



Minnesota Department of Commerce
85 7th Place East, Suite 280, Saint Paul, MN 55101

Important Notice for all Real Estate Brokers and Salespersons

Here is information concerning the required 2017-2018 continuing education module training course. There is one 3.75-hour module course that both salespersons and brokers must complete. Completion of this course will satisfy ALL of the following:

1-Hour Fair Housing, 1-Hour Agency Law, and the 1-Hour Broker Module Requirement
In other words, there will be no separate broker module course for 2017-2018.

Please note that commercial-only salespersons and brokers are exempt from these module requirements and must apply for the commercial-only waiver when the broker submits verification of this between April 1st and June 30th each year on Pulse Portal at www.pulseportal.com. Additional information can be found at <http://mn.gov/commerce/>.

The GENERAL module course for 2017-2018

The topic for this module course is:

Agency, Fair Housing & Special Entities Authority

All non-exempt salespersons and brokers must complete this general module course before June 30, 2018.

Additional details:

- This course is part of the 15 hours of continuing education that are due each year, not in addition to them.
- To get credit for the general module, you must pass an examination taken at the end of the course. The examination will cover the module content. Each examination will consist of 20 multiple-choice and true/false questions randomly selected from a pool of at least 50. The passing score is 14 or more correct. The examination questions were written by subject matter experts in consultation with the Department of Commerce.
- The Department of Commerce, in consultation with a statewide real estate trade association and a statewide private continuing education provider, determines the specific topic(s) covered by the module(s) each license year and the number of credit hours allocated to each module.

2017-18 Real Estate Module - Agency, Fair Housing & Special Entities Authority Timed Outline

Mandatory Curriculum for this MODULE <i>ALL TOPICS MUST BE COVERED as shown in outline below</i>	
I.	Welcome and Course Objectives
II.	HISTORY OF AGENCY LAW
	A. <i>License rules in Minnesota</i>
III.	FOUNDATION FOR AGENCY LAW
	A. <i>Customer versus Client Relationships</i>
	B. <i>Broker/Agent Relationship:</i>
	C. <i>Common Law & Fiduciary Duties</i>
	1. Obedience
	2. Loyalty
	3. Disclosure
	4. Confidentiality
	5. Duty to Account
	6. Reasonable Care
IV.	RELATIONSHIPS IN A REAL ESTATE TRANSACTION
	A. <i>Disclosure Form</i>
	1. Signatures
	B. <i>Agency Roles - Understanding your Duties and Obligations</i>
	1. Seller Representative
	2. Buyer Representative
	3. Sub-agent
	a. Effective August, 2014, the Legislature and Governor eliminated sub-agency, so the duties and obligations of a sub-agent no longer exist.
	4. Dual Agent
	5. Facilitator
V.	HISTORY OF FEDERAL FAIR HOUSING LAW
	A. <i>Civil Rights Act of 1866</i>
	B. <i>Plessy vs. Ferguson</i>
	C. <i>"Separate but Equal"</i>
	D. <i>Exclusionary Zoning</i>
	E. <i>Fair Housing Act of 1968</i>
	F. <i>Fair Housing Amendments</i>
	G. <i>Federal Fair Housing Act & Minnesota Human Rights Act</i>
	1. Race
	2. Color
	3. National Origin
	4. Religion
	5. Gender
	6. Disability
	7. Family Status
	8. Marital Status
	9. Sexual Orientation
	10. Status with regard to public assistance
VI.	UNDERSTANDING PROHIBITED ACTS
	A. <i>Refusal to sell or rent</i>

B. <i>Discrimination in terms, conditions or privileges of sale</i>
C. <i>Advertising</i>
D. <i>Denying availability</i>
E. <i>Blockbusting and steering</i>
F. <i>Failure to make reasonable accommodations</i>
G. <i>Lending discrimination and "Redlining"</i>
VII. HOMEOWNERSHIP AND RACE IN MN
A. <i>NAR/HUD "At Home with Diversity" Training</i>
B. <i>Homeownership Opportunity Alliance (HOA)</i>
1. <i>Members: REALTORS®, MN Mortgage, Minneapolis, Homeownership Center, MFHA, nonprofits that help immigrants.</i>
VIII. SPECIAL ENTITIES INTRODUCTION
A. <i>Who is the client?</i>
IX. POWERS OF ATTORNEY
A. <i>What is a Power of Attorney</i>
B. <i>Statutory Short Form Power of Attorney</i>
C. <i>When a Power of Attorney is no longer effective</i>
1. <i>Durable Powers of Attorney</i>
D. <i>Special Real Estate Considerations</i>
1. <i>Mechanics of Utilizing a Power of Attorney</i>
a) <i>Attach to Documents</i>
1) <i>Power of Attorney</i>
2) <i>Affidavit of Attorney-in-Fact</i>
2. <i>Specific Authority to Transact in Real Estate</i>
3. <i>Powers of Attorney to Transact for Buyers vs. Sellers</i>
X. TRUSTS
A. <i>Trust Vocabulary</i>
1. <i>Trustee, Beneficiary, Settlor</i>
B. <i>Powers and Duties of Trustee</i>
1. <i>Trust Documents</i>
2. <i>Multiple Trustees</i>
3. <i>Minnesota Trust Code (Changed Recently)</i>
C. <i>Special Real Estate Considerations</i>
1. <i>Mechanics of Trustee Transacting</i>
a) <i>Certificate of Trust (M.S. § 501C.1013)</i>
b) <i>Affidavit of Trustee (M.S. § 501C.1014)</i>
2. <i>Trustees Transacting for buyers vs. Sellers</i>
3. <i>Special Recording and Closing Documents and Requirements</i>
XI. ESTATES OF DECEASED PERSONS
A. <i>Estates Vocabulary</i>
1. <i>Personal Representative, Letters Testamentary, Letters of General Administration, Heirs, Testator, Intestate, Testate</i>
B. <i>Will vs. No Will</i>
C. <i>Formal vs. Informal</i>
D. <i>Supervised vs. Unsupervised</i>
E. <i>Personal Representative Duties and Powers</i>
1. <i>Authority from Letters: Substantiate that the letters issued are in full force and effect (M.S. § 524.3-711)</i>
F. <i>Timeframe for Probate</i>
G. <i>Special Real Estate Considerations</i>
1. <i>Closing Delays</i>
2. <i>Heirs No Longer Want to Sell</i>

<ul style="list-style-type: none"> a) During Listing Contract b) During Purchase Agreement
<ul style="list-style-type: none"> 3. Special Recording and Closing Documents and Requirements
XII. THOSE LACKING CAPACITY
<ul style="list-style-type: none"> A. Lack of Mental Capacity <ul style="list-style-type: none"> 1. Cannot Look Out for Own Best Interests 2. Legal Conclusion Made by Court B. Guardianships <ul style="list-style-type: none"> 1. Management of Personal Affairs 2. Cannot Sell Real Property of Ward 3. Might Be Involved in Decision to Move C. Conservatorships <ul style="list-style-type: none"> 1. Management of Financial Affairs 2. Only Person Allowed to Execute Documents Related to Sale of Real Property 3. Mechanics: <ul style="list-style-type: none"> a) Request Certified Copy of Letters of Conservatorship; b) Request Certified Copy of Order Directing Sale (M.S. § 524.5-418(b)(2); or c) Certified Copy of Order Confirming Sale d) Certified Copy of Other Court Order authorizing conveyance; e) Conservator's Deed or other documents (see M.S. § 524.5-412, § 524.5-411, § 507.04, § 525.69) f) Conservatee's spouse's signature D. Person May Have Both
XIII. MARRIED PERSONS AND DIVORCES
<ul style="list-style-type: none"> A. Before Divorce Decree (aka Married) <ul style="list-style-type: none"> 1. Purchasers <ul style="list-style-type: none"> a) No Effect on Ability to Purchase b) Spousal Interest in Purchased Property <ul style="list-style-type: none"> 1) Homestead vs. Non-Homestead 2. Sellers <ul style="list-style-type: none"> a) Both Spouses Required b) Follow Court Orders <ul style="list-style-type: none"> 1) Homestead vs. Non-Homestead B. After Divorce Decree <ul style="list-style-type: none"> 1. Purchasers <ul style="list-style-type: none"> a) No Effect, Unless Still on Ex-Spouse's Mortgage 2. Sellers <ul style="list-style-type: none"> a) Divorce Decree Controls <ul style="list-style-type: none"> 1) Award to One Spouse 2) Order Sale and/or Buy Out b) Title Issues <ul style="list-style-type: none"> 1) Deed from Ex-Spouse Must Be Recorded, Or Ex-Spouse Must Sign 2) Mortgages
XIV. CORPORATE PURCHASERS AND SELLERS
<ul style="list-style-type: none"> A. Agency relationship with entity vs. representative person B. Authority to Transact for Business <ul style="list-style-type: none"> 1. Corporation/Business Entity must exist at the time it receives and conveys real property. <ul style="list-style-type: none"> a) Verity existence through Minnesota Secretary of State 2. Board of Directors Authorizing Resolution <ul style="list-style-type: none"> a) Purchase and Sale/Negotiation b) Loan: Negotiation of Finance c) Execution of Conveyance and Loan Documents

d) Ratification
e) Due Authorization
3. Member of Shareholder Control Agreement, Other Legal Documentation
4. Religious Corporations: Incorporated under M.S. § 317A, or does M.S. § 315 apply?
5. Partnerships (General, Limited, Limited Liability Limited Partnership) M.S. 323A.0302; 321.0409;
6. Special Signature Block
C. Restriction on Corporate ownership of agricultural land (M.S. § 500.24)
XV. WRAP UP, SUMMARY, QUESTIONS, AND EXAMINATION
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. A student must be allowed to remain as long as reasonably necessary to complete the test.
The official examination is sent to the provider by the Commerce Department after the course is approved.
3.75 Total Hours Required

Course Description: This course covers Agency Law, its history, foundation, and Minnesota License rules regarding relationships in a real estate transaction. This course will also look at federal Fair Housing law, its history, rules, and regulations. Prohibitions under the federal Fair Housing Act and the Minnesota Human Rights Act will be covered. Additionally, the class will review the laws and requirements pertaining to real estate transactions involving special entities as parties in real estate transactions. It will focus on issues that arise for real estate licensees from the time of customer inquiries through entering into a Purchase Agreement. Special entities covered will include powers of attorney, trusts, estates, guardianships, conservatorships, divorces and corporate entities.

Learning Objectives: After attending this class, real estate licenses will:

- Understand Agency Law and MN license rules on Agency relationships;
- Learn about the Federal Fair Housing Act;
- Understand the Minnesota Human Rights Act;
- Understand prohibited Acts under Fair Housing law;
- Understand of what is required by law involving special entities in a real estate transaction, including:
 - Powers of attorney
 - Trusts
 - Estates
 - Guardianships
 - Conservatorships
 - Divorces and corporate entities;
- Learn how to identify issues related to these special circumstances and what to do when they arise; and
- Be better equipped to serve buyers and sellers in today’s complex real estate transactions.

Note: The exam must not be allocated credit of more than one-sixth of the time allocated to the module. However a licensee must be allowed to remain as long as reasonably necessary to complete the exam.

**This Module Satisfies ALL of the following:
1-Hour Fair Housing, 1-Hour Agency Law, and the 1-Hour Broker Module Requirement**