Department of Commerce
Division of Real Estate & Professional Licensing

20 Hour Sales Post-Licensing
Required Course Outline

Unit 1 – Basic Business Practice

Unit 2 – Fair Housing

Unit 3 – Agency

Unit 4 – Broker Responsibilities

Unit 5 – Fiduciary Duties When Listing Property (Working with Sellers)

Unit 6 – Fiduciary Duties When Showing Property (Working with Buyers)

Unit 7 – Advertising Laws & Rules

Unit 8 – Earnest Money – Fiduciary Duties

Unit 9 – Fiduciary Duties Pre-Closing, Closing, and Post-Closing

Unit 10 – The Basics of Property Management

Unit 11 – The Basics of Commercial Real Estate

Unit 12 – The Basics of Short Sales, Foreclosures, Land Contracts and Wholesaling in Ohio

Unit 13 – Federal and State programs

Unit 14 – Current Economic Conditions

Unit 15 – Your Real Estate Duties and Avoiding the Unlicensed Practice of Law

Unit 1 – Basic Business Practice
Objectives

1. Understand the significance of the Division and the Ohio Real Estate Commission as the regulating authorities for licensees. Statutes, rules and Canons are law and take precedent over any trade organization affiliation. Licensees may renew their license and check CE hours on the Real Estate and Professional Licensing (REPL) website.
    a. License maintenance – licensee's responsibility
    b. eLicense look-up

2. To define: Ethics, Morals, Values, Principles and Law.
   To review research that shows the number one factor in choosing an agent was their reputation. Ohio agents are also accountable under the Canons of Ethics.

3. Locate other important web links where guidance can be found (See list below).

4. Importance of Brokerage Company Policy Manual, Company's Philosophy and Mission Statement and Business Plan.

5. Know your value. Introduce the 184 items identified by NAR and presented to Congress to show what an agent does during a transaction from listing to closing.

6. Update insurance policies to reflect being in business for themselves.

7. Develop a system for keeping records for 3 years. Records belong to the Principal Broker/Brokerage, but know the importance of keeping your own copy.

8. Agent safety tips. Refer to the guide put together by the Division/OAR.

Government Websites of Interest

Ohio Division of Real Estate - www.com.ohio.gov/real/

eLicense Lookup - http://www.com.state.oh.us/real/elicense.aspx

Ohio Civil Rights Commission - http://crc.ohio.gov/index.htm

Ohio Landlord Tenant Laws - http://www.hud.gov/local/oh/renting/tenantrights.cfm

The Official Website of the State of Ohio - www.ohio.gov

Ohio Civil Rights Commission - www.crc.ohio.gov/

Ohio EPA - http://www.epa.state.oh.us/

Ohio Law – Chapter 4735

http://codes.ohio.gov/orc/4735

Ohio Administrative Code 1301

http://codes.ohio.gov/oac/1301:5

Unit 2 – Fair Housing

Objectives

1. Define civil rights, fair housing and cultural diversity.
    a. Provide brief history leading up to the creation of the Fair Housing Act.
    b. Check to make sure you are using an updated Fair Housing poster, Fair Housing pamphlet, Agency Agreements and Consumer's Guides.
    c. Review use of the Equal Housing logo.

2. Identify the 9 protected classes under Ohio law.
    a. Talk about 2 under Ohio law that are not in federal law.
    b. Review ORC 4112.

3. Identify what qualifies as housing discrimination in Ohio
    a. Words that may not be used in ads.
    b. Actions (or in-actions) that are prohibited.

4. Identify Fair Housing Red Flags at different stages of the transaction.
    a. Know how to report possible violations.
    b. Familiarize students with HUD's Secret Shopper program.

Unit 3 – Agency
Objectives

1. Define types of agency in Ohio law:
    a. Exclusive buyer agency
    b. Exclusive seller agency
    c. Dual agency in all transactions
    d. Split and dual agency
    e. Split but no dual agency

2. Identify your brokerage company policy.

3. Distinguish the difference between a client and customer and what duties are owed to each.

4. Analyze the Consumer's Guide to Agency Relationships for buyers and sellers.
    a. Purpose and timing
    b. Exception for commercial transactions
    c. What if client refuses to sign?

5. Analyze the Agency Disclosure Statement for buyers and sellers.
    a. Purpose and timing
    b. NO exception for commercial transactions
    c. What if client refuses to sign?

6. Define and analyze contemporaneous offers from various agency relationship perspectives.

7. Discuss Waiver of Duties and identify permissible uses.

8. Discuss Agency and disclosure required when Principal Broker serves as PB in more than one brokerage.

Unit 4 – Broker Responsibilities

Objective – Analyze, discuss and understand how the broker's responsibilities also shape the permissible/prohibited activities of an affiliated licensee and why it is important that affiliated licensees be familiar with these responsibilities.

1. Oversee and direct operations of business (inferred in OAC 1301:5)

2. Comply with office requirements:
    a. Maintain a place of business
    b. Comply with office signage requirements
    c. Display brokerage license, Fair Housing poster, etc./detailed
    d. Maintain transaction and brokerage records

3. Handle licenses:
    a. Maintain licenses
    b. Return licenses with proper notice to agent
    c. Renew brokerage license
    d. Assure that unlicensed persons are not performing licensed activity

4. Trust Accounts:
    a. Establish and maintain trust account
    b. Maintain trust account records
    c. Review account records to be sure funds are properly deposited, maintained and returned and that no improper us of funds or account has occurred.

5. Agency:
    a. Establish a brokerage company policy on Agency as described in OREC
    b. Develop Consumer Guide to Agency Relationships
    c. Monitor for proper use and distribution of Guide and Form

6. Commissions:
    a. Pay affiliated licensees as required by 4735.18
    b. Assure only licensed persons are compensated for acts that require a license

7. Advertising:
    a. Assure that all advertising by brokerage complies with Ohio license law
    b. Monitor Advertising practices of licensees

8. Supervision – as defined in OAC 1301:5-6-01
    a. Assure that affiliated licensees only perform real estate activity within their area of expertise unless working with another licensee who has such expertise.
    b. Principal broker is authorized to delegate these duties

Unit 5 – Fiduciary Duties When Listing Property (Working with Sellers)
Objectives

1. Define real estate bubble, foreclosure, short sale, flipping and flopping.

2. Locate Ohio websites that may be helpful to buyers and sellers.

3. Identify a CLUE report.

4. Identify your fiduciary duties when listing a property.
    a. Presenting all offers
    b. Following *lawful* instructions

5. Identify Red Flags from the OREC.

6. Residential Property Disclosure Form
    a. List types of properties requiring disclosure.
    b. List the exceptions to the requirement for disclosure.
    c. Review the agent's duties when the property disclosure is received from seller(s).
    d. List the methods of delivery to the buyer(s)/buyer's agent and analyze the consequences if the buyer does not receive a copy of the form before the offer is written.
        i. Buyer must initial and date every page; signs on last page.
        ii. Clarify that this form is not a substitute for inspection(s).

    e. Define patent defect, latent defect, caveat emptor, material fact, and material defect.
    f. Discuss/define appropriate role of seller's agent in completion of the disclosure.

Unit 6 – Advertising Laws & Rules
Objectives

1. Identify when, and how, the broker and agent's names must be used in an ad.
    a. Must be licensed and advertise in legal name
    b. Common derivatives
    c. Nicknames
    d. Ohio's prominence law
    e. The difference between a franchise name and the brokerage name

2. Define misleading and misrepresentation.

3. Identify the document where a rebate or inducement must be disclosed.

4. List the two requirements for advertising another broker's listings.
    a. Cover permission for photos/video of a property (buyer's agent)
    b. Social media – the good, the bad, the ugly

5. Identify when an email is a private communication or an advertisement.

6. Clarify the difference between marketing and prospecting.

7. Identify proper use of a team name in advertising.

8. Identify the types of advertising that result in a citation or other discipline.

9. Identify appropriate uses of Agent-to-Agent and Public comments fields in MLS.

Unit 7 – Fiduciary Duties When Showing Property (Working with Buyers)
Objectives

1. List 3 suggestions to help buyers determine their price range.

2. Define and discuss role of:
    a. Credit Score
    b. Comparative Market Analysis (only brokers may do a BPO)
    c. Budget
    d. Loan pre-approval vs. loan pre-qualification
    e. Documents needed for loan application

3. List the agent's duties when working with a buyer as a customer.

4. List the fiduciary duties as a buyer agent.
    a. Following *lawful* instructions
    b. Confidentiality and Contemporaneous Offers (ORC 4735.51 & .65 – eff. 4/6/17)
    c. Responding to purchase offers when you are the listing agent.

5. Discuss warning signs of mortgage fraud.

6. Identify pertinent Articles in the Canons of Ethics.

Review

1. Triggering events for Consumer Guide

2. Agency law

Unit 8 – Earnest Money – Fiduciary Duties

Objectives

1. Analyze earnest money red flags for collection, deposit and release.
    a. Contract language vs. requirement for separate, written, signed release
    b. Discuss change to ORC 4735.24 (eff. 4/6/17)
    c. Discuss "reasonable" time to deposit, earnest money in offer but not collected, collected but never deposited.
    d. Discuss duty to notify other party in certain situations.

2. Identify "red flags" of offers and counteroffers.

3. Analyze fiduciary duties during offers and counter offers.

Review

1. Contingencies and timing issues

2. Delivery and acceptance

Unit 9 – Fiduciary Duties Pre-Closing, Closing, and Post-Closing
Objectives

1. Discuss the importance of the development of a system of communication and follow-up.

2. Identify timelines that must be met by the parties.

3. Identify mortgage fraud red flags.

4. Analyze types of closings.

5. Identify the fiduciary duties from the time the sales contract is accepted through post-closing.

Unit 10 – The Basics of Property Management
Objectives

1. Understand the requirement that managing property for another, for compensation, is required to be done through the agent's brokerage.
2. Identify components of a property management agreement:
    a. Required under ORC 4735.55(A)
    b. Best Practices
        i. Clear description of the property
        ii. Duties of the licensee
    c. Termination procedures
    d. Owner's funds held in reserve
    e. Eviction procedures
3. Identify the role of unlicensed individuals working for the brokerage [OAC 1301:5-5-07 (A)& (B)].
4. List trust account requirements [OAC 1301:5-5-08, -11, and -23].
5. List record keeping requirements [ORC 4735.18(A)(24)].
6. Analyze competency to conduct property management:
    a. Landlord/Tenant law (ORC 5321)
    b. Local market rents, trends and ordinances
    c. Point of sale requirements

Unit 11 – The Basics of Commercial Real Estate

Objectives

1. Identify basic commercial practice terminology.
2. Commercial transactions and Ohio license law.
    a. Required disclosures
    b. One exemption from disclosure – Consumer Guide to Agency Relationships
3. Analyze the three major types of lease:
    a. Gross (Full Service) Lease
    b. Modified Gross Lease
    c. Net Lease
4. Analyze the current commercial real estate market.
5. Understand how to calculate rents.

Unit 12 – The Basics of Short Sales, Foreclosures, Land Contracts and Wholesaling in Ohio
Objectives

1. Define:
    a. Short sale
    b. Foreclosure
    c. Wholesaling
    d. Land Contract
2. Discuss the four transactions, the complexities and legal requirements that are likely to be present in each.
3. Discuss the important role that effective communication and setting client/customer expectations play in each of the four types of transaction.
4. Discuss available federal programs currently available to assist owners in short sales.

Unit 13 – Federal and State programs
Objectives

1. Identify and understand various federal and state agencies that provide programs related to real property ownership and development.
    a. Federal
        i. U.S. Department of Housing and Urban Development
        ii. VA Home Loans
        iii. USDA Housing
        iv. USDA
    b. State
        i. Ohio Housing Finance Agency (Residential)
        ii. Development Services Agency (Commercial/Residential)

Unit 14 – Current Economic Conditions

Objectives

1. Understand basic economic definitions and how they are used:
    a. Gross Domestic Product
    b. Leading economic indicator
    c. Lagging economic indicator
    d. Bull market
    e. Bear market
    f. Law of supply and demand
2. Explain how the following influence economic conditions and the housing market:
    a. Rate of job growth/employment
    b. Geography
    c. Population demographics
    d. Tax base
    e. Stock market
    f. Social issues
3. Analyze current news, economists' reports and other resources to draw conclusions regarding Ohio's economic present and forecast.
4. Discuss the dynamic, non-static nature of the housing market.

Unit 15 – Your Real Estate Duties and Avoiding the Unauthorized Practice of Law

Objectives

Learn about what constitutes the unauthorized practice of law and how it affects your real estate practice. Discover who has jurisdiction over the unauthorized practice of law and what actions they may take.

1. Define the unauthorized practice of law.
2. List ways to appropriately represent your client:
    a. Form filling (i.e. scrivening)
    b. Examples of when to seek broker/counsel guidance
3. List prohibited activities:
    a. Drafting legal documents (e.g. purchase contracts, deeds, leases)
    b. Drafting contingencies or addenda.
    c. Providing legal advice (e.g. interpreting a purchase contract or lease)
    d. Represent or appear in court on behalf of a property owner
4. Define and discuss the role of The Ohio Supreme Court in the unauthorized practice of law:
    a. The Court's jurisdiction over unauthorized, unlicensed activity
    b. The Court created Board on the Unauthorized Practice of
5. License law – ORC 4735.18(A)(32)