 4. Acceptance versus counteroffers.

9. 5. The law of conveyances.

a. Conveyance defined.

b. Requirements for a valid conveyance.

10. 6. Agreement to arbitrate real estate transaction disputes — s. 788.015, Stats.

11. 7. Commercial real estate commission lien — s. 779.32, Stats.

(b) *Approved forms.*

1. The forms approval process.

a. Forms committee.

b. Real estate examining board.

c. Department of safety and professional services.

2. The authorized practice of law.

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

3. Review of forms.

a. Listing contract for sale.

b. Offer.

c. Counteroffer.

d. Amendment.

e. Buyer agency agreement.

f. Lease- Listing contract for lease.

g. Grant of a Option.

h. Bill of sale.

i. Offer to exchange property with acceptance Exchange.

j. Cancellation agreement and mutual release.

k. State bar forms — s. REEB 16.03 (1).

L. Uniform commercial code forms.

m. Forms used in other states.

4. Developing a form and contingency manual.

5. Supervising salesperson's use of approved forms.

(c) *Trust accounts, escrow, closing statement.* 1. Trust accounts — ch. REEB 18.

a. Trust account definition.

b. Trust funds definition.

c. When is a trust account

required. d. Registering a trust account

e. 4. Procedure to open a trust account.

~~e. Procedure to open an interest bearing trust account.~~

f. Authorization to sign trust account checks.

g. Deposit of trust funds.

h. Disbursement of trust funds.

i. Bookkeeping system.

j. Closing a trust account

2. Escrow agreement procedures.

a. Escrows requiring separate escrow agreements.

b. Pre-closing earnest money escrows.

c. Post closing escrows.

d. Escrows not requiring separate escrow agreements.

e. Drafting escrow agreements.

3. Closing procedures.

a. Licensees are not required by license law to perform closings.

b. Choosing a closing statement.

c. Closing preparation procedures.

d. Setting a closing date.

e. Preparing closing documentation.

f. Closing procedures.

g. Post closing procedures.

(d) *Business management and marketing.*

1. The legal environment.

a. Requirements for H licensure.

b. Liability concerns and risk reduction legal concerns.

c. Policy manual — s. REEB 17.08.

2. The business plan.

a. Form of ownership.

b. Start up.

c. Capital budget.

d. Operation budget.

CHAPTER REEB 25 EDUCATION

- e. Marketing strategies.
- 3. Professional services.
 - a. Attorneys.
 - b. Accountants.
- 4. Operational policies.
 - a. Policy and procedures manual.
 - b. Independent contractors agreement.
- (e) *Financial and office management.* 1. Financial management.
 - a. System of income and expense accounting. ~~b. Forms used in all systems.~~
 - ~~e. Accounting for deposits.~~ ~~d. Accounting for payroll.~~
 - ~~e. General disbursements.~~
 - ~~b.f.~~ Accounts used for handling funds. ~~g.c.~~ Bank reconciliations.
 - ~~h.d.~~ Financial reports.
- 2. Budgeting.
 - a. Definition of a budget.
 - b. Purpose of the budget.
 - c. Comparison of budget income and expenses.
 - d. Preparing the budget.
- 3. Office management — ch. REEB 15.
 - a. Retention of records.
- (f) *Personnel.*
 - 1. Hiring.
 - a. General criteria. Agents
 - b. Determining needs. Personal assistants
 - c. Personnel selection. Employee vs. independent contractor.
 - d. Equal opportunity.
 - e. Workers' compensation.
 - 2.
 - Contracts. ~~a. Employee.~~
 - ~~b. Independent contractor.~~
 - 3. Policy manual.
 - a. Purpose.
 - b. Company history and philosophy. Recommended content.
 - c. Development and implementation. Maintenance.
 - d. Termination. Access.
- 4. Training.
- 5. Licensure and supervision of employees — ch. REEB 17.
 - (g) *Business ethics.* 1. Dealing with the public.
 - ~~a. Principal and agent relationship — s. REEB 24.025.~~
Note: Section REEB 24.025 was repealed eff. 5-1-12.
 - ~~b. Treating all parties fairly — s. REEB 24.025.~~
Note: Section REEB 24.025 was repealed eff. 5-1-12.
 - ~~c.a.~~ Avoid discrimination — s. REEB 24.03 (1).
 - ~~d.b.~~ Competence in area of service — s. REEB 24.03 (2).
 - ~~ec.~~ Legal counsel not to be discouraged — s. REEB 24.06.
 - ~~f. d.~~ Tie-ins — s. REEB 24.075.
 - ~~g.e.~~ Agreements in writing — s. REEB 24.08.
 - ~~h.f.~~ Misleading market values — s. REEB 24.09.
 - g. No net listings — s. REEB 24.10.
 - 2. Advertising — s. REEB 24.04.
 - a. False advertisements.
 - b. Disclosure to the public.
 - c. Obtain permission.
 - d. Advertised price.
 - 3. Offers — ss. REEB 24.12, 24.13.
 - a. Confidentiality.
 - b. Draft and submit all offers.
 - d. Prevent complaint through education.
 - e. Document the complaint handling program in policy and procedures manual.
 - f. Inform the parties of the complaint handling program.
- c. Submit promptly.
- d. Present fairly.
- e. Prompt notification.
- 4. Self-dealing. Disclosure of compensation and interest — s. REEB 24.05.
 - a. Disclosure of profits.
 - b. Disclosure of intent.
 - c. Property owned by licensee.
 - d. Referral of service.
 - e. Compensation from more than one party.
- 5. Disclosure — s. REEB 24.07.
 - a. Material facts.
 - ~~b. Material adverse facts~~ ~~bc.~~ Property inspection. ~~e. d.~~ Agency.
 - 6. Dealings with fellow licensees.
 - a. Negotiations through listing broker — s. REEB 24.13 (5).
 - b. Obtain seller's permission for subagent — s. REEB 24.07(8) (b) 2.
 - c. Confidentiality of offer — s. REEB 24.12.
 - d. Disclose material adverse facts — s. REEB 24.07 (2).
 - e. False information — s. REEB 24.07 (3).
 - f. Disclose buyer agent and seller subagent — s. REEB 24.07 (8).
 - ~~g. Timely transfer of earnest money — s. REEB 18.08.~~
 - 7. Dealings with licensee and salespeople.
 - a. Licensee supervision — s. REEB 17.08.
 - b. Office supervision — s. REEB 17.08.
 - (h) *Consumer protection.* 1. Disclosure.
 - a. Property inspections — s. REEB 24.07 (1) (a).
 - b. Investigation of other facts — s. REEB 24.07 (1) (b).
 - c. Use of third party inspectors — s. REEB 24.07 (2).
 - ~~d. Wisconsin statutes~~. Property condition s. 452.23, Stats.
 - e. Civil liability for misrepresentation.
 - f. Seller's disclosure duties — ch. 709, Stats.
 - g. Buyer's inspection obligation.
 - 2. Fair housing.
 - a. Federal law.
 - b. State of Wisconsin law.
 - c. Local fair housing law.
 - d. Sanctions for violations.
 - e. Testers and fair housing organizations.
 - f. Conduct prohibited by fair housing law.
 - g. Responding to fair housing questions.
 - h. Instituting equal professional service procedures.
 - 3. Antitrust: conspiracy and group boycotts.
 - a. Section 1 of the Sherman Act.
 - b. "Conspiracy" requirement.
 - c. "Restraint of trade" requirement.
 - d. Compensation and "prices" which have been fixed.
 - e. Situations creating inferences of price fixing.
 - f. How to respond to antitrust situations.
 - g. Elements same as price fixing — conspiracy and restraint of trade.
 - h. Situations creating inference of boycott.
 - ~~i. Good boycotts: sanctions necessary to enforce reasonable industry self regulation.~~
 - 4. Complaint handling procedures.
 - a. Consumer satisfaction.
 - b. Liability avoidance.
 - c. Feedback on fair housing or other law violations.
- g. Dispute resolution systems.
- 5. Environmental factors.
 - a. Underground storage tanks: registration and closure.
 - b. Asbestos.

CHAPTER REEB 25 EDUCATION

- c. Radon.
- cm. Lead-based paint.
- d. Procedures for "high risk" properties.
- e. Wetlands and floodplain.
- 6. Education buyers and sellers.
 - a. Property inspection and disclosure of defects.
 - b. Earnest money procedures.
 - c. Licensees' responsibilities and expertise.
 - d. Utilizing third party experts.
 - (i) *Specialty areas.* 1. Property management.
 - a. Management contracts.
 - b. Insurance liability.
 - c. Security deposits.
 - d. Breach of lease.
 - e. Property inspections.
 - f. Tenant and landlord rights and obligations — ch. ATCP 134.
 - g. Rules regarding negotiating leases.
 - 2. Business opportunities.
 - a. Special expertise and licensing requirements — s. REEB 24.03.
 - b. Approved forms. ~~e. Bulk sales law.~~
 - 3. Selling specialized properties as a brokerage activity.
 - 4. Alternative marketing methods.
 - a. Exchanges.
 - b. Installment sales. ~~e. Syndication.~~
 - ~~ec. Cooperatives.~~
 - 5. Mortgage banking.
 - a. Definition of mortgage banker, loan originator, loan solicitor.
 - b. When separate registration is needed.
 - c. ~~Legality of referral fees.~~ Real Estate Settlement Procedures Act.
 - 6. Real estate appraisal. ~~a. Definition.~~
 - ~~b. When separate certification is needed.~~
 - 7. Farms.
 - ~~a. Specialized forms.~~
 - 8. Auctions.
 - ~~a. Auctioneer requires real estate license to call auction of real estate.~~
 - 9. Mobile homes.
 - ~~a. When a real estate license or separate license is required.~~
 - 10. Time-share.
 - a. Familiarity with ch. 707, Stats., when selling time-shares.

September, 1993, No. 453, eff. 10-1-93; cr. (2) (h) 5. cm., r. (3), Register, July, 1997, No. 499, eff. 8-1-97; am. (1) (intro.), (a) and (b), Register, July, 1998, No. 511, eff. 8-1-98; am. (1) (intro.), (a), (2) (intro.) to (g) (intro.), 2. to 5., (h) and (i), cr. (2) (a) 7., Register, August, 1999, No. 524, eff. 9-1-99; correction in (1) (a), (2) (b) 1. b., c., 2. b., 3. k., (c) 1. (intro.), (d) 1. c., (e) 3. (intro.), (f) 5., (g) 1. a. to i., 2. (intro.), 3. (intro.), 4. (intro.), 5. (intro.), 6. a. to g., 7. a., b., 1. a. to c., (i) 2. a. made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; CR 10-136: am. (2) (intro.), (g) 7. b. Register April 2012 No. 676, eff. 7-1-12.

REEB 25.025 Satisfaction of broker's educational requirements by out-of-state applicants. (1) An applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2 year period prior to filing an application for an original real estate broker's license in Wisconsin may satisfy the broker's educational requirements of s. REEB 25.02 (1) by submitting evidence of one of the following:

(a) Completion of the educational programs under sub. (2) and s. REEB 25.035 (2) at a school approved by the board under s. REEB 25.05 or 25.06.

(b) Satisfaction of the requirements in s. REEB 25.02 (1) (b) or (c).

(2) The contents of the educational program under this subsection shall include all of the following and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than ~~3~~6 hours:

(a) *Broker-only contracts and contract issues.* 1. Reynolds v. Dinger, 14 Wis. 2d 193.

2. State bar forms — s. REEB 16.03 (1).

3. Uniform commercial code forms — s. REEB 16.03 (1).

4. Forms used in other states.

5. Developing forms and contingency manual.

6. Supervising salespersons' use of approved forms.

7. Commercial real estate broker's commission lien — s. 779.32, Stats.

(b) *Agency relationships.*

1. *Multiple representation with designated agency.*

2. *Multiple representation without designated agency.*

3. *Single Agency*

(c) *Disclosure*

a. *Property*

~~inspections~~ b. *"As-is"*

~~sales~~

c. *Optional disclosure*

(d) *Trust accounts- ch. REEB 18*

1. *When is a trust account required.*

2. *Registering a trust account.*

3. *Procedure to open a trust account.*

4. *Authorization to sign trust account checks.*

5. *Deposit of trust funds.*

6. *Disbursement of trust funds.*

7. *Bookkeeping system.*

8. *Closing a trust account.*

(e) *Notifying the Department*

1. *Change of name, address or trade name- ch. REEB 23*

2. *Criminal conviction - s. 440.03(13)(am)*

(f) *Wisconsin fair housing law - s. 106.50*

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

1. *Licensee supervision - s. REEB 17.08*

2. *Office supervision - s. REEB 17.08*

3. *Policy manual - s. REEB 17.08*

Formatted: Right: 1.9"

Formatted: Font: Italic

Formatted: Font: Italic

CHAPTER REEB 25 EDUCATION

~~(bc) Miscellaneous Wisconsin laws: 1. Change of name, address or trade name — ch. REEB 23.
2. Trust accounts — s. 452.13, Stats., and ch. REEB 18. a. Procedure to open trust account.
b. Authorization to sign trust account checks. c. Bookkeeping system.
3. Policy manual — s. REEB 17.08.
4. Wisconsin Fair Housing Law s. 106.50
(e) Review, update or more in-depth coverage of any of the contents of the salesperson's educational course in s. REEB 25.035 (2).~~

History: Cr. Register, July, 1997, No. 499, eff. 8-1-97; am. (1) (intro.), (a), (b), (2) (intro.), (a), (b) (intro.) and (c), cr. (2) (a) 7., Register, August, 1999, No. 524, eff. 9-1-99; correction in (1) (intro.), (a), (b), (2) (a) 2., 3., (b) 1., 2. (intro.), 3., (c) made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671.

REEB 25.03 Educational requirements of applicant for an original real estate salesperson's license.

(1) **GENERAL REQUIREMENTS.** Each applicant for an original real estate salesperson's license shall present evidence of attendance, within 5 years before application for a license, at the educational program in sub. (3), which has been approved by the board in accordance with s. REEB 25.05 or 25.06.

(2) **TEN SEMESTER-HOUR WAIVER.** The educational requirement in sub. (1) is not required of an applicant who submits proof that the applicant has received 10 semester hour credits in real estate or real estate related law courses at an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(3) **SALESPERSON'S PRE-LICENSE PROGRAM.** The educational program for applicants for an original real estate salesperson's license shall cover all of the following topics and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 72 hours:

(a) *Real property.*

1. Land, real estate and real property.
2. Real property versus personal property.
3. Classification of fixtures.
4. Characteristics of real estate.
5. Types of home ownership.
6. Mobile homes — s. 70.043, Stats.
7. Ownership expenses.
8. Property features.
9. Investment considerations.
10. Tax benefits for home ownership.
11. Homeowner's insurance.

(b) *The real estate business.*

1. Real estate specialties.
2. The real estate market.
3. Factors affecting supply and demand.
4. Business cycles.
5. Real estate practice — ch. 452, Stats.

(c) *Real estate brokerage.*

1. Law of agency.
2. Creation and termination of agency.
3. Fiduciary duties.
4. Responsibilities to third parties.
5. Broker's and salesperson's compensation.
6. Antitrust laws.

7. Independent contractor versus employee.
8. Broker-to-broker relationships.
9. Sales associate-to-sales associate relationships.

(d) *Listing agreements.*

1. Listing property.
2. Listing agreements — ch. REEB 16.
3. Special listing provisions.
4. Termination of listings.
5. Obtaining listings.
6. Pricing the property.
7. Disclosures.
8. Home warranties.

(e) *Interests in real estate.*

1. Government powers.
2. Estates in land.
3. Encumbrances.
4. Water rights.
5. Forms of ownership.
6. Trusts.
7. Ownership by business organizations.
8. Cooperatives.
9. Time-shares — ss. 70.095, 707.02, 707.05, 707.40, 707.47, 707.49, Stats.
10. Condominiums — ss. 703.08, 703.21, 703.33, Stats.
11. Homestead — ss. 706.01 (7), 766.605, Stats.

(f) *Legal descriptions.*

1. Methods of describing real estate.
2. Land units and measurements.

~~3. Measuring elevations.~~

(g) *Taxes and other liens.*

1. Liens ~~and their effects on title.~~
2. Tax liens.
3. General tax assessment, equalization, tax bills.
4. Mortgage liens.
5. ~~Mechanics-Construction~~ liens.
6. Judgments.
7. Estate and inheritance tax liens.
8. Other liens.
9. Taxes — ss. 74.15, 74.47 (1) and (2), Stats.
10. Taxation and transfer fee — ss. 77.22, 77.27, Stats.

(h) *Real estate contracts.*

1. Contract law.
2. Elements of a valid contract.
3. Performance of contract.
4. Discharge of contract.
5. Default or breach of contract.
6. Forms used in real estate — ch. REEB 16.

a. Listing agreements — s. 240.10, Stats.

b. Offers to purchase. ~~c. Addenda~~
~~eg.~~ Buyer agency agreements. ~~de.~~ Counteroffers.

~~f.~~ Multiple counter proposals ~~e-g.~~ Amendments.

~~h.~~ Notices

~~fi.~~ Understanding closing statements.

~~gj.~~ Disclosure forms: seller condition report; agency; buyer and seller disclosure.

~~h.~~ Addendums-

~~i-k.~~ Cancellation agreement and mutual release agreements.

Formatted: Right: 0.05", Line spacing: single

Formatted: Right: 0.8"

CHAPTER REEB 25 EDUCATION

7. Agreement to arbitrate real estate transaction disputes — s. 788.015, Stats.

(i) *Title records and transfers of title.*

1. Requirements of a valid conveyance — ss. 240.10, 706.02, 706.03, Stats.

2. Types of deeds.

3. Involuntary alienation.

4. Probate.

5. Transfer of title by will ~~and descent.~~

6. Public records and recording.

7. Evidence of title.

~~8. Uniform commercial code.~~

~~9. Other conveyances.~~

(j) *Real estate finance and basic math.*

1. Buyer qualification.

2. Mortgage instruments.

3. Payment plans.

4. Provisions for default: assignment; release; subject to.

5. Land contracts.

6. Secondary mortgage market.

(k) *Appraisal — market analysis.*

1. Basic principles of value.

2. Direct market comparison approach.

3. Cost approach.

4. Income approach.

5. Appraisal process.

(L) *Fair housing laws.*

1. Equal opportunity in housing.

2. Federal fair housing law.

3. Blockbusting, steering, redlining.

4. Equal rights — s. 106.50, Stats.

5. Equal opportunity — s. 66.1011, Stats.

6. Organizations.

(m) *Ethical real estate practices.*

1. Chapter REEB 24.

2. Ethical business conduct.

(n) *Leases.*

1. Leasehold estates.

2. Standard lease provisions.

3. Lease documents.

4. Legal principles of leases.

5. Assignment and subleasing.

6. Improvements.

7. Maintenance.

8. Breach.

9. Residential rental practices — ss. ATCP 134.02, 134.06, 134.09, and 134.09.

(o) *Property management.*

1. Functions of property manager.

2. Management agreement.

3. Management considerations.

4. Renting and maintaining the property.

5. Risk management.

(p) *Land use control and development.*

1. Public controls.

2. The master plan.

3. Zoning.

4. Subdivision regulations.

5. Private land-use controls.

6. Building codes.

7. Land development.

8. Subdividing.

~~9. Interstate land sales full disclosure act.~~

~~10. Platting and subdivisions — ss. 236.01, 236.02, 236.03, 236.31, 236.33, 236.335, 236.35, Stats.~~

(q) *Environmental concerns.*

1. Radon.

2. Asbestos.

2m. Lead-based paint.

3. Toxic waste.

4. Underground storage tanks — ch. ATCP 93.

5. Floodplains — s. 87.30, Stats. and ss. NR 116.01, 116.06.

6. Flood insurance.

7. Wetlands — s. 23.32, Stats.

8. Farmland preservation — ss. 91.01, 91.60 to 91.70, Stats.

9. Rental unit energy efficiency standards — ss. SPS 367.03, 367.08.

10. Disclosure documents — s. 452.23, Stats., and ch. 709, Stats. and s. REEB 24.07.

11. Other.

(r) *Miscellaneous Wisconsin license laws.*

1. Chapter REEB 15 — documents and records.

2. Chapter REEB 16 — contractual forms.

3. Chapter REEB 17 — licensure and supervision of employees.

4. Chapter REEB 18 — trust accounts.

5. Chapter REEB 23 — change of name, address, trade names.

~~6. Commercial bulk sales — ss. 406.101, 406.102, 406.103, 406.104, 406.105, 406.107, 406.108, Stats.~~

~~Note: Sections 406.101 to 406.108, Stats., were repealed by 2009 Wis. Act 110.~~

~~7. Property provisions for aliens and corporations — ss. 710.01, 710.02, Stats.~~

~~8. Property rights of married persons — ss. 766.31, 766.51, 766.60, 766.63, Stats.~~

~~9. Mortgage banking — s. 224.71, Stats., and s. DFI-Bkg 40.03 (4) (b).~~

~~Note: Section DFI-Bkg 40.03 (4) (b) no longer exists, eff. 1-1-10.~~

~~History: Cr. Register, October, 1979, No. 286, eff. 11-1-79; am. (2) (intro.) and r. and recr. (2) (b), Register, April, 1981, No. 304, eff. 5-1-81; am. (2) (b), Register, June, 1982, No. 318, eff. 7-1-82; renum. from REB 16.03 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; r. and recr. Register, February, 1987, No. 374, eff. 6-1-87; r. and recr. Register, January, 1992, No. 433, eff. 2-1-92; am. (1), (3) (q) 10., (4), cr. (3) (h) 7., Register, September, 1993, No. 453, eff. 10-1-93; cr. (3) (q) 2m., r. (4), Register, July, 1997, No. 499, eff. 8-1-97; am. (3) (r) 9., Register, July, 1998, No. 511, eff. 8-1-98; am. (1), (3) (intro.), (a) (intro.), 6., (b) to (L) (intro.), 4. and (m) to (r), Register, August, 1999, No. 524, eff. 9-1-99; correction in (3) (L) 4. and 5. made under s. 13.93 (2m) (b) 7., Stats., Register November 2007 No. 623; correction in (3) (q) 4. made under s. 13.92 (4) (b) 7., Stats., Register January 2011 No. 661; correction in (1), (3) (d) 2., (h) 6. (intro.), (m) 1., (q) 4., 8., 9., 10., (r) 1. to 5. made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671; correction in (3) (q) 4. made under s. 13.92 (4) (b) 7., Stats., Register October 2013 No. 694.~~

REEB 25.035 Satisfaction of salesperson's educational requirements by out-of-state applicants.

(1) An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2-year period prior to filing an application for an original real estate salesperson's license in Wisconsin may satisfy the educational requirements of s. REEB 25.03 (3) if the applicant submits evidence of one of the following:

(a) Completion of the educational program in sub. (2) at a school approved by the board under s. REEB 25.05 or 25.06.

CHAPTER REEB 25 EDUCATION

(b) Satisfaction of the 10 semester-hour waiver in s. REEB 25.03 (2).

(2) The contents of the educational program under this subsection shall include all of the following and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 13 hours:

(a) *Contracts*.

1. The law of conveyances.

a. Conveyance defined — s. 706.01, Stats.

b. Requirements for a ~~void~~ valid conveyance — ss. 706.02, 706.03, Stats.

2. Chapter REEB 16.

3. Review of forms approved by the board.

a. Listing contracts.

b. Offers to

purchase. ~~c.~~

Addenda.

d. Buyer agency

agreements, e. Counter

offers

f. Multiple counter proposals

~~e. Counteroffer and multiple~~

~~counteroffer, d-g. Amendment~~

~~h. Notices, notice.~~

~~e. Buyer agency agreement, f.~~

~~Grant of eOption.~~

~~g-j~~ Bill of sale.

~~kk.~~ Exchange agreement.

~~ll.~~ Cancellation agreement and mutual release.

~~jm.~~ Other approved forms.

(b) *Agency*.

1. Duties owed to parties and clients. — s. 452.133, Stats.

2. Requirement for an agency agreement and disclosure of agency — s. 452.135, Stats.

~~3. Multiple representation — s. 452.137, Stats.~~

~~Note: Section 452.137, Stats., was repealed by 2005-~~

~~Wis. Act 87.~~

~~43.~~ Revisions to common law duties and responsibilities — s.

~~452.139, Stats.~~

(c) Agency relationships

1. Multiple representation with designated agency

2. Multiple representation without designated agency

3. Single agency

(ed) Business conduct.

1. Direct contact with the public.

a. Competence in area of service — s. REEB 24.03.

b. Tie-ins — s. REEB 24.075.

c. Agreements in writing — s. REEB 24.08.

d. Misleading market values — s. REEB 24.09. e.

Net listings — s. REEB 24.10.

2. Advertising — s. REEB 24.04.

3. Completing and presenting offers written proposals — ss.

REEB 24.12, 24.13.

a. Confidentiality.

b. Drafting and submitting offers. c.

Prompt delivery to buyer.

d. Fair presentation of offers.

e. Prompt notification.

4. Self-dealing Disclosure of Compensation and Interest —

s. REEB 24.05.

a. Dual compensation.

Ba. Disclosure of

interest. ~~e-b.~~ Referral

services.

~~dc.~~ Disclosure of profits.

~~ed.~~ Disclosure of licensure.

~~(de) Consumer protection.~~

1. Property inspections — s. REEB 24.07 (1) (a).

2. Inquiry by listing broker — s. REEB 24.07 (1) (b).

3. Disclosure of material adverse facts — s. REEB 24.07 (2).

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

5. Disclosure of side agreements — s. REEB 24.07 (4).

6. Reliance upon third parties — s. REEB 24.07 (5).

7. Investigations and inspections — s. 452.23, Stats.

8. Civil liability for misrepresentation.

9. Seller's disclosure duties — ch. 709, Stats.

~~(ef) Fair housing.~~ Wisconsin law — s. REEB 24.03 (1), ss. 66.1011 and 106.50, Stats.

~~(fg) Environmental factors.~~

1. Underground storage tanks — ch. ATPC 93.

2. Floodplains — s. 87.30, Stats., ss. NR 116.01, 116.06.

3. Wetland — s. 23.32, Stats.

4. Farmland preservation — ss. 91.60 to 91.70, Stats.

5. Rental unit energy efficiency standards — ss. SPS 367.03, 367.08.

~~(gh) Trust accounts and escrows.~~

1. Trust accounts — s. 452.13, Stats., ch. REEB 18.

a. Definition of trust account.

b. Interest-bearing and non-interest-bearing accounts.

c. Definition of trust funds.

d. When a trust account is required.

e. Deposit of trust funds.

2. Escrow agreement procedures.

a. Escrows requiring separate escrow agreements.

b. Pre-closing earnest money escrows.

c. Post-closing escrows.

d. Escrows not requiring separate escrow agreement.

e. Drafting escrow agreements.

~~(h) Miscellaneous issues.~~

1. Condominiums — ss. 703.08, 703.21, 703.33, Stats.

2. Homestead — ss. 706.01 (7), 766.605, Stats.

3. Taxes — ss. 74.15, 74.47 (1) and (2), Stats.

4. Taxation and transfer fee — ss. 77.22, 77.27, Stats.

5. Residential rental practices — ss. ATPC 134.02, 134.06, 134.09.

6. Platting and subdivisions — ss. 236.01 to 236.03 and 236.31 to 236.35, Stats.

7. Documents and records — ch. REEB 15.

8. Licensure and supervision of employees — ch. REEB 17.

~~9. Commercial bulk sales — ss. 406.101 to 406.108, Stats.~~

~~Note: Sections 406.101 to 406.108, Stats., were repealed by 2009 Wis. Act~~

~~110.~~

~~10. Property provision for aliens and corporations — ss.~~

~~710.01, 710.02, Stats.~~

~~9.~~ ~~11.~~ Property rights of married persons — ss. 766.31,

766.51, 766.60, 766.63, Stats.

~~12~~ ~~10.~~ Mortgage banking — s. 224.71, Stats., s. DFI-Bkg 40.03 (4) (b).

~~Note: Section DFI-Bkg 40.03 (4) (b) no longer exists, eff. 1-1-10.~~

~~History: Cr. Register, July, 1997, No. 499, eff. 8-1-97; rn. (1) to be (1) (intro.)~~

~~and am., cr. (1) (a) and (b), Register, July, 1998, No. 511, eff. 8-1-98; am. (1),~~

~~(2) (intro.), (a) to (h), Register, August, 1999, No. 524, eff. 9-1-99; corrections~~

~~in (2) (e) made under s. 13.93 (2m) (b) 7., Stats., Register November 2007~~

~~No. 623; correction in (2) (f) 1. made under s. 13.92 (4) (b) 7., Stats., Register~~

~~January 2011 No. 661; correction in (1) (intro.), (a), (b), (2) (a) 2., 3., (c) 1. a.~~

~~to e., 2., 3. (intro.), 4. (intro.), (d) 1. to 6., (e), (f) 1., 5., (g) 1. (intro.), (h) 7., 8.~~

~~made under s. 13.92 (4) (b) 6., 7., Stats., Register November 2011 No. 671;~~

~~correction in (2) (f) 1. made under s. 13.92 (4) (b) 7., Stats., Register October~~

~~2013 No. 694.~~

Formatted: Font: Italic