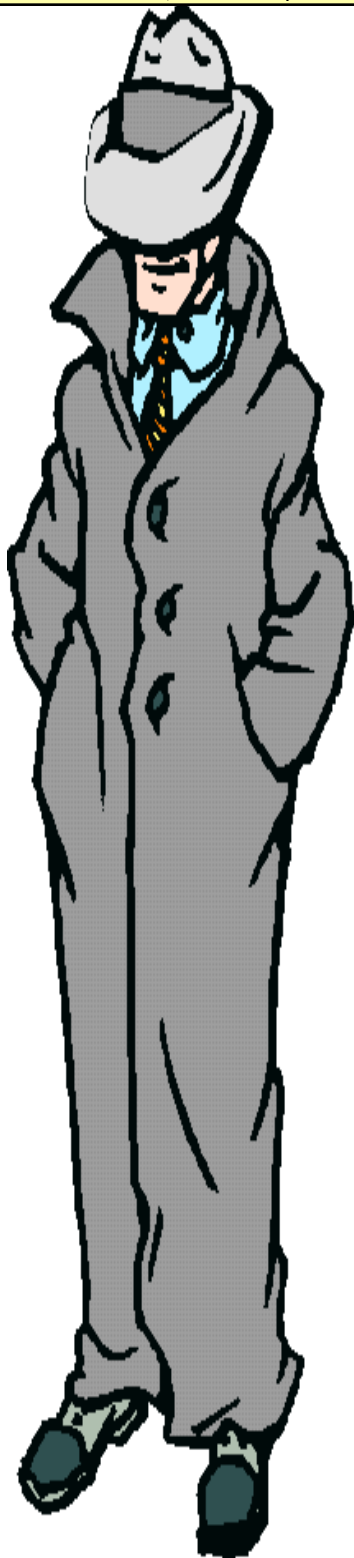


On December 28, 2005, Wisconsin Governor James Doyle signed the deceptively named "American Dream Consumer Act" into law. The real name should have been, "Let Big Real Estate Companies Write THEIR Dream Law & We Politicians Will Approve It Act" , as there was nothing consumer friendly about this law, at all. (The law went into effect on July 1, 2006.)

This brochure was created in 2004, when the laws were already disadvantageous for Wisconsin home buyers...but not nearly so much as today. Prior to the latest law change, written disclosure of who represents whom was required at the first meaningful point of contact...which absolutely meant before seeing a home with a licensee. Today, it can usually be put off until just before writing an offer, a point at which it may well be too late to secure a buyer's agent to represent your interests. Additionally, with the entry of Designated Agency into Wisconsin law, what was previously illegal--due to conflict of interest--is now blessed by the State of Wisconsin.



Greater Madison Area HomeBuyer Defense Guide

Five Secrets That Can Save, or Cost, You Thousands of Dollars

Secret #1 – Two Big Traps...One Nasty Result

Secret #2 – Conflict of Interest? What's That?

Secret #3 – Aren't All (Buyer) Agents the Same?

Secret #4 – My Services Are Free!!! (Yeah, Right)

Secret #5 – Save Today, and Lots More Tomorrow

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(Revised February 2008)

Secret #1: Two Big Traps...One Nasty Result

Trap #1: No licensee likely gives you the, State-Mandated, Disclosure of Real Estate Agency form early enough for you to discover--when it matters--what obligations licensees owe to various parties and how differing forms of representation or non-representation may affect you.

In essence, you are not “read your rights” until it is too late to protect yourself. Prior to the law change, you were entitled to disclosure at the first meaningful point of contact, which was prior to entering a home with any given licensee...whether for a private showing, or at an Open House.

Odds are that you will not see this form until you are ready to make an offer...a point at which it is likely to be too late for you to stop using a licensee who does not represent your best interests.

So, why don't they give you this form up front? Probably for the same reason you're never told about organized real estate's best kept dirty little secret...Trap #2, Procuring Cause. Such information reduces that licensee's chance of selling you a home, as you might want to stop and think.

Trap #2: Under Procuring Cause, the licensee who caused you to purchase the home is the one that is most likely to be due compensation. Usually, this means the one who first takes you to see the home is likely to get the buyer side fee which is already built into the transaction. This is the fee which could have gone to your chosen representative...instead of to the first licensee who, by law, almost certainly represents the best interests of the seller.

So, why is this problematic? Let's say you don't want to work with that licensee, for whatever reason. You don't like the person. You don't feel they're qualified. You don't like the fact that they represent the seller. Or, perhaps you have stumbled upon a company which only represents buyers and have seen what differences there are between having someone who always represents your best interests...and other types of licensees.

Guess what? Thanks to procuring cause, you are not--normally--free to choose. When you went to see the home with the first licensee, you may have been unwittingly robbed of your ability to choose representation, because the first licensee could go before a Realtor Panel and take away your buyer agent's compensation. Knowing that they might not be able to remain paid, most licensees simply won't risk representing you.

You, of course, are dumbfounded because you were never told how different agents can do different things for you...and you were certainly never told that merely seeing a house could obligate you to stay with a licensee whom you never knowingly chose.

Jay Reifert will never turn down a prospective client whose trust has been abused in this fashion, unless (s)he doesn't care that (s)he was abused. If you are bothered by being trapped, Jay will use his knowledge to untangle you and give you proper representation in your pursuit of a home. However, if you knew about procuring cause prior to reading this, then even Jay can't help.

As mentioned on the first page of this brochure, Designated Agency is now, unfortunately, the law of the land, in Wisconsin. Rather than rewrite this page, it has been left mostly intact. The issues of concern raised on this page are unchanged. In spite of how things may be written below...Designated Agency is now in Wisconsin...and should be avoided, if possible.

Secret #2 Conflict of Interest? What's That?

If you're like most buyers, you probably want to get the home you want for as little money, and on as good of terms for yourself as possible. Sellers, on the other hand, want to sell for as much as they can and on terms that are as favorable to themselves as possible.

These are conflicting interests and any real estate firm that undertakes to represent the interests of one party in a transaction does so at the expense of the other. ~~Taking that further, if a firm represents a buyer and a seller in the same transaction, both parties are going to receive reduced services, as the firm and their particular licensee are functioning as **dual agents** and have to go neutral in the transaction.~~ As reading...keep in mind, Designated Agency is a form of dual agency.

Amazingly, some large real estate companies are now trying to create a legal framework in Wisconsin—called Designated Agency—that would allow the managing broker to appoint one licensee in a transaction to represent the seller...and another licensee from within their firm to represent the buyer in that same transaction, magically making all conflict of interest disappear. This would be like getting sued by a party and then hiring that party's attorney to "represent" you. On whose side will the loyalty fall? Do you really want to risk finding out?

In addition to the obvious conflicts between buyer and seller interests, here are some other interesting conflicts to consider, if Designated Agency comes to Wisconsin. The same dangers exist with Dual Agency...but, all of the liability and risk stays with the firm under Dual Agency, whereas under Designated Agency it is transferred to the buyer and/or seller :

- * Considering there is a buyer side fee and a seller side fee, doesn't the firm stand to gain twice the money by bringing together an "in-house" transaction?

- * How do they keep their licensees from sharing sensitive information with one another, or from accessing files of opposing parties?

- * Do they offer their licensees more money, or other incentives, for selling their own company listings than for selling another company's listings?

- * Do they have sales contests that might cause your "representative" to move you toward a property that is better for them, than you?

- * How are you benefitted by allowing their firm to use its resources to act both for you ...and against you in a transaction?

- * Do they use sales volume to help determine who gets promoted—for instance, to sales manager—in their company?

- * If a bonus is offered on a property, do you get it...or does the company/associate?

Jay Reifert, and his firm, only represent buyers. Jay does not practice Dual Agency, and will not offer Designated Agency or any other form of Limited Agency. Jay represents the best interests of his buyer clients and, in the unlikely event that a conflict develops between Jay's interests and a client's, it will be disclosed immediately and completely.

Secret #3: Aren't All (Buyer) Agents the Same?

Truly, most are. However, there is one type that is incredibly different...and it costs nothing more to use one of them, than to use the services of any other type of licensee. You want an Exclusive Buyer Agent, because Exclusive Buyer Agents—and their firms—do not list property or represent seller interests. Jay Reifert is an Exclusive Buyer Agent, offering undivided loyalty to his clients...always working toward getting them the lowest price/best possible terms.

Does that mean that his, or their, services are free? A simplistic approach would be to say yes...but it really isn't an honest approach. You don't pay the fee directly, but you do pay it indirectly and, if you choose a licensee poorly, you will also pay in other ways. (See Secret #4 for the full story on *free* services.)

Before going further, you need to understand that the only licensee who can watch out for your best interests is a buyer's agent...and, more importantly, an exclusive buyer agent. In the absence of a written agreement with a buyer's agent, you are ALWAYS working with an agent who represents the best interests of the seller and who is obligated to work toward getting the highest price at the best possible terms for the seller. Always.

How else is Jay different?

- * He contractually guarantees savings. Three percent off list price or you get a portion of his fee. In 2003, Jay returned a total of over \$21,400.00 to twelve different clients under this pledge. (Jay represented 28 different clients in 2003.)

- * He provides you access to an inspector who saves his clients thousands of dollars every year. (Over \$15,000.00 in 2003.) This inspector routinely catches things that other inspectors have missed...and—in Jay's opinion—has knowledge that far exceeds the norm.

- * You'll see more homes in less time with Jay, and he will NEVER try to sell you on any particular home. However, he will always point out the aspects of homes that could be major negative factors on resale, counseling clients against purchasing such homes. And, even in the instances—such as via competition from another buyer—where savings aren't possible, at least you can judge the property condition and take appropriate next steps.

- * Jay will always negotiate as hard in your favor as he can, in light of all circumstances relative to the home that you wish to pursue.

- * Jay will offer you access to mortgage products that can help you save on rate and closing costs at the front end...and will show you ways to generate tens of thousands of dollars more in interest savings through the life of your loan.

- * Every service Jay offers—and there are many not mentioned here—will help you save time, money and effort in the homebuying process.

Secret #4: My Services are FREE!!! (Yeah, Right.)

Is this a secret, or a myth? Free, in my opinion, really means that the service provider is not getting paid to provide services. Do you really believe that a person is going to work for, or with, you for weeks or months and not be paid for what they do? Would you?

Now, here's the secret...

Under normal circumstances, when a seller engages the services of a firm to sell his or her property, s/he'll sign a listing contract with a licensee of a given firm to market and sell the property. In many instances, this fee is six percent of the final sales price...though it can be seven, five or any other number under the sun.

Then, normally, the firm that has this property listing will put the property on a Multiple Listing Service and offer half of the fee to whomever brings the buyer. Does it have to be half? No. Just as there is no set fee which a seller must pay, there is no set split. That said, it is statistically true that the most frequently--by far--offered buyer side fee is three percent. That buyer side fee is that from which Jay--or the person who works for "free"--gets paid.

Mystery solved. Or is it? The issue of who is paying the fee is really one of perspective. Jay says that his services come to you at no additional charge, as they are already earmarked for the person who brings the buyer in the transaction. As such, you pay nothing more to use him than to use any other licensee.

But, you do pay. Look at it this way: Whatever the final purchase price turns out to be, you are responsible for bringing that amount to closing. At closing, the seller takes that which was your money, mere seconds before...and then pays all licensee fees. The seller does not prepay any licensee. The seller uses your money to pay. One more time...without your money, no one gets paid.

So, do you really think you're getting served for free? To Jay, you are paying him, indirectly, through the transaction. He never forgets that fact and you shouldn't either. He knows who butters his bread. You do. He knows to whom he owes his loyalty. You.

Also remember, when you're judging the services of any licensee, whether they tell you that you're getting them for free, or not, you could stand to lose in so many other ways. If that person is not skilled in buyer representation, you could lose money through overpaying for your home, by choosing a mortgage that's too costly, by having an inspector that misses substantive defects...or in any number of other ways borne out of that licensee's inexperience.

Jay Reifert has more than nineteen years of experience in serving homebuyers. He came into the business specifically to represent buyers in 1988...has been primarily representing buyers since 1991 and exclusively representing buyers since 1997. No one has better credentials in the field of buyer representation in South Central Wisconsin than Jay...and no one offers buyers more value, including those who represent their services as being "free".

Secret #5: Save Today, and Lots More Tomorrow

There's a saying among exclusive buyer agents. "You don't make money when you go to sell a home, you make money when you buy it." Think about it. After you have actually purchased a home, marketplace appreciation and market factors at the time of resale—both of which are entirely outside of your ability to control—are going to determine your ultimate sales price. What you make then, depends entirely on what you save at the time of purchase.

This means that having the right person working as your buyer's agent at the outset is crucial, as whatever s/he can succeed in helping you save on the front end, whether it is savings off list price, inspection-related reductions, time-efficiency savings or any other type of savings, represent the only elements of savings that are within your control. In other words...they represent your chance to "make money when you buy".

Proper mortgage choices are another area that can generate substantial savings for your household over time. In addition to your need to be sensitive about interest rates and closing costs, there are other little things we will teach you that can save you tens of thousands of dollars over the life of your loan.

For instance, reconsider the money you may save off list price. While competition in the marketplace is going to play a big part in the price for which a property ultimately sells, any money that can be saved off of list, also translates into less mortgage which means less interest being paid over the life of the loan.

At prevailing interest rates, every dollar you don't have to finance saves you, roughly, another dollar twenty in unpaid interest. As rates climb, the interest savings are even more dramatic.

This example, though, pales in comparison to the savings you can generate by making a slight—say, one twelfth—increase in the amount of the principal and interest portion of your monthly mortgage payment. This simple technique can knock years off of the life of your mortgage and can be set up by you, at no cost—in most instances—at the closing of your home, or shortly thereafter. We'll show you how.

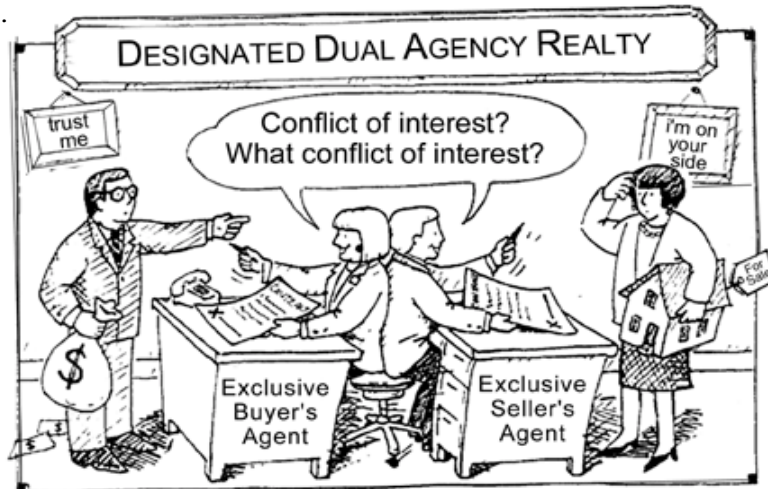
Both Jay and Karen Reifert are Loan Officers with Waterstone Mortgage Corporation and will help you evaluate mortgage products and services that will also save you time, money and effort in your real estate purchase. Naturally, there is no requirement that you utilize their mortgage services...but this is one more way that they help you get the most for your money as you go about the process of buying a home.

As important as the savings, though, is the necessity to make sure that certain key elements related to your mortgage are kept on track. Timely ordering of appraisal...meeting the deadline for final loan commitment...getting documents to the closing agent on time, and ensuring that your funds arrive by closing time are all things which can put your purchase in jeopardy, if not done correctly. In addition to working to get you a superior mortgage, Jay and Karen make sure these elements are all properly addressed.

Still Have Questions or Concerns?

Okay...consider this:

In January of 2002, Jay Reifert took on the Wisconsin Realtors Association—the third largest...and, according to them, first most powerful—lobby in the State of Wisconsin and kept them from bringing an anti-consumer concept known as Designated Agency to Wisconsin. (See “Secret #2: Conflict of Interest? What’s That?” for an explanation of Designated Agency.) Jay fought the battle against Designated Agency again, in 2005, but could not stop the industry from writing/passing the anti-consumer legislation.



Opposing Teams. Same Locker Room???

(Cartoon Courtesy of Bill Wendell, Massachusetts)

Jay spent over eight hundred HOURS of his time and saw his income for 2002 drop by over a fourth, to successfully wage that campaign. If you really want to know what kind of an advocate you can expect to have in Jay, fire up your favorite internet browser and go to: <http://www.real-reform.org> . Browse around a bit. (At the time of publication, the Real-Reform website was being migrated to a new internet host. If you can't access the site, try <http://www.real-reform.net> .)

Then, if you need other views on exclusive buyer agency, you might try going to google.com and inputting the phrase “exclusive buyer agent”. Again, browse around. There's also an entire series of informative articles worth reviewing online at the International Real Estate Digest. You can view them at: <http://www.ired.com/buymyself/agency/> .

Basically...it all starts, and ends, with you. If you care enough to spend a little bit of time researching, the effort you make will come back to repay you hundreds—if not thousands—of times over.

Afterword: The Reality of Time and Buyer Representation

Some of you will read this and think it is an attempt to push you for a commitment. It's not. Just as with everything else that Jay does, this message is based on making sure that you are fully informed and have an opportunity to protect your interests.

As with you, Jay only has so many hours in a week. Buyer representation places a great deal of demands on the hours that are available in any given week. In addition to educating buyer clients about exclusive buyer agency and getting them on board, there is property research, scheduling viewings, attending viewings, preparing market analyses, offers, counter-offers, amendments, attending inspections and a whole host of other labor intensive duties that Jay owes his buyer clients.

As such, current clients ALWAYS take precedence over prospective clients. It is only possible to juggle so many clients at one time...and, when the point is reached where Jay can't add a client without harming the interests of existing clients, he will—until his client load has once again become manageable—have to turn clientele away.

So, if you think what Jay offers is something you'd like to explore further, you should contact him sooner, rather than later, to increase your chances of his having time to represent your interests.

Jay's Contact Information:

Jay Reifert, Broker/Owner
Excel-Exclusive Buyer Agency
5136 E. Hilltop Road
Madison, Wisconsin 53711

Toll Free: (800)928-9379
Direct: (608)273-8841
Fax: (608)273-8388

Web: <http://www.buy-madison-real-estate.com>
Email: true-agents@true-agent.com



Dozens of references available upon request.

Excel-Exclusive Buyer Agency is South-Central Wisconsin's Oldest and Most Successful Exclusive Buyer Agency Firm. All Agents Are Not Created Equal...Moreover, All Buyer Agents are NOT Created Equal. Your questions are welcome...and we hope to hear from you soon.