

7/1/16-6/30/17 SALESPERSON & BROKER REQUIRED MODULE
Residential Contracts

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 outline below.** 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 5 Page Outline)

Provider Name:	Provider #
REQUIRED COURSE NAME <u>7/1/16-6/30/17 SALESPERSON & BROKER REQUIRED MODULE</u> <u>Residential Contracts</u>	Hours Required 3.75

(This Module Also Satisfies the 1-Hour Broker Module Requirement)

Mandatory Curriculum for this MODULE <u>ALL TOPICS MUST BE COVERED as shown in outline below</u>	Required Classroom Times Shown ↓	Required Internet Times Shown ↓	MATERIAL X-Ref (textbook) Page #'s	Course Time-of-Day
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. Buyer Representation Contracts:				
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. Facilitator Services Agreements: Buyer & Seller				
IV. Disclosure Issues	15 Min	17 Min		
A. Seller Disclosure in Residential Property				

1. Seller's Property Disclosure				
B. Seller Disclosure Alternatives				
1. Private inspection				
2. Waiver				
C. Other Seller Disclosure Requirements				
1. Subsurface Sewage Treatment				
2. Private Well				
3. Evaluation Exclusions				
4. Methamphetamine				
5. Radon				
6. Airport Zoning				
7. Predatory Offenders				
V. Purchase Agreement				
A. Parties' names	15 Min (a-g)	17 Min (a-g)		
B. Property address				
C. Earnest money obligations				
D. Fixtures				
E. Personal Property				
F. Price				
1. Financing				
2. Closing date				
G. Deeds				
H. Property taxes and assessments	20 Min (h-s)	23 Min (h-s)		
I. Linked Devices				
J. Possession				
K. Title and examination				
1. Dual agency				
L. Mechanics Liens				
1. Lien waiver required				
M. Definition of dimensions				
N. Risk of Loss				
O. Time is of the essence				
P. Entire Agreement				
1. Electronic Signature				
2. Electronic communication				
Q. Default				
R. FIRPTA				
S. Final acceptance				
1. Signatures/dates of all parties				
2. Delivery				
VI. Counter Offers and Addenda	5 Min	7 Min		
A. Standard terms				
B. Signatures required on purchase agreement				
VII. Financing Addenda	15 Min	17 Min		
A. Conventional				
1. Contingency Options				
B. FHA				
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</i> - (Not more than 11-min/classroom or 13-min/Internet)	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/CL or 13Min/INT) The official examination is sent to the provider by the Commerce Department after the course is approved.				
(This Module Also Satisfies the 1-Hour Broker Module Requirement)				
Total Hours - Required	3.75-Hrs			