

BROKER'S PRE-LICENSE COURSE

Outline for 24-hour course

Except for topics under IX, this outline is the same as that for the salesperson's pre-license course. Instructors should use their judgment to determine which items to cover in more depth for broker applicants.

- I. Real Property
 - A. Definitions and Components
 - 1. Elements of Real Property
 - 2. Methods of Legal Description
 - 3. Estates in Real Property
 - 4. Forms of Ownership
 - B. Transfer/Alienation of Real Property
 - 1. Voluntary
 - 2. Involuntary
 - 3. Deeds
 - a. Types
 - b. Characteristics/elements
 - c. Warranties
 - C. Assurances of Title
 - D. Land Use Controls
 - 1. Public
 - 2. Private/Covenants, Conditions and Restrictions (CC&R's)
 - E. Encumbrances
 - 1. Types and Priority of Liens
 - 2. Easements
 - 3. Encroachments
- II. Government Controls and Laws Affecting Real Estate
 - A. Real Property Tax Computations
 - B. Income Tax Considerations and Computations
 - 1. Owner-occupied property
 - 2. Investment property
 - 3. Other income tax considerations (refinance, capital gains on sale)
 - C. Federal Fair Housing
 - D. Americans with Disabilities Act
- III. Valuation and Appraisal
 - A. Types of Value
 - B. Principles of Value
 - C. Influences on Value
 - D. Approaches to Value
 - E. Appraisal Process
- IV. Real Estate Finance
 - A. Financing Components
 - 1. Sources
 - a. Primary mortgage market
 - b. Secondary mortgage market
 - 2. Elements/Provisions

3. Loan Types

4. Instruments

- a. Notes
- b. Mortgages
- c. Contract for deed (land contract)
- d. Deeds of trust

B. Lender Requirements

C. Truth in Lending (Regulation Z)

D. Other Financing Issues

V. Settlement/Closing

A. Settlement Procedures

B. Documents

C. Real Estate Settlement & Procedures Act - RESPA

D. Closing Costs/Pro-rations

VI. Contracts/Agency

A. Types/Characteristics

B. Elements/Requirements

C. Listing Contracts

1. Types
2. Rights and Obligations of the Parties
3. Specific Property Data
4. Termination/Expiration

D. Purchase/Sales Contract

E. Property Management Contracts

1. Management Contracts
2. Leases/Rental Agreements

F. Agency Relationships and Responsibilities

G. Disclosures

1. Property
2. Agency
3. Environmental
4. Federal Fair Housing

H. Brokerage Relationships in Real Estate Transactions Act (BRRETA)

VII. Duties and Powers of the Kansas Real Estate Commission

A. General powers and duties, membership

B. Examination of records

C. Investigations, hearings, and appeals

VIII. Licensing Requirements

A. Activities requiring a license

B. Exemptions from licensure

C. Qualifications, examinations, denial of license

D. Nonresident license

E. Restricted license

F. Corporations, partnerships, associations, and limited liability companies (LLCs)

G. Temporary license (effective October 1, 1997)

- H. Renewal of license
- I. Education requirements
- J. Change in license
- K. Deactivated ("inactive") license

IX. Requirements governing activities of licensees

- A. Prohibited acts
- B. Place of business and company names
- C. Handling of trust funds
 - Trust accounts
 - Deposit requirements
 - Commingling of funds
 - Retaining interest accrued on trust funds
 - Disbursement of earnest money when transaction does not close
 - Maintenance and reconciliation of trust account records
 - Receipt for contract and earnest money, when required
- D. Records
 - Transaction numbers
- E. Recommending legal advice
- F. Reporting requirements
- G. Advertising

X. Penalties for violation

- A. License revocation, suspension and restriction, censure of license, civil fines
- B. Criminal prosecution

XI. Kansas Real Estate Recovery Revolving Fund