KANSAS REAL ESTATE BROKER FUNDAMENTALS COURSE

30-HOUR COURSE OUTLINE APPROVED 4/15/2019

REQUIRED FOR ALL BROKER APPLICANTS Effective JULY 1, 2019

All broker candidates must complete this course within 12 months of taking the Kansas real estate broker exam. In lieu of this course, candidates applying based on requirements met in another state should complete a 4-hour Kansas Law Course no more than six months prior to the Kansas Real Estate Commission’s receipt of their broker license application.

All candidates must additionally complete a 30-hour Kansas Real Estate Broker Management Course no more than 6 months prior to the Commission’s receipt of the application for a broker’s license.

Topics in this course are repeated in the Kansas Real Estate Broker Management Course to allow expanded coverage and in-depth learning activities.

1. Real Property Characteristics, Legal Descriptions, And Property Use
   a. Real property vs. personal property
      i. Fixtures, trade fixtures, emblements
      ii. Attachment, severance, and bill of sale
   b. Characteristics of real property
      i. Economic characteristics
      ii. Physical characteristics
   c. Legal descriptions
      i. Methods used to describe real property
      ii. Survey
   d. Public and private land use controls – encumbrances
      i. Public controls – governmental powers
         1. Police power, eminent domain, taxation, escheat
         2. Zoning ordinances
      ii. Private controls, restrictions, and encroachments
         1. Covenants, conditions, and restrictions
         2. Easements
         3. Licenses and encroachments

2. Forms of Ownership, Transfer, And Recording of Title
   a. Ownership, estates, rights, and interests
      i. Forms of ownership
      ii. Freehold estate
         1. Fee simple absolute
         2. Fee simple defeasible, determinable, and condition subsequent
3. Property Value and Appraisal
   a. Concept of Value
      i. Market value vs. market price
      ii. Characteristics of value
      iii. Principles of value
   b. Appraisal process
      i. Purpose and steps to an appraisal
      ii. Federal oversight of the appraisal process
   c. Methods of estimating value and Broker Price Opinions (BPO)
      i. Sales comparison approach (market data)
      ii. Cost approach
         1. Improvements and depreciation
         2. Physical deterioration, functional, and economic obsolescence
         3. Reproduction or replacement costs
      iii. Income approach
      iv. Gross rent and gross income multipliers
      v. Comparative Market Analysis (CMA)
      vi. Broker Price Opinion (BPO)
      vii. Assessed value and tax implications

4. Real Estate Finance
   a. Financing Components
      i. Sources
         1. Primary mortgage market
         2. Secondary mortgage market
      ii. Elements/Provision
      iii. Loan Types
      iv. Instruments
         1. Notes
         2. Mortgages
         3. Contract for deed (land contract)
4. Deeds of trust
   b. Lender Requirements
   c. Truth in Lending (Regulation Z)
   d. Equal Credit Opportunity Act and Mortgage Fraud and Predatory Lending

1. Settlement/Closing
   a. Settlement Procedures
   b. Documents
   c. TILA
   d. Closing Costs/Pro-ration

2. Real Estate Contracts and Agency
   a. Types/Characteristics
   b. Elements/Requirements
   c. Purchase/Sales Contract
      i. Required residential contract language
   d. Commercial Leasing
      i. Management Contracts
      ii. Leases/Rental Agreements
   e. Disclosures
      i. Property
         1. Disclose interest in property
         2. Title defects
         3. Material defects
      ii. Brokerage Relationships
      iii. Environmental
      iv. Federal Fair Housing
   f. Brokerage Relationships in Real Estate Transactions Act (BRRETA)
      i. Definitions
      ii. Brokerage Relationship Brochure and acknowledgement
      iii. Components of written agency and transaction brokerage agreements
      iv. Brokerage relationships and minimum requirements
      v. Transaction Broker Addendum
      vi. Conflicts of interest
      vii. Termination of relationships
      viii. Compensation
      ix. Confidentiality

3. Duties and Powers of the Kansas Real Estate Commission
   a. General powers and duties, membership
   b. Investigations, hearings, and appeals
   c. License revocation, suspension and restriction, censure of license, civil fines
   d. Criminal prosecution

4. Licensing Requirements
   a. Activities requiring a license
   b. Exemptions from licensure
   c. Qualifications, examinations, denial of license
   d. Renewal of license
   e. Education requirements
   f. Deactivation and reinstatement of licenses
5. Requirements governing activities of licensees
   a. Place of business and company names
   b. Handling of trust funds
      i. Trust accounts
      ii. Deposit requirements
      iii. Commingling of funds
      iv. Retaining interest accrued on trust funds
      v. Disbursement of earnest money when transaction does not close
      vi. Maintenance and reconciliation of trust account records
      vii. Receipt for contract and earnest money, when required
   c. Maintaining records
      i. Requirements
      ii. Transaction Identification Numbering
      iii. Retention schedule
      iv. Confidentiality, security, and the Personal Information Protection Act
   d. Reporting requirements to the Commission
      i. Criminal charges and convictions
      ii. Change in residence address, e-mail address, and name
      iii. Disciplinary action taken by another jurisdiction against a real estate license or occupational license
      iv. Litigation
   e. Advertising
   f. Referral and relocation fees, commissions
   g. Broker Supervision of Primary Office and Branch Offices
   h. Commercial real estate, sharing commissions with a person licensed in another state/jurisdiction

6. Prohibited Acts
   a. Accounting for trust funds
   b. Providing closing cost estimate
   c. Financial obligations in purchase contract
   d. False documents
   e. Fraud, misrepresentation, incompetency
   f. Compensation to license’s corporation
   g. Threats and harassment