

2016-17 Real Estate Module – Residential Contracts Timed Outline

Mandatory Curriculum for this MODULE		Required Classroom Times Shown ↓	Required Internet Times Shown ↓
<u>ALL TOPICS MUST BE COVERED as shown in outline below</u>			
I.	Welcome and Course Objectives		
II.	Elements of a Binding Contract	5 Min	7 Min
	A. <i>Bilateral versus unilateral</i>		
	B. <i>Enforceability</i>		
	1. Contingencies		
	C. <i>Essential elements</i>		
	1. Capacity		
	2. Mutual agreement		
	3. MN Plain Language statute		
	4. Performance		
	5. Discharge		
	6. Breach		
	7. Remedies		
	D. <i>Assignability</i>		
	E. <i>When clients should seek legal advice</i>		
III.	Representation Contracts and Facilitator Services Agreements	25 Min	28 Min
	A. <i>Agency Relationships</i>		
	1. Disclosure only, not a contract for representation		
	2. Seller's Broker		
	3. Buyer's Broker		
	4. Dual Agent		
	5. Facilitator		
	6. Fiduciary Duties		
	B. <i>Listing Contract:</i>		
	1. Required Elements & Other Provisions		
	a. Expiration Date		
	b. Description of property involved		
	c. List Price and Terms required by seller		
	d. Amount of Compensation and Required Compensation Notice		
	e. Statement explaining the event that will entitle broker to a commission		
	f. Buyer's instructions		
	g. Cancellation Terms		
	h. Override Clause and Protective Lists		
	i. Name		
	j. Effective Date		
	k. Price		
	l. Leasing Option		

	m. Authorization		
	n. Hold over clause prohibition		
	o. Compensation & Required Notice		
	i. Compensation Disclosure to Buyer		
	p. Closing services		
	q. Additional costs		
	r. Agency representation		
	i. Dual Agency and the required disclosure statement		
	s. Required notice in Residential transactions that seller is not obligated to pay compensation to broker if seller enters is obligated to pay a commission to another licensee		
	2. Electronic signatures		
	3. Acceptance and dates		
C.	<i>Buyer Representation Contracts:</i>		
	1. Exclusive vs. Non-exclusive		
	2. Required Elements & Other provisions		
	a. Expiration Date		
	b. Statement explaining services to be provided		
	c. Buyer's instructions		
	d. Cancellation Terms		
	e. Override Clause and Protective Lists		
	f. Property address		
	g. Name		
	h. Effective Date		
	i. Price		
	j. Leasing Option		
	k. Terms		
	l. Authorization		
	m. Hold over clause prohibition		
	n. Compensation & Required Notice		
	i. Compensation Disclosure to Buyer		
	o. Closing services		
	p. Additional costs		
	q. Agency representation		
	ii. Dual Agency and the required disclosure statement		
	r. Required notice in Residential transactions that buyer is not obligated to pay compensation to broker if buyer enters into another valid buyer's broker agreement obligating the buyer to pay another licensee.		
	3. Electronic signatures		
	4. Acceptance and dates		
D.	<i>Facilitator Services Agreements: Buyer & Seller</i>		
IV.	Disclosure Issues	15 Min	17 Min
	A. <i>Seller Disclosure in Residential Property</i>		
	1. Seller's Property Disclosure		
	B. <i>Seller Disclosure Alternatives</i>		
	1. Private inspection		

	2. Waiver		
	C. <i>Other Seller Disclosure Requirements</i>		
	1. Subsurface Sewage Treatment		
	2. Private Well		
	3. Evaluation Exclusions		
	4. Methamphetamine		
	5. Radon		
	6. Airport Zoning		
	7. Predatory Offenders		
V.	Purchase Agreement		
	A. <i>Parties' names</i>	15 Min (a-g)	17 Min (a-g)
	B. <i>Property address</i>		
	C. <i>Ernest money obligations</i>		
	D. <i>Fixtures</i>		
	E. <i>Personal Property</i>		
	F. <i>Price</i>		
	1. Financing		
	2. Closing date		
	G. <i>Deeds</i>		
	H. <i>Property taxes and assessments</i>	20 Min (h-s)	23 Min (h-s)
	I. <i>Linked Devices</i>		
	J. <i>Possession</i>		
	K. <i>Title and examination</i>		
	1. Dual agency		
	L. <i>Mechanics Liens</i>		
	1. Lien waiver required		
	M. <i>Definition of dimensions</i>		
	N. <i>Risk of Loss</i>		
	O. <i>Time is of the essence</i>		
	P. <i>Entire Agreement</i>		
	1. Electronic Signature		
	2. Electronic communication		
	Q. <i>Default</i>		
	R. <i>FIRPTA</i>		
	S. <i>Final acceptance</i>		
	1. Signatures/dates of all parties		
	2. Delivery		
VI.	Counter Offers and Addenda	5 Min	7 Min
	A. <i>Standard terms</i>		
	B. <i>Signatures required on purchase agreement</i>		
VII.	Financing Addenda	15 Min	17 Min
	A. <i>Conventional</i>		
	1. Contingency Options		
	B. <i>FHA</i>		

	1. Contingency Options		
	2. Escape Clause		
	3. Work Orders		
	4. Re-inspection Fees		
	5. Processing Fees		
	C. DVA		
	1. Contingency Options		
	2. Escape Clause		
	3. Work Orders		
	4. Re-inspection Fees		
	5. Processing Fees		
	D. Contract for Deed	4 Min	5 Min
	1. Uniform Conveyancing Blank (UCB) Contract for Deed		
	a. Financing Addendum distinguished from the Contract for Deed		
	b. UCB Contract for Deed		
	i. Title		
	ii. Deed		
	iii. Purchase Price		
	iv. RE Taxes and assessments		
	v. Insurance		
	vi. Recording of Contract by Purchaser		
	vii. Defaults and Remedies		
	viii. Additional Terms		
	2. Required Transactions		
	a. Multiple Seller		
	b. Unrepresented Buyer		
	c. Residential Property		
	3. Disclosure Form		
	a. Front of Purchase Agreement		
	b. 5-Day Waiting Period		
	c. No Waiver		
	d. Cancellation		
	i. Voluntary		
	ii. Declaratory Cancellation		
	e. Remedies		
	f. Accounting Required		
VIII.	Seller Contributions	5 Min	7 Min
	A. Closing Costs		
IX.	Condominium Townhouse CIC Addendum	15 Min	17 Min
	A. Calculation of days		
	B. Exempt properties		
	C. Right to cancel provision		
X.	Contingency Addendum Sale of Buyer's Property	10 Min	11 Min
	A. Mechanics of the contingency		
XI.	Inspection Contingency	10 Min	11 Min
	A. Types of inspections		

	B. Mechanics of the contingency		
	C. Cancellation		
	D. Material fact disclosure		
XII.	As Is Addendum	10 Min	11 Min
	A. Seller disclosure alternatives with waiver		
	B. Limitation of Seller Liability/legal advice		
	C. Warranties		
	D. Risk of loss		
XIII.	Cancellation of a Purchase Agreement	15 Min	17 Min
	A. Cancellation agreement signed by both parties		
	B. Refusal to sign a cancellation		
	C. Statutory cancellation		
	D. Earnest money issues		
XIV.	One Time Showing Contract	5 Min	7 Min
	A. Secures compensation		
	B. Specific buyer		
XV.	Wrap Up, Summary and Questions	10 Min	10 Min
	<i>Exam - (Not more than 11-min/classroom or 13-min/Internet)</i>	11 Min	13 Min
	Examination: Course will include its own 20-question examination, chosen from an associated bank of at least 50 questions. The 70% passing score for the examination will be 14 correct answers. (6% of 3.75Hr course content = 11Min/Classroom or 13Min/Internet) The official examination is sent to the provider by the Commerce Department after the course is approved.		
	3.75 Total Hours Required	195 Min	225 Min

Course Description: This class will explore contracts and forms related to the Minnesota real estate transactions. Special emphasis will be placed on the contract issues that come up in day-to-day business so agents will be better equipped to serve buyers and sellers after instruction on what is contractually required.

Learning Objectives: After attending this class, real estate licenses will:

- Have a better understanding of what is required by law in real estate contracts;
- Examine various contracts, addendums and agreements and review forms issues that create problems in real estate transactions;
- Learn to avoid contractual perils and pitfalls;
- Be better equipped serve buyers and sellers in today's complex real estate transactions.

Note:

Exam cannot count for more than 11-min/classroom or 13-min/Internet of the total course time; however a licensee must be allowed to remain as long as reasonably necessary to complete the exam.

This Module Satisfies the 1-Hour Broker Module Requirement
