



Michigan 40 Hour Salesperson Pre License Course

I. The Real Estate Business

- 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

II. Rights in Real Estate

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

III. Interests & Estates

- 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

IV. 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

V. Encumbrances & Liens

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

VI. Transferring & Recording Title

- Distinguish legal & equitable title
- Define actual and constructive notice
- List & describe processes of voluntary & involuntary transfer
- Describe components of a deed of conveyance
- Identify types of deed
- Identify types of will
- Describe probate processes
- Define title & title records
- Describe the forms of title evidence

VII. Real Estate Leases

- 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

VIII. Land Use Planning & Control

- 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

IX. Legal Descriptions

- Define 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

X. Real Estate Contract Law

- Identify the basic legal concepts of contracts
- Describe requirements for contract validity
- Describe the creation & termination of contracts

XI. Agency

- Define the agency relationship
- Describe the fiduciary duties of agency
- Identify the forms of real estate agency
- Describe the rules of agency disclosure
- Identify problem areas for real estate agents

XII. Listing Agreements

- Describe the basis of listing agreements in contract and agency law
- Identify the types of listing agreement
- Describe how an agent fulfills an agreement and earns compensation
- Identify the basic provisions of a listing agreement

XIII. The Brokerage Business

- Identify the activities, scope & organization of brokerage
- Identify who may/may not broker real estate
- Define broker-salesperson relationships
- Calculate a commission split

XIV. Contracts for the Sale of Real Estate

- 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

XV. Real Estate Market Economics

- Describe the elements of the market system
- Define the economic characteristics of real estate
- Describe real estate supply and demand

XVI. Appraising & Estimating Value

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

XVII. Real Estate Finance

- Define mortgage financing
- Describe loan transactions
- Calculate loan financial components
- Identify major elements of mortgage & trust deed
- Describe the underwriting & loan application processes
- Describe the major laws that affect mortgage lending
- Calculate the loan amount for which a borrower qualifies
- Describe the primary & secondary mortgage markets
- Describe common loan types and structures

XVIII. Real Estate Investment

- Describe the investment characteristics of real estate
- Identify investment entities & describe the tax treatment of real estate investments
- Perform investment analysis and tax calculations

XIX. Real Estate Taxation

- Identify taxing entities
- Describe ad valorem taxation
- Perform basic tax calculations
- Describe the enforcement of tax liens

XX. Ethics: Laws and Practices

- Identify and describe the fair housing laws & fair financing laws;
- Identify fair housing and financing problem areas for real estate agents;
- Identify acceptable ethical and professional practices

XXI. Closings

- Describe the process of a real estate closing
- Describe the requirements of RESPA
- Define buyer's & seller's debits and credits
- Define and calculate prorations
- Identify and calculate taxes due at closing
- Complete a closing statement

XXII. Real Estate Licensing & Regulation

- Describe the role of state license law
- Describe the procedure & requirements for obtaining and retaining a real estate license
- Identify services requiring a license
- Identify the types of real estate license
- Describe the role of the state real estate commission

XXIII. Risk Management

- Define risk & risk management
- Explain the four basic risk management strategies
- Describe the four primary risk management procedures in real estate practice
- Identify the primary risk areas for real estate licensees

XXIV. Property Management

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

XXV. Michigan Licensing Regulations

- Department of Licensing and Regulatory Affairs
- Licensing Requirements

XXVI. Rules Governing Michigan Licensees

- Advertising
- Consideration
- Licensee as Buyer or Seller
- Handling Contracts
- Handling Money
- Prohibited Acts

XXVII. Contractual Relationships in Michigan

- Agency
- Service Provision Agreements
- Broker/Salesperson Relationship

XXVIII. Michigan Housing Regulations

- Michigan State Housing
- Development Authority
- Michigan Fair Housing
- Landlord-Tenant Relationships Act & Truth in Renting Act
- Homeowners Association Regulations

XXIX. Michigan Property Disclosures

- Seller's Disclosure Statement
- Other Material Facts

XXX. Other Points of Michigan Law & Practice

- Land Division Act
- State Transfer Tax
- Michigan Condominium Act
- Michigan Antitrust Reform Act
- Michigan Right to Farm Act
- Changes in Land Contract Laws
- Foreclosures and Short Sales

XXXI. Real Estate Math

- Add and multiply fractions;
- Multiplying using percentages
- Calculate area of basic shapes
- Calculate area from legal description
- Calculate commission
- Calculate Goodwill
- Calculate Percentage of Listing Price
- Calculate Earnest Money Deposits
- Calculate Rent Escalations
- Calculate FIRPTA Withholdings
- Adjust Comparables for Appraisals
- Calculate Income Capitalization
- Calculate Loan Amounts, Rates, and Payments
- Calculate Loan-to-Value Ratio
- Calculate Income Underwriting Ratio
- Calculate Debt Underwriting Ratio
- Calculate Points
- Calculate Appreciation
- Calculate Equity
- Calculate Pre-tax Cash Flow
- Calculate Tax Liability
- Calculate Annual Depreciation Expense
- Calculate Capital Gain
- Calculate Return, Rate of Return, and Investment Amount
- Calculate Tax Rate
- Calculate Special Assessments
- Calculate Prorations