

## **FREC Course I Outline**

### **Session**

### **Title**

- 1**     ***The real estate business***
- L1     - Types of Brokers  
       - Standards of Service  
       - Broker's Knowledge and Skills
  - L2     - Areas of Specialization  
       - Steps in the Sales Process
  - L3     - Property Management  
       - Appraising  
       - Comparative Market Analysis
  - L4     - Development and Construction  
       - Types of Home Buildings  
       - Role of the Government  
       - Professional Organizations
- 2**     ***Real estate license law and qualifications for licensure***
- L1     - Licensing Laws  
       - Intent of Regulation  
       - Types of Licenses
  - L2     - License Requirements  
       - Applicant Requirements  
       - Application Requirements  
       - Non-Resident Requirements
  - L3     - Competence on the Exam  
       - Passing the Exam  
       - Failing the Exam  
       - Course Regulations  
       - Mutual Recognition
  - L4     - Post-Licensing Education  
       - Continuing Education  
       - Broker Licensing  
       - Services of Real Estate  
       - Exemptions

### **3**     ***Real estate license law and Commission rules***

- L1     - FREC, DBPR & DRE
- L2     - Members of FREC  
       - Duties of FREC
- L3     - Licensing Exam  
       - Address Changes  
       - Renewal Periods
- L4     - Obtaining a License by Fraud  
       - Various Licensure Status
- L5     - Change of Business Address  
       - Change of Employer  
       - Multiple Licensing  
       - Group Licensing  
       - Restrictions on Schools

### **4**     ***Authorized relationships, duties and disclosures***

- L1     - Agency  
       - Principal and Agent Relationship  
       - Types of Agents
- L2     - Legal Forms of Representation  
       - Representation Disclosure Requirements  
       - Licensee's Duties
- L3     - Recap Broker Relationships  
       - Exclusions to Disclosure  
       - Transaction Broker  
       - Terminating Relationships
- L4     - Fraud and Misrepresentation  
       - Deceptive Practices  
       - Code of Ethics

### **5**     ***Real estate brokerage activities***

- L1     - Types of Brokerage Offices  
       - Requirements of Brokerage Offices
- L2     - Rules and Regulations  
       - Broker Advertising

- L3 - The "Do Not Call" List
  - Exceptions to the No Calls List
  - F.S. 501.059
- L4 - Requirements Escrow Accounts
  - Proper Handling of Escrow Accounts
  - Proper Handling of Post-Dated Escrow Checks
  - Interest Earned on Escrow Accounts
- L5 - Conflicting Demands on an Escrow Account
  - Four Settlement Procedures
- L6 - Advance Fees
  - Penalties for Improper Handling
- L7 - The Proper Handling of Rental Lists for a Fee
- L8 - Opinion of Title
  - "Puffing"
  - Anti-Trust Laws
  - Price Fixing
- L9 - Sales Associate Compensation
  - Legal and Illegal Kickbacks
  - When a Licensee Changes Employers
- L10 - Approved Brokerage Entities
  - Ostensible Partnerships
  - Replacement of a Principle Broker
  - Use of Trade Names
  - Entities that Cannot Register

**\*Progress Test 1**

**6 *Violations, penalties and procedures***

- L1 - Rules and Regulations
  - Complaint Process
  - Filing a Complaint
  - Investigating a Complaint
- L2 - Probable Cause Panel
  - Determining Probable Cause
  - Formal Complaint

- L3
  - Process of an Informal Hearing
  - What Happens in a Formal Hearing
- L4
  - Formal Hearing Process
  - Issuance of Final Orders
  - Summary Suspension
  - Appeals Process
- L5
  - FREC Penalties
  - Grounds for Suspension
  - Suspension v. Revocation
  - Penalties for Fraud
- L6
  - Three Categories of Penalties
  - Administrative Penalties
  - Four "Less Severe" Penalties
- L7
  - Civil Penalties FREC can Impose
  - Degrees of Criminal Penalties
  - Penalties for Unlicensed Activities
- L8
  - Real Estate Recovery Fund

**7**     ***Federal and state laws pertaining to real estate***

- L1
  - Anti-Discrimination Legislation
  - Protected Classes
  - Fair Housing Legislation
- L2
  - Prohibited Activities
  - Fair Housing Display Requirements
  - Filing Discrimination Complaints
- L3
  - Goals of the ADA
  - Requirements of the ADA
  - Interstate Full Land Sales Disclosure Act
- L4
  - Truth in Lending Laws
  - "Regulation Z"
  - Annual Percentage Rate
  - Equal Credit Opportunity Act
- L5
  - Real Estate Settlement Procedures Act

- L6 - RESPA
  - Disclosure Requirements
  - Permitted and Illegal Kickbacks
  - Exempt Transactions
- L7 - Florida Fair Lending Act
  - Real Estate Development Laws
- L8 - Florida Landlord and Tenant Act
  - Security Deposits and Advance Rents
  - Landlord and Tenant Obligations
- L9 - Landlord's Rights and Restrictions
  - Tenant Vacates
  - Lease Termination by Landlord
  - Lease Termination by Tenant
  - Eviction Process

**8** *Estates and tenancies; condos, coops, and timeshares*

- L1 - Land, Real Estate and Real Property
- L2 - Rights in Real Property
  - Natural Processes
- L3 - Real Property v. Personal Property
  - Personal Property, Fixtures and Trade Fixtures
  - Four Tests for a Fixture
- L4 - Ownership Rights in Real Property
  - Ownership Estates in Real Property
- L5 - Owner by a Single Individual
  - Indirect Ownership by More Than One Person
  - Direct Ownership by More Than One Person
- L6 - More on Ownership Rights in Real Property
  - More on Ownership Estates in Real Property
- L7 - Florida's Constitutional Homestead Laws
  - Spouse Dies Intestate
  - Surviving Spouse's Right to an Elective Share
- L8 - Condominiums and Cooperative Associations
  - Rights of Buyers of Condos and Co-ops

- L9
  - Condominiums
  - Advantages and Disadvantages
  - Time Share
  - Rules and Restrictions

**9**     ***Title, deeds and ownership restrictions***

- L1
  - Acquiring Title
  - Discuss "or's" and "ee's"
- L2
  - Notices of Ownership
  - Title v. Deed
  - Title History Reviews
  - Title Insurance Policies
  - Elements of a Valid Deed
- L3
  - Various Clauses and Covenants Related to Deeds
- L4
  - Four Types of Statutory Deeds
- L5
  - Governmental and Private Restrictions
  - Deed Restrictions
- L6
  - More on Private Restrictions
  - Valid Lease Agreement
  - Types of Tenancies
  - Types of Leases
- L7
  - More on Private Restrictions
  - Liens on Title
  - Categories of Liens
  - Priority of Liens

**10**    ***Legal descriptions***

- L1
  - Street Address v. Legal Description
  - The Multiple Purposes of Surveys
  - Three Types of Legal Descriptions
- L2
  - The Government Survey System
  - Longitudinal and Latitudinal Reference Lines
  - Breakdown of Rectangular Land Areas

- L3 - More on the Government Survey System
  - Special Numbering System for Sections
  - Process of Locating Township
  - Calculate acreage as Part of a Section
- L4 - Plat of Survey (Lot and Block) Method
  - Elements of a Lot and Block
  - Tax Maps and Parcel IDs

**\*Progress Test 2**

**11 *Real estate contracts***

- L1 - Preparation of Contracts
  - Statute of Frauds
  - Statute of Limitations
- L2 - Essential Elements to a Contract
  - Mental Capacity Conditions
- L3 - Four Classifications of a Contract
  - Negotiation Process
  - Termination of an Offer
  - Termination of a Contract
  - Breach of Contract
- L4 - Five Types of Contracts
  - Discuss Listing Contracts
  - Four Types of Listing Contracts
- L5 - Contracts in Real Estate Business
  - Importance of Purchase Contracts
  - Important Disclosures
- L6 - More on Important Disclosures Required for Purchase Contracts
  - More on Contracts in the Real Estate Business

**12 *Real estate finance***

- L1 - Title v. Lien Theory
  - Two Important Loan Instruments
  - Notes and Mortgages
- L2 - Mortgage Covenants and Clauses

- L3 - Down Payments
  - Loan-to-Value Ratios (LTVs)
  - Discount Points and Origination Fees
- L4 - Benefits of Mortgage Insurance
  - Mortgage Escrows
  - Components of Monthly Mortgage Payments
- L5 - Mortgage Assignment v. Mortgage Assumption
  - Methods of Purchasing Mortgaged Property
- L6 - More on Methods of Purchasing Mortgaged Property
  - Foreclosure Process
  - Mortgagee's and Mortgagor's Rights in a Foreclosure

### **13** *Types of mortgages and sources of financing*

- L1 - Types of Mortgages
  - A Fully Amortized Mortgage
  - Identify Components of a Mortgage
  - Calculate Interest Payments
  - Calculate an Amortized Payment
- L2 - Partially Amortized Mortgage
  - Balloon Payment
  - Calculate Loan Amount
  - Calculate Purchase Price
- L3 - Adjustable Rate Mortgage
  - Components of an ARM
  - Factors Influencing Interest Rates
- L4 - More on Mortgage Types
- L5 - FHA, VA and Conventional Loans
  - Conforming and Nonconforming Conventional Loans
  - Calculate a FHA Down Payment
- L6 - Broker v. Lender Qualification of a Buyer
  - Loan Application Process
  - "Three C's"
  - Calculate Qualifying Ratios
- L7 - Federal Reserve System
  - Interest Rate Regulations

- L8
  - Real Estate Loans
  - Mortgage Bankers v. Brokers
  - Rural Housing Service
- L9
  - Secondary Mortgage Bankers
  - Ginnie Mae, Fannie Mae and Freddie Mac

**14**    *Real estate computations and closing of transactions*

- L1
  - Acceptance to Closing a Transaction
  - Calculate Commissions
  - Calculate Profits and Losses
- L2
  - Common Closing Expenses
  - Debits, Credits and Prorated Expenses
  - Two Methods of Proration
  - Calculate a Prorated Tax Bill
- L3
  - Calculate a Rent Proration
  - How to Handle a Rent Deposit
  - Calculate Prepaid Interest Proration
- L4
  - State Taxes on Transfer of Real Estate
  - Calculate State Taxes

**15**    *Real estate appraisal*

- L1
  - Appraisal Services
  - Price, Cost and Value
  - Characteristics of Value
  - "Highest and Best Use"
- L2
  - Sales Comparison Approach
  - Property Valuation
  - Two Categories of Value Adjustments
  - Weighted Value of Comparable Properties
- L3
  - Cost-Depreciation Approach
  - Property Valuation
  - Three Methods to Cost-Estimating
  - Types of Depreciation
- L4
  - Income-Capitalization Approach
  - Property Valuation
  - Operating Expenses
  - Calculate Net Operating Income

- L5 - Income Capitalization Approach
- Overall Capitalization Rate (OAR)
- "Gross Rent Multiplier"

**\*Progress Test 3**

**16 *Introduction to residential product knowledge***

- L1 - Construction Codes
- Different Types of Lots
- Common Roof Styles
- Construction Basics
  
- L2 - Common Building Materials
- Function of Thermal Insulation
- Common Roofing Materials
- Plumbing and Electrical Systems

**17 *Real estate investments and business opportunity broker***

- L1 - Investment Terminology
  
- L2 - Advantages and Disadvantages of Investing in Real Estate
- Risks Inherent to Real Estate Investment
  
- L3 - The Nature of Business Brokerage
- Similarities in Real Estate Brokerage
- Differences in Real Estate Brokerage
  
- L4 - Expertise Required
- Business Appraisal
- Sale of a Business

**18 *Taxes affecting real estate***

- L1 - Property Taxation
- Tax Assessment Protest Procedures
  
- L2 - Tax Exemptions and Exempt Properties
- Benefits of Property Tax Exemptions
  
- L3 - Establishing Property Tax Rate
- Calculating Property Taxes
- Ramifications of Not Paying Property Taxes

L4 - Taxation on Owner-Occupied Properties v. Investment Properties

L5 - Cash Flows for Investment Properties

- Calculating Taxable Income

- Deferring Payment of Taxes

**19** *The real estate market*

L1 - The Character of Real Estate and Influencing Values

L2 - Supply Factors

- Demand Factors

- Market Conditions

**20** *Planning and zoning*

L1 - Zoning Ordinances

- Florida's Growth Management Act of 1985

L2 - Land Uses and Land-Use Models

- Building Codes

- Planning Commission

L3 - Authority of the Planning Commission

- Classifications of Zoning

L4 - Zoning Appeals Process

- Environmental Impact Statement

- Planned Unit Development

- National Flood Insurance Program

**\*Progress Test 4**

**Final Exam (Timed)**

See the “Course Conclusion” module for instructions

**\*Progress Tests are “selective release”. The Progress Test icon will not appear on the home page until the previous lecture quizzes have been completed.**