



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. Life estate
 - 4. Bundle of rights
 - iii. Leasehold estates and types of leases
 - 1. Estate for years and from period to period
 - 2. Estate at will and estate at sufferance
 - 3. Gross, net, and percentage leases
 - iv. Liens and lien priority
 - v. Surface and sub-surface rights
 - b. Deed, Title, Transfer of Title, And Recording of Title
 - i. Elements of a valid deed
 - ii. Types of deeds
 - iii. Title transfer
 - 1. Voluntary alienation
 - 2. Involuntary alienation
 - iv. Recording the title
 - 1. Constructive and actual notice
 - 2. Title abstract and chain of title
 - 3. Marketable title and cloud on title
 - 4. Attorney title opinion, quiet title lawsuit, and title insurance
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-rations

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