



Consumer Federation of America

February 27, 2002

Wisconsin State Legislature
Madison, WI

Dear Honorable Members:

The Consumer Federation of America is writing to oppose proposed legislation, LRB-4720, which concerns the appointment of designated agents by real estate brokers for multiple representation of clients.

We object to this legislation because:

- It does not require disclosure to consumers of the fact that designated agents function as facilitators, not as true agents.
- It permits the managing broker or broker-owner of the firm to appoint him or herself to be one of the two designated agents in a transaction, a glaring conflict of interest.

The Consumer Federation believes that designated agency is a misleading term because the agents involved do not necessarily owe sole allegiance to clients. Furthermore, designated agents in other states, who should price their services as facilitators not agents, continue to charge traditional 6–7% commissions. Unfortunately, the proposed legislation would “legalize” this flawed concept in Wisconsin.

Sincerely,

Stephen Brobeck
Executive Director