

**CORRECTIONS Made to Outline Section IV. Contracts (A) & (B) on 7.11.24**

**7/1/24-6/30/25 SALESPERSON & BROKER REQUIRED MODULE**

**Risk Management and Minnesota License Procedures**

**REQUIRED Core Matrix Outline**

**Notice Regarding the Core Matrix Outline**

The following material outlines the required topics that Education Providers must include when establishing their course. **ALL TOPICS MUST BE COVERED as shown in following outline below and in the corresponding Study Guide for Section VIII.** While the module itself, the required topics in the core matrix outline, and the exam, were ultimately approved by the MN Dept. of Commerce, the development was delegated in part, as allowed by Minn. Statute Chapter 82.61 (i), to a statewide real estate trade association and a statewide private continuing education provider. This training course content, if effectively delivered, will enable real estate agents to gain a basic understanding of the required topic. All methods of instruction require verifiable passage of an end of course closed book exam **(This is a (4) Four Page Outline)**

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| <b>Provider Name:</b> | <b>Provider #</b> |
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| <b>REQUIRED COURSE TITLE</b><br><b>7/1/24-6/30/25 SALESPERSON &amp; BROKER REQUIRED MODULE</b><br><b><i>Risk Management and Minnesota License Procedures</i></b> |
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| <b>Mandatory Curriculum for this MODULE</b><br><b>ALL TOPICS MUST BE COVERED as shown in Outline below</b><br><b>AND in the corresponding Study Guide for Section VIII</b><br><b>All Students Must be Given Access to the Study Guide for Section VIII</b> | <b>TIME</b><br><br>(Show times for all sub-topics) |
|--|--|
| <b>I. Welcome and Course Objectives</b>  |  |
| <b>II. An Overview of Risk</b>   | <b>5 minutes</b>                                   |
| <b>A. Definition of Risk</b>   |  |
| <b>B. The need to reduce or eliminate risk in real estate transactions</b>   |  |
| <b>C. Recent MN Department of Commerce enforcement actions</b>   |  |
| <b>III. Disclosure Requirements (82.68)</b>  | <b>5 minutes</b>                                   |
| <b>A. Agent only conducting business on behalf of the broker to whom licensed</b>  |  |
| <b>B. Financial Interests</b>  |  |
| 1. Prior to negotiations   |  |
| 2. In writing  |  |
| <b>C. Advertising (82.68)</b>  | <b>10 minutes</b>                                  |
| 1. Licensee disclosure in all advertising  |  |
| 2. Individual agent  |  |
| 3. Team Names  |  |
| <b>D. Compensation (82.70)</b>   | <b>10 minutes</b>                                  |
| 1. All compensations and fees must go through the broker   |  |
| 2. Referral fees   |  |
| 3. Sharing commissions   |  |
| 4. Brokers may pay commissions to an agent's LLC, corporation or sole proprietorship if agent is sole owner  |  |

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| 5. Listing brokers have no claim to trust funds   |                        |
| 6. Actions  |                        |
| <b>E. Material Facts (82.71)</b>  | <b>10 minutes</b>      |
| 1. Must disclose all material factors the agent is aware of                                     |                        |
| 2. "Material" definition  |                        |
| 3. Agent liability: Recognizing obvious issues and red flags                                    |                        |
| 4. Exceptions   |                        |
| 5. Disclosure not limited facts about the property  |                        |
| 6. Statutes place same disclosure obligations on sellers  | <b>10 minutes</b>      |
| 7. Sellers (not agents) have options  |                        |
| 8. Consequences of inadequate disclosure  |                        |
|   | <b>10-minute Break</b> |
| <b><i>CORRECTIONS Made to Outline Section IV. Contracts (A) &amp; (B) on 7.11.24</i></b>        |                        |
| <b>IV. Contracts (82.66)</b>  |                        |
| <b>A. Listing Requirements</b>  | <b>15 minutes</b>      |
| 1. Written Authorization  |                        |
| 2. Contents   |                        |
| 3. Prohibition of listing agreements  |                        |
| <b>B. Buyer Representation Agreements</b>   | <b>15 minutes</b>      |
| 1. Written authorization  |                        |
| 2. Contents   |                        |
| 3. Buyer representation prohibitions  |                        |
| <b>C. Facilitator Agreements</b>  | <b>5 minutes</b>       |
| 1. The default relationship in Minnesota  |                        |
| 2. Written agreement NOT required   |                        |
| 3. Confidentiality is the only required fiduciary duty unless other duties requested in writing |                        |
| <b>D. Interference of Contract (82.81)</b>  | <b>5 minutes</b>       |
| 1. Intruding on the exclusive agency relationship of another broker                             |                        |
| 2. Termination terms  |                        |
| <b>E. Purchase agreements</b>   | <b>5 minutes</b>       |
| 1. Details and Pitfalls   |                        |
|   |                        |
| <b>V. Negotiations (82.71)</b>  | <b>5 minutes</b>       |
| <b>A.</b> Requirement to present all written offers promptly                                    |                        |
| <b>B.</b> Cannot disclose terms of an offer prior to presentation                               |                        |
| <b>C.</b> Obligation to provide a copy of documents to the party when signed                    |                        |
| <b>D.</b> Obligation to provide closing statements detailing all disbursements                  |                        |
|   | <b>10-minute Break</b> |
|   |                        |
| <b>VI. Trust Accounts (82.75)</b>   | <b>10 minutes</b>      |
| <b>A.</b> Deposit   |                        |
| <b>B.</b> Offer rejected, earnest money returned next business day                              |                        |
| <b>C.</b> No commingling  |                        |
| <b>D.</b> Interest  |                        |
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| <b>VII. Cancellation</b>   | <b>10 minutes</b>               |
| A. Cancellation of residential purchase agreement  |                                 |
| B. Breach of contract vs cancellation of contract  |                                 |
| C. Methods of cancellation   |                                 |
| 1. Voluntary   |                                 |
| 2. Statutory   |                                 |
| 3. Right to cure- 15 days, e.g. closing date   |                                 |
| 4. Declaratory cancellation – 15 days  |                                 |
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| <b>The following section VIII must be taught as a separate section and must cover the topics itemized in the Study Guide for Section VIII located with this course application</b> |                                 |
| <b>All Students Must be Given Access to the Study Guide for Section VIII</b>   |                                 |
|  |                                 |
| <b>VIII. *License Application and Maintenance Procedures</b>   | (Show times for all sub-topics) |
| A. How to Contact Commerce; Licensee Contact Info  | <b>3 minutes</b>                |
| 1. <b>Required</b> licensee contact information  |                                 |
| 2. Contacting Licensing  |                                 |
| 3. Contacting Education Providers  |                                 |
| 4. Contacting Commerce Enforcement   |                                 |
| B. Applying for a license  | <b>5 minutes</b>                |
| 1. Qualification of applicants   |                                 |
| 2. Application contents  |                                 |
| 3. Applying for a broker's license   |                                 |
| 4. Applying for a business entity (brokerage) license  |                                 |
| 5. Period for application.   |                                 |
| C. Real Estate License Application Changes 2024  | <b>3 minutes</b>                |
| D. PE Requirements   | <b>3 minutes</b>                |
| 1. Minn. Stat. § 82.59   |                                 |
| 2. How to find PE courses  |                                 |
| E. Examinations and Instruction  | <b>3 minutes</b>                |
| F. Broker: Experience, Education, Examination  | <b>3 minutes</b>                |
| 1. Minn. Stat. §§ 82.58 and 82.59  |                                 |
| 2. Scheduling a broker's license examination   |                                 |
| G. Salesperson: Education, Examination   | <b>3 minutes</b>                |
| 1. Minn. Stat. §§ 82.58 and 82.59  |                                 |
| 2. Scheduling a salesperson's license examination  |                                 |
| H. General License Renewal Instructions  | <b>7 minutes</b>                |
| 1. Broker license renewals   |                                 |
| 2. Broker responsibilities   |                                 |
| 3. Broker company license renewals   |                                 |
| 4. Salesperson license renewals  |                                 |
| a. Resident  |                                 |
| b. Non-Resident (reciprocal)   |                                 |
| c. Non-Resident (non-reciprocal)   |                                 |

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| 5. Salesperson Responsibilities  |  |
| a. Resident  |  |
| b. Non-Resident (reciprocal)   |  |
| c. Non-Resident (non-reciprocal)   |  |
|  | <b>10-minute Break</b>                         |
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| <b>I. CE Requirement</b>   | <b>5 minutes</b>                               |
| 1. General   |  |
| 2. Agency law and fair housing   |  |
| 3. Minn. Stat. § 82.61 (f)   |  |
| 4. Minn. Stat. § 82.61 (g)   |  |
| 5. Module course   |  |
| 6. Commercial-only designation   |  |
| 7. How to find CE courses  |  |
| <b>J. License Education Requirements in MN Statutes Chapter 45</b>   | <b>5 minutes</b>                               |
| 1. Continuing Education  |  |
| 2. Audits  |  |
| 3. Falsification of Reports  |  |
| 4. Reporting Requirements  |  |
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| <b>Review / Questions</b>  | <b>5 minutes</b>                               |
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| <b>Exam</b>  | <b>(30 min allowed as part of course time)</b> |
| <b>Minn. Statute Chapter 82.61 (j) [...]</b> The test must be a written test, in paper or electronic form, taken by the licensee at the conclusion of the module as a part of the credit hours devoted to the module, <b>but the test must not be allocated credit of more than one-sixth of the time allocated to the module.</b> [...]   |  |
| [...] A licensee must be allowed to remain as long as reasonably necessary to complete the test.]  |  |
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| The actual time allocated to this module includes 3, 50-minute hours, plus 45-minutes. This is a total of 195 minutes of time allocated to the module, plus 3, 10-minute breaks (30 minutes) = 225 minutes. Note that 30 minutes of the 195 minutes of course time is allotted for test time, however a licensee must be allowed to remain as long as reasonably necessary to complete the test. |  |
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| <b>ALL TOPICS MUST BE COVERED as shown in the outline above and as specified in the Study Guide for Section VIII.</b>  |  |
|  |  |
| <b>3.75 hours (Estimate of 165 min Course Topic w/30 min Exam, + 30 min breaks = Total 225 Min)</b>  |  |
| <b>Examination:</b> 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. <b>The official examination will be sent to the provider by the Commerce Department after the course is approved.</b>  |  |