



Kansas Principles of Real Estate and Practice Course

60 Hour Course Outline

Kansas Principles of Real Estate Course (30 Hours)

I. Real Property

Real Estate Activities:

- Describe real estate activities
 - Identify real estate professions
 - Define residential, commercial, investment
 - Identify primary brokerage activities
 - Define specializations
 - List skills & knowledge needed
 - Identify major professional organizations
 - Identify regulated areas
 - List general areas of license law

Elements of Real Property:

- Define elements of real property
 - Distinguish categories of real property
 - Define land and real estate,
 - Identify the bundle of rights,
 - Define air, surface, subsurface & water rights,
 - Identify areas of government & judicial regulations

Methods of Legal Description:

- Define the methods of legal description
 - Describe the metes and bounds method,
 - Interpret a metes and bounds description,

- Describe the rectangular survey method,
- Identify ranges, tiers and townships,
- Identify sections of a township,
- Calculate acreage of fractions of a section,
- Describe a section fraction,
- Interpret a rectangular survey description,
- Describe the recorded plat method,
- Describe the use of elevation reference points

Estates in Real Property:

- Define estates in real property
 - Define interests & estates in land,
 - Distinguish freehold from leasehold estates,
 - Describe types of fee simple estate,
 - Describe types of life estate,
 - Describe types of leasehold estate

Forms of Ownership:

- Define the forms of ownership
 - Define sole ownership,
 - Define & distinguish forms of co-ownership,
 - Describe how joint tenancy is created,
 - Define the mechanics of an estate in trust,
 - Identify the features of a land trust,
 - Define condominium ownership,
 - Define cooperative ownership,
 - Define time-share ownership

Transfer/Alienation of Real Property:

- Defines, list & describe processes of voluntary transfer AND define, list & describe processes of involuntary transfer
 - Distinguish legal & equitable title,
 - Define actual and constructive notice,

- Describe components of a deed of conveyance,
- Identify types of deed,
- Describe characteristics and elements of deeds
 - Identify types of will,
 - Describe probate processes,
- Define warranties
- Describe assurances of title
 - Define title & title records

Land Use Controls:

- Define public land use controls
 - Describe the goals and process of land use planning,
 - Describe the zoning & zoning appeals process,
 - Define the types of zone,
 - Describe the process of taking by eminent domain,
 - Describe the major environmental legislation,
- Describe the major types of private land use control

Encumbrances:

- Define encumbrance
- Identify types and priority of liens
 - Describe the types of lien,
 - Define lien priority,
 - Describe foreclosure processes
- Describe easements
 - Define deed restrictions
- Define encroachment

II. Government Controls and Laws Affecting Real Estate

Real Property Tax Computations:

- Perform basic tax calculations
 - Identify taxing entities

- Describe ad valorem taxation

Income Tax Considerations and Computations:

- Owner-occupied property
 - Describe the investment characteristics of real estate
- Investment property
 - Identify investment entities,
 - Describe the tax treatment of real estate investments
 - Perform basic real estate investment analysis and tax calculations
- Other income tax considerations
 - Refinance
 - Capital gains on sale

Federal Fair Housing & ADA:

- Identify and describe the fair housing laws & fair financing laws
- Identify fair housing and financing problem areas for real estate agents
- Identify and describe aspects of the American with Disabilities Act

III. Valuation and Appraisal

Valuation and Appraisal:

- Types of value
 - Define real estate value
- Principles of value
 - Describe economic foundations of real estate value
 - Identify major types of value
- Influences on value
 - Define market value
- Describe approaches to value
 - Define comparative market analysis
- Describe the appraisal process
 - Define appraisal
 - Perform basic calculations used in appraisal
 - Identify regulated appraisal activities and professional standards

IV. Real Estate Finance

Real Estate Finance:

- Financing components
 - Define mortgage financing
 - Calculate loan financial components
 - Describe the underwriting & loan application processes
- Sources
- Describe the primary & secondary mortgage markets
- Elements/Provisions
 - Describe loan transactions
 - Calculate the loan amount for which a borrower qualifies
- Loan Types
 - Describe common loan types and structures
- Instruments
 - Notes
 - Identify major elements of mortgages
 - Identify major elements of deeds of trust
- Lender Requirements
- Truth in Lending
 - Describe the major laws that affect mortgage lending
- Other Financing Issues

V. Settlement/Closing

Settlement/Closing:

- Settlement Procedures
 - Describe the process of a real estate closing
- Documents
 - Identify and calculate taxes due at closing,
 - Complete a closing statement
- RESPA
 - Describe the requirements of RESPA
- Closing Costs/Pro-rations

- Define buyer's & seller's debits and credits
- Define and calculate pro-rations

VI. Contracts/Agency

Agency:

- Agency Relationships and Responsibilities
 - Define the agency relationship
 - Describe the fiduciary duties of agency
- Types/Characteristics
 - Identify the forms of real estate agency
- Elements/Requirements
 - Describe the rules of agency disclosure
 - Identify problem areas for real estate agents

Listing Contracts:

- Types
 - Identify the types of listing agreement
 - Identify the basic provisions of a listing agreement
 - Describe the basis of listing agreements in contract and agency law
- Rights and Obligations of the Parties
 - Describe how an agent fulfills an agreement and earns compensation
- Specific Property Data
- Termination/Expirations

Purchase/Sales Contract:

- Purchase/Sales Contract:
 - Describe the characteristics and provisions of a contract for sale,
 - Describe the characteristics and provisions of an option-to-buy contract,
 - Describe the characteristics of a contract for deed
- Disclosures
 - Property
 - Agency

- Environmental
- Federal Fair Housing

Property Management Contracts:

- Management contracts
 - Describe the major functions of the property manager
 - Identify the nature and components of a management agreement
 - Identify sources of management business, the role of the management plan in securing business, and sources of professional training for property managers
 - Describe elements of various lease types of most interest to a property manager

Lease/Rental Agreements:

- Leases/Rental Agreements
 - Identify the principal types of leasehold estates,
 - List the rights & obligations of landlord and tenant,
 - List the legal requirements of a lease contract,
 - Describe major lease clauses,
 - Define the major types of lease,
 - Define default and termination,
 - Describe the areas regulated by URLTA

BRRETA:

- Brokerage Relationships in Real Estate Transactions
 - Define terms found in BRRETA
 - Describe agency agreements
 - Illustrate misrepresentation
 - Define what licensees can't do
 - Describe exclusive right to sell
 - Define 'who is doing what and for whom'
 - Describe licensee duties
 - Describe compensation
 - Define termination of relationships

VII. Duties and Powers of the Kansas Real Estate Commission

Duties and Powers of KREC:

- Duties and powers of KREC
 - Identify general powers and duties
 - Describe membership
- Examination of records
 - Describe examination of records
- Investigations, hearings, and appeals
 - Describe investigations, hearings, and appeals

VIII. Kansas Licensing Requirements

KS Licensing Requirements:

- Activities requiring a license
 - Identify activities requiring a license
- Exemptions from licensure
- Qualifications, examinations, denial of license
- Nonresident license
- Restricted license
- Corporations, partnerships, associations, and LLCs
- Temporary license
- Renewal of license
- Education requirements
- Change in license
- Deactivated “inactive” license

IX. Requirements Governing Activities of Licensees

KS Requirements governing activities of licensees:

- Prohibited acts
 - Describe prohibited acts and penalties for violations
- Place of business and company names

- Define place of business and company name
- Handling of trust funds and accounts
 - Describe handling of trust funds and accounts
- Records
 - Describe record maintenance
- Recommending legal advice
 - Illustrate recommending legal advice
- Reporting requirements
 - Describe reporting requirements
- Advertising
 - Illustrate advertising requirements

X. Penalties for Violations

Penalties for Violations:

- Penalties for Violations
 - License revocation
 - Suspension and restriction
 - Censure of license
 - Civil fines
 - Criminal Prosecution

XI. Kansas Real Estate Recovery Revolving Fund

KS Recovery Revolving Fund:

- KS Recovery Revolving Fund
 - Describe the conditions required to recover funds
 - Define reimbursement

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Kansas Real Estate Practice Course (30 Hours)

I. Brokerage Agreements

BRRETA Brochure:

- What to present
- When to present the brochure
- How to present the brochure

Listing a Property:

- Examples
 - Types of Seller Agency Agreements
 - Exclusive Right to Sell
 - Exclusive Agency
 - Open
 - Net
- Who's Who in the Agency Agreement
 - Signing the Agreement
 - Broker's Responsibilities
 - Which Agreement Your Company Uses
 - Pay Day
 - Information for Servicing the Listing
 - Flood Plain Issues
 - Lead Paint
- Title Issues
 - Death, Divorce, and Other Issues

Buyer Representation:

- Examples
 - Types of Buyer Agency Agreements
 - Exclusive Representation
 - Non-Exclusive Representation
- Review of Customer/Client Relationship
 - Who's Who in the Agency Agreement
 - Signing the Agreement
 - Broker's Responsibilities
 - Which Agreement Your Company Uses
 - Pay Day
 - Information for Servicing the Listing
- In-Depth Discussion, Examples & Exercises

Acting as a Transaction Broker:

- Definition of “Transaction Broker”
- Obligations and Responsibilities of a Transaction Broker
- Written Brokerage Agreement
- Cooperation with Other Brokers
- “Presumption of Transaction Broker”
- Transaction Broker Addendum
 - TBA-RES
 - TBA-COMM
 - TBA-DA
 - TBA-AG

Termination of Brokerage Relationships:

- Public’s Right to Terminate
- Consequence of Terminations

Compensation:

- K.S.A. 58-30, 105 in BRRETA

Things to Remember when Working with Another Company:

- Types of agency relationships
- When to disclose agency
- Ask and tell

Listing Agents, Subagents, Single Agents:

- Listing broker’s obligations to the seller/client
- Listing broker’s obligations to the buyer/customer
- Buyer broker’s obligations to the buyer/client
- Buyer broker’s obligations to the seller/customer
- Subagent
- Single agent
- Designated agency

Showing Another Firm’s Listing:

- Refusal
- Subagency
- Agents of the purchaser
- Giving permission to show your listing
- Responses for subagency
- Responses for buyer’s agent

II. Property Valuations

Pricing Residential Property:

- Market analysis
- Where to find information
- When to use a market analysis
- How financing affects selling price
- Steps to complete a market analysis
- Sample market analysis
- Who and what determines property value

Pricing Non-Residential Property:

- Factors that affect the values of income- producing property
- Where to find information
- Steps to follow when using the income approach

The Appraiser's Role:

- Difference between an appraisal and a market analysis
- Comparables used by appraisers
- Who appraisers work for

III. Financing and Closing Costs

Types of Financing:

- Importance of financially qualifying the purchaser
- When and how to qualify the purchaser
- Pre-qualification vs. pre-approval
- Conventional loans
- FHA Loans
- VA Loans
- Other sources of financing

Buyers Estimated Closing Costs:

- What is required by state law
- When to prepare an estimate
- How to prepare an estimate

Sellers Estimated Closing Costs:

- What is required by state law
- When to prepare an estimate
- How to prepare an estimate

IV. Contracts, Earnest Money, and Misrepresentation

How to Avoid Problems when Writing a Sales Contract:

- Offer to purchase
- Addendums and amendments
- Counteroffers and multiple offers
- Agency's effect on negotiation
- Breach of contract
- Consulting your broker
- Legal advice
- Spouses
- Second contract for lender
- Cancellation
- Contingencies
- Title Issues

Things to Remember About Earnest Money Before Writing a Sales Contract:

- Define earnest money
- Requirement of earnest money
- Amount of earnest money
- How to process earnest money
 - Divergences from state law
 - Entitlement
- Appraisal fees

Definitions and Types of Misrepresentation:

- Intentional misrepresentation
- Negligent misrepresentation

Misrepresentation Red Flags:

- Buyer's perspective
- Seller's perspective
- Agent's perspective
- Property value
- Legal access to property
- Title defects
- Condition of improvements
- Quality of construction
- Age of improvements
- Quantity of land
- Right of parties
- Termites and other pests

- Public services and utilities
- Boundaries and easements
- Zoning, subdivision regulations, building codes, restrictive covenants
- Taxes and municipal assessments
- Neighborhood
- Loan qualification
- Owner financing
- Closing costs
- Market conditions
- Economic conditions
- NOI
- Earnest money
- Risk of loss
- Mortgage contingency
- Performance obligations
- Remedies
- Dual contracts
- Advertising

Ways to Avoid Misrepresentation:

- Errors
- Inspection of property
- Seller statements
- Disclaimers
- “Red flags”
- Opinions
- Facts
- “Puffing”
- Interpreting contracts
- Establish procedures
- “Paper trails”
- Seller’s disclosure
- Flood plain issues
- Lead paint
- Latent defects

Procedure Upon Discovery:

- Disclosure
- Nature of the misrepresentation
- Caution the party

V. Environmental Issues

Environmental Issues:

- EPA
- Red Flags
 - Lead paint
 - Radon
 - Wells
 - Septic tanks
 - Asbestos
 - Mold
 - Meth labs

VI. Land and Improvements

Structures:

- Construction
- Style
- Plumbing & Heating

VII. Legal Issues

Legal Issues:

- New legal developments
- Advertising and fair housing
- Megan's law
- Stigmatized properties