

## **BROKER CONTENT** **Effective November, 2006**

**Category One: The Laws and Rules Affecting Real Estate Practice – 5 hours**

- A. Code
- B. Rules
- C. OREC Auditing and Investigations
  - 1. The Complaint Process
  - 2. OREC Auditing Procedures
  - 3. OREC Jurisdiction
  - 4. Investigative Miscellaneous
- D. Licensees Owned Properties
- E. Closing a Real Estate Business

**Category Two: Broker Supervision (Broker In Charge) - 15 hours**

- A. Overview
  - 1. General Requirement
    - a. Licensing
    - b. Individual
    - c. Entity
    - d. Branch Office
    - e. Verification of Citizenship
- B. Broker Responsibilities
  - 1. Broker Required to be Available
  - 2. Failure to Renew Individual and Entity License or Complete CE
  - 3. Mentor Associates Into Complying with Rules
  - 4. Broker over Single or Multiple Companies at One Location
  - 5. Branch Office and Branch Office Broker
  - 6. Change in Structure or Merger
  - 7. Cessation of Activities of Partial Cease
  - 8. Death or Disability of Broker
  - 9. Lack of Broker – Consequences
- C. Change of
  - 1. Supervising Broker – Sole Proprietor vs. Entity
  - 2. Company Name or Address
  - 3. Group Changes Qualifying for Reduced Fee
- D. Active vs. Inactive License
  - 1. Result of Inactive License – Failure to comply with Rules
- E. Supervision
  - 1. Acts of Associates
  - 2. Associate Licenses
  - 3. Associate's Corporation or Association
  - 4. Branch Office and Branch Broker
- F. Assistants
  - 1. Licensed
  - 2. Unlicensed
- G. Compensation
  - 1. Associates
  - 2. Unlicensed Assistants
  - 3. Associate's Corporation or Association
  - 4. Disassociated Associate
  - 5. Referral Fees
- H. Place of Business
  - 1. Office Identification
  - 2. Associate's Not Permitted to Maintain an Office
  - 3. Maintenance and Retention of Records
  - 4. Branch Office Identification
- I. Advertising
  - 1. Associate must Advertise in Broker Name

2. Associate Advertising Exceptions
3. Special Promotions
4. Inducements and Rebates
- J. Disclosures
  1. Beneficial Interest
  2. Broker Relationship
  3. Residential Property Condition Disclosure or Disclaimer
  4. Lead-Based Paint
  5. Encourage Inspections
  6. Psychologically Impacted Real Estate
  7. Megan's Law
  8. Prohibition from Participating in Real Estate Business if License is Suspended or Revoked
- K. Trust Accounts
  1. Duty to Account
  2. Duty to Account – Associate
  3. Monies of Others – Trust Account vs. Operating Account
  4. Associate Requirements
  5. Disburse Escrow Deposit in Accordance with Contract
  6. Special Escrow Disbursement
  7. Interpleader
  8. Property Management Security Deposits
- L. Investigations
  1. Cause for Suspension or Revocation of License
  2. Prohibited Acts and Substantial Misrepresentations
- M. Guidelines for Suspended or Revoked Broker or Associate
- N. Management Skills

**Category Three: Establishing a Real Estate Office – 5 hours**

- A. Types of Ownership
  1. Corporations
  2. General Partnerships
  3. Limited Partnerships
  4. Limited Liability Companies (LLC)
  5. Sole Proprietorship
- B. Styles of Management and Leadership
  1. Autocratic/Organization
  2. Dictatorial/Authority
  3. Participative
  4. Laisser-Faire
  5. Leadership
- C. Setting up your Business Operations
  1. Site Location
  2. Design of the Office
  3. Retention, Training, Buying a Real Estate Firm

**Category Four: Professional Development – 5 hours**

- A. Company Orientation Programs
- B. Training Programs
  1. Whom to Train
  2. What to Teach
  3. How to Deliver Training
- C. Teaching Adults
- D. Ethics
- E. Coaching Your Associates and Employees
- F. Informal Organization
- G. General Work Policies
- H. Safety in the Work Place
- I. Communications Breakdowns

- Category Five: Business Office Management – 5 hours**
- A. Supervision and Training of Licensees
    - 1. Supervision of Licensees.
    - 2. Training of Licensees
    - 3. Personal Safety
    - 4. Independent Contractor
    - 5. Employee
  - B. Communications and Writing Effectively
    - 1. Communications
    - 2. Advertising
    - 3. Regulation Z, RESPA
    - 4. Advertising Do's and Don'ts Under OREC Code and Rules
    - 5. Writing Effectively
  - C. Office Management and Office Policy and Procedures
    - 1. Office Management
    - 2. Office Policy and Procedures
    - 3. Strategic Planning
    - 4. Quality Control
    - 5. Service Industry

- Category Six: Office Financial Management – 5 hours**
- A. Office Accounting
    - 1. Accounting
    - 2. Financial Records and Statements
    - 3. General Operating
    - 4. Monthly Operating Budget
  - B. Compensation
    - 1. Compensation Arrangements
    - 2. Salary, Overrides, and Bonuses
  - C. Trust Accounts and Trust Funds
    - 1. Brokers Obligations to Trust Accounts
    - 2. Commingling
    - 3. Interest Bearing Trust Accounts
    - 4. Registering of Trust Accounts.
    - 5. Return of Earnest Money
    - 6. Interpleader Action
    - 7. Duty to Account
    - 8. General Ledgers
    - 9. Trust Account Records

- Category Seven: Anti-Trust and Deceptive Trade – 5 hours**
- A. Anti-Trust Act
    - 1. Anti-Trust and Per Se Rule
    - 2. Civil and Criminal Provisions
  - B. Oklahoma Deceptive Trade Practices Act and Torts
    - 1. Oklahoma Deceptive Trade Practices Act and Torts
    - 2. Related Laws
    - 3. The MLS

- Category Eight: Oklahoma Broker Relationships Act – 5 hours**
- A. Broker Relationships
    - 1. Single Party Broker
    - 2. Transaction Broker
    - 3. Broker and Parties to Transaction Relationships
    - 4. Disclosures
    - 5. Confidentiality
    - 6. Broker Practice

- Category Nine: Risk Management and Insurance – 5 hours**

- A. Liabilities, Responsibilities, Obligations to Other Parties
  - 1. Third Party Liabilities
  - 2. Liability Insurance
  - 3. Auto and Business Insurance
  - 4. Disclosures of Beneficial Interest or Referrals and Worker's Compensation Insurance
  - 5. Errors and Omission Insurance
  - 6. Homeowners Insurance
  - 7. Flood Insurance
- B. Conflict Resolutions
  - 1. Arbitration and Mediation

**Category Ten:**

**Disclosures, Hazards and Zoning – 5 hours**

- A. Property Condition Disclosure Act
  - 1. Property Condition Disclosures/Disclaimer Statements
  - 2. Professional Inspections, Home and Wood Destroying Organisms
  - 3. Psychologically Impacted Property
- B. Environmental
  - 1. Hazards
  - 2. Lead Based Paint
  - 3. Environmental Issues
  - 4. Zoning
- C. Fair Housing
  - 1. Fair Housing Prohibited Practices
  - 2. Americans Disability Act (ADA)

**Category Eleven:**

**Real Estate Financing – 5 hours**

- A. Conventional Financing
  - 1. Conforming Loans
  - 2. Non-Conforming Loans
- B. Secondary Mortgage Market
  - 1. FannieMae
  - 2. FHLMC (Federal Home Loan Mortgage Corporation)
- C. Primary Mortgage Market
  - 1. Discount Points
  - 2. Private Mortgage Insurance
- D. Veterans Administration Loans (VA)
- E. Federal Housing Administration (FHA)
  - 1. Financing
    - a. Identify-of-Interest
- F. Alternative Financing
  - 1. Assumptions
  - 2. Seller Financing
  - 3. Contract for Deed

**Category Twelve:**

**Specialized Property Operations – 5 hours**

- A. Property Management
- B. Property Management Licensing Requirements
- C. Oklahoma Landlord and Tenant Act
- D. Oklahoma Non-Residential Landlord and Tenant Act
  - 1. Oklahoma Non-Residential Landlord and Tenant Act
  - 2. Abandonment
  - 3. Personal Property
- E. Oklahoma Residential Landlord and Tenant Act
  - 1. Oklahoma Residential Landlord and Tenant Act
  - 2. Rental Agreements
  - 3. Damage and Security Deposits
  - 4. Duties of Landlord and Tenant

**Category Thirteen: The Transaction Management – 5 hours**

- A. Transaction Documents
- B. Document Retention
- C. Estimates of Cost
- D. Office File Maintenance
- E. Management of Information
- F. Listing Activities
- G. Sales Activities
- H. License and Personnel Records
- I. Quality Service Standards

**Category Fourteen: Closing A Real Estate Transaction – 10 hours**

- A. Real Estate Settlement and Procedures Act (RESPA)
- B. Use of the HUD-1
- C. The HUD-1 Form
- D. Prorations and Lender Reserve Items
- E. Settlement Statement Preparation
  - 1. HUD-1 Instructions
  - 2. Line Item Instructions
  - 3. Processing a Closing
  - 4. Closing Statements
    - a. Closing Statement A
    - b. Closing Statement B
- F. Title Commitment
- G. Closing Problems
- H. Company Closer
- I. Title and Abstract Related Costs
- J. Lender Prepaid Items
- K. Seller Debits and Credits
- L. Buyer Debits and Credits
- M. Mortgage Loan Costs

**Category Fifteen: Professional Standards of Conduct – 5 hours**

**Final Exam:** Given By Schools

Supplemented by:

- License Code and Rules
- Landlord and Tenant Act
- Trust Account and Interpleader
- Oklahoma Residential Property Condition Disclosure Act
- Closing Statement (HUD-1)
- Oklahoma Deceptive Trade Practices Act