Time to network!
WYPN, CRS, Women’s Council and more networking events at convention.

Flood insurance 101
Flood facts and insurance rates.

In writing!
...Or it didn’t happen.

Income tax reform
How does it impact you?
WORKING TOGETHER TO STRENGTHEN OUR COMMUNITIES

ASSOCIATED BANK IS PROUD TO SUPPORT THE EFFORTS OF THE WISCONSIN REALTORS’ ASSOCIATION.

By working together, we keep our communities strong, vibrant and growing.

We offer a variety of mortgage options with affordable rates and flexible terms:

- Free preapproval
- Conventional fixed-rate mortgages
- Adjustable-rate mortgages
- New construction loans with low down payment options
- Refinancing
- VA, FHA and GRIH loans

Help your customers open the door to home ownership with a mortgage loan from Associated. We’ve been helping people reach their dreams of home ownership for over 150 years.

Visit us online at AssociatedBank.com or call our Associated Mortgage Relationship Team at 855-432-5715 (available Monday – Friday, 8 a.m. – 5 p.m.).

AssociatedBank.com
Real estate ripple effect
Those signatures go far beyond the closing table, both economically and socially.

Flood insurance 101
The ins and outs about flood insurance and flood facts.

Legal Hotline
Questions and answers about multiple-buyer situations.

In writing!
... Or it didn't happen.

WRA product showcase
An update on WRA form changes.

Election themes
An early look at what to expect in the 2014 elections.

Wisconsin tax reform
How will the major tax reform package impact your practice?

Don’t miss the WRA’s 5k Run/Walk at the 2013 convention!
This scenic 3-mile route through the Kalahari countryside on September 15 at 9 a.m. will help wounded veterans. Net proceeds from the race will benefit the Wounded Warrior Project, a nonprofit organization that honors and empowers wounded warriors. Walkers, runners and kids welcome!
Visit www.wra.org/Convention5k for complete details.

Mark your calendar for the 2013 WRA annual convention, the WRA's showcase event of the year where hundreds of REALTORS® gather from all corners of the state. What technology tools will you use? What new marketing strategies will you adopt? What's your plan for the next year? This year's convention will help you to energize your business and give you practical tips on how to maximize your potential. Convention also gives you a chance to attend networking events, complete continuing education courses and participate in workshops. See you in September!
The Ripple Effect

Visualize a real estate closing, where John and Jane try to steady their slightly trembling hand to sign the documents buying their first home. It’s a magical moment for them but also for their REALTOR®, who guided them through an increasingly complex process marked by equal amounts of excitement and stress. And in the end, everyone is fulfilled.

Now visualize this moment happening hundreds, and thousands, of times across Wisconsin and across the country. The positive impact of buying a home is felt not just by the buyers and sellers and REALTORS®, but of everyone involved in the transaction including appraisers, bankers, title insurers, inspectors, movers and many more.

And now, zoom out further and take an even bigger look at the impact of that transaction — not just to those directly involved — but the larger economic impact on related businesses from construction to financing to supplies to furnishings to home fixtures to lawn care and all the related purchases that support or follow that single closing.

And if you pull back even further and consider the impact that transaction has on the social fabric of a community, its schools, amenities, parks, roads, police and fire protection, garbage collection, and other essential services that add to the quality of life for not just those directly involved in the transaction, but for all their neighbors, you can see why real estate is truly the most significant driver of economic growth and general well-being. The ripple effect of those signatures by John and Jane at that closing will be felt throughout the community and throughout the economy.

While John and Jane aren’t thinking about the broader social and economic benefits of their new home purchase, policymakers should. This is the story we need to tell to anyone who will listen during these important times, when real estate markets are making significant gains at precisely the time that national and state policymakers are considering significant changes in tax and budget policies.

A strong real estate sector is a critical component of economies at all levels. A strong housing market helps fuel macroeconomic growth and, as we’ve seen all too painfully in recent years, a weakened housing market can bring an entire national economy to its knees.

Several years ago, the WRA commissioned a study of the prominent role that housing plays in Wisconsin’s economy and the overall quality of life of our residents. Lawmakers, regulators and the general public would benefit greatly by understanding some of the key findings from that study, including:

• Real estate constitutes the second largest industry sector in Wisconsin, accounting for 11 percent of the gross domestic product (GDP). Separately, construction accounted for an additional 3.4 percent of state GDP.
• Employment in real estate averaged approximately 20,000 jobs with total compensation of $757 million.
• Every $1 million in real estate sector spending generated over $440,000 in economy output in other economic sectors.
• Revenues to local governments from property taxes totaled over $8 billion, accounting for over 95 percent of all local governmental revenues.
• Homeownership rates in Wisconsin were consistently higher than the national average at over 70 percent.
• Homeownership constitutes a substantial portion of the wealth of state residents and is a good investment. Median home prices rose over 79 percent over the decade of the 1990s and increased 162 percent between 1990 and 2006 — far outpacing the rate of inflation during both periods.

In addition to these tangible economic benefits, there are numerous social benefits to homeownership, including more stable neighborhoods, better performing schools, stronger ties to community involvement and improved outcomes for families.

John and Jane were probably thinking more about their moving boxes and the excitement of settling into their new home than they were about the economic, social and community impact when they affixed that somewhat wobbly signature to those closing documents.

But as individual REALTORS® and as an association, we must not only share in the joy of this one couple — we must educate policymakers and the general public that homeownership should be viewed as more than just a potential source of tax revenue to balance out-of-whack government budgets. We must show that real estate and housing represent the single greatest engine for economic stimulus, community and family cohesiveness, and our desired quality of life. Homeownership should be encouraged through our tax code, our regulatory policies and our family values. If we’re successful, the positive ripple effect of a strong real estate market will be felt throughout society.

**“The Importance of the Real Estate Industry for the Wisconsin Economy” study conducted by C3 Statistical Solutions, Drs. David E. Clark and Steven E. Crane, principle investigators.**
NAR’s REALTOR Benefits® Program

When you take advantage of NAR’s REALTOR Benefits® Program, you can choose from a variety of valuable offers and savings from industry leaders. For more details, visit www.realtor.org/realtorbenefits.

List is valid through June 26, 2013 and subject to change.

Financial Services and Risk Management
- American Home Shield
- Credit Union
- Victor O. Schinnerer (E&O)

Personal Insurance
- Drug Card America
- Liberty Mutual (auto, home, renter’s insurance)
- Major Medical Exchange
- REALTORS® Core Health Insurance
- REALTORS® Dental Insurance
- Short Term Medical

Marketing
- Ifbyphone®
- Lowe’s®
- REALTOR Team Store®
- Xceligent Inc.

Office Supplies & Services
- FedEx
- FedEx Office
- OfficeMax®

Technology Services
- Rackspace®
- SentriLock LLC

Electronics & Mobile Technology
- Dell Inc.
- Hewlett-Packard
- Lenovo®
- Sprint
- Xerox

Transaction Management
- DocuSign®
- relay®
- zipForm® 6

Travel and Automotive
- Avis
- Budget
- Chrysler Group LLC
- Hertz

Education Resources
- ABR®
- BPOR®
- e-PRO®
- NAR Green Designation
- SFR
- SRES®

Member Prescription Discount

Save up to 60 percent on select generic prescriptions and up to 15 percent on select name-brand prescriptions at over 60,000 pharmacies nationwide, including most major chains, with the new free prescription drug card. Taking advantage of the new prescription card offer is easy: no age limit, no income requirement, no waiting period and no pre-existing condition restrictions exist — and the card is active upon signup!

1-877-267-3752 | www.drugcardamerica.com/NAR

YPN Lands in Wisconsin!

In 2006, REALTOR® Magazine launched the Young Professionals Network (YPN). Throughout the nation, groups of real estate professionals have since formed regional professional networks with the goal of career advancement, building relationships and making a difference in the real estate industry, their communities and within their associations.

With the endorsement of the Wisconsin REALTORS® Association board of directors, the Wisconsin Young Professionals Network (WYPN) was created in spring 2013. “We are very excited at the positive interest across the state and the impact we may have on the future of real estate in Wisconsin,” said WYPN chairman Kel Svoboda.

“Have No Fear – YPN is Here!”, the WYPN launch event held at this year’s annual state convention on September 15, welcomes REALTORS® of all ages and technology levels. Whatever your professional career fear, this event is designed to address and conquer fears from the challenges of technology to how to best serve today’s buyers and sellers. To learn more about this networking event, visit www.wra.org/ConventionNetwork.

Interested in joining WYPN? Contact WYPN@wra.org today.
Home Sales and Median Prices Grow by Solid Margins

WISCONSIN HOUSING STATISTICS MONTHLY ACTIVITY — MAY 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Median Price</th>
<th>MAY 2013</th>
<th>MAY 2012</th>
<th>% Change</th>
<th>YTD 2013</th>
<th>YTD 2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>$152,800</td>
<td>$146,400</td>
<td>+4.4%</td>
<td>2,577</td>
<td>2,240</td>
<td>+15.0%</td>
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<tr>
<td>South Central</td>
<td>$171,950</td>
<td>$160,375</td>
<td>+7.2%</td>
<td>1,652</td>
<td>1,282</td>
<td>+28.9%</td>
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<tr>
<td>West</td>
<td>$139,000</td>
<td>$132,000</td>
<td>+5.3%</td>
<td>748</td>
<td>629</td>
<td>+18.9%</td>
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<tr>
<td>Northeast</td>
<td>$127,000</td>
<td>$119,500</td>
<td>+6.3%</td>
<td>1,256</td>
<td>1,123</td>
<td>+11.8%</td>
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<td>$112,800</td>
<td>$107,500</td>
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<td>450</td>
<td>389</td>
<td>+15.7%</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>$107,000</td>
<td>$123,000</td>
<td>-13.0%</td>
<td>617</td>
<td>513</td>
<td>+20.3%</td>
<td></td>
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<tr>
<td></td>
<td>Median Sales Prices</td>
<td>$144,000</td>
<td>$138,000</td>
<td>+4.3%</td>
<td>$135,000</td>
<td>$126,000</td>
<td>+7.1%</td>
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<tr>
<td></td>
<td>New Listings</td>
<td>13,649</td>
<td>11,726</td>
<td>+16.4%</td>
<td>52,502</td>
<td>53,222</td>
<td>-1.4%</td>
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<tr>
<td></td>
<td>Closed Sales</td>
<td>7,304</td>
<td>6,181</td>
<td>+18.2%</td>
<td>25,651</td>
<td>22,658</td>
<td>+13.2%</td>
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<tr>
<td></td>
<td>Existing Home Sales</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Strong home sales in Wisconsin for May helped boost prices up, according to the most recent statistical report released by the Wisconsin REALTORS® Association (WRA). The sale of existing homes in May increased 18.2 percent over last May, now the 23rd straight month of positive sales growth in Wisconsin, which helped push the median price up 4.3 percent to a statewide median of $144,000.

“These are very positive signals and represent an uptick from the pace of sales established in the first four months of the year,” said Renny Diedrich, Chairman of the WRA board of directors. Existing home sales rose 10.3 percent from January through April this year compared to that same four-month period in 2012. “There’s no doubt consumer demand has been strong over the last couple of years, but now we’re also seeing sellers jump back in the market as well,” said Diedrich, noting new listings of homes for sale jumped 16.4 percent in May compared to last year. “This increased supply should help moderate price increases that can occur during periods of very strong demand,” she said.

Wisconsin home sales grew in every region of the state in May with the strongest spike in sales seen in the South Central region where sales increased 28.9 percent compared to May 2012. Existing home sales were up 20.3 percent in the North, and they rose 18.9 percent in the West region of the state. Both of these regions have significant second home markets, which can be more volatile than the

primary home market. Finally, home sales rose 15.7 percent in the Central region, increased 15.0 percent in the Southeast, and grew 11.8 percent in the Northeast over the May 2012 to May 2013 period.

The median price for homes in May was $144,000, an increase of 4.3 percent. “Prices showed solid but sustainable growth,” said Michael Theo, WRA president and CEO. “We saw some large increases in median prices in March and April, so it’s good to see more modest increases in May,” he said. Median prices rose in five of the six regions statewide, with the increase strongest in the South Central region, up 7.2 percent, followed by the Northeast region where prices were up 6.3 percent. Median price increased in the West, Central and Southeast regions between 4.4 percent and 5.3 percent over the period between May 2012 and May 2013. Only the North region experienced a fall in median prices over the period, down 13 percent. “It’s not uncommon to see prices in the northern part of the state fluctuate substantially when there is a shift in the mix of properties between primary and second homes,” said Theo.

Although continuing to slip, housing affordability remained solid in the state due in large part to low interest rates. The Wisconsin Housing Affordability Index shows the percentage of the median-priced home that a buyer earning the median family income can afford to buy, given current mortgage rates and a 20 percent down payment. The index was at 239 in May, which is down from its peak of 292 in January of this year.

Despite quite a weak job market, the Conference Board’s Consumer Confidence Index has increased in each of the last two months, with the most recent release indicating that consumers are more optimistic about the future conditions of the economy and future job prospects. “We expect the combination of improving consumer confidence and low mortgage rates to keep demand strong throughout the summer, and this will put upward pressure on prices,” said Theo. “Potential buyers may have missed the bottom of the price cycle, but there continues to be excellent value in this market,” Theo said.

“While both mortgage rates and home prices rising, Wisconsin housing continues to be very affordable, and an experienced REALTOR® is still the best way for buyers to identify the best deals,” he said.

David Clark, Ph.D, is a professor of economics at Marquette University and serves as a consultant to the WRA in the analysis of existing home sales data as well as in the preparation of the monthly Wisconsin Housing Report. For more information, contact Clark at C3 Statistical Solutions at 414-803-6537.
2013 Highlights

- Opening Session with Steve Gilliland
- General Session with George Fleming
- Icebreaker Party (Superhero Street Party)
- Real estate continuing education classes included with registration
- Over 30 sales, marketing and technology workshops
- 1st Annual 5k Run/Walk
- Golf Outing at Trappers Turn
- Chairman’s Reception (Open to all attendees)
- Over 70 exhibitors
- Networking events for Young Professionals, CRS and Women’s Council
- Door prizes, food, awards, $500 in cash and more!
- Register early and save!
Don’t miss the WRA’s showcase event of the year where REALTORS® gather together from all corners of the state for classes, networking and fun! This year, activities revolve around the “Taking it to the Streets” convention theme. What technology tools will you use? What new marketing strategies will you adopt? What’s your plan for the next year? This year’s convention will help you to energize your business and give you practical tips that you can “take to the street” to maximize your potential. Convention also gives you a chance to attend networking events, complete continuing education courses and participate in workshops.

**SCHEDULE**

**MONDAY**

**SEPTMBER 16**

- 7:30 a.m. – 2:30 p.m.  Convention registration open
- 7:30 a.m. – 6:00 p.m.  Cyber Center Open
- 7:30 a.m. – 8:30 a.m.  Service Club Meetings
- 8:00 a.m. – 2:30 p.m.  Exhibits open
- 8:30 a.m. – 4:30 p.m.  Appraisal CE: Residential Appraisal Issues: Addressing the Common Conundrum
- 8:30 a.m. – 12:30 p.m.  Real Estate CE – Elective C: Wisconsin Property Management
- 9:00 a.m. – 12:00 p.m.  Expanded Broker Track: 50 Questions Leaders Should Ask in 2014
- 8:45 a.m. – 10:00 a.m.  General Session: “Breaking Through to Your Bigger Game: Playing Big When the Market is Playing Small” with speaker George Fleming
- 10:30 a.m. – 11:45 a.m.  Workshops
- 10:30 a.m. – 3:30 p.m.  WRA AE Lunch & Meeting
- 11:45 a.m. – 1:00 p.m.  CRS Networking Lunch — open to all attendees! (Ticketed event.)
- 1:00 p.m. – 4:30 p.m.  Real Estate CE – Course 2: Wisconsin Offers
- 1:00 p.m. – 4:00 p.m.  Expanded Broker Track: Profit or Loss ... Coaching Your Agents to Peak Performance and Bottom-Line Results
- 1:00 p.m. – 2:15 p.m.  Workshops
- 2:30 p.m. – 3:30 p.m.  Workshops

**SUNDAY**

**SEPTMBER 15**

- 9:00 a.m. – 12:30 p.m.  Real Estate CE – Elective C: Wisconsin Property Management
- 9:00 a.m. – 2:30 p.m.  Golf Now Golf Outing (shotgun start)
- 9:00 a.m. – 10:45 a.m.  Home Stretch 5k Run/Walk
- 11:00 a.m. – 6:00 p.m.  Convention registration open
- 12:00 p.m. – 6:00 p.m.  Cyber Center Open
- 12:00 p.m. – 6:00 p.m.  Exhibit grand opening with exhibit kickoff speaker Tom Weber, Planet Freedom
- 4:00 p.m. – 6:00 p.m.  Opening Session “Enjoy the Ride” with speaker Steve Gilliland
- 6:00 p.m. – 7:00 p.m.  Chairman’s Reception (open to all convention attendees)
- 7:00 p.m. – 8:00 p.m.  Women’s Council of REALTORS® Statewide Meet & Greet
- 7:00 p.m. – 8:00 p.m.  WYPN Launch Events “Have No Fear YPN is Here”
- 8:30 p.m. – 1:00 a.m.  Icebreaker Party “Superhero Street Party”
Be a part of the festivities immediately following the Opening Session and welcome Steve Lane as the 2014 WRA Chairman, Dan Kruse as WRA Chairman-elect and KC Maurer as Treasurer. All convention attendees welcome!

Steve Lane, 20-year real estate industry veteran, has served on various boards as a director, trustee and member. Such boards include the Central Wisconsin Multiple Listing System as president and director, the Wisconsin REALTORS® Association board, Golden Sands Home Builders Association and more, as well as several non-real estate-related committees such as the Stevens Point Barbershoppers and the Stevens Point Area Youth Football Association. Lane is the founding director and current chairman of the Education Enrichment Fund for Stevens Point Public Schools and has held this position since 2004.

Lane earned his Bachelor of Science in Economics and Bachelor of Arts in Russian and East-Central European Studies from the University of Wisconsin-Stevens Point. Lane currently is the vice president and co-owner of First Weber Group of North Central Wisconsin with over 140 agents.

Lane and his wife Mary live in Plover, Wisconsin.

Fasten your seat belt ... this keynote will challenge you both personally and professionally! Through humor and reality-tested techniques, Steve Gilliland reveals the way to face conflicting demands in an unforgiving business environment that keeps getting tougher. Steve’s “explosion of enthusiasm” is absolutely contagious throughout his speech, from the beginning when he demonstrates how to ignite your passion to the end with his compelling challenge to keep your focus. Get ready and hold on as one of North America’s premier speakers outlines a roadmap for success and shows you how to “Enjoy the Ride”!

We are facing unprecedented economic challenges. And if we don’t bring our big game when facing these challenges, we experience struggles, stress, poor performance, burnout, and the frustration of not knowing how to reach our true potential. New times require new strategies, so welcome to the Bigger Game! In this life-changing interactive program, you will experience your own personal breakthrough into a powerful new way of living, working and leading.
The WRA will be hosting its first-ever 5k run/walk! Grab your shoes and get ready for Home Stretch 5k Run/Walk, a scenic 3-mile route through the Kalahari countryside. Net proceeds from Home Stretch will go to the Wounded Warrior Project (WWP), a nonprofit organization with its mission to honor and empower wounded warriors.

Nearly 50,000 service men and women have been injured in recent conflicts, and approximately 400,000 face combat-related stress, major depression and post-traumatic stress disorder as well as another 320,000 believed to have experienced traumatic brain injury while deployed. WWP’s programs are structured to nurture the mind and body, and encourage economic empowerment and engagement.

Take your giving to the next level with a donation. Visit www.wra.org/Convention5k for complete information about the event as well as to sign up and to print a pledge form.

The 5k registration fee is not tax deductible, however all donations are tax deductible.

This promotion is sponsored by the Wisconsin REALTORS® Association, which is solely responsible for its fulfillment. The “Wounded Warrior Project” name and logo is used with permission. More information about the Wounded Warrior Project may be found by visiting the website at www.woundedwarriorproject.org or by calling WWP at 877-832-6897. Net proceeds from the race benefit the Wounded Warrior Project.

Calling all superheroes! It’s time to ban together at this year’s Icebreaker Party, “Superhero Street Party,” to fight real estate’s arch nemesis: transaction stress. Enjoy a night of catching up with old friends and meeting new ones. Dance the night away with the DJ and the tunes of the Spicy Tie Band.

Ironman? Wonder Woman? Flash? Which superhero are you?! Grab your favorite superhero costume or create your own and don’t miss your chance to win prizes at the Icebreaker Party Costume Contest! The contest judging starts at the Icebreaker at 10:00 p.m. with prizes awarded for Best Dressed Male, Best Dressed Female and Best Dressed Group. Who knows? … maybe The Avengers will make an appearance.

Get your clubs ready and hop into a GPS-enabled golf cart at the gorgeous Trappers Turn Golf Club! Trappers Turn offers a masterful layout in an area carved by glaciers with the Wisconsin Dells countryside as a backdrop, co-designed by U.S. Open champion Andy North and renowned golf course designer Roger Packard.

Trappers Turn golf carts include a full-color state-of-the-art GPS system that allows golfers to view advanced graphics of each hole and provides precise measurement to the pin, hazards and other carts on the course.

Ranked 4 1/2 out of 5 stars on Golf Digest’s “Best Places to Play” directory, you’ll enjoy a great round of golf with the challenging design at Trappers Turn!

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 Ranked 4 1/2 out of 5 stars on Golf Digest’s “Best Places to Play” directory, you’ll enjoy a great round of golf with the challenging design at Trappers Turn!

The photo contest is back for the 2013 convention, with new features and new prizes!

Round 1: Submissions 1 Now – August 16
Submit your entry at www.wra.org/PhotoContest.

Round 2: Facebook voting 1 August 19 – 30
Anyone on Facebook can vote for their favorites in the gallery of entries on the WRA Facebook page.

Round 3: Final convention voting 1 September 15
The top 10 vote-getters from Facebook will be in the final round of votes on September 15 in the exhibit hall at convention. The top three will be announced on September 16 at the General Session and will win the grand prizes!

$500 in prizes!
• 1st place: $250 Visa gift card and free 2014 WRA convention registration (a $100 value)
• 2nd place: $100 Visa gift card
• 3rd place: $50 Visa gift card

Photo credit
Your entry may be in this magazine! All submissions are eligible for future recognition in Wisconsin Real Estate Magazine with a photo credit if a photo is chosen to complement an article.

The submission period is now open — so what are you waiting for?! Enter your Wisconsin photos into the contest today. View complete rules on the photo contest website for eligibility.

www.wra.org/PhotoContest
**TWO-FER CONVENTION SPECIAL**

Register one WRA member for one full convention pass at regular price and a second WRA member at a special introductory price.

The second guest must be a member of the WRA who has never attended the fall convention or has not attended in the past five years. Limit one discounted registration per full convention pass.

To receive the promotion code, you will be required to register using the Individual Registration button. At the completion of the registration process, you will receive a promotion code, which you will forward to the second WRA member.

www.wra.org/ConventionRegistration

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**RESERVE YOUR ROOM**

The WRA has reserved a block of rooms for convention attendees at the Kalahari:

- Standard room: $109
- Jacuzzi suite: $149
- Royal African queen suite: $179
  (Add $20 per room for the night of Sept. 14)

To reserve your room, visit www.wra.org/ConventionHotel or call 1-877-253-5466 and ask for the Wisconsin REALTORS® Association 2013 room block.

Room rate expires August 16, 2013.

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**EXPANDED BROKER TRACK**

**50 Questions Leaders Should Ask in 2014**

9:00 a.m. – 12:00 p.m.  |  Monday, September 16

What you ask for, you will receive! Successful brokers, owners and leaders across the U.S. are asking questions of their sales teams that generate answers leading to production and profitability. What questions should you ask in today’s real estate world? You’ll learn these questions in this session as well as developing the answers into growth opportunities for your firm. Instructor: Jack O’Connor

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**Profit or Loss ... Coaching Your Agents to Peak Performance and Bottom-Line Results**

1:00 p.m. – 4:00 p.m.  |  Monday, September 16

This interactive session for brokers, managers and team leaders focuses on increasing productivity and profitability in today’s market. In this session, you’ll gain valuable insight from an exchange of ideas regarding recruiting, retaining and training agents. You’ll learn about three programs to implement in your business that increase agent loyalty and profitability. Additional topics in this session include information on development and implementation of individual agent success plans, brokerage posture, culture character, systems in place and much more! Instructor: Rhonda Hamilton

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**COMPLETE 9 HOURS OF CONTINUING EDUCATION**

**Elective C – Wisconsin Property Management**

9:00 a.m. – 12:30 p.m.  |  Sunday, September 15

This elective gives timely information for those currently involved in or looking to expand into property management. This elective explores lease agreements and reviews Wisconsin residential rental practice regulations, Wisconsin landlord and tenant laws, fair housing laws and more. Instructor: Jonathan Sayas

**Course 1 – Wisconsin Listings**

8:30 a.m. – 12:00 p.m.  |  Monday, September 16

This course covers the listing contracts used by property owners to hire a broker to market a property. It also focuses on contract provisions such as delivery, marketing, protected buyers, extension of the listing, open houses and more. Instructor: Cori Lamont

**Course 2 – Wisconsin Offers**

1:00 p.m. – 4:30 p.m.  |  Monday, September 16

This course reviews use of the WB-11 Residential Offer to Purchase. This course explores situations that trigger disclosure obligations and provides instruction on contract provisions, acceptance and binding acceptance, and delivery including rules for electronic delivery. Instructor: Jonathan Sayas

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**SEVEN-HOUR APPRAISAL CONTINUING EDUCATION**

**Residential Appraisal Issues – Addressing the Common Conundrum**

8:30 a.m. – 4:30 p.m.  |  Monday, September 16

This course will help ensure that you meet the highest standards when completing a real estate appraisal. You will learn about the newest lender and government pronouncements as well as practical procedures and solutions to ensure that your reports comply with federal requirements and industry guidelines.

You’ll be able to interact with other students to ask questions and receive answers from cited sources as well as input from peers on how to perform, analyze and report on a variety of issues impacting the residential appraiser. Some of the several topics on the agenda include GSE and FHA guidelines, relocation appraisals, Dodd-Frank and appraiser independence, cost approach and more. Instructor: Alan Hummel

This course has been submitted for Wisconsin Appraiser and Assessor CE and Michigan and Minnesota Appraiser CE credit.
TAkING IT To THE STreeTS

WRA ANNUAL CONVENTION

"TAKING IT TO THE STREETS"

CONVENTION

WORKSHOPS

MONDAY

SEPTEMBER 16

10:30 – 11:45 A.M.  Does Your Business Have Bounce? The Power of a Personal Brand
Karel Murray
The Seven Styles of Success in Real Estate: Agent Strategies for Today and Tomorrow
Bruce Gardner
E-World EZ-How to Harness the Power of Online Communications to be the CELEBRITY AUTHORITY in Your Marketplace
Terri Murphy
Nine Negotiating Strategies That Close More Deals
Rich Levin
The Buyer Counseling Session
Rhonda Hamilton
Real Estate Tech Product Buying Guide
Craig Grant
Five Secrets to Finding All the Clients You Will Ever Need
Jo-Ann Sloan
Let’s Get Digital! Signing Documents with Digital Ink
Jennifer Lindsley
How to Connect with Gen Y When You’re in Gen X
Ted Schaar

1:00 – 2:15 P.M.  An Agent’s Dirty Dozen of ‘Do Nots’
Karel Murray
Achieve! Four Hours a Day to 100K!
Bruce Gardner
Connect ONLINE — Convert OFFLINE!
Terri Murphy
How to Get Appointments at Every Open House
Rich Levin
Mastering Today’s Real Estate Sales Skills
Jack O’Connor
60 Apps in 60 Minutes
Craig Grant
Rev-In-You: Real Estate Professional as Small Business Owner
Jo-Ann Sloan

2:30 – 3:30 P.M.  Minding the Gap: Applying Generational Concepts
Karel Murray
Amazing Apps for Agents
Bruce Gardner
Stop Selling and Start Connecting! 5 Ways to Connect and Convert before You Get to the Door
Terri Murphy
The Seven Most Powerful Money-making Presentations Skills
Rich Levin
It’s All about Accelerating Your Sales
Jack O’Connor
Run Your Real Estate Business on Google
Craig Grant
The Real Estate Warrior: Stress Management 24/7
Jo-Ann Sloan
Great Pricing Presentations with RPR
Ernie Bottom

September 15  I  12:15 p.m. – 1:30 p.m.
EXHIBIT SPEAKER

In the exhibit hall, you’ll find vendors associated with real estate, mortgage, insurance and more, that can help you build your business! And, you’ll find many exhibit hall features new this year!

"Train Your Brain for Success: Winning the Name Game"
Sept. 15, 12:15 – 1:30 p.m. with Tom Weber, Planet Freedom

Being a REALTOR® demands that your memory be in great shape — you have to remember a wealth of information such as prices, addresses, listing information, to-do items, presentations and, most importantly, names. In this session, you’ll learn practical steps for remembering names. You’ll also discover how your brain functions and its impact on memory.

September 15  I  Sessions between 1:40 p.m. – 3:30 p.m.
EXPO STAGE

Sit back and learn! The brand-new Expo Stage will combine learning and networking in a special stage area in the exhibit hall. Attend a demonstration to learn about advances in real estate-related products and services.
### REGISTRANT ONE INFORMATION:
- **Name:** 
- **Address:** 
- **City:** 
- **State:** 
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**TWO-FER: Register one WRA member for one full convention pass at regular price and register a second WRA member at a special introductory price.** See details at www.wra.org/Convention. Your second guest must be a member of the WRA who has NEVER attended the annual convention or has NOT attended in the past five years. Limit one discounted registration per order. Register using this form or by visiting www.wra.org/Convention. After you have registered, you will receive a promotion code. Give this promotion code to a WRA member and tell that member to visit the website to register and take advantage of the discounted pricing.

**TWO-FER: 2nd WRA MEMBER INFORMATION:**
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- **Address:** 
- **City:** 
- **State:** 
- **Zip:** 
- **Phone (W):** ( ) 
- **Phone (H):** ( ) 
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**Non-Member**
- **Before 7/31:** Before 8/15 | After 8/15 | ATD
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**Real Estate Continuing Education** — select up to three CE courses included for free in your full convention pass!
- **Elective A: Wisconsin Property Management I 9:00 a.m. – 12:30 p.m. I Sept. 15**
- **Course 1: Wisconsin Listings I 8:30 a.m. – 12:00 p.m. I Sept. 16**
- **Course 2: Wisconsin Offers I 1:00 p.m. – 4:30 p.m. I Sept. 16**

**Event Fees – Per Person:**
- **Golf (9/15)** Trapper's Turn Golf Club: $98
  - Member One: $90
  - Member Two: $90
- **5k Run/Walk (9/15)**
  - Adult participants 16 and over: $25
  - Ages 10–15: $10
  - Under 10: $5

**CANCELLATION POLICY:** The WRA reserves the right to cancel courses if not filled. Cancellations must be made in writing prior to September 15, 2013 and will be refunded, minus a $25 administration fee. Registrations cannot be transferred from person to person.

*Race participants under 10 years of age may purchase a race t-shirt for $10 and must pre-register. All other race participants automatically receive a race t-shirt when pre-registering by Aug. 26. Race t-shirts not guaranteed day of race.

## Hotel Information:
- **Kalahari Resort and Convention Center**
  - 1305 Kalahari Dr. | Wisconsin Dells, WI 53695
  - Phone: 608-254-5466 or 877-253-5466

### Payment:
- **Register by mail:** WISCONSIN REALTORS® ASSOCIATION
  - 4801 Forest Run Road, Suite 201 Madison, WI 53704-7337
- **Register by phone:** 608-241-5168
- **Total amount:**
  - **Enclosed is my check made payable to the WRA**
  - **Charge my VISA / MasterCard (circle one)***
  - **Card Number:** 
  - **Exp. Date:** 

[**WWW.WRA.ORG/CONVENTION**](http://WWW.WRA.ORG/CONVENTION)
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Reach out to EBI and OS2U today! Contact Tod Dean at EBI at TodD@ebiweb.com or 800-324-1691 ext. 424, or Bob Brooks at OS2U at BobB@os2u.com or 888-508-6728.

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Learn more at www.wra.org/ExclusiveGroupBenefits. If you have questions about the WRA member benefits, contact Debbie Thacker at dthacker@wra.org or by calling 800-279-1972.

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For the most part, these “goat hunters” are self-doubting, insincere, and in a lot of cases, not even aware of who they really are. Worse yet, they don’t realize the destructive impact of their behavior and how others truly perceive them. Those who accept their behavior are, more often than not, a reflection of themselves. So how do you survive all of this negativity? As author and professional speaker Steve Gilliland suggests, hide your goat!

Just where do you hide your goat? It all depends on what you believe gets your goat — or in other words, what pushes your buttons the wrong way. You are the person who chooses how you will respond to people and circumstances. You are the person who either has enough self-esteem to accept what life throws at you, or the person who feels the need to retaliate. Have you been wronged? Have you experienced times where you didn’t receive everything you deserved? Do you spend your time and energy on what should have been, or are you going to focus on what can be?

Even when truth and justice are on your side, you may never be able to right your wrongs. A major diversion to hiding your goat
is when you allow destructive emotions to consume your energy and make you negative. As you look back trying to right your wrongs, you become resentful, angry, hateful and bitter. Instead of worrying about someone making it right, refocus so you can move forward. Every mistake, broken promise or slip-up can develop a paralyzing grip. Stop wasting priceless hours envisioning revenge toward an uncaring person. Resentment is about another person who seldom gives thought to their offense. Remove all the resentment, jealousies and self-centeredness, and just let go.

If you are holding on to past hurts and pains, let go. If a client or coworker angered you, let go. If you are holding on to thoughts of evil and revenge, let go. If you are holding on to a job that no longer meets your needs or abilities, let go. If you have a dire attitude, let go. If you keep judging others to make yourself feel better, let go. If the approval you are seeking from family, friends or co-workers isn’t happening, let go.

The mastery of life is the mastery of self. We all have our hot buttons that, when pushed, can cause us to emotionally detonate. However, people can only ruin our day if we give them permission. For the most part, people seek to be liked and accepted. While they may say one thing, their actions do not match their so-called beliefs. It would explain why some people spend money they don’t have, to purchase things they don’t need, to impress people they don’t even like. Growing up, we were challenged with fitting in, and years later we are still seeking the approval of our families, friends, neighbors and co-workers. Pessimism, cynicism and distrust are byproducts of trying to fit in.

Surviving the negativity that surrounds you isn’t as much about the people who are negative as it is about you. Until you are able to be confident in your own thinking, you will forever fall prey to the people who find your goat and ride it. It is time to hide your goat!

Steve Gilliland is the Opening Session keynote speaker at the WRA’s annual convention in September 2013. As one of the most sought-after speakers in the world, his appeal transcends barriers of age, culture and occupation. His book, Enjoy the Ride, has been on the publisher’s best selling list for seven years, and he was named author of the year in 2010. Steve was inducted into the National Speakers Association’s Speaker Hall of Fame in July 2012. For more information about his presentations and resources, visit www.stevegilliland.com.
Flood Insurance Rate Adjustments

Helping property owners keep premiums in check

Flood insurance is a prerequisite for federally backed mortgage loans for structures located within a floodplain (100-year or regional floodplain), also referred to as the Special Flood Hazard Area (SFHA). Flood insurance can be purchased by any property owner or renter in a community participating in the National Flood Insurance Program (NFIP), including over 500 communities in Wisconsin.

On July 6, 2012, the Biggert-Waters Flood Insurance Reform Act took effect and made significant reforms to the NFIP. The act creates stability and ends the succession of 17 stop-gap, short term extensions of the NFIP and its crucial flood insurance policies by extending the program for five years. The act seeks to bring financial stabilization to the NFIP, which has recently experienced six catastrophic loss years since 1995, each with a payout of one billion dollars or more, including Hurricane Katrina in 2005. But making the NFIP self-sustainable will lead to increased flood insurance premiums for some property owners in SFHAs. Many property owners have been paying low flood insurance premiums, especially those who had rates subsidized by the Federal Emergency Management Agency (FEMA) for many years. The act raises the rates for certain classes of properties to reflect the true flood risk. Rate changes to reflect actual flood risk are triggered at various points such as when flood maps are revised, when a policy lapses or when a property is sold.

New rates caused by assortment of factors

Different property owners may experience flood insurance premium increases over the next few years based on a number of different causes.

1. **Subsidies phased out:** The act requires FEMA to take steps to eliminate a variety of existing flood insurance subsidies. A subsidized policy is one that does not pay the full actuarial rate and is not reflective of the true risk of flood to that property. For structures built before FEMA-mapped floodplains or SFHAs on Flood Insurance Rate Maps (FIRM), the NFIP made flood insurance available at subsidized rates that did not include the true risk of flooding. These are called pre-FIRM properties. Only 20 percent of NFIP policies receive subsidies, and FEMA data indicates there are over 5,000 such policies in Wisconsin.

   Insurance subsidies and discounts will be phased out and eventually eliminated for most properties in the future. Subsidies will be phased out for

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**Flood facts**

- 52 percent of the U.S. population lives within 50 miles of a watershed.
- Flooding is the most costly and frequent natural disaster in the country.
- In Wisconsin, the primary cause of floods is excessive rain, snowmelt or a combination of the two.
- A structure located in a floodplain or SFHA has a 26 percent chance of being damaged by a flood over a 30-year mortgage.

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non-primary residences in an SFHA, properties that experienced severe repetitive loss, business properties in an SFHA, and properties that have incurred flood-related damages where claims payments exceed the fair market value of the property. Premium rates for these properties will increase 25 percent per year until they reflect the full actuarial levels reflecting the full flood risk.

Owners of primary residences in SFHAs will keep their subsidized rates until they sell the home, the policy lapses, the property suffers severe, repeated losses or a new policy is purchased.

2. Flood map revisions: Premium rates for other properties, including non-subsidized properties, will increase as new or revised flood insurance rate maps become effective. Weather patterns, erosion and development can increase flood risk while better science and technology provide more accurate definitions of flood risks. Flood risks and the costs of flooding change. These factors can all lead to flood map revisions. Premiums for properties affected by flood map changes will increase over five years at a rate of 20 percent per year to reach full risk rates, starting in late 2014.

3. New properties included in floodplain: As new maps are developed, it is possible that structures not previously located within an SFHA will be designated as such, and property owners will therefore be required to obtain flood insurance. Under the act, a new flood insurance policy may not be subsidized and, therefore, the owner will pay full risk rates.

4. New reserve fund assessment: Along with normal annual rate revisions, there will be a 5 percent assessment to build a catastrophic reserve fund. FEMA projects that overall premiums will increase an average of 10 percent beginning late this year.

What property owners should do

- Talk to their insurance agents to see if their premium subsidized: Unfortunately there is no easy way to tell which properties are impacted by any of the new measures. A property owner’s insurance agent can help determine his or her specific situation. Property owners also can check the FEMA Map Service Center to view a map showing which zones the property may be located in at www.msc.fema.gov.
- Have an Elevation Certificate completed: An elevation certificate verifies the elevation of the lowest floor of a structure relative to ground level. This is the only way to get an accurate picture of the actual risk and determine the correct rate. Flood maps cannot be appealed, but a property’s elevation and corresponding flood insurance rates can be corrected in the owner’s favor. See www.floodsmart.gov/floodsmart/pages/residential_coverage/questions_to_ask_your_agent.jsp.
- Determine if the community participates in the community NFIP rating system: The Community Rating System (CRS) offers insurance premium discounts (up to 45 percent) for individuals in communities implementing floodplain management practices that exceed the minimum requirements of the NFIP.

Definitions

Floodplains: Lowland areas adjacent to lakes, wetlands and rivers that are covered by water during a flood. The floodplain is land that has been or may be covered by floodwater during the regional or 100-year flood. The floodplain includes the floodway and flood fringe areas.

Floodway: The channel of a river or stream and those portions of the floodplain adjoining the channel required to carry the regional flood discharge. The floodway is the most dangerous part of the floodplain – it is associated with moving water.

Flood fringe: The floodplain area outside of the floodway that is covered by standing flood water during a regional flood.

Special Flood Hazard Area (SFHA): FEMA terminology for the land area covered by the floodwaters of the base flood (100-year or regional flood) on NFIP maps. This is the area where the mandatory purchase of flood insurance applies. These areas are indicated on Flood Insurance Rate Maps (FIRMs).

Pre-FIRM: Structures built prior to the first identification of the property in a floodplain on a community’s Flood Insurance Rate Map (FIRM) are called “pre-FIRM” properties and their flood insurance rates are subsidized by FEMA.
By implementing CRS floodplain management best practices, flood losses are reduced, public safety is enhanced, and the cost of flood insurance is decreased. Visit www.fema.gov/national-flood-insurance-program/community-rating-system.

- **Determine whether elevation grants are available to raise the property:** FEMA provides hazard mitigation grants to states for activities such as structure elevation, property acquisition, and flood-proofing. When completed, these activities can reduce or eliminate risk, which may result in lower flood insurance rates. To learn more, visit www.fema.gov/hazard-mitigation-assistance.

  Current NFIP flood insurance policyholders in SFHAs may be eligible for up to $30,000 to help pay the costs to bring the home or business into compliance with the community's floodplain ordinance if the structure has been declared substantially damaged from a flooding event. This insurance coverage is known as Increased Cost of Compliance and can help pay the cost of flood-proofing, elevation, relocation or demolition.

- **Higher deductibles will help lower premiums.**

- **Raise the building or flood-proof:** One way to reduce future losses and premiums is to raise the building above the minimum required elevation standards or to flood-proof a non-residential building. The higher a property is, the lower the flood insurance rate. Other ways to reduce premiums may also include adding vents to enclosures, installing breakaway walls, or relocating the structure further from the flood source if possible.

The National Association of REALTORS® has been meeting with FEMA to express concerns regarding the impact these new rates and premiums will have on property owners and property transactions. There also have been legislative efforts in Congress to lessen the impact on property owners, but modifications have yet been unsuccessful.

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Debbi Conrad is Senior Attorney and Director of Legal Affairs for the WRA.
Best of the Legal Hotline: The Market is Heating Up for Summer — How to Work with Multiple Buyers

As the summer selling season heats up, more questions relating to multiple buyers and the use of the bump clause have been the topic of conversation on the WRA Legal Hotline. Some of the more frequently asked question and answers about these topics follow.

Multiple offers

Multiple buyers and the Multiple Counter-Proposal

A seller has received three offers on his listing and is expecting a fourth as well. How can the brokers advise the consumers of the use of the multiple counter-proposal?

Step one: working with the seller

In situations where there are multiple buyers, the seller may be referred to the WB-46 Multiple Counter-Proposal, which would allow the seller to negotiate simultaneously with both buyers.

The WB-46 “proposal” is used to allow the seller to negotiate with more than one buyer and avoid risking multiple accepted primary offers. The broker may discuss with the seller the potential pros and cons of using a WB-46. In some cases, buyers do not want to participate in what may be lengthy negotiations or a bidding war for the seller’s property. After consideration, the seller may elect to use the WB-46 Multiple Counter-Proposal to negotiate with more than one buyer; or in the alternative, the seller may elect to accept one of the offers as presented or negotiate with one buyer and reject the other offers.
Step two: working with the buyers

If the seller decides to initiate multiple counter proposals, each buyer is given time to consider the seller’s proposal. The buyer may accept it, reject it and walk away from the transaction, or reject it and draft a new offer or counteroffer including terms and conditions acceptable to the buyer. A broker working with a buyer should let the buyer know there is nothing requiring the seller to wait for any or all of the buyers to respond to the multiple counter proposals. The buyer should respond in a timely manner or risk losing the opportunity to purchase the property. In addition, the seller may use different proposals for different buyers. For example, one WB-46 issued by the seller may increase the price while another changes the closing date. If the buyer accepts the seller’s multiple counter proposal, it becomes an offer from buyer to seller that can be confirmed (accepted) by the seller to create a binding sales contract.

Step three: working with the seller

The seller may receive more than one accepted multiple counter proposal back, at which time the seller would consider which was more attractive. It is also possible for the seller to accept an offer from another buyer. The best offer could be accepted and the others would either be allowed to die or could be countered back as secondary. The seller is not required to respond to all offers, but should be careful that the decision of no response is based on legitimate reasons; the seller does not want to risk any accusations of fair housing law violations. For example, if the concern is price, all offers could be addressed on a multiple offer equation used to determine price must be clear and unambiguous.

Escalation clauses

The buyer is very interested in the property and knows the seller has been presented with two offers. Can a buyer say they will pay more than another offer?

Yes, it is a legitimate negotiation strategy to negotiate price at an amount above another's offered price. The offer to purchase must state the price the buyer is willing to pay to purchase the property. 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 price must be clear and unambiguous.

Drafting issues to consider include: using only another bona fide offer to determine price, a maximum price that would be offered, requesting the seller to provide copies of other offers directly to the buyer, and the time allowed for other offers. The buyer may also be reminded that price may not be the seller's most important condition for the sale of property.

Primary and secondary offers

To bump or not to bump

The seller has an accepted primary offer with a 72-hour bump, and a secondary offer has been accepted. What are the seller’s options? Does it matter if the secondary offer is also contingent on the sale of the home or financing?

Does the seller have to bump the primary buyer?

According to the standard WB-11 offer, so long as the accepted secondary offer is a bona fide offer, the seller may trigger the bump clause with the first buyer, or the seller may wait. The second offer may include any terms or conditions at a higher or lower purchase price, with different closing dates or contingencies. The terms of the secondary offer, including the lock-in period, will influence whether the seller initiates the bump immediately, waits, or elects not to bump the primary buyer. Note, however, that in some offers or addenda, secondary buyers will modify the standard language and require the seller to initiate the bump with the primary buyer.

Renegotiate with primary buyer

A seller has an accepted primary offer and also accepted a secondary offer. The seller also is considering serving the bump notice to the primary buyer. The secondary offer is a better offer, and the seller feels that the primary buyer may try to remove the home sale and meet the financing contingency as required by the primary offer. Can the seller have the primary buyer meet the terms of the secondary offer and not give the bump?

A seller may try to renegotiate the terms of an offer with a primary buyer. However, the primary buyer is not required to agree to the seller’s proposal. If the seller initiates the bump and the primary buyer wishes to remain in primary position, the seller only needs to meet the terms of the closing of the buyer’s property contingency as it exists in the accepted offer. If the primary buyer agrees to the seller’s proposed terms, the parties should amend the offer. In such a case, the buyer may ask for language in the amendment that the bump clause is removed from the contract so that the seller cannot attempt to bump them again in the future.

The broker is working with a buyer who knows there is a primary offer on the property. What negotiation strategies can the buyer use to get into primary position?

The negotiation to modify the secondary offer language of the offer can fall into the following broad categories: (1) require the seller to, within a certain time, issue the bump notice to the primary buyer; (2) require the seller to elevate this secondary offer into primary position in case the primary offer fails; or (3) limit the seller’s ability to renegotiate with the primary buyer. Each of these tactics is subject to negotiation.

Actual receipt

There is confusion about when the timing starts when a bump notice is given — does the timing begin when the notice is delivered, or when the agent working with the buyer receives the notice, or when the buyer receives it?
The offer states that the time runs from when the buyers, not their agent or recipient for delivery, have actual receipt. Actual receipt is defined in the offer as, “ACTUAL RECEIPT: ‘Actual Receipt’ means that a Party, not the Party’s recipient for delivery, if any, has the document or written notice physically in the Party’s possession, regardless of the method of delivery.” The definition clarifies that actual receipt has not occurred when the agent gets a notice, only when the buyer does. Therefore delivery to the agent will not start the clock — only actual receipt by the buyer will.

Proving actual receipt can be challenging when accomplished by any method other than personal delivery. There are techniques that may be used to attempt to prove when a party actually receives the notice, for example, certified or registered mail, or “receipt requested” e-mails are possible.

Tracy Rucka is Director of Professional Standards and Practices for the WRA.
Believe it When You See it

Getting verbal negotiations, acceptance and counteroffers in writing

Samuel Goldwyn once said, “[a] verbal contract isn’t worth the paper it’s written on,” about the word of a colleague whom he felt so strongly about that he did not require a written agreement from this person and actually preferred to work only with a verbal commitment and a handshake.

While the sentiment behind this contrary statement is admirable, it is not one that should be adopted by real estate licensees practicing in Wisconsin.

In my opinion, “get it in writing” is one of the major mantras that all real estate licensees should follow. Now it may be the attorney in me, but I want everything in writing. I even want your lunch order in writing because I want to have a full understanding of the terms of our agreement, even if it’s just extra mayo. And yes, we will even define “extra” as it applies to that mayo.

“Get it in writing” may seem like a simple mantra, however in practice, there are often others that attempt to derail your refrain. For example, is it not uncommon to hear agents complain or comment about the attempts of relocation companies, bank-owned (REO) properties, short sale transactions and For Sale By Owner (FSBO) sellers to create contracts verbally rather than executing a written agreement. Sometimes these situations arise because the respective sellers don’t understand Wisconsin contract law, while others may be attempting to have the buyer believe and proceed as though they are contractually obligated to fulfill their obligations, with the seller knowing they have contractual freedom because there is no written agreement.

Verbal acceptance is not binding

In Wisconsin, a verbal contract for the conveyance of an interest in land is void unless there is a writing that meets the requirements of Wisconsin Statute Chapter 706. Wis. Stat. §§ 706.02(1)(d) & (g) indicates that the offer is invalid until it is signed by the grantors and delivered.

Verbal negotiations are lawful, but if the proposal is in substance a counteroffer, it must be in writing. In addition to Wis. Stat. Ch. § 706.02, Wis. Admin. Code § REEB 24.08 requires brokers to put all agreements in writing. A licensee shall put in writing all listing contracts, guaranteed sales agreements, buyer agency agreements, offers to purchase, property management agreements, option contracts, financial obligations and any other commitments regarding transactions, expressing the
exact agreement of the parties unless the writing is completed by the parties or their attorneys or is outside the scope of the licensee’s authority under Wis. Admin. Code § REEB 16.

Until the parties have a written, signed and delivered contract, there is not an accepted offer according to Wis. Stat. § 706.02. Despite the verbal negotiations and apparent “agreement” on terms and conditions, a binding agreement between the buyer and the seller has not materialized because there is no written agreement between the parties.

In *Marking v. Suwillo* (No. 2006AP 659, Ct. App. 2006), the court strictly applied the formal contract requirements set forth in Wis. Stat. § 706.02(1) to an offer to purchase, including the requirement that an offer be signed by, or on behalf of, all parties. The court also noted that while intent to contract is a necessary component to contract formation, it does not eliminate the requirements of Wis. Stat. § 706.02.

### Role of licensee

When a cooperating broker is informed that the buyer’s offer was accepted, and there is no written documentation of such on the offer to purchase or other written evidence, the buyer is not in a contract. Too often, brokers relay the seller’s message of “acceptance” to the buyer, and the buyer does not have a full appreciation that the warm fuzzy feeling is an illusion — the buyer is not any closer to contractually owning that home than the moment they submitted the offer. The buyer should be told candidly about the reality of a verbal acceptance; and while it may seem promising, the parties have not entered into a contract.

The licensee should caution the buyer that Wisconsin law requires an offer to purchase to be signed and delivered before it is valid. Lines 23-24 of the WB-11 Residential Offer to Purchase clearly state that the offer is accepted when the buyers and sellers have signed an identical copy of the offer — and until such time as the offer is accepted and delivered to create binding acceptance, the real estate licensee should not represent that there is an accepted offer to purchase.

A licensee may indicate to the buyer that the seller is giving favorable consideration to the buyer’s offer, but that the offer cannot be valid until it is signed and delivered. If a buyer has any questions regarding his or her legal rights or the status of the offer, the buyer should be referred to legal counsel for appropriate advice.

Due to the lack of written acceptance, many of the offers will expire if the company does not sign and deliver them, per the terms of the offer to purchase, by the stated deadline for binding acceptance. This may require brokers to draft a counteroffer extending the date for acceptance — assuming the buyer is still willing to wait.

If the time for binding acceptance passes on the offer, either the buyer or seller can initiate counteroffers to extend the timelines to allow for written acceptance and delivery. In transactions with pending foreclosures or REO sellers, it may be difficult to get the seller to initiate counteroffers or sign offers in a timely fashion. Therefore, to obtain a signed contract, it may be necessary for the buyer to initiate the counteroffers.

### Risk management when functioning in an imperfect world

I recognize that you cannot control the behavior and practices of others in a real estate transaction. When an acceptance or a counteroffer is not being documented in writing by the other side participating in the transaction, caution your party about the risk of acting as though they are in a contract and encourage them to speak with legal counsel as to their legal obligations. And when you make this caution and recommendation for your party to follow up with legal counsel, go back to your mantra — “get it in writing.” A paper trail of both this caution and recommendation to follow up with legal counsel is as important as defining your expectation of the “extra” mayo.

*Cori Lamont is Director of Regulatory Affairs for the WRA.*
New Developments in Wisconsin Real Estate Forms

zipForm® Plus Beta coming soon!

The next evolution of zipForm® is now available for beta testing! zipForm® Plus offers many new features, including:

- Powered by HTML 5 technology — java-free and no plugins required.
- Redesigned and enhanced user interface with quick-loading forms and an updated form viewer with easily accessible tools.
- Unified transaction list consisting of stored files and transaction forms in one cohesive list.
- Improved search tools, transactions, contacts and forms equipped with a search bar that displays real-time results.
- Customized e-mail signatures are available, and once saved, are included with each e-mail sent from zipForm® Plus.
- Enhance transactions, contacts and account profile in zipForm® Plus with photos.

To access zipForm® Plus Beta, log in to your zipForm® 6 Professional account, and after logging in, either click the link to try the zipForm® Plus Beta, or click “Not Now” to continue to your zipForm® 6 Professional account.

During the beta test period, individual users are encouraged to submit feedback within the zipForm® Plus interface. To submit feedback regarding zipForm® Plus Beta, click on “Feedback” while in the program to report an issue or make a suggestion. You can also view a list of improvements that have already been addressed based on user input. Known issues currently being addressed are related to printing and saving from Google Chrome and Mozilla Firefox browsers.

Walt McDonald, board chairman of zipLogix, the maker of zipForm®, says, “allowing current users to take part in our development process brings priceless practitioner feedback that will better serve all of our customers.”

zipForm® Plus Beta and zipForm® 6 Professional can be used conjunctively. Any information created or changed and saved from either program will be accessible through the other program. In other words, if you create any transactions or documents from within zipForm® Plus Beta, the information will also be accessible to you through your zipForm® 6 Professional program, and vice versa.

Forms update

Five of the WRA’s real estate forms received updates last month. These forms are currently available for purchase at www.wra.org/forms and will also be available soon electronically through your zipForm® account.

- WRA-SSO – Short Sale Addendum to the Offer to Purchase
- WRA-SSL – Short Sale Addendum to the Listing Contract
- WRA-SSC – Short Sale Checklist
- WRA-QST – Listing Questionnaire Regarding Title Issues
- WRA-SRR – Seller’s Refusal to Complete Condition Report

More information about these form updates can be found in the June 2013 Legal Update at www.wra.org/LU1306.

Nichole Mickelson is the Products Coordinator for the WRA.

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Wisconsin is a swing state, so single-party control by Democrats or Republicans doesn’t occur very often. And when voters do hand total control to either political party, that control has a tendency to be short-lived in the Badger State. Wisconsin Democrats had total control over state government in 2009 and 2010 before they were swept out of power in the 2010 GOP wave election.

Today, Wisconsin state government is controlled by Republicans across the board. Gov. Scott Walker has comfortable Republican majorities in the state Senate (18-15) and Assembly (60-39). As long as the governor and legislature agree on the issues, they can pass just about any policy they want into law. Minority Democrats are relegated to the loyal opposition.

But single-party control also shines a spotlight on the stark differences between the two parties on the major issues that divide them. As Gov. Walker and the GOP-dominated legislature have their way on issues such as taxes, education, job creation and more, Democrats respond by highlighting their differences and forcing Republicans to defend their positions on the difficult and controversial issues. It’s all they can do.

But the legislative process also allows the two political parties and their election allies a chance to anticipate the major issues in the next election. And it’s pretty clear where legislative Democrats believe Republicans will be vulnerable in 2014: taxes, education, health care and jobs.

With the battle over the state budget complete, here are a few of the major issues Democrats will likely focus on in 2014.
Income tax cuts

The GOP budget calls for a $650 million dollar cut to income taxes, which nearly doubles the governor’s original tax cut proposal. Democrats argue that those making $100,000 or more will receive 55 percent of the tax cuts, and they believe the cuts should be targeted to lowering the bottom rates, not those at the top. Democrats will surely hit Republicans with the “tax cut for the wealthy” argument in 2014. The average cut for all earners who receive a tax cut will be $158. The income tax cut for those making $100,000 to $150,000 will be $281 while those making $300,000 or more will see their taxes cut by $1,518, according to figures released by the legislature’s budget office.

Republicans say that the tax cut decreases all income tax rates, making it flatter and fairer.

Public school funding

Democrats will criticize Republicans for the additional funding for voucher schools and the $650 million income tax cut at the expense of more funding for public schools. In addition to the income tax cuts, Republicans expanded the voucher school program statewide, with enrollment caps of 500 students in the first year, and 1,000 students in the second, at a cost of $60 million. This expansion, along with the new $30 million tax break for parents who send their children to private schools, will cost $90 million annually. Republicans will note that they did in fact increase funding for public schools by $300 million over and above what Gov. Walker requested, capped enrollment in the statewide voucher program and will require choice schools to be held accountable with regular accreditation by the Department of Public Instruction (DPI). But Democrats will counter that a statewide voucher program will result in two separate school systems in Wisconsin, both paid by taxpayers.

Health care

Democrats wanted Gov. Walker to accept $114 million a year in federal Medicaid funds to expand Wisconsin’s BadgerCare program. Walker rejected the federal money and argued that there will be coverage for those who move off Medicaid; they would get it through the federal health care exchanges called for under the Affordable Care Act (also known as Obamacare). Democrats charge Walker’s plan will cover 85,000 fewer people and cost more over the next two years. Republicans say more people will be covered under the exchanges because slots will become available in the BadgerCare program.

Jobs

This line of attack will be based on how Wisconsin compares to other states in job creation. Today, Democrats criticize Walker because Wisconsin is 44th in the nation in job growth, 45th in wage growth, and last in short-term job growth. This, along with the governor’s promise to create 250,000 jobs in his first four years in office, will surely be used against Republicans running for legislative seats as well.

Gov. Walker will point to workforce development and other job creation initiatives, and that tens of thousands of jobs have been created.

There are 16 months until the 2014 midterm elections, but the election themes are developing quickly due to single-party GOP control of the Wisconsin legislature.

Joe Murray is Director of Political and Governmental Affairs for the WRA.
As part of the 2013-15 state budget, the Wisconsin legislature passed a major tax reform package that includes one of the biggest income tax cuts in our state’s history. The package includes approximately $651 million in income tax cuts over two years, a reduction in the number of income tax brackets from five to four, the elimination of numerous tax credits, and the removal of inconsistencies between state and federal tax codes. These changes are intended to reduce the tax burden for Wisconsinites, simplify Wisconsin’s tax code and make Wisconsin more attractive for job growth and economic development.

This article provides a summary of the major provisions in the tax reform package and the changes that will directly impact real estate.

Background

In 1911, Wisconsin became the first state in the country to create a state income tax. Since that time, Wisconsin’s reliance on income tax has grown and now makes up 24 percent of the state and local taxes paid by Wisconsin residents. Wisconsin collects over $6 billion in income tax revenues each year, with the average income tax liability averaging $3,189. Revenues from the state income tax go into the state’s general fund, which is used primarily to fund four main programs — school aids, the UW system, corrections and medical assistance.

Over the years, Wisconsin’s income tax code has grown more complex and confusing, with five different tax brackets, over 20 different income tax credits, and numerous differences from the federal tax code. In comparison to other states with income taxes, Wisconsin is often regarded as a “high tax” state, ranking 13th in income taxes. (Wisconsin also ranks 9th in property taxes and 35th in sales taxes.) Many believe that high tax rankings hurt Wisconsin’s ability to attract jobs and economic development opportunities to the state.

As part of his 2013-15 state budget, Gov. Walker proposed cutting state income taxes by $343 million through, among other things, lowering the income tax rate in Wisconsin’s three lowest tax brackets. However, Rep. Dale Kooyenga (R-Brookfield) and other members of the legislature’s Joint Finance Committee want to cut income taxes even further and eventually pass an income tax reform package that cut taxes by $651 million, almost doubling the tax cuts proposed by Gov. Walker.

Tax reform package

The tax reform proposal includes the following changes to Wisconsin’s income tax code and several changes to the law affecting property taxes and fees:

**Income tax brackets and rates:** Reduces the

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<th>Taxable Income</th>
<th>Current Law</th>
<th>Tax Reform Changes</th>
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<td>4.4%</td>
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</table>
number of income tax brackets from five to four and reduces the tax rate in each of the tax brackets.

**Depreciation:** Make Wisconsin’s depreciation laws consistent with federal law. While the federal tax code and Wisconsin tax code generally treat the depreciation of commercial property the same, the federal code currently allows bonus depreciation of 50 percent of qualified leasehold improvements in the year the improvements are placed into service. Note: the federal bonus depreciation is set to expire on January 1, 2014.

**Capital losses:** Make Wisconsin’s treatment of capital losses consistent with federal law. Wisconsin currently limits the amount of capital losses (the losses that are realized when real estate/asset is sold) that may be used to offset ordinary income to $500 annually. Federal law allows up to $3000 in capital losses to be deducted annually, and allows any unused losses to be carried forward until used up.

**Historic preservation tax credits:** Increases Wisconsin’s tax credit for historic rehabilitation credits from 5 to 10 percent of the improvements made to rehabilitate certified historic structures.

**Appeal of municipal fees:** Allows property owners to appeal the reasonableness of local fees to the Tax Appeals Commission and shifts the burden of proof to the municipality to show that the fees are reasonable. Municipalities and counties are allowed to charge fees for a variety of services, and the cost of such fees may not exceed the actual cost to provide those services. Currently, any appeal regarding such fees must be made to the municipality, where the fees are presumed to be reasonable. Thirty days after the appeal to the municipality, the property owner may appeal to circuit court.

**Tax credits:** Eliminates over 15 income tax credits for items such as dairy manufacturing facility investment, meat processing facility investment, film production services and investment, super research and development, post-secondary education, dairy and livestock farm investment, Internet equipment, relocated business, research facilities and community development finance.

**Estate taxes:** Sunset Wisconsin’s estate tax statutes for deaths occurring after December 31, 2012.

**What next?**

The tax reform package, along with other provisions in the state budget, recently passed both houses of the state legislature and was signed into law by Gov. Walker in late June.

For more information on the tax reform package and the state budget, please contact Tom Larson at the WRA at tlarson@wra.org or at 608-240-8254.

Tom Larson is Vice President of Legal and Public Affairs for the WRA.
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