

(c) A broker shall name the broker's real estate trust account with the name appearing on the broker's license or with a trade name submitted to the department under s. RL 23.03.

(5) **DUTY TO NOTIFY THE DEPARTMENT.** (a) A broker shall provide the department with the name and number of every real estate trust account maintained by the broker and the name of the depository institution in which the broker holds each real estate trust account.

(b) A broker shall notify the department whenever a broker changes a real estate trust account name or number, changes the method of doing business as required in s. RL 23.02, changes the real estate trust account from one depository institution to another or closes a real estate trust account.

(6) **AUTHORIZATION TO EXAMINE REAL ESTATE TRUST ACCOUNTS AND RECORDS.** (a) A broker shall authorize representatives of the department to examine and audit all the broker's real estate trust account records.

(b) A broker shall obtain the certification of every depository institution in which a broker maintains a real estate trust account attesting to the existence of the account and consenting to the examination and audit of the account by a duly authorized representative of the department.

(7) **TIME AND FORM FOR NOTIFICATION AND AUTHORIZATION.** (a) A broker shall provide information and authorization in subs. (5) and (6) no later than 10 days after opening or closing any real estate trust account or no later than 10 days after any change as required in sub. (5) (b), and at the time of each renewal of license.

(b) A broker shall provide the information and authorization in subs. (5) and (6) on a form provided by the department. This form shall be designated, "consent to examine and audit trust account." However, when closing a real estate trust account, a broker may inform the board by letter only.

*Note:* A free copy of this form may be obtained from the Department of Regulation and Licensing, Real Estate Bureau, 1400 East Washington Avenue, Madison, Wisconsin 53702.

*History:* Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.03 and am. (2), (4) (c), (5), (6) and (7) (b), Register, February, 1983, No. 326, eff. 3-1-83; am. (1) (a), (b), (4) (b) and (c), (5) (a) and (b) and (6) (b), cr. (1) (am), (c) and (d), r. (4), (d), Register, June, 1984, No. 342, eff. 7-1-84.

**RL 18.04 Authorization to sign trust account checks.** (1) **AUTHORIZATION.** A broker may authorize other persons to sign real estate trust account checks, share drafts or drafts drawn on the broker's real estate trust account.

*Note:* A free copy of this authorization form may be obtained from the Department of Regulation and Licensing, Real Estate Bureau, 1400 East Washington Avenue, Madison, Wisconsin 53702.

(2) **AUTHORIZATION OF OFFICERS AND PARTNERS.** A broker may not authorize an inactive partner or an unlicensed officer of a corporation to sign corporate or partnership real estate trust account checks, share drafts or drafts unless the partner owns less than a controlling interest in the partnership or the officer is a minority stockholder in the corporation.

(3) **MINIMUM QUALIFICATIONS.** Minimum qualifications for persons other than licensed officers and licensed partners to be authorized to sign

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a broker's real estate trust account checks, share drafts or drafts are the following:

(a) The person shall be an employe of the broker and working in the broker's office, except as provided in sub. (4).

(b) The person shall be a resident of the state of Wisconsin and currently reside in the state of Wisconsin.

(c) The person shall be at least 18 years of age.

(4) **AUTHORIZATION OF BROKER'S ATTORNEY OR ACCOUNTANT.** The department may authorize an attorney licensed to practice law in Wisconsin or a certified public accountant to sign checks, share drafts or drafts drawn on a broker's real estate trust account, if the attorney or accountant is retained by the broker.

(5) **WAIVER OF REQUIREMENTS.** With the exception of sub. (3) (b), the department may, upon written request and evidence of extenuating circumstances, waive portions of this section.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.04 and am. (1), (2), (4) and (5), Register, February, 1983, No. 326, eff. 3-1-83; am. (1), (2), (3) (intro.) and (4), Register, June, 1984, No. 342, eff. 7-1-84; am. (1), r. (2) (a), renum. (2) (b) to be (2) (a) and am., Register, June, 1988, No. 390, eff. 7-1-88.

**RL 18.05 Receipt for earnest money received.** A broker and a broker's licensed salespersons shall indicate on the offer to purchase the receipt of initial earnest money received by them from a buyer.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.05, Register, February, 1983, No. 326, eff. 3-1-83.

**RL 18.06 Escrow agreement for earnest money.** If the parties to a transaction do not desire that the broker hold the earnest money in the broker's real estate trust account, and wish to agree to some type of escrow arrangement other than that provided for in the offer to purchase with respect to earnest money deposits, the escrow agreement shall not be drafted by the broker. The escrow agreement shall be drafted by the parties or an attorney. The broker shall not hold the funds in the broker's real estate trust account, nor shall the broker act in any way as custodian of the funds for the parties. The funds, pursuant to the escrow agreement, shall be held by some other party, such as a bank, a savings and loan association, a credit union or an attorney.

History: Cr. Register, April, 1981, No. 304, eff. 5-1-81; renum. from REB 9.06, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, June, 1984, No. 342, eff. 7-1-84.

**RL 18.07 After closing escrow agreements.** (1) Except as provided in sub. (2), if the parties to a contract wish, or are required, to place funds in escrow until some future occurrence, and they request that the broker hold these funds, an agreement to that effect shall be prepared by the parties or an attorney. If the broker holds these funds, the broker shall place them in the broker's real estate trust account.