



Wisconsin REALTORS® Association
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2027 Practice Changes: Compensation

Furthering Transparency. Encouraging Innovation.

Beginning January 1, 2027, Wisconsin's 2027 Practice Changes establish new requirements for how real estate firms may receive compensation in transactions involving residential property containing one to four dwelling units. These changes are part of 2025 Wis. Act 69 and are reflected in the revised WB listing contracts, buyer agency agreements and offers to purchase. The following FAQs are current as of October 12, 2026.

General Overview

1. What changes to compensation take effect January 1, 2027?

Beginning January 1, 2027, a real estate firm may not accept compensation from another firm for brokerage services performed in connection with a transaction involving residential property containing one to four dwelling units.

This means a listing firm can no longer pay a cooperating firm a portion of its commission for brokerage services provided in the transaction.

However, the law does not prohibit a seller from paying compensation directly to a firm working with the buyer. That payment must be expressly provided for in the fully executed offer to purchase or option to purchase signed by the buyer and seller.

Referral fees are permitted under Wisconsin law remain permissible.

2. Do the new compensation requirements apply to commercial property?

No. The new restrictions on firm-to-firm compensation apply to transactions involving residential property containing one to four dwelling units.

Negotiating Seller-Paid Compensation

3. Can a seller still pay all or part of the compensation owed to a firm working with the buyer?

Yes. The new law does not prohibit seller-paid compensation.



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A seller may agree to pay compensation directly to a firm working with the buyer if the payment is expressly provided for in the fully executed offer to purchase or option to purchase signed by the buyer and seller.

The payment is made by the seller to the firm working with the buyer, rather than through the listing firm.

4. May a buyer request that the seller pay the buyer's firm's compensation?

Yes. A buyer who has entered into a buyer agency agreement may include a provision in the offer to purchase requesting that the seller pay some or all of the compensation owed to the buyer's firm.

The Buyer Agent Compensation (Buyer Client) provision in the revised WB offers allows the buyer to make this request regardless of whether the seller previously indicated a willingness to pay compensation.

The seller may accept, reject or counter the request as part of the overall negotiation of the offer.

The amount of compensation is negotiable, and a seller may agree to different compensation amounts when considering different offers.

If the seller agrees to pay the buyer's firm, the agreement must be expressly included in the fully executed offer to purchase or option to purchase.

5. If the seller agrees to pay the buyer's firm's compensation, who makes the payment?

The seller pays the firm working with the buyer as provided in the executed offer to purchase or option to purchase.

The payment is not made by the listing firm because the new law prohibits compensation between firms for brokerage services performed in connection with transactions involving residential property containing one to four dwelling units.

6. Can the buyer's firm receive compensation from the seller if the payment is discussed but not included in the offer to purchase?



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No. For residential property containing one to four dwelling units, the seller's agreement to pay compensation to the firm working with the buyer must be expressly stated in the fully executed offer to purchase or option to purchase signed by the buyer and seller.

A verbal agreement or separate compensation agreement that is not incorporated into the executed offer or option does not satisfy this requirement.

7. Can the seller's agreement to pay the buyer's firm's compensation be added after the offer is accepted?

Yes. If the buyer and seller mutually agree, they may amend the accepted offer to include a provision requiring the seller to pay compensation to the buyer's firm.

The agreement should be documented in a written amendment signed by both parties so that the compensation provision becomes part of the executed offer to purchase.

Listing Contracts and Other WB Forms

8. What changes will sellers see in the revised WB listing contracts?

The revised WB listing contracts include an Offer of Compensation section in which the seller may indicate whether the seller “does” or “does not” offer compensation to another firm working with a buyer.

The default selection is “does not.”

The provision addresses compensation the seller may offer to another firm working with a buyer. It does not establish the compensation the seller agrees to pay the listing firm, which is addressed separately in the listing contract.

The listing contract also allows the seller to indicate whether the listing firm may disclose the seller's Offer of Compensation.

For residential property containing one to four dwelling units, any agreement requiring the seller to pay compensation to a firm working with the buyer must be expressly included in the fully executed offer to purchase or option to purchase.

9. If the seller selects “does not” offer compensation in the WB-1, may the seller later accept an offer in which the seller agrees to pay the buyer's firm?



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Yes. A seller who selects “does not” in the Offer of Compensation section of the WB-1 may later accept an offer to purchase in which the seller agrees to pay compensation to the firm working with the buyer.

The seller's selection in the WB-1 does not prevent a buyer from requesting that the seller pay the buyer's firm's compensation in an offer to purchase. The seller may accept, reject or negotiate that request.

If the seller agrees, the executed offer establishes the seller's obligation to make the payment.

10. How do the listing contract, WB-36 Buyer Agency Agreement and offer to purchase work together regarding compensation?

Each agreement serves a different purpose.

The listing contract establishes the seller's compensation obligation to the listing firm and addresses whether the seller offers compensation to another firm working with a buyer.

The WB-36 Buyer Agency Agreement establishes the buyer's compensation obligation to the buyer's firm.

The offer to purchase is where the buyer and seller negotiate whether the seller will pay compensation to the firm working with the buyer. If the seller agrees to make that payment, the obligation must be expressly included in the fully executed offer to purchase or option to purchase.

If the seller pays compensation to the buyer's firm, that payment reduces the amount the buyer owes under the WB-36. The buyer remains responsible for any remaining compensation owed under the buyer agency agreement.

The buyer's compensation obligation under the WB-36 and the seller's agreement to pay compensation in the offer are separate contractual arrangements.

11. Can a seller advertise that the seller is willing to pay compensation to a firm working with a buyer?

Yes. If the seller authorizes disclosure of an Offer of Compensation in the listing contract, the listing firm may communicate that information consistent with the seller's instructions.



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However, communicating the seller's willingness to pay compensation does not itself establish the seller's obligation to make the payment.

For residential property containing one to four dwelling units, the seller's agreement to pay compensation to the firm working with the buyer must be expressly included in the fully executed offer to purchase or option to purchase.

Multiple Representation

12. Can a buyer request seller-paid compensation when the same firm represents both the buyer and seller?

Yes. When a firm has a multiple representation relationship with the buyer and seller, the buyer may use the Buyer Agent Compensation (Buyer Client) provision in the revised offer to purchase to request that the seller pay some or all of the compensation owed under the buyer agency agreement.

In a multiple representation relationship, the same firm represents both parties. The firm has a listing contract with the seller and a buyer agency agreement with the buyer, and each agreement establishes separate compensation obligations.

The buyer's request does not depend on whether the seller previously made an Offer of Compensation. The seller may accept, reject or negotiate the request.

If the seller agrees, the payment reduces the buyer's compensation obligation under the buyer agency agreement. It does not automatically change the compensation the seller owes under the listing contract.

The firm must continue to fulfill its agency duties to both clients when addressing compensation.

Subagency

13. Can a subagent ask the seller to pay the subagent's compensation?

The revised WB offers to purchase include a Seller Offer of Compensation (Buyer Customer) provision that may be used by a subagent working with a buyer-customer only in response to an Offer of Compensation made by the seller.



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A subagent continues to owe duties to the seller and may not place the subagent's interests ahead of the seller's interests. The provision expressly requires its use to be consistent with those duties.

If the seller has already offered compensation to the firm working with the buyer-customer, the subagent may use the provision to document the seller's agreement to pay that compensation in the executed offer to purchase.

However, the provision is not intended to allow a subagent to independently request compensation when the seller has not made an Offer of Compensation.

Licensees practicing subagency should carefully consider their duties to the seller when addressing compensation.

Exceptions and Enforcement

14. Are referral fees prohibited under the new law?

No. The prohibition on firm-to-firm compensation does not apply to referral fees between licensees.

A referral fee is different from compensation paid to another firm for brokerage services performed in connection with the transaction.

For example, one firm may refer a buyer to another firm and receive an otherwise lawful referral fee when the receiving firm represents the buyer in purchasing a property.

15. What happens if firms enter into a compensation agreement that violates the new law?

Under Wis. Stat. § 452.19, an agreement or arrangement that violates the prohibition on firm-to-firm compensation is void and unenforceable.

This means firms should not assume that an agreement to pay prohibited compensation can be enforced merely because the firms agreed to its terms.

16. Where can licensees find more information about the 2027 Practice Changes?

The WRA's 2027 Practice Changes resource page includes information about the new requirements, revised WB forms, frequently asked questions, videos and other educational resources.



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Visit www.wra.org/practicechanges for additional information and updates.