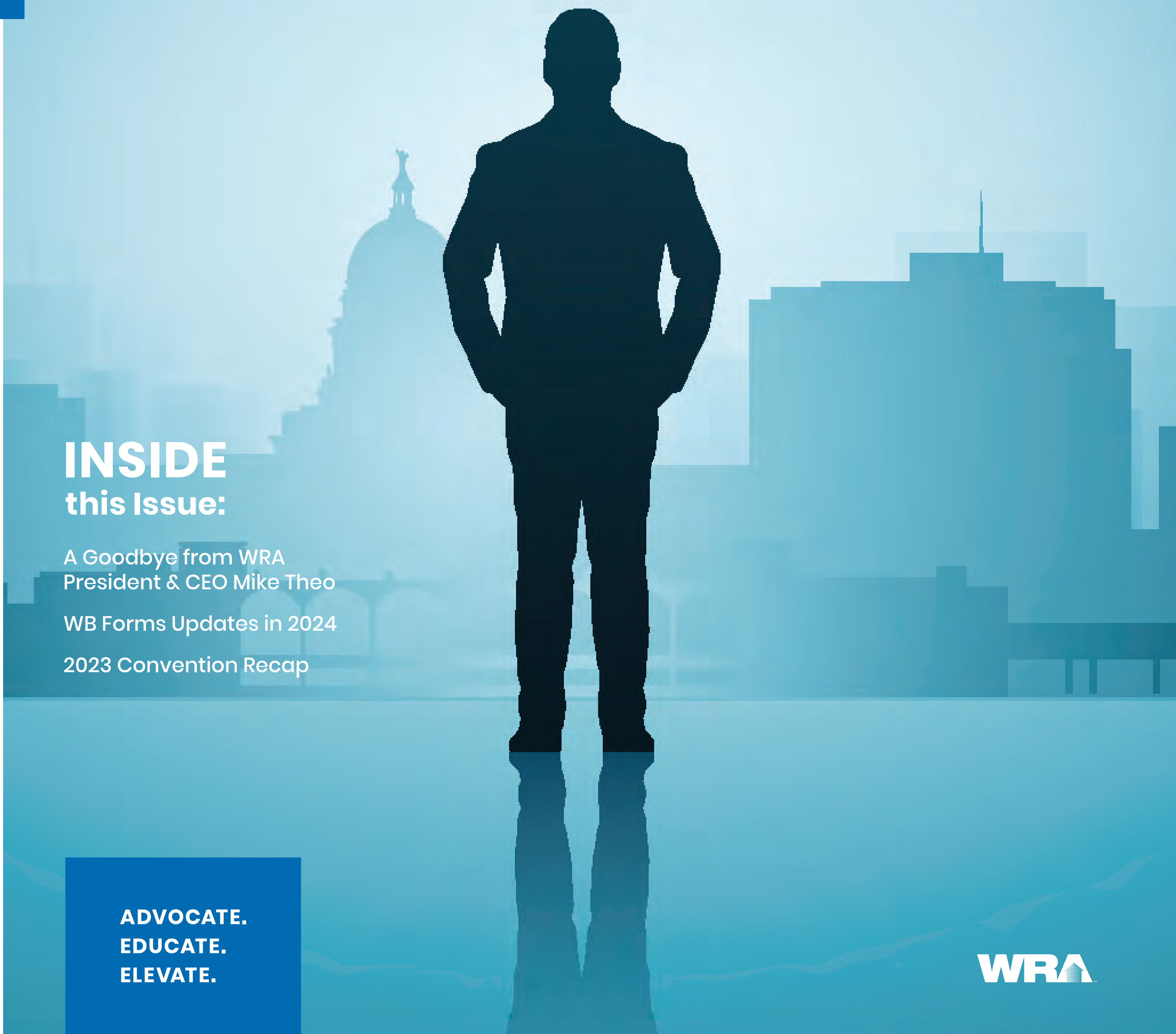
November 2023 Vol. 39, No. 12

# WISCONSIN REAL ESTATE MAGAZINE



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**ADVOCATE. EDUCATE. ELEVATE.**

WRA

A PUBLICATION OF THE WISCONSIN REALTORS® ASSOCIATION

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## 2023–24 Real Estate CE

# A NEW BIENNIUM MEANS NEW CURRICULUM


## ENHANCE YOUR SUCCESS

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**Take a look at WRA CE at www.wra.org/RECEinfo**

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# SEPTEMBER HOUSING

## TIGHT INVENTORIES LIMITED EXISTING HOME SALES AND DROVE UP MEDIAN PRICES

**BY DAVE CLARK**

PROFESSOR EMERITUS OF ECONOMICS AT MARQUETTE UNIVERSITY AND PRINCIPAL AT ECON ANALYTICS LLC

September 2023 Wisconsin housing at a glance:

- Monthly home sales were 18.4% lower than September 2022.
- The median price rose 9.3% compared to September 2022.
- Housing affordability continued to suffer in September.
- Mortgage rates averaged 7.2% in September.
- High mortgages rates affected both demand and supply.

See the full report: **www.wra.org/HSRSep2023**

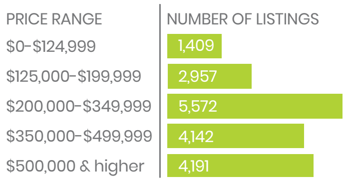
*David Clark, Ph.D., is a professor emeritus of economics at Marquette University and principal at ECON Analytics LLC, and serves as a consultant to the WRA in the analysis of home sales data as well as in the preparation of the monthly Wisconsin housing report. For more information, contact Clark at 414-803-6537.*

## SEPTEMBER HOUSING

**6,205**
CLOSED SALES SEP 2023
**-18.4%**
FROM SEP 2022

**$295,000**
MEDIAN PRICE SEP 2023
**+9.3%**
FROM SEP 2022

**ACTIVE LISTINGS BY PRICE**




**18,275**
TOTAL STATEWIDE LISTINGS SEP 2023
**-7.2%**
FROM SEP 2022

**MEDIAN PRICES BY REGION**


**AVERAGE DAYS ON MARKET**

**64** DAYS SEP 2023
COMPARED WITH
**66** DAYS SEP 2022

**MONTHS OF INVENTORY**

**3.3** SEP 2023
**2.8** SEP 2022

### HOUSING STATISTICS MONTHLY ACTIVITY

| Statewide | September 2023 | September 2022 | % Change | Year to Date 2023 | Year to Date 2022 | % Change |
|---|---|---|---|---|---|---|
| New Listings | 7,082 | 7,363 | -3.8% | N/A | N/A | N/A |
| Total Listings | 18,275 | 19,685 | -7.2% | N/A | N/A | N/A |
| Closed Sales* | 6,205 | 7,602 | -18.4% | 47,927 | 61,179 | -21.7% |
| Median Sales Price | $295,000 | $270,000 | +9.3% | $289,000 | $265,000 | +9.1% |
| Months of Inventory | 3.3 | 2.8 | +17.9% | N/A | N/A | N/A |
| Avg. Days on Market | 64 | 66 | -3.0% | N/A | N/A | N/A |
| Affordability Index | 123 | 144 | -14.6% | N/A | N/A | N/A |

| | Median Price | | | Closed Sales | | |
|---|---|---|---|---|---|---|
| Region | September 2023 | September 2022 | % Change | September 2023 | September 2022 | % Change |
| Central | $236,000 | $204,000 | +15.7% | 478 | 513 | -6.8% |
| North | $289,000 | $244,700 | +18.1% | 705 | 837 | -15.8% |
| Northeast | $273,500 | $242,250 | +12.9% | 1,178 | 1,462 | -19.4% |
| South Central | $335,000 | $332,045 | +4.0% | 1,157 | 1,460 | -20.8% |
| Southeast | $300,000 | $285,000 | +5.3% | 2,095 | 2,650 | -20.9% |
| West | $295,000 | $267,000 | +10.5% | 592 | 680 | -12.9% |

*Report criteria: Reflecting data through September 2023. *Total statewide closed sales may differ from the summed regional sales due to a small number of sales not being assigned to a county.*

# INSIDE THE WRA

## APPLICATIONS AVAILABLE FOR 2025 LEADERSHIP

The WRA nominating committee is seeking applications for several WRA leadership positions for 2025:

- Treasurer
- Executive committee vice president
- Board of director regional representative (regions one through five each have one representative opening)*

In addition, the committee is seeking applications for NAR director.

Submit your online application at **wra.org/Apply**. Application deadline is March 15, 2024.

**Preliminary number of openings will be determined by the membership count on February 28, 2024.*

## WRA HOLIDAY HOURS

The WRA and the WRA Legal Hotline will be closed the following days:

- Thursday, November 23
- Friday, November 24

Enjoy your pumpkin pie! The WRA wishes all our members a very happy and safe Thanksgiving. Regular business hours resume on Monday, November 27.

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WISCONSIN REAL ESTATE MAGAZINE

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# AN AMAZING JOURNEY

**BY MICHAEL THEO**

I remember my first day at the WRA. It was January 8, 1985. I didn't know much about my new boss. I first met Bill Malkasian some weeks earlier when he showed up at my office in the state Capitol and asked if I would apply for the WRA's open lobbyist position. In my interview, I told him I knew next to nothing about the real estate industry or its key issues. (Not the best way to start out, right?) He responded that the WRA had thousands of members who were experts in the industry and what he needed was someone who knew how to pass good laws and stop bad ones.

In those first weeks and months at the WRA, I very much enjoyed getting to know the staff, the industry, the association and the members. Especially the members. And it's you, the members, who I'll remember most when I retire from the WRA at the end of this year.

After 26 years as your chief lobbyist and the past 12 years as your President & CEO, I have witnessed the evolution of the WRA into a powerhouse association that represents, promotes and protects the interests of not only REALTORS® and the real estate industry, but the interests of millions of property owners in every corner of this state.

Reminiscing these past few months has been fun. We certainly had our share of accomplishments, big and small, along with our share of mistakes (or "teachable moments" as I call them). But what binds all our successes — past, present and future — is you, the members. It is your commitment to improving yourself, your business, your profession, your communities and your association, year in and year out, that makes our work together very special and very successful.

I'll certainly miss our staff — a lot. They are talented, tenured and witty. Their dedication is truly remarkable. Every day they pursue the staff values we have memorialized on the wall outside my office: integrity, trust, respect, teamwork, service and accountability. Over the years, they have certainly taught me more than I taught them. I couldn't be prouder of the work they do and how they do it.

I'll also very much miss the volunteer leaders of the WRA who over the years have always demonstrated the right balance between leading and managing the association. To our current leaders and all our past chairs and directors, you have my enduring thanks and admiration! You delegate to the staff the task of doing things right and reserve for yourselves the task of doing the right things. As an association manager, you can't ask for a better balance — a better partnership.

I also couldn't ask for a better successor. Tom Larson, the WRA's current executive vice president, longtime chief lobbyist and the head of our legal and public policy department, will take over as President & CEO on January 1, 2024. I've had the pleasure of working side by side with Tom for 25 years, during which time he has demonstrated his skills as both a strategic thinker and master tactician. His intelligence is matched by his humility and no one, I mean no one, outworks Tom. He knows the WRA inside and out, and I have every confidence he is ready, willing and able to lead the WRA into an even brighter future. I'm delighted he's my successor and my friend.

As I prepare to leave, I ask that you remember this: REALTORS® are very special people. You do very special work. From my first days at the WRA, I marveled at how our members, as fierce competitors in the marketplace, would unite, at all levels of our organization, to advocate, educate and elevate the real estate profession. Personal and professional disagreements or disputes were left at the WRA doorstep and inside, attention focused on how to best protect private property rights, how to improve professionalism, and how to better serve customers and clients. I still marvel at this today. It is this level of engagement, this level of commitment, that makes our organization so special and so effective. My parting advice: Keep it up!

I could not have done what I have so happily done over these 38 years without the love, encouragement and support of my wife of 42 years, Sheryl, as well as my children, Andrea and Alex. And I couldn't have done it without the support of all of you. It's been an amazing journey. Thanks for letting me come along for the ride!

Mike Theo
WRA President & CEO

# MESSAGE FROM THE CHAIR

**BY JOE HORNING**

As the year and my tenure as your 2023 chairman of the WRA board draw to a close, I want to reflect briefly on the year and some of the accomplishments we've seen within the WRA and throughout the industry.

This past summer, Gov. Evers signed the 2023-25 state budget, which included a set of groundbreaking loan programs aimed at tackling Wisconsin's workforce and senior housing shortage. This $525 million was the largest investment in housing in Wisconsin history — a major advocacy win! The loan programs included $275 million for residential infrastructure, $100 million for rehabilitation of units above main street commercial spaces, $100 million for the conversion of vacant commercial buildings for housing, and $50 million for the rehabilitation of older residential properties. In addition, the WRA passed legislation creating certainty and predictability in the development process.

What was truly remarkable was the bipartisan support the workforce and senior housing package received! Housing affordability and the lack of housing inventory impacts every community. Your commitment to the REALTORS® Political Action Committee (RPAC), combined with the hardworking members of the WRA's advocacy team, helped to pave the way for this monumental achievement.

Also this year, we rolled out the WRA's professional standards enforcement of the REALTOR® Code of Ethics. The WRA now provides dispute resolution services and professional standards enforcement services including but not limited to mediation services, ethics hearings and arbitration hearings for all but two of the 17 local associations. This new offering continues the WRA's professionalism goal by creating a consistent and uniform enforcement process throughout the state.

New curriculum for the 2023-24 CE biennium launched with a new twist on earning credits: we said goodbye to the former three-hour course format and said hello to a new single-hour course format. The new curriculum offers more flexibility so you can meet your 18-hour credit requirement to maintain your license with greater ease.

Another exciting venture this year was the preparation of a leadership transition at the WRA due to the retirement of Mike Theo, aka "Laki." We worked out the details of this transition, passing the baton from Laki, who has dedicated 38 years of service to the WRA, to the capable hands of Tom Larson. I would like to extend my heartfelt gratitude to Laki for his commitment to the WRA and his visionary leadership. While he leaves big shoes to fill, I have complete confidence that Tom will chart a course to propel the WRA to unprecedented heights of professionalism and excellence.

These are just a few of the major accomplishments in 2023, none of which would have happened without the amazing team at the WRA. The WRA team always puts members first and is even seen as the envy of the industry around the country.

In my experience as the WRA chairman, I have made so many new lifelong real estate friends around the state during this past year. Thank you for supporting me this past year. There is no "I" in "team," and I would like to thank my leadership team on the 2023 executive committee: Amy Curler, Max Rea, Brad Lois, Chris DeVincentis and Mary Jo Bowe.

As we roll into 2024, you are going to be in great hands, and I cannot tell you how much I respect Mary Jo, the new 2024 chair of the WRA. Mary Jo is a rockstar, cares immensely for her fellow REALTORS® and will be taking the WRA to the next level.

In addition, to my Shorewest family: your support has been amazing. Thank you for allowing me to spend time on the industry we all know and love. And to my boys and sons: thanks for celebrating my successes — no one has cheered me on more in life. I love you guys.

**Thank you!**
Joe Horning, 2023 WRA Chairman of the Board


# CONVENTION RECAP

## OVER 800 REALTORS® CAME TOGETHER IN WISCONSIN DELLS LAST MONTH FOR THREE DAYS OF TRAINING, NETWORKING AND ENTERTAINMENT AT THE 2023 WRA ANNUAL CONVENTION.

The convention began with one-day CRS and Ninja Selling training courses, four real estate CE courses and the new Home Inspection Education House event. Festivities that kicked off the convention included the chairman's installation & awards dinner where hundreds of REALTORS® gathered to meet this year's award winners and to watch the installation of Mary Jo Bowe as the 2024 WRA chair of the board along with the 2024 WRA leadership team.

REV2023 speakers Alex Weber and Pamela Barnum inspired everyone to discover their hidden strengths and master the art of nonverbal communications — powerful messages we all need to hear! Plus, a new convention keynote event this year was the Wisconsin economic forecast with UW Graaskamp Center director and housing economist Mark Eppli, Ph.D. Dr. Eppli spoke about what to expect next year in Wisconsin real estate so convention guests had a roadmap for their journey into the future.

Opening session was an absolute blast with the REV Rally discussion of the industry with WRA leaders as well as Tracy Kasper, the president of the National Association of REALTORS® (NAR). Following that discussion was the powerful message from keynote speaker and American Ninja Warrior Alex Weber. To make it even more memorable, everyone in attendance got to rock their very own "Riding with the Brand" hat complimentary of the National Association's campaign that drives home the REALTOR® difference.

The convention offered something for everyone in terms of professional development. Real estate experts from Wisconsin and beyond joined forces to deliver some major torque. Guests attended workshops, panels and the new Speed Round sessions. Whether it was AI, real estate law, marketing or more, everyone gained new tips at REV2023 for a throttle-gripping advantage in business.

And who could forget the fun?! The annual golf outing, 5K run/walk, trivia night, cocktail hour and everyone's favorite — the icebreaker party — kept everyone revved up with excitement each day of the convention.

Real estate is a wild ride. But with REV2023, convention attendees left ready to embrace their journey.


wonder
wonder

# THANK YOU!

## CONVENTION SPONSORS, EXHIBITORS AND ADVERTISERS

The WRA would like to give a special thanks to the following companies and organizations for their support of the 2023 WRA Annual Convention.

**A3 Marketing**
**Advanced Projector Technologies**
**AlphaGraphics Madison**
**Akrivus Real Estate Valuation Services**
**Alltech National Title**
**America's Preferred Home Warranty Inc.**
**American Home Shield/HSA Home Warranty**
**Asian Real Estate Association of America-Greater Milwaukee**
**Associated Bank**
**Choice Home Warranty**
**Cinch Home Services**
**Compeer Financial**
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**Crossbridge Community Bank**
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**MySignShine**
**National Association of REALTORS®**
**Navy Federal Credit Union**
**Old National Bank**
**Paperless Agent**
**Pearl Insurance**
**Preferred Title**
**REALTORS® Association of Northwestern Wisconsin**
**Realty One Group**
**Roxy & Lola**
**Shutter Zone Media**
**ShowingTime**
**Smart Scan Medical Imaging**
**Stagerie**
**Stampfli Mortgage**
**Summit Credit Union**
**SVA Consulting**
**Transworld Business Advisors of Kenosha**
**USDA Rural Development**
**UW Credit Union**
**VIV Clinic**
**WHEDA**
**Wisconsin Association of Home Inspectors Inc.**
**Wisconsin Office of the Commissioner of Insurance**
**Wisconsin REALTORS® Association**
**Wisconsin REALTORS® Foundation**
**Wisconsin Real Estate Supply at Minuteman Press Brookfield**
**Wisconsin RRC**
**Women's Council of REALTORS®**
**Zillow**

**MARK YOUR CALENDAR FOR THE 2024 WRA ANNUAL CONVENTION**
September 29 – October 1, 2024
Wisconsin Dells


REV
Reserved
1


WE ALL FALL.
BUT HOW YOU LEAD
DECIDES EVERYTHING.
ALEX WEBER

# 2023 AWARD RECIPIENTS

**Every year, the WRA recognizes individuals who have devoted years of commitment and dedication to advance the REALTOR® organization and the industry. And this year, we are honored to recognize several outstanding individuals for their efforts.**

CRS Member of the Year
**Donna Dowden**
Century 21 Dairyland Realty, Medford

WCR Member of the Year
**Carla Nowka**
Preferred Title, Madison

Distinguished Service Award
**Rita Blenker**
Century 21 Gold Key Realty
Marshfield

Distinguished Service Award
**Jack Drzewiecki**
Acre Realty, Appleton

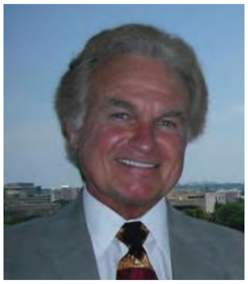
Distinguished Service Award
**Joe Horning**
Shorewest REALTORS®
Brookfield

RPAC Extraordinary Service Award
**Cheryl Eskridge**
Eskridge Real Estate
Conover

RPAC Extraordinary Service Award
**Mary Gilbank**
Shorewest REALTORS®
Janesville

RPAC Extraordinary Service Award
**Chris Howard**
Ogden & Company Inc.
Milwaukee

RPAC Extraordinary Service Award
**Laura Kruschka**
RE/MAX Realty Pros
Milwaukee



RPAC Extraordinary Service Award
**Jim Somers**
Coldwell Banker Realty
Brookfield

WRA Chair Citation Award
**Mike Wittenwyler**
Godfrey & Kahn, S.C.
Madison

WRA Lifetime Achievement Award
**Mike Theo**
Wisconsin REALTORS® Association, Madison

# THE TOP TRENDS ON THE LEGAL HOTLINE IN 2023

**BY JENNIFER LINDSLEY**
WRA STAFF ATTORNEY AND DIRECTOR OF TRAINING

The real estate market is always shifting with new trends and practices evolving to meet the current market conditions. Evolving trends and practices become known to the WRA's Legal Hotline attorneys because of repeat calls on similar questions or topics. The trends and practices this year were often driven by the fact that many sellers were likely going to receive multiple offers. This competition led to buyers and their agents getting creative with offer terms to try to stand out in the crowd. It also led to sellers calling the shots as to showings and offer presentation.

## "NO SHOWINGS UNTIL …" AND "OFFERS WILL BE PRESENTED AT …"

The practices of sellers delaying showings until a certain date or deciding to review all offers at one time are legitimate negotiation strategies, especially in a competitive market. A seller might rationally not allow any showings until a certain date with the hopes of stacking several showings on the same day to minimize traffic in the property. Similarly, if it seems likely that a seller might get multiple offers, it might make sense to collect them all and review them as a group, so the seller has the best landscape by which to compare the terms of the offers.

What prompts the calls to the WRA Legal Hotline, though, are when all of a sudden that property where showings were delayed until Saturday pops up on the MLS with an accepted offer on the Thursday prior. The same story occurs when the seller indicated they would review all offers on Tuesday at 5:00 p.m., and the Monday prior, the property shows up in the MLS with an accepted offer. From the outside looking in, these facts do make it seem that something suspicious happened. Perhaps the listing agent was not being truthful about no showings or maybe they snuck an offer they wrote in front of the seller in advance of the advertised time for when offers were going to be originally reviewed. In some cases, that may be true but anecdotally, based on hotline calls, it seems more likely that in the case of an accepted offer prior to any showing, the seller accepted an offer sight unseen, or the seller broke their own rules and accepted an offer in advance of the advertised time for offer review.

In the case of a seller who wants to delay showings until a certain date, there is nothing preventing an enterprising buyer from writing an offer sight unseen. The listing agent has an obligation to promptly present all offers unless presentation would be contrary to the specific written instructions from the seller. Sellers should be cautioned, though, about potential risks with a sight-unseen offer. Accepting a sight-unseen offer creates the possibility that when the buyer attends the home inspection or perhaps worse — does not see the property until the walk-through and does not like it — the buyer may start looking for ways to get out of the offer or refuse to close. Obviously refusing to close could lead to a breach of contract claim, but who wants that kind of hassle when the seller just wants to sell their property?

In the scenario where the seller wants to review all offers at one time but suddenly the property has an accepted offer, it is possible that an enterprising buyer submitted an offer with a deadline for binding acceptance prior to the advertised time for offer review. The listing agent again would have to promptly present that offer to the seller unless presentation would be contrary to the specific written instructions of the seller. If the offer is appealing, the seller might go ahead and accept it and break their own rule about when offers would be reviewed.

## CONCERNS ABOUT OFFERS NOT BEING PRESENTED

This trend too may be a result of the current market, but agents working with buyers are calling the hotline wondering how they can assure their buyer that the buyer's offer was even presented. In the typical scenario, a buyer submits an offer and then hears absolute silence well after the date for binding acceptance. No counter-offer, no rejected offer, just nothing. Unfortunately for frustrated buyers, the listing agent cannot force a seller to initial an offer to show rejection so that something can be provided to the buyer to show that their offer was considered. A seller can choose to let an offer expire without action and not actually initial the offer to show that it was rejected.

It would be prudent for the listing agent to complete the section of the offer showing when it was presented even if the seller will not initial to reject the offer.

That said, the buyer's or the buyer's agent can request that the listing agent tell them when the buyer's offer was presented to the seller and when it was rejected. The listing agent is to immediately provide a written statement indicating when the offer was presented and when it was rejected when this is requested by the buyer or the buyer's agent.

If the buyer or the buyer's agent thinks the offer was not presented, the buyer or the buyer's agent or both can file a complaint with the DSPS and/or the listing agent's local board.

## ESCALATION CLAUSES

Where to begin with the escalation clause discussion? First, it is not hard to see why these clauses are appealing to buyers who have lost the last five properties they wrote offers on and simultaneously appealing to sellers who are seeing dollar signs. The problem with escalation clauses often lies in the drafting and implementation. Some escalation clauses say the price can be increased once. Others allow for multiple increases. Sometimes a seller gets multiple offers with escalation clauses, and it can be tricky trying to determine which offer triggers which escalation clause. Searching the WRA Legal Hotline archives of calls reveals countless calls from agents involving offers with escalation clauses where the seller and the buyer disagree about what the purchase price is based on the language in the escalation clause. Sometimes, just for good measure, the hotline attorney will attempt to work out the math and come up with a totally different purchase price. Often, there are viable ways to support each claimed purchase price depending on the different orders in which the escalation clauses were triggered.

An alternative to working though escalation clause math nightmares is for the seller to consider using the WB-46 Multiple Counter-Proposal and see what the buyers are really willing to pay for the property.

## INSPECTION "GAP"

Including an inspection contingency where the buyer agrees not to issue a notice of defects unless the estimated cost to repair the defects exceeds an agreed upon amount can be a compromise between the "all or nothing" method when parties are negotiating whether the buyer can have an inspection contingency in the buyer's offer. A buyer may be willing to accept defects up to a certain dollar amount with the understanding that the buyer will address those defects after closing. When including a provision like this in the offer, the buyer and seller should indicate which party obtains the estimates for repairs. Will the buyer obtain the estimates for repairs? Will the seller obtain the estimates for repairs? Will each party obtain an estimate and they will average the two estimates? All of these are acceptable options, but the parties want to make sure they agree on this ahead of time.

If the parties are using this strategy, another consideration is to make sure there is enough time under the inspection contingency deadline for the parties to obtain an estimate or estimates regarding the expense to fix the defects. One possible safeguard would be for the parties to negotiate an automatic extension to the deadline for the inspection contingency if the parties are experiencing a delay in obtaining any necessary estimates regarding repairs.

The parties will also want to consider what happens if the estimate for the repairs exceeds the dollar amount the buyer and seller agreed to in the offer to purchase. Say the buyer agrees not to issue a notice of defects if the estimate for the repairs does not exceed $5,000. The buyer has the inspection, the inspector finds a number of defects, and the buyer obtains estimates for the repairs as agreed to in the offer. The estimates for the repairs total $10,000. The seller has the right to cure. If the seller chooses to cure, do they cure defects to just the $5,000 difference, or do they cure all the defects? This should be addressed in the offer to purchase so both parties understand the path forward.

## APPRAISAL "GAP"

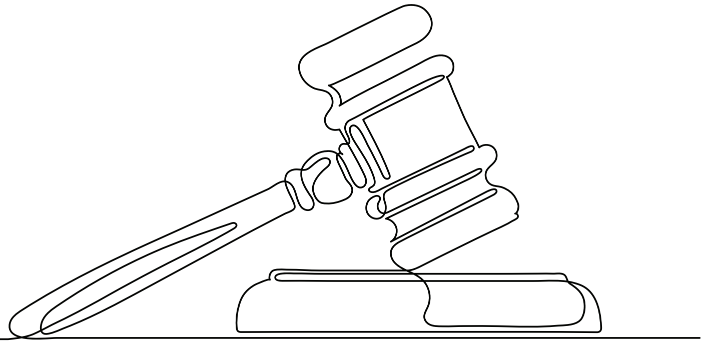
In a standard transaction, the down payment plus the loan amount cover the purchase price at closing. Conceptually, a gap provision would be triggered if the down payment plus the amount of the loan is less than the purchase price as a result of the appraised value being lower than the purchase price.

To simplify, the purchase price funds may come from one, two or three sources:

- One, the buyer may have the entire amount in cash.
- Second, the buyer may have a down payment and finance the remainder. The buyer has the down payment, and the loan amount is what the buyer borrows to meet the purchase price at closing.
- Three is when an appraisal gap occurs — the appraised value of the property is lower than the purchase price.

Therefore, the down payment plus the amount the buyer can borrow is less than the purchase price. As a result, the buyer agrees to take to closing the necessary funds — the "appraisal gap" in addition to the down payment and the loan amount to arrive at $X purchase price. There are in essence three sources of funds: the down payment, the loan amount and the gap amount.

When including an appraisal gap provision in an offer, the buyer will want to specify the amount of the gap and how the appraisal gap works with the seller's right to cure under the appraisal contingency if the seller has a right to cure.



# THE BEST OF THE LEGAL HOTLINE

## MORE OR LESS?

**BY TRACY RUCKA**
WRA DIRECTOR OF PROFESSIONAL STANDARDS AND PRACTICES

Let's talk about escalation and acceleration clauses because the WRA Legal Hotline continues to receive many calls about these price adjustment clauses. There are still many questions regarding implementation notwithstanding the many years these provisions have appeared in offers.

## BACK TO BASICS

***Are price escalation clauses a valid way to negotiate price?***

Yes, these clauses serve a legitimate negotiation strategy to negotiate the price at an amount above the price offered in another offer. A buyer may offer to increase their offered price up to a certain amount over the highest price offered, which may include a maximum dollar amount. The offer to purchase must state the price the buyer is willing to pay to purchase the property, but the price may be determined by referencing the price of another offer to purchase. If the buyer wants to use such a strategy, the equation used to determine the offered price must be clear and unambiguous.

***The buyer used a price escalation clause, and their offer was rejected. How can this be?***

When working with a buyer, the broker may remind the buyer that price is not always the deciding factor. The seller's most important condition for the sale of property may be other factors, like closing, contingencies or deadlines. Also, given reports of multiple offers with escalation clauses, there may be another buyer who submitted an offer with a price escalation provision with a higher maximum amount. Therefore, using an escalation clause will not guarantee an accepted offer.

***Why are there so many clauses?***

The implementation of escalation clauses may be problematic, therefore in response to prior concerns or snags, different clauses are in use — some drafted by attorneys or brokerage firms. Many clauses include similar provisions, such as the following:

- Using only another bona fide offer to determine price.
- Setting a maximum price that would be offered.
- Requesting the seller directly provide the buyer a copy of the other offer.
- Setting a deadline for submission for other offers to be used to set the buyer's price.

These are only the rudimentary elements to a well-crafted provision. Additional details matter when it comes to implementing a price acceleration or escalation clause in an offer, resulting in different provisions, designed to avoid potential pitfalls.

## PURCHASE PRICE

***How is the purchase price determined? Is it with or without seller concessions?***

It depends on how the clause is drafted. There are versions of price acceleration or escalation clauses that define the purchase price to include or exclude seller concessions. These contractual differences may result in different purchase prices, so be cautious when comparing offers.

***Can the buyer include an appraisal contingency when there is an escalation clause?***

Yes, the offer may be negotiated to include an appraisal contingency. Given the concern about the property appraisal, the appraisal contingency may be included and may be implemented if the appraised price is less than the purchase price.

***Can the purchase price be bumped up once or multiple times if different offers come in at different times?***

Maybe once or maybe multiple times — the implementation of the clause will depend on the drafting. One thing to take away from a conversation about price acceleration or escalation clauses is they differ. The drafting matters, and the drafting may result in very different outcomes. Be sure to read each clause carefully when presenting the offers to the seller. It may be helpful to create a hypothetical situation and apply the clause from each offer to see what the potential purchase price will be. Again, each clause may result in a different purchase price.

***Can the seller counter one buyer with a fixed purchase price? If so, would the seller also remove the price escalation clause?***

The answer depends on whether the seller wishes to retain the escalation clause for possible future use. If the underlying goal is to have an offer negotiated at a fixed price and not later use the clause, the counter-offer may state the parties agree the clause is deleted. The price contained in the counter-offer may be any price, not dependent upon any other buyer's offer. A seller countering the offer to a fixed price is not required to provide the buyer with a copy of any other offer because the seller is not using the escalation clause to set the price.

***The seller received four offers: two have price escalation clauses, and two don't. Does the seller need to accept the offer with the highest purchase price?***

In response to multiple offers, a seller has several options, each with potential advantages and disadvantages. The seller may accept any one of the offers. Alternately the seller may choose to negotiate price independent from any price escalation clauses. If the seller elects not to use the price adjustment clause, the seller may counter one buyer with a counter-offer. It is the seller's prerogative to counter at the maximum price the buyer was willing to pay if the price clause had been triggered or any other price. The one buyer receiving the one counter-offer may accept, reject or counter the counter-offer. Alternately a WB-46 Multiple Counter Proposal may be used, allowing the seller to negotiate simultaneously with more than one buyer. Likewise, in response to the seller's multiple counter-proposal, the buyers may approve, counter or reject the multiple counter-proposal. The listing broker may discuss options and allow the seller to decide which is most appropriate for the transaction.

## CONFIDENTIALITY

***Many price escalation clauses provide that the seller has to provide proof to the buyer of the price in the other offer they are competing with. Some clauses state that all parties understand that licensees are prohibited from sharing information about one party's offer with other parties, so it is understood by all parties that this information is being shared between the buyer and seller. Is this type of language required?***

Licensees must observe the duty of confidentiality to the other buyer. Under Wis. Admin. Code § REEB 24.12(1), a licensee may not disclose "any of the terms of one prospective buyer's offer to purchase ... to any other prospective buyer or to any person with the intent that this information be disclosed to any other prospective buyer." To avoid a breach of confidentiality, the brokers are prohibited from sharing one buyer's offer with another buyer. As stated in the contingency, the seller — not the broker — must deliver the buyer a copy of the offer that sets the buyer's price. The seller may use any delivery method authorized in the contract, for example, personal delivery, fax or mail.

## USING OTHER ASSOCIATION ADDENDA

***When using Transactions (zipForm Edition), a broker found a local association addendum that includes an escalation clause. The broker is not a member of that association. Can the broker use that addendum?***

Yes, there are multiple addenda produced by the WRA as well as various REALTOR® associations. These addenda are not forms approved by the Wisconsin Department of Safety and Professional Services, and the use of addenda contained in Transactions (zipForm Edition) is allowed for WRA members. Note, if an addenda is from a different brokerage company or franchises, the use may be subject to copyright.

## FOR MORE INFORMATION

- "When Deals Escalate: 10 tips for transactions involving a price escalation clause," in the January 2021 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/Jan21/Escalate**.
- January 2017 *Legal Update*: "Price Escalation Clauses and Multiple Counter-proposals": **www.wra.org/LU1701**.
- WRA LegalTalks: Escalation Clauses and Multiple Counter Proposals with Tracy Rucka: **www.wra.org/LegalTalks/EscalationClause**.
- Wis. Admin. Code § REEB 24.12: **docs.legis.wisconsin.gov/code/admin_code/reeb/24.pdf**.
- "The Best of the Legal Hotline: The Market Is Heating Up for Summer — How to Work with Multiple Buyers," in the July 2013 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/July13/Hotline**.
- "The Best of the Legal Hotline: Duty Confidentiality," in the January 2010 *Wisconsin Real Estate Magazine*: **www.wra.org/WREM/Jan10/DutyConfidentiality**.

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* This video series is free for WRA REALTOR® members and legal section members.

# 2024 BRINGS CHANGE TO THE WB FORMS

## SIX THINGS TO KNOW TO PREPARE FOR THE NEW YEAR

**BY CORI LAMONT**
WRA SENIOR DIRECTOR OF LEGAL AND PUBLIC AFFAIRS

As discussed in the October 2023 magazine, the WRA legal team recently created the WRA Addendum C to help further boost consumer transparency as to commission in the listing, buyer agency and tenant representation agreements. Simultaneously, the WRA proposed changes be made to the WB forms. These changes were presented to the Department of Safety and Professional Services (DSPS) Forms Advisory Council, a group of attorneys, brokers and salespersons. Any recommended changes are then presented to the Real Estate Examining Board (REEB) for approval. At its October 19, 2023, meeting, the REEB approved the changes.

In addition to the changes listed before in the listing and buyer agency agreements, the offers to purchase will also include the wire fraud notice.

The legal team will provide more information in the future contained in the Legal Hottips, *Legal Update* and at **www.wra.org/formsupdate**, but in the meantime, this article provides a quick review of the changes.

### WHICH FORMS WILL BE AFFECTED BY THESE CHANGES?

**Listing contracts**

- WB-1 — Residential Listing Contract — Exclusive Right to Sell
- WB-2 — Farm Listing Contract — Exclusive Right to Sell
- WB-3 — Vacant Land Listing Contract — Exclusive Right to Sell
- WB-4 — Residential Condominium Listing Contract — Exclusive Right to Sell
- WB-5 — Commercial Listing Contract — Exclusive Right to Sell
- WB-6 — Business Listing Contract — Exclusive Right to Sell
- WB-37 — Residential Listing Contract – Exclusive Right to Rent

**Buyer agency agreements**

- WB-36 Buyer Agency Agreement
- WB-38 Commercial Buyer Agency/Tenant Representation Agreement

**Tenant representation agreement**

- WB-39 Tenant Representation Agreement

## WHAT ARE THE OPTIONAL AND MANDATORY USE DATES?

The optional use date is December 1, 2023, while the mandatory use date is January 1, 2024.

**Offers to purchase**

As a reminder, the following offers will include the wire fraud notice and share the same mandatory use date of January 1, 2024:

- WB-11 — Residential Offer to Purchase
- WB-12 — Farm Offer to Purchase
- WB-13 — Vacant Land Offer to Purchase
- WB-14 — Residential Condominium Offer to Purchase
- WB-15 — Commercial Offer to Purchase
- WB-16 — Offer to Purchase — Business With Real Estate
- WB-17 — Offer to Purchase — Business Without Real Estate
- WB-24 — Option to Purchase
- WB-47 — Amendment to Buyer Agency/Tenant Representation Agreement

## GREATER TRANSPARENCY TO CONSUMERS

Commissions and commission splits are negotiable. The free market establishes real estate broker commission costs within markets based on influences such as service, consumer preference and what the market can bear. A variety of commission models and business models exist in marketplaces throughout Wisconsin.

The current WB forms provide a great deal of transparency and flexibility for consumers about commission. Read more about this in the October 2023 *Wisconsin Real Estate Magazine* at **www.wra.org/WREM/Oct23/HowToC/Foreword**.

To further increase consumer transparency and education, the following consumer-friendly language is modified based on the type of contract and included in the WB listing and buyer agency agreements:

> ***COMMISSION***
> *The Seller and the Firm agree the Firm's commission shall be ________________.*

The remaining language of the listing and agency agreement will remain the same. The forms also receive a bit of a modification relating to the compensation to others.

> ***COMPENSATION TO OTHERS***
> *The Firm offers the following commission to cooperating firms working with buyers such as subagents and buyer's firms: ________________. (Exceptions if any): ________________. There is no standard market commission rate. Commissions and types of service may vary by firm and are negotiable based on the firm you hire. Compensation to others may be offered to firms acting as subagents and firms representing buyers as incentive to participate in the sale of firms' listings through multiple listing services or in compensation agreements.*

## STRONGER RECOMMENDATION FOR DISPUTE RESOLUTION

Alternative dispute resolution often reduces costs because it avoids court proceedings. Currently, the WB listing and agency agreements state in broad terms that if a dispute cannot be resolved through mutual agreement, "the parties may consider judicial resolution in court or may consider alternative dispute resolution. Alternative dispute resolution may include mediation and binding arbitration." See lines 60-61 of the WB-1 Residential Listing Contract.

The new language strongly encourages mediation and arbitration first but does not require either.

> ***DISPUTE RESOLUTION***
> *The Parties understand that if there is a dispute about this Listing or an alleged breach, and the Parties cannot resolve the dispute by mutual agreement, the Parties may consider alternative dispute resolution instead of judicial resolution in court. Alternative dispute resolution may include mediation and binding arbitration. Should the Parties desire to submit any potential dispute to alternative dispute resolution, it is recommended that the Parties add such in Additional Provisions or in an Addendum.*

## A NOTE ABOUT THE TWO-YEAR LIMITATION ON LIABILITY

Real estate transactions are fraught with frivolous litigation against the real estate firm due to a "deep pocket" perception of the real estate firm and agent. Such litigation costs consumers, real estate firms and real estate agents considerable time and costs. Effective March 4, 2016, Wis. Stat. § 452.142 reduced the time frame a real estate licensee could be sued relating to brokerage services from six years to two years after closing.

Before the creation of Wis. Stat. § 452.142, real estate licensees were vulnerable to litigation relating to a written contract for six years. Therefore, a real estate licensee as well as their firm could be sued based upon a listing, buyer agency agreement or offer to purchase anytime within a six-year period after closing on a transaction or termination of a listing or buyer agency agreement.

The legislature intended to create a two-year limitation for when a lawsuit could be commenced against a firm and its agents relating to brokerage services provided. This intention is further supported by legislative history.

However, in recent years, there have been attempts to circumvent Wis. Stat. § 452.142. Former clients and customers are claiming the firm and agent should be financially responsible after the two-year time frame if the client or customer is held legally responsible in the litigation with the party that purchased or sold the property. Wis. Stat. § 452.142(2) states that the two-year period of limitation applicable to actions against real estate licensees "may not be reduced by agreement." Therefore, the contract cannot reduce the two-year period.

A note educating everyone about the existence and the time frame for litigation will now be included in the WB listing and buyer agency agreements.

*NOTE: Section 452.142, Stats., places a time limit on the commencement of legal actions arising out of this Agreement.*

## WIRE FRAUD NOTICE

Just like the WB offers to purchase, the listing contracts, buyer agency agreements and tenant representation agreements will all now include a new Wire Fraud Warning near the signature lines. This warning aims to educate consumers using consumer-friendly language about why it's crucial to refrain from wiring funds for their transaction without personally obtaining independent verification from a trustworthy, known source that the wire instructions they are about to use are indeed correct.

***WIRE FRAUD WARNING!***
*Wire Fraud is a real and serious risk. Never trust wiring instructions sent via email. Funds wired to a fraudulent account are often impossible to recover.*

*Criminals are hacking emails and sending fake wiring instructions by impersonating a real estate agent, Firm, lender, title company, attorney or other source connected to your transaction. These communications are convincing and professional in appearance but are created to steal your money. The fake wiring instructions may even be mistakenly forwarded to you by a legitimate source.*

*DO NOT initiate ANY wire transfer until you confirm wiring instructions IN PERSON or by YOU calling a verified number of the entity involved in the transfer of funds. Never use contact information provided by any suspicious communication.*

***Real estate agents and Firms ARE NOT responsible for the transmission, forwarding, or verification of any wiring or money transfer instructions.***

# LEGAL RESOURCES

## THE LATEST UPDATES AND RESOURCES FROM THE WRA ABOUT WISCONSIN REAL ESTATE LAW

### LEGAL HOTTIPS

WRA membership gives you access to the extensive WRA Legal Hottips online library, featuring years of WRA Legal Hotline discussions covering liability, title issues, agency and more. Weekly hottip updates ensure fresh insights.

Search the Q&As: **www.wra.org/LegalHottips**
(WRA login required)

### LEGAL UPDATES

Included with WRA membership is access to the WRA's *Legal Update* publication. Recent issues include:

**September 2023: "Proper Signatures on Contracts"**
Who signs what? Learn the ins and outs about signatures related to your real estate transactions.

**August 2023: "Copyright Considerations for Real Estate Licensees"**
Find out how to avoid copyright infringement and protect your own copyrighted works.

**July 2023: "Separation of Buyer Agency and Tenant Representation"**
Learn about the revisions that separated the WB forms for buyer agency and tenant representation.

See more: **www.wra.org/LegalUpdates**
(WRA login required)

### WRA LEGAL HOTLINE

Find out applicable legal standards, alternatives and possible solutions for your real estate practice questions with this members-only service.

**SUBMIT YOUR QUESTION**

By phone: 608-242-2296 or 800-799-4468

Online: Visit the hotline webpage

**HOTLINE HOURS**

Monday-Friday, 8:30 a.m. to 4:30 p.m. Central

The hotline will be closed November 23-24 in observance of Thanksgiving. Check the hotline webpage for additional holiday closures.

**www.wra.org/LegalHotline**

# LEGISLATIVE ALERT

## THE WRA OPPOSES LEGISLATION SEEKING TO MODIFY WISCONSIN LICENSE LAW

### BACKGROUND

A real estate license is required in order to provide brokerage services in the state of Wisconsin. Wisconsin Stat. Chap. 452 sets forth the practices, often referred to as brokerage services, that require a real estate license. Under current Wisconsin law, a license is not required to advertise For Sale By Owner (FSBO) properties. However, if an entity or individual has a real estate license, they must comply with Wisconsin license law to advertise FSBOs.

Compliance with Chap. 452 provides that before listing a property, real estate licensees must perform a competent and diligent property inspection, and the listing agent must ask the seller about the condition of the structure, mechanical systems and other relevant aspects of the property in a written response, which is typically utilized as a real estate condition report.

### NEW LEGISLATION

Newly introduced legislation, SB 394/AB 407, aims to modify Wisconsin law and waive several of the Chap. 452 requirements for real estate licensees as they relate to FSBOs. This legislation intends to:

- Remove all the disclosures and duties required by real estate licensees.
- Eliminate the listing contract requirement.
- Eliminate a licensee's responsibility to inspect the property before advertising.

The WRA does not support exempting real estate licensees from complying with the necessary consumer protections such as inspection, disclosure and other duties required under Wisconsin law simply because it is not ideal or convenient for the licensee to comply.

### LEGISLATION STATUS

This legislation has been introduced and is waiting to be heard by the Wisconsin Senate and Assembly committees.

WISCONSIN HOMEOWNERS ALLIANCE

# USING GRASSROOTS ADVOCACY TO EFFECT CHANGE STATEWIDE

**BY NATHAN CONRAD**
WRA DIRECTOR OF POLITICAL ADVOCACY

A chill is in the air, November is in full swing, Thanksgiving is right around the corner. As 2023 comes to an end, we have much to be thankful for, and given the ability to be retrospective, we are also given a chance to look back at some of the recent advocacy successes we have had on a grassroots level with our partners at the Wisconsin Homeowners Alliance (WHA).

As REALTORS®, we have a unique opportunity to work together with our partners to help protect property rights and encourage homeownership.

One of the most effective ways to enact meaningful policy results at the local, state and national level with our elected officials is for constituents to speak to lawmakers about the issues that matter most to a community.

Read on to learn a few examples of the WHA's grassroots actions at work.

**Did you know the WHA helped repair 140 years of riparian rights in 2021?**

A simple family dispute turned into a 2018 Wisconsin Supreme Court decision that took away the right to place a pier for waterfront property owners on man-made flowages throughout Wisconsin. The WHA, alongside efforts of the WRA's advocacy team, leaped at the chance to help right this wrong and reinstate 140 years of riparian rights to waterfront property owners statewide.

In 2021, the Wisconsin Legislature heard from thousands of residents statewide due to a campaign run by the WHA. A robust radio effort paired with a targeted mail and digital contact program targeted at legislators in districts with hundreds of waterfront property owners resulted in thousands of letters and calls into legislators' offices asking their support of a bill that would repair these riparian rights that had been taken away by the Supreme Court decision.

The efforts worked well, and the bill passed both houses of the legislature and was signed into law.

The direct communications from constituents to their elected officials in this case made an impact that helped restore and codify property rights in Wisconsin.

**Were you aware of the WHA's involvement in ending the act of "chasing sales" in property assessments in Wisconsin?**

"Chasing sales," or basing the assessed value of a property solely on the last sale price of that property, is not just lazy — it is wrong. However, many communities in Wisconsin were doing just that before the WHA, and the grassroots activist members of the organization stepped in to voice their concerns.

Wisconsin's constitution requires that all property tax assessments be assessed uniformly. The uniformity clause was inserted in the state constitution in the 1800s to prevent lawmakers at the state and local levels from giving preferential treatment to some property owners over others.

To ensure property assessments are accurate and fair, state law requires municipalities to maintain the assessed value of each

major class of property within 10% of fair market value once every five years.

Although the Department of Revenue prohibits the practice of chasing sales, assessors regularly increase the assessed value of property based on a recent sale. In a sampling of 24 communities around the state in 2014, an analysis by the *Milwaukee Journal Sentinel* found that at least 5% of the new assessments were identical to a property's selling price.

In 2019, a targeted mail and digital grassroots campaign by the WHA worked nonstop for nearly six months contacting legislators' offices thousands of times to make it known that this unfair tactic on property value assessment must be stopped. The outreach was an outright success with unanimous support for the measure in both houses of the legislature.

These are two recent examples of WHA campaigns that helped right a wrong against owners of property and further secured our property rights.

If you know of a situation that has put homeownership out of reach or threatened property rights in your community, please reach out to the WRA, and we can work with our partners at the WHA to find a way to activate the grassroots activists and help protect property rights.

# CE ON DEMAND

## IT'S CE DESIGNED WITH YOU IN MIND

We know you're busy, so we designed continuing education (CE) around you. The new CE curriculum for the 2023-24 real estate biennium offers 18 one-hour courses, providing a more manageable way to meet your requirement and balance coursework with your growing business demands.

With the power and flexibility of WRA CE On Demand, you learn on your terms, at your own pace, and from anywhere.

Your CE journey starts here:
**www.wra.org/FlexibleCE**

### NEW CE ON DEMAND FEATURES

Embarking on your CE On Demand adventure has never been more engaging and convenient with these new features:

**Synergistic learning:** Course content and videos are fused into one interactive book, streamlining your learning experience.

**Enhanced visuals:** Say goodbye to long lecture videos and hello to a more immersive learning experience with a variety of learning tools, including short videos, reading, quiz questions and more.

**Convenient segments:** Unlock the convenience of our one-hour courses. Seamlessly blend essential learning into your busy schedule, ensuring compliance with your CE requirements while enjoying manageable, bite-sized portions of knowledge.

**Checkpoint questions:** Test your knowledge along the way to master your final exam with confidence.

### WHY CE WITH THE WRA?

Best options. Best school. Best in class. The WRA is the leading provider in Wisconsin real estate education — and no one else. We offer a variety of training formats to suit every learning style. Whether you're a visual, auditory or reading learner, we've got you covered with the top Wisconsin real estate CE on the market.

### WHY STUDENTS TRUST US

**Proven expertise:** Our century-strong legacy in Wisconsin real estate ensures our courses stay current with Wisconsin's latest trends and regulations.

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**Register: www.wra.org/GRI**

## 2023–24 CE OPTIONS
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Wisconsin real estate licensees must complete 18 hours of CE every two years. New for the 2023-24 biennium are one-hour courses to fulfill your 18-hour requirement with flexibility and convenience. And with various training options and formats, you can choose how to earn your CE credits!

- On demand: Train all online at your own pace.
- Self-study: Read traditional hard-copy coursebooks at your own pace.
- Virtual: Tune in to join a streaming course. See page 30 for dates.

**Start your CE now: www.wra.org/CE2324**


## TAX STRATEGIES COURSE
### Coming up in February 2024

Tax laws significantly affect your business — but how well do you understand them? Get ahead of tax season with the CRS tax strategies course offered virtually in February. This course explores the Tax Cuts and Jobs Act of 2017, its implications, and impacts on primary residences and residential investments.

**Register: www.wra.org/CRS**


## PROBATE SPECIALIST COURSE
### Coming up in April 2024

Enhance your real estate success with the one-day CRS probate course next year. Offered virtually in spring 2024, you can tune in to learn how to navigate family conflicts and the probate process. You'll gain insights on property sales, trust types and handling buyer objections.

**Register: www.wra.org/CRS**

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| January 4, 2024 | Virtual | www.wra.org/BLF |
| **PARTNER WEBINARS** | | |
| **THE PAPERLESS AGENT WEBINARS** | | |
| December 7, 2023 | Virtual | www.wra.org/PaperlessAgent |
| December 12, 2023 | Virtual | www.wra.org/PaperlessAgent |
| **REALTORS® PROPERTY RESOURCE WEBINARS** | | |
| November 9, 2023 | Virtual | www.wra.org/RPR |
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#1 MORTGAGE LENDER in WISCONSIN*

EQUAL HOUSING LENDER

*The Wisconsin's #1 Mortgage Lender designation is based on the number of loans originated in 2022, gathered from the Home Mortgage Disclosure Act data compiled annually by the Consumer Financial Protection Bureau. The results of the data were obtained through the Consumer Financial Protection Bureau's website: https://ffiec.cfpb.gov/data-publication/modified-lar/2022. LEI: 254900NTAC4H10MGSU23. 1 The $500 offer is valid on home purchase applications submitted from January 1, 2023 through December 31, 2023 where the loan's interest rate is locked by December 31, 2023. This offer requires a Summit Credit Union checking account. Minimum to open a checking account is $25. An additional $200 rebate will be provided with an Ultimate Checking. Primary savings account required to have a checking account. Primary Savings account: minimum to open $1. Annual Percentage Yield (APY) as of 5/1/2023 is 0.10%. The following loan programs are not eligible for the closing cost credit: Federal VA, FHA, Rural Development, WHEDA, Investment Property and Construction loans. First mortgages only (offer does not apply to second mortgages, home equity lines of credit or refinances). The $500 closing credit cannot exceed the actual amount of the closing costs, prepaid interest and escrow reserves. This includes if the credit is combined with a seller closing cost credit. Seller credits will be applied first, and then any remaining closing costs and prepaids would be eligible toward the lender credit. The credit will be applied at the time of the loan closing and will be reflected on the closing disclosure. Not valid with any other offers. 2 The $1,000 offer is valid for first-time home buyers on home purchase applications submitted from January 1, 2023 through December 31, 2023 where the loan's interest rate is locked by December 31, 2023. This offer requires a Summit Credit Union checking account. Minimum to open a checking account is $25. An additional $200 rebate will be provided with an Ultimate Checking. Primary savings account required to have a checking account. Primary Savings account: minimum to open $1. Annual Percentage Yield (APY) as of 5/1/2023 is 0.10%. An individual is to be considered a first-time home buyer who is purchasing a property; will reside in the property as a principal residence; and has had no ownership interest (sole or joint) in a residential property in the past 3 years. The following loan programs are not eligible for the closing cost credit: Federal VA, FHA, Rural Development, WHEDA, Investment Property and Construction loans. First mortgages only (offer does not apply to second mortgages, home equity lines of credit or refinances.) The $1,000 closing credit cannot exceed the actual amount of the closing costs, prepaid interest and escrow reserves. This includes if the credit is combined with a seller closing cost credit. Seller credits will be applied first, and then any remaining closing costs and prepaids would be eligible toward the lender credit. The credit will be applied at the time of the loan closing and will be reflected on the closing disclosure. Not valid with any other offers. 


Definitely a front porch with a swing...
#homeownershipgoals
The WHEDA Advantage loan has everything your home buyers need to achieve their home ownership goals.
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Certain program restrictions and eligibility requirements apply.
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