

# REAL ESTATE: PRINCIPLES (60 Hours)

Course No.: 71-40-90

## COMPETENCY CHECKLIST

Student Name \_\_\_\_\_

Teacher Name \_\_\_\_\_ School Site \_\_\_\_\_

Start Date \_\_\_\_\_ Completion Date \_\_\_\_\_ Certificate Date \_\_\_\_\_

Teacher Signature \_\_\_\_\_ Student Signature \_\_\_\_\_

(Signature verifies completion of course competencies)

### A. **INTRODUCTION** (2 hrs)

- \_\_\_\_\_ 1. Define ownership
- \_\_\_\_\_ 2. Name and define the two types of property
- \_\_\_\_\_ 3. Five tests to determine if an item is fixture
- \_\_\_\_\_ 4. Describe trade fixtures
- \_\_\_\_\_ 5. Ways to determine property identification
- \_\_\_\_\_ 6. Safe office practices and procedures
- \_\_\_\_\_ 7. Pass test on safe office practices/procedures

### B. **ESTATES, TRANSFERS, AND TITLES** (3 hrs)

- \_\_\_\_\_ 1. Freehold and less-than-freehold estates
- \_\_\_\_\_ 2. Six basic ways to transfer real property
- \_\_\_\_\_ 3. Define the terms title and vesting
- \_\_\_\_\_ 4. Ways person may hold title to real property
- \_\_\_\_\_ 5. Instruments that affect real property
- \_\_\_\_\_ 6. Recording and how it affects the instruments
- \_\_\_\_\_ 7. "Acknowledgment" & recording process

### C. **ENCUMBRANCES** (2 hrs)

- \_\_\_\_\_ 1. Define encumbrances
- \_\_\_\_\_ 2. List/describe money type encumbrances
- \_\_\_\_\_ 3. List/describe physical use encumbrances
- \_\_\_\_\_ 4. Describe the two types of homesteads

### D. **AGENCY AND ITS RESPONSIBILITIES** (3 hrs)

- \_\_\_\_\_ 1. Define agency
- \_\_\_\_\_ 2. Parties and types of agency relationships
- \_\_\_\_\_ 3. Describe responsibilities of an agency
- \_\_\_\_\_ 4. Define responsibilities of an agency
- \_\_\_\_\_ 5. Describe liabilities of an agent
- \_\_\_\_\_ 6. List/describe 3 basic types of listings
- \_\_\_\_\_ 7. Multiple listing/Multiple Listing Service
- \_\_\_\_\_ 8. Describe process of earning commissions
- \_\_\_\_\_ 9. Describe 2 subcategories and methods

### E. **CONTRACTS** (3 hrs)

- \_\_\_\_\_ 1. Describe 4 elements of contracts

- \_\_\_\_\_ 2. Describe factors affecting contract status
- \_\_\_\_\_ 3. Purpose of the Statute of Frauds
- \_\_\_\_\_ 4. Performance/discharge/breach of contract
- \_\_\_\_\_ 5. Statute of Limitations for breach of contract
- \_\_\_\_\_ 6. Four choices to remedy breach of contract

### F. **LANDLORD AND TENANT** (2 hrs)

- \_\_\_\_\_ 1. Four types of leasehold estates
- \_\_\_\_\_ 2. Four items included in lease/rental agreement
- \_\_\_\_\_ 3. Contractual factors to consider before
- \_\_\_\_\_ 4. Describe eviction process
- \_\_\_\_\_ 5. Special purpose leases to meet specific needs

### G. **ESCROWS AND TITLE INSURANCE** (4 hrs)

- \_\_\_\_\_ 1. Process/purpose/sequence of events in escrow
- \_\_\_\_\_ 2. Three requirements for a valid escrow
- \_\_\_\_\_ 3. Three ways to terminate an escrow
- \_\_\_\_\_ 4. Proration process & items commonly prorated
- \_\_\_\_\_ 5. Functions by title insurance to protect insured
- \_\_\_\_\_ 6. Purpose of CTLA, ATLA, and ALTA-R

### H. **REAL ESTATE FINANCE** (5 hrs)

- \_\_\_\_\_ 1. Three basic kinds of promissory notes
- \_\_\_\_\_ 2. Classes that affect financial obligations
- \_\_\_\_\_ 3. Define simple interest
- \_\_\_\_\_ 4. Define amortization/determine loan payments
- \_\_\_\_\_ 5. Define ARM and explain how they work
- \_\_\_\_\_ 6. Define points, loan fees and usury
- \_\_\_\_\_ 7. Three financial instruments use in California
- \_\_\_\_\_ 8. Describe trust deeds and their functions
- \_\_\_\_\_ 9. Purpose of Federal Truth in Lending Act

### I. **FINANCIAL INSTITUTIONS** (3 hrs)

- \_\_\_\_\_ 1. Demo knowledge of types of lenders
- \_\_\_\_\_ 2. Describe various government loan programs
- \_\_\_\_\_ 3. Regulations affecting real estate financing

**J. APPRAISAL BASICS (4 hrs)**

- \_\_\_\_\_ 1. Define appraisal
- \_\_\_\_\_ 2. Four steps in appraisal process
- \_\_\_\_\_ 3. Define four forces that affect value
- \_\_\_\_\_ 4. Economic concepts applied to appraisal

**K. APPRAISAL METHODS (4 hrs)**

- \_\_\_\_\_ 1. Fundamentals of real estate appraisal
- \_\_\_\_\_ 2. Principles of components in process
- \_\_\_\_\_ 3. Comparative approach to value
- \_\_\_\_\_ 4. Cost approach to value
- \_\_\_\_\_ 5. Capitalization approach to value
- \_\_\_\_\_ 6. Final estimate of value report and info
- \_\_\_\_\_ 7. Appraisal license/certification categories

**L. SUBDIVISIONS AND GOVERNMENT CONTROL (5 hrs)**

- \_\_\_\_\_ 1. Police power/effect on citizens/land usage
- \_\_\_\_\_ 2. Basic subdivision laws/enforcing entity
- \_\_\_\_\_ 3. Describe a public report
- \_\_\_\_\_ 4. CID and describe four basic types
- \_\_\_\_\_ 5. Responsibility/value of planning commission
- \_\_\_\_\_ 6. Define zoning/how variances are made
- \_\_\_\_\_ 7. Describe eminent domain & effect on owner
- \_\_\_\_\_ 8. List and describe fair housing laws

**M. TAXATION OF REAL ESTATE (3 hrs)**

- \_\_\_\_\_ 1. Describe responsibilities of listed agencies
- \_\_\_\_\_ 2. Assessed valuation/property tax proration
- \_\_\_\_\_ 3. How property taxes affect listed groups
- \_\_\_\_\_ 4. Property tax vs special assessment tax
- \_\_\_\_\_ 5. Federal income taxation and its influence
- \_\_\_\_\_ 6. California state taxes and their effects
- \_\_\_\_\_ 7. Fed. tax collection requirements/exemptions

**N. LICENSING, EDUCATION, AND ASSOCIATIONS (5 hrs)**

- \_\_\_\_\_ 1. Federal income tax/influence on real estate
- \_\_\_\_\_ 2. CA state taxes and effect on real estate
- \_\_\_\_\_ 3. Requirements of a real estate license
- \_\_\_\_\_ 4. Describe various types of licensing
- \_\_\_\_\_ 5. Business opportunities/broker's transactions
- \_\_\_\_\_ 6. Common real estate law violations/discipline
- \_\_\_\_\_ 7. Trade and professional associations
- \_\_\_\_\_ 8. NAR Code of Ethics
- \_\_\_\_\_ 9. Define realist and its function

**O. REAL ESTATE MATH (6 hrs)**

- \_\_\_\_\_ 1. Real estate math problem-solving
- \_\_\_\_\_ 2. Know listed measurements
- \_\_\_\_\_ 3. Formulas for area & volume measurements
- \_\_\_\_\_ 4. Solve percentage problems

- \_\_\_\_\_ 5. Describe Huber's Pyramid
- \_\_\_\_\_ 6. Solve profit and capitalization problems
- \_\_\_\_\_ 7. Solve principal and interest problems
- \_\_\_\_\_ 8. Solve proration problems
- \_\_\_\_\_ 9. Straight line depreciations and solve a problem

**P. EMPLOYABILITY SKILLS (3 hrs)**

- \_\_\_\_\_ 1. Steps in a job search
- \_\_\_\_\_ 2. Résumé and cover letter
- \_\_\_\_\_ 3. Complete job application form legibly
- \_\_\_\_\_ 4. Demonstrate listed work habits
- \_\_\_\_\_ 5. Job interview preparation
- \_\_\_\_\_ 6. Participate in mock interview as an applicant
- \_\_\_\_\_ 7. Participate in mock interview as employer
- \_\_\_\_\_ 8. Describe employment rights/discrimination
- \_\_\_\_\_ 9. Describe employer's rights
- \_\_\_\_\_ 10. Describe various benefits
- \_\_\_\_\_ 11. Define listed terms related to payroll
- \_\_\_\_\_ 12. Customer service to build business

**Q. EVALUATION (3 hrs)**

- \_\_\_\_\_ 1. Pass final exam with 70% accuracy