

PRELICENSE COURSE CONTENT

Effective November 1, 2006

Chapter 1 – INTRODUCTION (3 hours)

- Real Estate Economics and Marketing
 - Career Opportunities
 - Independent Contractor vs. Employee
 - Activities that Require a Real Estate License
- Brokerage
- Business Organization
 - Managing Business
 - Compensation, Arrangements with Associates and Cooperating Brokers

- Oklahoma Real Estate Commission
- Professional Associations/Affiliations

Chapter 2 – NATURE OF REAL ESTATE (3 hours)

- Real Property
- Bundle of Rights
- Water Rights
- Personal Property
- Physical and Economic Characteristics

Chapter 3 – RIGHTS AND INTERESTS IN REAL ESTATE (3 hours)

- Freehold Estates
- Homestead Rights
- Leasehold Estate
- Tenants in Common
- Joint Tenancy
- Severalty
- Tenancy by the Entirety
- Cooperative Ownership
- Condominium Ownership
- Timeshare Ownership

Chapter 4 – LEGAL DESCRIPTIONS (3 hours)

- Government Survey System
- Metes and Bounds
- Monuments
- Recorded Plats
- Measurement Calculations

Chapter 5 – TITLE SEARCH, ENCROACHMENTS, AND LAND USE Control (3 hours)

- Abstracts of Title
- Title Examination
- Title Insurance
- Recording
- Clouded Title
- Encumbrances
- Mechanics and Materialman's Lien
- Tax Liens
- Encroachments
- Deed Restrictions
- Easements

Policing Power
Building Codes
Zoning

Chapter 6 – TRANSFER OF RIGHTS (3 hours)

Voluntary Alienation
Acquisition and Disposition of Real Property
Title Transfer
Warranty Deeds: General and Special
Quitclaim Deed
Elements of a Deed
Special Clauses and Covenants
Testate
Intestate Succession
Involuntary Alienation
Eminent Domain
Escheat
Accretion
Avulsion
Erosion
Reliction
Adverse Possession

Chapter 7 – THE BROKER RELATIONSHIPS ACT, PRINCIPLES (3 hours) – Part I
Principles

Chapter 8 – THE BROKER RELATIONSHIPS ACT, PRACTICES (3 hours) – Part II
Implementation
Practice
Conduct

Chapter 9 – SERVICE CONTRACTS (6 hours)
Listing Contracts
Compensation from parties
Exclusive Right-to-Sell
Exclusive Brokerage Agreement
Open Listings
Net Listing
Multiple Listings
Termination of Listing by Acts of Parties
Termination of Listings by Operation of Law
Competitive Market Analysis
Forces Affecting Value

Chapter 10 – ESTIMATING TRANSACTION EXPENSES (3 hours)
Seller's Expenses
Buyer's Expenses

Chapter 11 – VALUE AND APPRAISAL (6 hours)
Value and Its Elements
Basic Principles of Value
Fair Market Value
Cost Approach
Market Approach
Income Approach

Depreciation
Obsolescence
Correlation
Reconciliation

Chapter 12 MARKETING ACTIVITIES (3 hours)

Marketing Regulations
OREC License Code & Rules
State, Federal and Local Laws and Affecting Advertising
Qualifying Buyers
Relocation

Chapter 13 – FAIR HOUSING (3 hours)

Civil Rights Act of 1866
Civil Rights Act of 1964
Fair Housing Act of 1968
Blockbusting
Panic Selling
Steering
Redlining
Protected Classes
Fair Housing Act of 1988
Handicap
Familial Status
ADA (Americans with Disabilities Act)
Oklahoma Fair Housing Laws
Age

Chapter 14 – CONTRACT LAW – Overview (3 hours)

Contracts
Classification of Contracts
Legal Capacity
Termination of Offers
Reality of Consent
Legal Consideration
Misrepresentation

Chapter 15 – CONTRACT LAW – Continued (3 hours)

Legality of Objective
Dual Contracts
Statute of Frauds
Caveat Emptor
Termination by Acts of Parties
Termination by Operation of Law
Statute of Limitation
Doctrine of Laches
Breach of Contract and Remedies

Chapter 16 - OFFERS AND PURCHASE CONTRACTS – Practical (6 hours)

Overview of OREC Standard Contract, Related Addenda and Informational Pamphlet
Fixtures and Trade Fixtures
Uniform Vendor and Purchaser's Risk Act
Sales Commission Calculation
Ad Valorem Tax Calculations

Time is of the Essence
Trust Accounts
 Commingling
 Earnest Deposits
 Deposit of Earnest Money
Option
Contract for Deed
Lease Purchase
Investment Properties

Chapter 17 – FINANCING REAL ESTATE (6 hours)

Federal Government Influence
 RESPA
 Truth In Lending
 Regulation Z
Sources of Funds
Discount Points
Interest
Assumption
Types of Mortgages
 Conventional
 VA Loans
 FHA Loans
Notes and Mortgages
Acceleration Clauses
Alienation Clauses
Questionable Lending Practices
Deed of Trust

Chapter 18 – CLOSING A TRANSACTION (3 hours) (GAK Chap. 22) (Jacobus Chap. 16)

HUD 1 Form
Documentary Stamps (calculations)
RESPA
Regulation X
Prorations
Pre-closing Procedures
Closing Meeting

Chapter 19 – REGULATIONS AFFECTING REAL ESTATE (9 hours)

Oklahoma Real Estate License Code and Rules
Code
 Commission
 Powers and Duties
 License Required
 Nonresidents
 License Term
 Inactive Status
 Broker Place of Business
 Proof of License
 Prohibited Acts
 Persons Prohibited from Participating in Real Estate
 Penalties for Unlicensed Activity
 Administrative Fines
 Education and Recovery Fund
Rules

Purpose of the Commission
Open Records Act
Petition for Declaratory Ruling
Contract Forms Committee,
Etc.

Chapter 20 – DISCLOSURES AND ENVIRONMENTAL ISSUES (3 hours)

Oklahoma Residential Property Condition Disclosure Act (Title 60 O.S. §831 et. seq.)
Lead-Based Paint Residential Disclosure
Psychologically Impacted Property
Megan's Law
Knowledge of Material Defects
Beneficial Interest Disclosure
IRS Form 8300 Report of Cash Payments
Environmental Issues
 Radon
 Asbestos
 Mold
 Meth Labs
 Etc.

Chapter 21 – PROPERTY MANAGEMENT & LEASING (6 hours)

Landlord and Tenant Act
 Fundamentals and Overview
Lease Hold Estates
Lease Documents
 Assignments & Sub-letting
Type of Leases
 Security Deposits
 Rent Collections
 Evictions
On-site Off-site Management
Training Programs
Professional Associations

Chapter 22 – RISK MANAGEMENT – (3 hours)

Property Insurance
 Flood
 Homeowners
Home Warranties
Business Risk
 Errors & Omission Insurance
Condo Insurance
Renters Insurance
Auto Insurance

Chapter 23 – PROFESSIONAL STANDARDS OF CONDUCT – (3 hours)

Etiquette [OREC to generate resource material]
 (Title 59 O.S. §858-312, Subsection 8, improper conduct)
NAR Code of Ethics