

# California Real Estate Practice

## Chapter 1: Real Estate Agency Relationships

- Agency and Agency Law
  - Agency Relationships
  - Agent's Duties to the Principal
  - Agent's Duties to Third Parties
  - Other Legal Effects of Agency Relationships
- How an Agency is Created and Terminated
- Agency Disclosure
  - Historical Background
  - Agency Disclosure Requirements
  - Acting in Accordance with the Disclosures
  - Licensee Acting as a Principal
- Types of Agency Relationships
  - Seller Agency
  - Buyer Agency
  - Dual Agency
  - Finder or Middleman

## Chapter 2: Listing Agreements and Property Disclosures

- Types of Listing Agreements
- Elements of a Listing Agreement
  - Basic Legal Requirements
  - Provisions of a Typical Listing Agreement Form
  - Modifying a Listing Agreement
- Mandatory Disclosures Concerning the Property
  - Transfer Disclosure Statement
  - Environmental Hazards Booklet
  - Natural Hazard Disclosure Statement
  - Residential Earthquake Hazards Report
  - Lead-Based Paint Disclosure
  - Smoke Detector and Water Heater Disclosures
  - Supplemental Statutory Disclosure Form
  - Mello-Roos Lien Disclosure

## Chapter 3: Listing Regulations

- The Real Estate Law
  - Commissions
  - Ownership of a Listing
- Antidiscrimination Laws
  - Federal Fair Housing Act
  - California State Antidiscrimination Laws
  - Complying with Fair Housing Laws
  - Americans with Disabilities Act

Antitrust Laws and Listing Practices

- Price Fixing
- Group Boycotts
- Tie-in Arrangements

Environmental Issues

- Environmental Laws
- Environmental Hazards
- Real Estate Agent's Responsibilities

**Chapter 4: Evaluating and Pricing Property**

The Agent's Role in Pricing Property

Value

- Types of Value
- Value vs. Price or Cost

Competitive Market Analysis

- Analyzing the Seller's Property
- Choosing Comparable Properties
- Making Adjustments to the Comparables
- Estimating Market Value
- Completing a CMA
- The CMA Form

The Problem of a Low Appraisal

- Request for Reconsideration of Value

**Chapter 5: Sales Techniques and Practices**

Listing Practices

- Listing Sources
- Listing Presentations
- Servicing the Listing

Selling Practices

- Finding a Buyer
- Showing Properties
- Making an Offer

Safety Issues

Real Estate Assistants

- Typical Duties of a Real Estate Assistant

**Chapter 6: Preparing and Negotiating Offers**

Making an Offer to Purchase

- Preparing an Offer
- How Offers are Presented
- Multiple Offers
- Backup Offers
- Revoking an Offer

Counteroffers and Negotiations

- Making a Counteroffer
- Multiple Counteroffers
- The Negotiation Process

- Accepting an Offer
  - Communicating Acceptance
  - Manner of Acceptance
- Contract Amendments
- Contract Cancellation
- Good Faith Deposits
  - The Size of the Deposit
  - The Form of the Deposit
  - Handling the Deposit
- Fair Housing Considerations

## **Chapter 7: Deposit Receipts**

- Requirements for a Valid Purchase Agreement
- Typical Provisions in a Residential Deposit Receipt
  - Identifying the Parties
  - Property Description
  - Purchase Price and Method of Payment
  - Receipt for Good Faith Deposit
  - Closing Date
  - Transfer of Possession
  - Closing Agent
  - Allocation of Costs
  - Lead-Based Paint Disclosures
  - Included Items
  - Buyer's Investigation and Repairs
  - Conveyance and Title
  - Sale of Buyer's Property
  - Agency Disclosure
  - Default Provisions
  - Dispute Resolution
  - Time is of the Essence
  - Addenda
  - Offer and Acceptance
  - Signatures

## **Chapter 8: Contingent Transactions**

- How Contingencies Work
  - Termination or Removal
  - Good Faith Effort Required
  - Basic Elements of a Contingency Clause
- Types of Contingencies
  - Financing Contingencies
  - Inspection Contingencies
  - Sale of Buyer's Home Contingencies
  - Purchase of Replacement Property Contingencies
  - Other Types of Contingencies
- Unfulfilled Contingencies
  - Notices to Perform
  - Canceling the Purchase Agreement

## Chapter 9: Loan Qualifying

- Prequalifying Buyers
  - Prequalifying vs. Preapproval
  - How to Prequalify Buyers
- The Underwriting Process
  - Income Analysis
  - Net Worth
  - Credit History
  - Low-Documentation Loans
- Choosing a Loan
  - Truth in Lending Act
  - Other Finance Disclosure Laws
  - Locking in the Interest Rate
  - Other Considerations in Choosing a Loan

## Chapter 10: Financing Programs

- Basic Loan Features
  - Repayment Period
  - Amortization
  - Loan-to-Value Ratios
  - Secondary Financing
  - Loan Fees
  - Fixed and Adjustable Interest Rates
- Conventional Loans
  - Conventional Loans and the Secondary Market
  - Characteristics of Conventional Loans
  - Underwriting Conventional Loans
  - Making Conventional Loans More Affordable
- Government-Sponsored Loan Programs
  - FHA-Insured Loans
  - VA-Guaranteed Loans
  - Cal-Vet Loans
- Seller Financing
  - How Seller Financing Works
  - Types of Seller Financing
  - Other Ways Sellers Can Help

## Chapter 11: Closing the Transaction

- The Closing Process
  - Escrow
  - Steps in Closing a Transaction
  - The Real Estate Agent's Role in the Closing Process
- Closing Costs
  - Costs and Credits
  - Estimating the Buyer's Net Cost
  - Estimating the Seller's Net Proceeds
- Laws that Affect Closing
  - Income Tax Regulations
  - Real Estate Settlement Procedures Act

## **Chapter 12: Property Management**

- Investing in Real Estate
  - Investment Characteristics
  - Advantages of Investing in Real Estate
- Types of Managed Properties
  - Residential Rental Property
  - Other Types of Property
- The Property Management Agreement
- The Management Plan
  - The Preliminary Study
  - The Management Proposal
- Management Functions
  - Leasing and Tenant Relations
  - Recordkeeping and Manager/Owner Relations
  - Maintenance