

Chapter REB 5

OUT-OF-STATE SUBDIVISIONS

REB 5.01 Operations in out-of-state subdivisions

History: Chapter REB 5 as it existed on April 30, 1972 was repealed and a new chapter REB 5 was created, Register, April, 1972, No. 196, effective May 1, 1972.

REB 5.01 Operations in out of state subdivisions. (1) APPLICABILITY. The rules herein shall apply when a broker is selling lots or acreage encumbered with a mortgage, trust agreement, custodial trust agreement or other lien, whether recorded or unrecorded where said lots or acreage is located outside the state of Wisconsin or where the seller himself holds the land on land contract, option, trust agreement, custodial trust agreement or other lien, whether recorded or unrecorded where said lots or acreage is located outside the state of Wisconsin.

(2) **BROKER'S DUTY.** The broker shall:

(a) Make arrangements that upon the payment of a specified sum individual lots can be released from any encumbrance or title obtained from the owner where only a land contract, option, trust agreement, custodial trust agreement or other agreement exists;

(b) Make arrangements that the final payment on any contract for the sale of a lot of such subdivision shall become due and payable before any encumbrance shall become due and payable or before the expiration of the seller's land contract, option, trust agreement, custodial trust agreement or other agreement unless the first payments made by the purchaser shall immediately be used for the purpose of releasing the lot sold from any encumbrance or used for the purpose of obtaining title;

(c) Make arrangements where a purchaser has paid to the vendor or seller on a land contract, or any other type of installment contract, up to an amount where the balance due on said contract equals the amount required to release the mortgage, trust agreement, custodial trust agreement or other lien on the lot or real estate included in said land contract, or other type of installment contract, or to obtain title, that the remaining payments either shall be paid directly to the mortgagee, lien claimant, or trustee, or owner of the fee, or shall be set up in a trust fund located in a bank in the state of Wisconsin in conformity with section 452.09, Wis. Stats., to release such encumbrance or obtain title by satisfying the terms of the land contract, installment contract or option and such trust fund shall be maintained in such form that it is liquid at all times;

(d) Make arrangements that at the time of sale the purchaser shall be fully and completely advised of the seller's interest in the land, of the existence of any encumbrance on the property in question and that the contract with the purchaser of the lot or other real estate shall state the amount of the encumbrance, the name of the

holder of the encumbrance, and the terms upon which it can be released or title obtained;

(e) Make arrangements to furnish such further information as the examining board may reasonably require to enable it to determine whether the land and or developers meet the requirements of section 452.10 (2), Wis. Stats., Wis. Adm. Code section REB 5.01 and Ch. REB 7 and further to determine the background and experience of each member of the development, of the partnership or corporation, to transact the business in such manner as to safeguard the interests of the public.

(3) FURNISHING INFORMATION. (a) The Wisconsin broker representative shall submit all of the above information for board's consideration.

(b) No action shall be taken by the board on any application submitted under this rule unless said application is submitted by a duly licensed Wisconsin broker. Said broker shall not sell any of said lands until authorized in writing by the board.

History: Cr. Register, April, 1972, No. 196, eff. 5-1-72.