

Louisiana Real Estate Commission

STANDARDS FOR 45-HOUR POST LICENSE COURSE



2016

45 Hour Post-Licensing Course Content Standards

Contracts and Leases

- General Contract Law (Louisiana)
 - What Constitutes a Contract?
 - Types of contracts.
 - Classification.
 - Is a contract required to be in writing?
 - Contracts may be implied by action or conduct.
 - Forms of Writing.
 - Interpretation of Contracts in Louisiana.
 - Essential Elements of a Valid Contract.
 - Capacity
 - Authority
 - Community Property Issues
 - Object
 - Consent
 - The Offer
 - The Acceptance
 - “Counter Offers”
 - Revocability
 - Nullity
 - Vices of Consent.
 - Methods of Extinction of Obligations.
 - Assignment.
 - Breach of Contract.
 - Term of Performance.
- Contracts Used in Real Estate Practice (Louisiana)
 - Written Agreements Most Commonly Used.
 - Listing Agreement and Buyer Agency Agreements
 - Relationship between the Broker and Principal/Mandate
 - Agreements Preparatory to Sale/Lease
 - Letters of Intent (LOI)
 - Purchase Agreements
 - Elements to be Included or Considered in a Purchase Agreement
 - Environmental and Wetlands Disclosure and Warranty Issues
 - Inspection and Due Diligence Period
 - Title
 - Title Clause
 - Rezoning/Resubdivision/Regulation
 - Example Regulatory Approval Period Clause
 - Miscellaneous Purchase Agreement Clauses

- Telephone/Fax Negotiations and E-Mail
- Deposit vs. Earnest Money
- Escrow Agreements
- Liquidated Damages
- Contingencies
- Covenants, Conditions, Restrictions and Servitudes
- Purchase Price and Financing
- Warranties and/or “As Is” Causes
- Prorations
- Date and Signature – Authentic Form
- Recordation
- Certified Funds Requirement at Closing
- Options/Rights of First Refusal Agreements/Right of First Offer
- LA Residential Agreement To Buy or To Sell
- Duty of Real Estate Licensees to Use Purchase Agreement Forms (R.S. 37:1449.1)
- The Information Area and Importance of the Offer and Acceptance Context
- The Contract
 - Line 3 – Date
 - Lines 4-10 – Property Description
 - Lines 10-18 – What is real estate (immovable property) what is not real estate (movable property).
 - Lines 19-30 – Removable items
 - Lines 31-33 – Mineral Rights
 - Lines 34-37 - Price
 - Lines 39-43 – Act of Sale
 - Lines 44-45 - Occupancy
 - Initialing Lines
 - Lines 47-50 – Contingency for Sale of Buyer’s Other Property
 - Line 52 – All Cash Sale
 - Lines 54-66 – Financed Sale
 - Lines 73-80 – Deals with Process of Loan Application
 - Lines 82-83 – Seller Financing
 - Lines 87-95 – Who Pays Costs
 - Lines 97-104 - Appraisal
 - Lines 106-112 - Deposit
 - Line 114-119 – Failure to Deliver Deposit
 - Line 121-138 – Return of Deposit
 - Lines 140-144 – Leases/Special Assessments
 - Lines 146-149 – New Home Construction
 - Lines 151-188 – Inspection and Due Diligence Period
 - Lines 158-188 – Inspection Process
 - Lines 190-197 – Private Water/Sewerage
 - Lines 199-208 – Home Service/Warranty
 - Lines 209-226 – Warranty or As Is Clause with Waiver of Right of Redhibition
 - Lines 228-237 – Merchantable Title/Curative Work
 - Lines 239-242 – Final Walk Through
 - Lines 244-253 – Default of Agreement by Seller
 - Lines 255-259 – Default of Agreement by Buyer

- Lines 265-268 – Mold Related Hazards Notice
 - Lines 270-275 – Offender Notifications
 - Lines 277-278 – Choice of Law
 - Lines 280-282 - Deadlines
 - Lines 284-292 – Additional Terms and Conditions
 - Lines 294-311 – Roles of Brokers and Designated Agents
 - Lines 313-321 – List Addenda
 - Lines 323-325 – Singular-Plural Use
 - Lines 327-331 – Acceptance
 - Lines 333-343 - Notices and Other Communication
 - Lines 335-347 - Contract
 - Lines 349-350 – Entire Agreement
 - Lines 351-352 – Expiration of Offer
 - Lines 354-388 – Signature Lines
 - Line 371 – Acceptance/Rejection
- Real Estate Leases
 - Leases in General
 - Lease
 - Requirements
 - Rent
 - Residential Lease Deposits
 - Types of Lease
 - Contract Rules
 - Term
 - Lessor’s Obligations
 - Premises Liability and Shift of Risk
 - Rights of Military Personnel
 - Lessee’s Obligations
 - Lease Expenses
 - Contract Rules
 - Licensee Responsibility
 - Possession
 - Reconduction
 - Default
 - Recording a Lease and/or Memorandum of Lease
 - Assignment/Sublease/Encumbrance
 - Lease Financing
 - Subordination and Non-Disturbance
 - Condemnation/Expropriation Issues
 - Insurance
 - “Go Dark” Clauses
 - Lease Commission

Real Estate Finance

- Mortgage Loans: Structures and Types
 - Loan Types and Structures Designed to Meet the Needs of Lenders and Their Customers
 - Introduction
 - Term Loans
 - Fixed Rate Level Annuity Loans
 - Partially Amortized
 - Negative Amortization
 - Alternative Mortgage Instruments (AMI)
 - Adjustable Rate Mortgages (ARM's)
 - The Initial or Teaser Rate
 - The Index
 - The Margin
 - The Note Rate
 - Caps
 - The Adjustment Interval
 - Convertability
 - Bi-Weekly Loans
 - Growing Equity Mortgage (GEM)
 - Shared Appreciation Mortgages (SAM)
 - Shared Equity Mortgage (SEM)
 - Graduated Payment Mortgages (GPM)
 - Buydown or Temporary Buydown Mortgages
 - Construction Loan
 - Piggyback Loan
 - Home Equity Lines of Credit (HELOC's)
 - Wraparound Loans
 - Reverse Annuity Mortgage (RAM's)
- Mortgage Loan Origination, Processing, and Servicing
 - Loan Origination and Processing
 - The Five Major Elements of Mortgage Lending
 - Qualifying the Property
 - The Appraisal
 - The Appraisal Process
 - Qualifying the Title
 - Closing the Loan Transaction
 - Servicing the Loan
 - The Originate, Hold and Service Option
 - The Originate, Sell and Service Option
 - The Originate, Sell and Service Release Option
 - Qualifying the Borrower
 - Conforming Conventional Loan Qualification Guidelines
 - The Fixed Obligations or Back End Ratio
 - Conforming Government Insured Non-Conventional Loans
 - Maximum Loan Limits

- The Minimum Required Down Payment for FHA 203(b) Loans
 - Income Qualification Ratios
 - Compensating Factors
 - A Mortgage Insurance Premium (MIP)
 - Conforming Government Guaranteed Non-Conventional Loans
 - The VA Guarantee or Entitlement
 - Eligibility for VA Loans
 - Certificate of Eligibility
 - Qualifying Ratio for VA Loans
 - Funding Fee
 - Seller Contributions
 - Assumption of VA Loans
 - Certificate of Reasonable Value
- Working with Buyers
 - Introduction
 - Pre-Qualifying Questions
 - Pre-Qualified and Pre-Approval Letters
 - Confidentiality
 - Type of Loan Best Suited to Consumer
 - Introduction
 - Veterans Administration (VA) Loans
 - Federal Housing Administration (FHA) Loans
 - Conventional Loans
 - Recommending Lenders
 - Preparing Borrowers for Loan Application Appointment
 - Cost/Benefits Comparison of Lenders and Loans
 - Lender Reliability Issues
 - The Loan Application
 - When to Make Application
 - Documents to Bring to Application
 - Costs at Time of Application
 - Role of Loan Originators and Processors
 - Your Post Loan Application Duties
 - Buyer's Post Loan Duties
 - Final Jobs

Commercial Real Estate

- Commercial Real Estate
 - Understanding the Contrasts and Complexities of Commercial Real Estate (CRE): Making the Transition
 - Practical Understanding and Not Applied Competence
 - Understanding and Recognizing CRE Opportunities as a Residential Agent
 - The Physical Complexity of Commercial Real Estate
 - Residential Multi-Family Sector

- Master-Planned Communities
 - Infill Development
 - Second-Home Communities
 - Affordable Housing
 - Age-Restricted Housing
 - Market-Rate Rental Communities
- Retail Commercial Space
- Retail Business Sectors
- Shopping Centers
 - Neighborhood Center
 - Community or Super Community Shopping Centers
 - Power Centers
 - Outlet Centers
 - Regional Centers
 - Super Regional Shopping Malls
 - Value-Oriented or “Hybrid” Malls
 - Lifestyle Centers
 - Town Centers
 - Fashion Centers
 - Festival Centers
- Office Commercial Space
 - Class
 - Location
 - Size and Flexibility
 - Use and Ownership
 - Features and Amenities
 - Market Forces
- Warehouse and Industrial Space
 - Manufacturing, Warehouse and Distribution, Flex Space, and Research and Development Space
 - Ownership, Tenure and Management
 - Industrial Space Design Features
 - Market Forces
- Financing Complexities of Commercial Real Estate: A Primer on Economic Development Gap Finance
 - Overview
 - Finance: The Fuel to Facilitate Programs and Projects
 - Why Community Development Finance?
 - What is Community Development Finance?
 - What is the Role of Finance in the Community Development Process?
 - Alternatives for Filling Funding Gaps
 - Public Sector Players
 - Federal Agencies
 - State Governments
 - Local Governments

- Private Sector
 - Commercial Banks and Thrifts
 - Individual Investors
 - Property Owners
- Nonprofit Sector Players
 - Bank CDCs
 - Faith-Based Organizations
 - Foundations

Property Valuation

- Site Analysis
 - Initial Property Classification
 - Vacant Site
 - Improved Residential
 - Commercial Office
 - Retail
 - Improved Industrial
 - Mixed Use Development
 - Agricultural
 - Special Purpose Property
 - Property Investigation
 - General Neighborhood
 - Neighborhood Boundaries
 - Neighborhood Life Cycle
 - District
 - Market Area
 - Purpose of Determining Market Area
 - Types of Data
 - Specific Data
 - Primary Data
 - General Data
 - Immediate Location
 - Street Frontage/Accessibility
 - Corner Location vs. Interior Location
 - Major Thoroughfare vs. Subdivision Street
 - Property View: Identification and Rating
 - Adjoining Property Uses: Discuss Environmental Site Assessment
 - Legal Description
 - Three Primary Systems in Louisiana
 - Linear Measurement
 - Square Measures
 - Actual rectangular survey examples – various locations in Louisiana
 - Residential Subdivision Plat
 - Lot and Block
 - Metes and Bounds
 - Site Details

- Site Size – Units of Measure
 - Site Shape
 - Site Utility – Extra Site Area
 - Topography
 - Flood Zone
 - Wetland Determination
 - 404 Permit
 - Use Zoning
 - General Zoning Categories
 - Assessment and Tax Considerations
 - Utility Service
 - Easements/Encroachments
 - Other Restrictions

- Improvement Details and Sales Analysis
 - Improvement Details
 - Building Description
 - Age of the Improvements
 - Age-Life of Improvement(s)
 - Actual Age vs. Effective Age
 - Construction Components and Quality/Condition Rating
 - Foundation
 - Framing
 - Roof
 - Exterior Walls
 - Insulation
 - Equipment and Mechanical Systems
 - Interior Finishes and Design
 - Quality and Condition
 - Accrued Depreciation
 - Functional Obsolescence
 - External (locational or economic) Obsolescence
 - Size of the Improvements
 - Units of Comparison
 - Ownership Interest
 - Sales Analysis
 - Definitions
 - Sources of Comparable Data and Data Verification
 - Areas of Comparability and Test of Comparability
 - Market Condition/Date of Sale
 - Locational and Physical Features
 - Value/Price Conclusion

- Property Measurement and Calculating Procedures
 - Property Measurement - Understanding ANSI-Z765
 - Living Area Inconsistency
 - Comparative Unit or Units of Comparison

- National Measurement Standard
- ANSI Document
- Method of Measurement
 - Finished Adjacent to Finished
 - Finished Adjacent to Unfinished
 - Ceiling Height Requirement
 - Stairs
 - “Disconnected” Finished Area
 - Two Story Measurement
 - Measurement Units
 - Declarations
 - Unfinished Area such as Porches and Balconies
 - Garage
- Relating ANSI Terminology to MLS Terminology
- Residential Measurement and Area Calculation Procedures
 - Steps to Compute Area
 - Tools Needed for Measuring Structures
 - Basic Measurement Procedures for a House
 - Squaring the Structure, Mathematically
 - Calculate the Square Footage
 - Computing Total Area Under Roof
 - Storage, Porches, Car Storage
 - Special Features in a Single Family House
 - Multi-Level House – 2 story
 - Multi-Level House: One and One-half (1 ½) Story
 - Fireplace
 - Condominium
- Broker Price Opinion and Case Study
 - Broker Price Opinion
 - Property Pricing
 - Price Opinions
 - The Responsible Valuation Policy
 - Appraisals
 - Non-Appraisal Opinions
 - Transactional Adjustments
 - Property Adjustments
 - Property Pricing Case Study

Professional Practices

- Agency and Brokerage
 - Overview

- The Concept
- Mandate
 - Form
 - Mandatary of both parties
 - “Special Legislation” The History and Background of the Real Estate Licensing Law
 - § 3891. Definitions
 - § 3892. Relationships between licensee and persons
 - § 3893. Duties of licensees representing clients
 - § 3894. Licensee’s relationship with customers
 - § 3895. Termination of agency relationship
 - § 3896. Compensation; agency relationship
 - § 3897. Dual agency
 - § 3898. Subagency
 - § 3899. Vicarious liability
- Case Studies

- Real Estate Errors and Omissions (E&O) Insurance
 - What is Real Estate Errors & Omissions Insurance?
 - Errors & Omissions Insurance Options
 - Group Policy vs. Independent Policy
 - Individual Licensee Policy vs. Traditional Firm Policy
 - Comparing Policies
 - Claims Made and Reported Policies
 - Three Important Dates for Determining Coverage under a Claims Made and Reported Policy
 - Date the Claim Arose
 - Date the Insured Reports the Claim
 - Retroactive Date
 - Types of Claims That May Be Covered
 - Types of Claims That May Not Be Covered
 - Common Causes of Uncovered Claims
 - Errors & Omissions Claims Studies

- Property Management Essentials
 - Getting Started
 - Know The Law
 - State Laws Related to Property Management
 - Louisiana Real Estate License Law; Rules and Regulations of the Louisiana Real Estate Commission
 - Louisiana Landlord and Tenant Laws
 - Security Deposits
 - Return of Security Deposits
 - Filing an Eviction in Louisiana
 - Federal Laws Related to Property Management
 - The Fair Housing Act
 - The Equal Credit Opportunity Act

- The Sherman Antitrust Act
 - The Americans with Disabilities Act (ADA)
 - The Lead-Based Paint Hazard Reduction Act
 - The Uniform Residential Landlord and Tenant Act
 - Duties of a Property Manager
 - Finding and Screening Tenants
 - Managing Tenants and Settling Disputes
 - Property Maintenance and Repair
 - Property Accounting and Taxes
 - Policies and Procedures Manual
 - Louisiana HUD Press Release 05-10-13
 - Case Studies
- Fair Housing
 - Introduction
 - Louisiana Open Housing Act
 - Exemptions to Fair Housing Acts
 - Penalties for Fair Housing Violations
 - Federal Fair Housing Act Review
 - The Protected Classes
 - Lawful and Unlawful Discrimination
 - Prohibited Acts
 - Refusal to Rent or Sell
 - Refusal to Negotiate
 - Make Housing Unavailable
 - Deny a Dwelling
 - Provide Different Housing Services or Facilities
 - Falsely Deny Housing Is Available for Inspection, Sale or Rental
 - Blockbusting
 - Threaten, Coerce, Intimidate or Interfere with Anyone Exercising a Fair Housing Right or Assisting Others Who Exercise That Right
 - Refusal to Make Reasonable Accommodations for Disabled Persons
- Independent Contractor Guidelines/Co-Broker Agreements/Antitrust
 - Antitrust Implications for Licensees
 - Antitrust Laws
 - Group Boycotting
 - Allocation of Customers and Markets
 - Price Fixing
 - Tie-In Agreements
 - Co-Broker Agreements
 - Independent Contractor Agreements
 - Definition of Independent Contractor Agreement
 - Clauses to Consider Including in Written Agreement
 - IRS Rules Concerning Independent Contractors
 - Louisiana Laws Regarding Non-Compete Agreements

- Environmental Hazards
 - Introduction
 - Louisiana Mandatory Property Condition Disclosure Form
 - Air Contaminants
 - Formaldehyde
 - Radon Gas
 - Other Air and Soil Contaminants
 - Superfund/Hazardous Waste and Cleanup Sites
 - Hazardous (Toxic) Waste Disposal Sites
 - Landfills
 - Dump Sites
 - Incinerators
 - Real Estate Implications
 - Asbestos
 - Lead
 - Mold
 - Mold and Climate
 - Conditions that Foster Mold Growth
 - Black Mold
 - Toxic Mold Remediation
 - Non-Toxic Mold Removal
 - Environmental Hazards from Flooding
 - Cleanup
 - Sewage
 - Mold
 - Plumbing, Electrical and Natural Gas
 - Roofs, Ceilings and Interiors

- Home Inspections
 - Background Information
 - Louisiana Law and Rules and Regulations
 - Basic Purpose
 - Administration and Regulation
 - Definition of a Home Inspection and Other Relevant Terms (R.S. 37:1473.4-8)
 - General Exclusions
 - Prohibitions
 - Purpose of a Home Inspection
 - Buyer's Perspective
 - Seller's Perspective
 - Licensee's Perspective
 - The Report
 - Who Gets the Report?
 - What Can a Real Estate Licensee Do with the Report?
 - Residential Agreement to Buy or Sell
 - Conclusion

- Timeline to Close: Licensees' Responsibilities After Purchase Agreement Has Been Signed
 - Licensee – Agent's Duties
 - Buyer's Duties
 - Seller's Duties
 - Lender's Duties
 - Appraiser's Duties
 - Insurance Agent's Duties
 - Surveyor's Duties
 - Termite – Wood Boring Insect Inspector Duties
 - Engineer's Duties
 - Home Inspector's Duties
 - Abstractor's Duties
 - Title Insurance Company
 - Attorney, Attorney's Staff or "Closer"
 - Health – Sewer Inspector

- Technology in Real Estate
 - Introduction
 - Industry Regulations
 - ESIGN Act
 - Louisiana Real Estate Commission Rules and Regulations
 - Social Media
 - Facebook®
 - LinkedIn®
 - Twitter®
 - Technological Resources
 - Trulia®
 - Zillow®
 - Realtor.com
 - Web-Based Business Opportunities
 - How Can I Grow My Business Using The Internet?
 - Web Based Practices of Real Estate
 - Home Path®
 - hudhomestore.com
 - Web Tools
 - Web Sites
 - Digital Agreement Services
 - Digital Signature Services
 - Hybrid Services
 - Mobile Applications
 - JotNotPro®
 - Mortgage Calculators
 - CoreLogic Fusion
 - Google Maps
 - Trulia®, Zillow® and Realtor.com
 - Conclusion

- Advertising Rules and Regulations – How They Relate to Team Advertising
 - Laws and Rules Part I
 - Introduction
 - LSA – R. S. 37: 1455. Causes for censure, suspension, or revocation of license, registration, or certification
 - Use of MLS is Not Considered Advertising
 - Advertising Must Be Under Direct Supervision of Broker
 - Trade Names
 - Team Names
 - Definitions
 - Advertising and the Brokerage
 - Suggestions for Good Advertising
 - Keep Information on Web Sites Current
 - The Broker Is Ultimately Responsible
 - Business Names
 - Names on Licenses
 - Laws and Rules Part II
 - Owner Authorization
 - Inheritance Laws in Louisiana
 - Community Property
 - Forced Portion or Legitime
 - Disposable Portion
 - Forced Heirs
 - Disinherison
 - Truth in Advertising
 - False/Deceptive Advertising
 - Truth
 - Advertising
 - Accuracy in Advertising
 - Other Common Errors
 - Advertisements of Residential Property
 - Franchises: You Ought to Know
 - License Status; Internet Advertising; Team Advertising
 - Advertising Without a Valid License
 - Internet Advertising
 - Team Advertising
 - Cite & Fine: A Heads Up
 - Activities and Fines
 - Enforcement
 - Promotional Advertising

ONLINE STANDARDS FOR LREC POST LICENSE COURSE

PRESENTATION

In order to enhance instructor/student interaction, and to provide licensees with an online learning environment that encourages students to learn through auditory, visual, and tactile means, all online courses offered for post licensing credit after September 1, 2014 shall be in the PowerPoint/audio format as discussed elsewhere in this document. In addition to the presentation of course content in PowerPoint/audio, which supports auditory and visual learning, course developers are expected to include activities that are appropriate for tactile learners.

Course content may include text in the course presentation, accompanied by an audio lecture timed to the PowerPoint presentation, or a combination of formats. Providers of courses are to design and deliver courses that require the student to be continuously engaged in activities to meet the approved number of hours. When utilizing preprinted or published documents, providers must provide copies via a download mechanism for student use and not include them in the body of the course. Regardless of the format chosen, 50 minutes of student activity shall be required for each one hour of credit granted.

WEB BROWSERS AND MOBILE DEVICES

All vendors must specify in the course description which Web Browsers will function with the presentation mode. In addition, if the presentation will not function on mobile electronic devices such as cell phones, laptops, tablets etc., the student must be made aware of this limitation prior to purchase. This notification must be conspicuous and clearly stated in the course description.

HOMEWORK (inclusion in the course is at the discretion of the developer)

In courses where the student is asked to submit a homework assignment, the time allocated to each assignment shall be counted as not more than 10 minutes of course time. The maximum time that may be allocated to homework is not to exceed one assignment per 4 hours of course content. For example, an 8 hour course may have up to 2 homework assignments, and they may count as up to 20 minutes of course time. Homework assignments must be graded and responded to by the instructor within 36 hours and before the student completes the course. The LMS must restrict the student from attempting the final exam until all assignments have been completed.

ONLINE FORUMS (inclusion in the course is at the discretion of the developer)

In courses where a student is to participate in an online forum, the time allocated to each forum shall be counted as not more than 10 minutes of course time. Each forum shall have a single topic thread. The maximum time that may be allocated to an online forum is not to exceed one assignment per 4 hours of course content.

ASSESSMENTS

Assessments must be given following each lesson. A final assessment must also be given. The assessment may be in multiple choice format, with no fewer than 4 alternative answer choices. However, other formats are acceptable such as drag and drop, matching, fill in the blank, etc. True/False questions may be used, but may not comprise more than 5% of the total questions presented in any assessment. Each question in an assessment shall be counted as not more than one minute of time in determining the total course credit. The total time allocated to the assessments may not exceed 20% of the course instructional time. The passing score on all assessments shall be set at no less than 75%.

VIDEO CONTENT

In courses where video content is added, the following shall apply:

- a. The timer on the video presentation shall function as would that in a PowerPoint/audio presentation. However, video shall not comprise more than 10% of any course instructional content. For example, in an 8 hour course with 400 minutes of instruction, video may comprise up to 40 minutes.
- b. Any video that includes people or conspicuously identifiable real property must be accompanied by a signed and witnessed statement from each actor or person appearing in the video, or the property owner of the identifiable property, authorizing unconditional use of the appearance of the individual or property in the video. The authorizing statement must include name, address, and telephone number of the individual or property owner. In cases where the video is extracted from a public or private website, authorization may be obtained from the owner of the website, as long as the website is not owned or operated by the course vendor.

CALCULATION OF TIME FOR COURSE CREDIT

In determining compliance with the requisite instructional time for course credit the following formula shall be used:

Total minutes allocated to all pages or PowerPoint/audio segments

PLUS

Total number of questions in assessments @ one minute per question, not to exceed 10 minutes per hour of credit allocated to the course.

PLUS

Total number of minutes used in video presentations, not to exceed 10 minutes per 4 hours of credit allocated to the course.

PLUS

10 minutes for each online forum, not to exceed 10 minutes per 4 hours of credit allocated to the course.

PLUS

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10 minutes for each homework assignment, not to exceed 10 minutes per 4 hours of credit allocated to the course.

TOTAL must equal not less than 50 minutes per hour of credit allocated to the course.