

Wisconsin Department of Safety and Professional Services

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DIVISION OF PROFESSIONAL CREDENTIAL PROCESSING

BROKER DISCLOSURE TO CLIENTS

Under Wisconsin law, a broker owes certain duties to all parties to a transaction:

- The duty to provide brokerage services to you fairly and honestly.
- The duty to exercise reasonable skill and care in providing brokerage services to you.
- The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless disclosure of the information is prohibited by law.
- The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is prohibited by law.
- The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the confidential information of other parties.
- The duty to safeguard trust funds and other property the broker holds.
- The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

Because you have entered into an agency agreement with a broker, you are the broker's client. A broker owes additional duties to a client.

- The broker will provide, at your request, information and advice on real estate matters that affect your transaction, unless you release the broker from this duty.
- The broker must provide you with all material facts affecting the transaction, not just adverse facts.
- The broker will fulfill the broker's obligations under the agency agreement and fulfill your lawful requests that are within the scope of the agency agreement.
- The broker will negotiate for you, unless you release the broker from this duty.
- The broker will not place the broker's interests ahead of your interests.
- The broker will not, unless required by law, give information or advice to other parties who are not the broker's clients, if giving the information or advice is contrary to your interests.

DEFINITIONS

"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. An "Adverse Fact" means a condition or occurrence that is generally recognized by a competent licensee as significantly and adversely affecting the value of the property, significantly reducing the structural integrity of improvements to real estate, presenting a significant health risk to occupants of the property, or 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.

If you become involved in a transaction in which another party is also the broker's client (a "multiple representation relationship"), different duties may apply.

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MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY

A multiple representation relationship exists if a broker has an agency agreement with more than one client who is a party in the same transaction. In a multiple representation relationship, if all of the broker's clients in the transaction consent, the broker may provide services to the clients through designated agency.

Designated agency means that different salespersons employed by the broker will negotiate on behalf of you and the other client or clients in the transaction, and the broker's duties will remain the same. Each salesperson will provide information, opinions, and advice to the client for whom the salesperson is negotiating, to assist the client in the negotiations. Each client will be able to receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client advantages in the negotiations over the broker's other clients. A salesperson will not reveal any of your confidential information to another party unless required to do so by law.

If a designated agency relationship is not in effect you may authorize or reject a multiple representation relationship. If you authorize a multiple representation relationship the broker may provide brokerage services to more than one client in a transaction but neither the broker nor any of the broker's salespersons may assist any client with information, opinions, and advice which may favor the interests of one client over any other client. If you do not consent to a multiple representation relationship the broker will not be allowed to provide brokerage services to more than one client in the transaction.

INITIAL ONLY ONE OF THE THREE LINES BELOW:

_____ I consent to designated agency.

_____ I consent to multiple representation relationships, but I do not consent to designated agency.

_____ I reject multiple representation relationships.

NOTE: YOU MAY WITHDRAW YOUR CONSENT TO DESIGNATED AGENCY OR TO MULTIPLE REPRESENTATION RELATIONSHIPS BY WRITTEN NOTICE TO THE BROKER AT ANY TIME. YOUR BROKER IS REQUIRED TO DISCLOSE TO YOU IN YOUR AGENCY AGREEMENT THE COMMISSION OR FEES THAT YOU MAY OWE TO YOUR BROKER. IF YOU HAVE ANY QUESTIONS ABOUT THE COMMISSION OR FEES THAT YOU MAY OWE BASED UPON THE TYPE OF AGENCY RELATIONSHIP YOU SELECT WITH YOUR BROKER YOU SHOULD ASK YOUR BROKER BEFORE SIGNING THE AGENCY AGREEMENT.

SUBAGENCY

The broker may, with your authorization in the agency agreement, engage other brokers who assist your broker by providing brokerage services for your benefit. A subagent will not put the subagent's own interests ahead of your interests. A subagent will not, unless required by law, provide advice or opinions to other parties if doing so is contrary to your interests.

Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

This disclosure is required by s. 452.135 of the Wisconsin statutes and is for information only. It is a plain-language summary of a broker's duties to you under section 452.133 (3) of the Wisconsin statutes.

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CONFIDENTIALITY NOTICE TO CLIENTS

A broker has the duty to keep confidential any information given to the broker in confidence, or any information obtained by the broker that he or she knows a reasonable person would want to be kept confidential, unless the information must be disclosed by law or the person whose interests may be adversely affected by the disclosure specifically authorizes the disclosure of particular information. A broker shall continue to keep the information confidential after the transaction is complete and after the broker is no longer providing brokerage services to the person.

The following information is required by law to be disclosed by the broker and may not be kept confidential:

- Material adverse facts. [See- Definitions]
- Information suggesting material adverse facts.
- Facts known (or which reasonably should be known) by a licensee which are materially inconsistent or contradictory to a seller's statements or an inspection or investigation report of a third party.

LIST ANY SPECIFIC INFORMATION THAT YOU AS A CLIENT CONSIDER TO BE CONFIDENTIAL: _____

AT ANY TIME YOU MAY PROVIDE ADDITIONAL INFORMATION TO THE BROKER THAT YOU CONSIDER TO BE CONFIDENTIAL.

LIST ANY SPECIFIC INFORMATION THAT YOU AS A CLIENT CONSIDER TO BE NON-CONFIDENTIAL, WHICH MAY BE DISCLOSED BY A LICENSEE: _____

NOTICE AND ACKNOWLEDGEMENT OF RECEIPT

If a client enters into an agency agreement with a broker to receive brokerage services related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, and this written disclosure statement is not incorporated into the agency agreement, the broker is required to request the client's signed acknowledgment that the client has received a copy of the written disclosure statement.

(x) _____
Client Signature ▲

Date ▲

(x) _____
Client Signature ▲

Date ▲