SECTION 1

BROKERAGE AGREEMENTS

UNIT 1
REAL ESTATE BROKERAGE RELATIONSHIPS BROCHURE
(amendments effective October 1, 1997)
When and how to present it

UNIT 2
LISTING A PROPERTY
A. Examples: Types of Seller Agency Agreements
   Exclusive Right to Sell
   Exclusive Agency
   Open
   Net (not allowed)

B. Who's who in the agency agreement?
   May you sign the agency agreement for your broker?
   What are your broker's responsibilities under the agency agreement?
   What determines the kind of agency agreement(s) your company uses?
   When is pay day?
   What information is needed to help you better service a listing?
   Where and how do you find this information?
   Flood plain issues
   Lead paint

C. Title Issues
   Death, divorce or other issues that may cause closing problems

UNIT 3
BUYER REPRESENTATION - LISTING THE BUYER
A. Examples: Types of Buyer Agency Agreements
   Exclusive Representation
   Non-Exclusive Representation

B. Review of customer/client relationship
   Who's who in the agency agreement?
   May you sign the agency agreement for your broker?
   What are your broker's responsibilities under the agency agreement?
   What determines the kind of agency agreement(s) your company uses?
   When is pay day?
   What information is needed to help you better service a listing?
   Where and how do you find this information?

C. In-Depth Discussion, Examples & Exercises
UNIT 4
ACTING AS A TRANSACTION BROKER
(amendments effective October 1, 1997)
How is the term “transaction broker” defined?
What are the obligations and responsibilities of a transaction broker?
Is a written brokerage agreement required?
May a transaction broker cooperate with other brokers?
What is meant by “presumption of transaction broker”?
When is a transaction broker addendum required?
Examples:
  1. Transaction Broker Addendum (TBA-RES)
  2. Transaction Broker Addendum (TBA-COMM)
  3. Transaction Broker Addendum (TBA-DA)
  4. Transaction Broker Addendum (TBA-AG)

UNIT 5
TERMINATION OF BROKERAGE RELATIONSHIPS (K.S.A. 58-30,104 of the Brokerage Relationships in Real Estate Transactions Act)
Public's right to terminate agency and consequences of such

UNIT 6
COMPENSATION (K.S.A. 58-30,105 of the Brokerage Relationships in Real Estate Transactions Act)

UNIT 7
THINGS TO REMEMBER WHEN WORKING WITH ANOTHER COMPANY
What are the types of agency relationships?
When to disclose agency?
Ask and Tell

UNIT 8
LISTING AGENTS, SUBAGENTS, SINGLE AGENTS
What are the listing broker's obligations to the seller/client?
What are the listing broker's obligations to the buyer/customer?
What are the buyer broker's obligations to the buyer/client?
What are the buyer broker's obligations to the seller/customer?
Who is a Subagent?
Who is a Single agent?
How to cover business in designated agency

UNIT 9
SHOWING ANOTHER FIRM’S LISTING
If you call another company and ask permission to show a property it has listed, may that company refuse?
What to do when you want to show another company's listing and establish your firm as a subagent?
What should you do before showing another company's listing when you are acting as agent of the purchaser?
What to do when a salesperson with another company calls for permission to show one of your listings
A typical response of a listing company when asked for permission to show one of its properties when the selling agent wants to act as a subagent
A typical response of a listing company when asked for permission to show one of its properties when the selling agent wants to act as a buyer's agent
SECTION 2
PROPERTY VALUATIONS
Note: Unit 1 and/or Unit 2 may be covered depending on the types of transactions the class performs. However, the information not covered should be provided through handouts, glossary, etc.

UNIT 1
PRICING RESIDENTIAL PROPERTY
What is a market analysis?
Where do you find information?
When do you use a market analysis?
How financing can affect the selling price
Steps to follow when completing the market analysis
What does a sample market analysis look like?
Who or what determines property values?

UNIT 2
PRICING NON-RESIDENTIAL PROPERTY
What factors affect the values of income-producing property?
Where to find information about these factors
Steps to follow when using the income approach

UNIT 3
THE APPRAISER'S ROLE
What is the difference between an appraisal and a market analysis
What comparables do appraisers use?
Who does the appraiser work for?

SECTION 3
FINANCING
TYPES OF FINANCING
Why is it important to financially qualify the purchaser?
When and how to qualify the purchaser (buyer interview)
Pitfalls to avoid when qualifying the purchaser
Pre-qualification vs. pre-approval
Conventional loan guidelines and qualifying
FHA loan guidelines and qualifying
VA loan guidelines and qualifying
Other sources of financing (e.g. seller, FmHA)

CLOSING COSTS
UNIT 1
BUYERS ESTIMATED CLOSING COSTS
What is required by state law?
When to prepare an estimate
How to prepare an estimate

UNIT 2
SELLERS ESTIMATED CLOSING COSTS
What is required by state law?
When to prepare an estimate
How to prepare an estimate
NOTE: Additional instruction regarding the closing process may be included here.
SECTION 4

CONTRACTS

HOW TO AVOID PROBLEMS WHEN WRITING A SALES CONTRACT

How do you complete and explain an offer to purchase?
What is the purpose of an addendum/amendment?
How to handle counteroffers and multiple offers?
How does agency affect negotiating offers?
What are possible consequences of a breach of contract?
When to consult your broker when writing a sales contract
When to suggest competent legal advice for your customer/client
If the purchaser asks, "Should I put the home in my spouse's name too?", what should you say?
What to do if the Purchaser or Seller wants to write a second contract just to take to the lender
Purchasing a property you or your company has listed -- what has to be disclosed?
Contract cancellation
What are some common contingencies?
Title issues

EARNEST MONEY

THINGS TO REMEMBER ABOUT EARNEST MONEY BEFORE WRITING A SALES CONTRACT

What is earnest money?
Are you required to get earnest money from the prospective purchaser when he or she makes an offer?
For how much earnest money should you ask?
What are different forms of earnest money?
Who is the earnest money made payable to?
What to do when you get an earnest money check
Can the buyer and seller agree to the deposit of earnest money other than that provided by state law?
Who decides if the buyer or seller is entitled to the earnest money?
If the property has to be appraised for loan purposes or because the purchaser requests it, can the appraisal fee be paid out of the earnest money?

MISREPRESENTATION

UNIT 1

DEFINITION AND TYPES

Intentional
Negligent

UNIT 2

MISREPRESENTATION RED FLAGS

Buyer's perspective
Seller's perspective
Agent's perspective
Property value
Legal access to property
Title defects
Physical and mechanical condition of improvements
Quality of the construction
Age of the improvements
Quantity of land
UNIT 2
MISREPRESENTATION RED FLAGS - Continued
Rights of the parties in possession
Absence of termites or other pests
Availability of public services and utilities
Location of boundaries, easements and improvements
Compliance with and existence of zoning, subdivision regulations, building codes, and restrictive covenants
Taxes, municipal assessments
Expenses incident to operation or use of property
Neighborhood demographics
Facts that are not readily apparent upon an inspection of the property by the buyer
Qualification of the buyer for loan
Availability of mortgage funds or owner financing
Amount of closing costs
Market conditions
Economic conditions
Net operating income of commercial property
Salability of buyer's own property
Right to return of earnest money deposit
Risk of loss
Any matter that isn't easily apparent to party because of lack of expertise or experience and relying on agent to provide information
Effect of mortgage contingency clause
Performance obligation of buyer
Performance obligation of seller
Remedies of seller on default
Remedies of buyer on default
Dual contracts
Advertising – by individual agents, teams, etc. and any other information required by broker

UNIT 3
WAYS TO AVOID MISREPRESENTATION
Check completeness and accuracy of all information
   Errors of Omission
   Errors of Commission
Make a thorough visual inspection of the property
Does the seller’s statement of condition match the agent’s observation?
Avoid reliance on disclaimers
Follow up on "red flags"
Clearly identify opinions as opinions
Exercise caution when making affirmations of fact
Avoid "puffing" a property
Never interpret the rights and duties of parties to contracts for others
Establish procedures to minimize the possibilities of misrepresentation
Establish a "paper trail"
Importance of seller's disclosure
Flood plain issues
Lead paint
Opportunities for discovering latent defects through inspections
UNIT 4
PROCEDURE UPON DISCOVERY
Disclose immediately
Confirm disclosure in writing
Indicate the nature of the misrepresentation in the disclosure
Caution the party not to rely on the misrepresented fact

SECTION 5
ENVIRONMENTAL ISSUES
Environmental Protection Agency - EPA
Examples of red flags
  lead paint, radon, wells, septic tank, asbestos, specific to the area, mold, meth labs

SECTION 6
LAND AND IMPROVEMENTS
STRUCTURES
Construction
Style
Plumbing and Heating

SECTION 7
LEGAL ISSUES
New Developments in Kansas Real Estate Law And License Act
Advertising and Fair Housing - Sample Ads
Megan’s law
Stigmatized properties