

PRINCIPLES OF REAL ESTATE

Outline for 30-hour salesperson's pre-license course
Approved by the Kansas Real Estate Commission 5/13/97

- I. Real Property
 - A. Definitions and Components
 - 1. Elements of Real Property
 - 2. Methods of Legal Description
 - 3. Estates in Real Property
 - 4. Forms of Ownership
 - B. Transfer/Alienation of Real Property
 - 1. Voluntary
 - 2. Involuntary
 - 3. Deeds
 - a. Types
 - b. Characteristics/elements
 - c. Warranties
 - C. Assurances of Title
 - D. Land Use Controls
 - 1. Public
 - 2. Private/Covenants, Conditions and Restrictions (CC&R's)
 - E. Encumbrances
 - 1. Types and Priority of Liens
 - 2. Easements
 - 3. Encroachments
- II. Government Controls and Laws Affecting Real Estate
 - A. Real Property Tax Computations
 - B. Income Tax Considerations and Computations
 - 1. Owner-occupied property
 - 2. Investment property
 - 3. Other income tax considerations (refinance, capital gains on sale)
 - C. Federal Fair Housing
 - D. Americans with Disabilities Act
- III. Valuation and Appraisal
 - A. Types of Value
 - B. Principles of Value
 - C. Influences on Value
 - D. Approaches to Value
 - E. Appraisal Process
- IV. Real Estate Finance
 - A. Financing Components
 - 1. Sources
 - a. Primary mortgage market
 - b. Secondary mortgage market
 - 2. Elements/Provisions
 - 3. Loan Types

- 4. Instruments
 - a. Notes
 - b. Mortgages
 - c. Contract for deed (land contract)
 - d. Deeds of trust
 - B. Lender Requirements
 - C. Truth in Lending (Regulation Z)
 - D. Other Financing Issues
- V. Settlement/Closing
- A. Settlement Procedures
 - B. Documents
 - C. Real Estate Settlement & Procedures Act - RESPA
 - D. Closing Costs/Pro-rations
- VI. Contracts/Agency
- A. Types/Characteristics
 - B. Elements/Requirements
 - C. Listing Contracts
 - 1. Types
 - 2. Rights and Obligations of the Parties
 - 3. Specific Property Data
 - 4. Termination/Expiration
 - D. Purchase/Sales Contract
 - E. Property Management Contracts
 - 1. Management Contracts
 - 2. Leases/Rental Agreements
 - F. Agency Relationships and Responsibilities
 - G. Disclosures
 - 1. Property
 - 2. Agency
 - 3. Environmental
 - 4. Federal Fair Housing
 - H. Brokerage Relationships in Real Estate Transactions Act (BRRETA)
- VII. Duties and Powers of the Kansas Real Estate Commission
- A. General powers and duties, membership
 - B. Examination of records
 - C. Investigations, hearings, and appeals
- VIII. Licensing Requirements
- A. Activities requiring a license
 - B. Exemptions from licensure
 - C. Qualifications, examinations, denial of license
 - D. Nonresident license
 - E. Restricted license
 - F. Corporations, partnerships, associations, and limited liability companies (LLCs)
 - G. Temporary license (effective October 1, 1997)
 - H. Renewal of license
 - I. Education requirements
 - J. Change in license
 - K. Deactivated ("inactive") license

IX. Requirements governing activities of licensees

- A. Prohibited acts
- B. Place of business and company names
- C. Handling of trust funds and trust account
- D. Records
- E. Recommending legal advice
- F. Reporting requirements
- G. Advertising

X. Penalties for violation

- A. License revocation, suspension and restriction, censure of license, civil fines
- B. Criminal prosecution

XI. Kansas Real Estate Recovery Revolving Fund

Commission-approved outline, 5/13/97