

NEBRASKA LICENSE LAW COURSE

2024

Written by: Mari Jo Mentzer
Real Estate Kinetics
Updated by NREC



- In 2015, NREC (Nebraska Real Estate Commission) identified a need to rebuild course instruction for its real estate population in the area of Real Estate License Law.
- This course instruction has been developed as a 30-hour Pre-License Course, with 10 different modules that can be split into CE (Continued Education) for Nebraska Licensed Real Estate Professionals.

Introduction

Mari Jo Mentzer graduated with a Bachelor of Science in Adult Education, from Bellevue University in 2014, and has been a licensed Real Estate Professional since 1999. She has been licensed in both Iowa and Nebraska, as well as an approved Instructor of Pre-Licensing courses for NREC. Earlier in her career she participated on several committees for both local and state organizations.

Away from real estate Mari Jo enjoys traveling, family and cooking for her three grown children, Kayla, Arthur and Caitlyn. In addition, she enjoys being a Grandma!



About the Author



Module 1: **GETTING YOUR NEBRASKA REAL ESTATE LICENSE**

License Law

- Definition of a license and license law.

Governing Powers

- ARELLO, NAR, NREC, and NRA

Real Estate Licensee Information

- Where do I find testing information?
- When should I start interviews?

- YOU WILL NEED: A Nebraska License Law Packet for this 30-hour pre-license course. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

- **What is the definition of license?**

- **License**
- *The permission granted by competent authority to exercise a certain privilege that, without such authorization, would constitute an illegal act, a Trespass or a TORT. The certificate or the document itself that confers permission to engage in otherwise proscribed conduct.*

- <http://financial-dictionary.thefreedictionary.com/license>

What are License Laws?

- **License Laws**

- Particular state laws having to do with qualifications, licensing, and oversight of real estate or other professionals within the state in order to (1) ensure minimal levels of expertise, (2) promulgate enforceable standards to protect consumers from fraud, abuse, or negligence, and (3) provide mechanisms for self-policing of the industry. One can check the license status of any purported real estate broker or agent by going to the Web site of the Association of Real Estate License Law Officials www.arello.org and clicking on License Registration Verification.

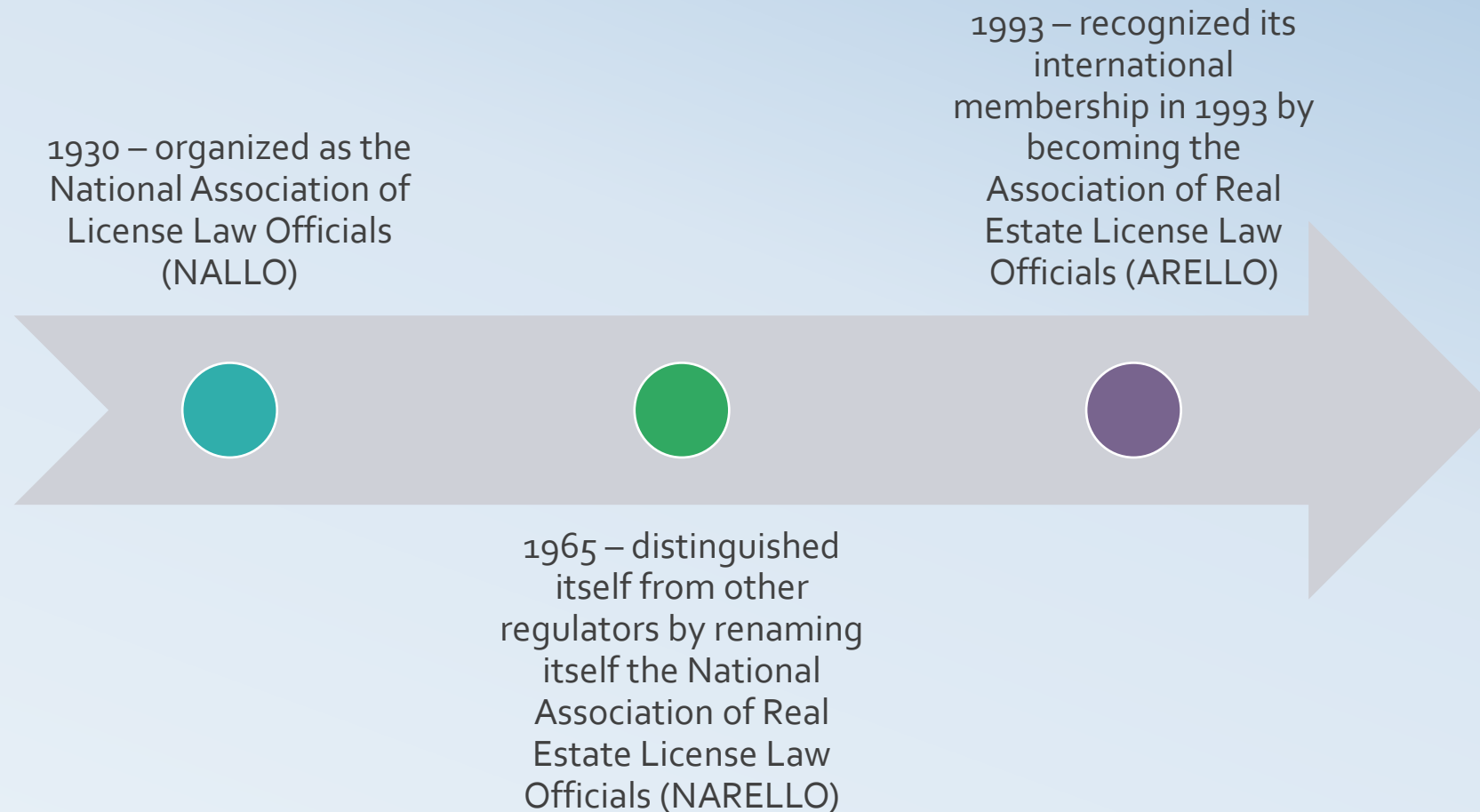
- <http://financial-dictionary.thefreedictionary.com/license+laws>




The Real Estate Agent's Best Friend!



Who is ARELLO?



History of Association of Real Estate License Law Officials




Who is
NREC?



Nebraska Real Estate Commission


<http://www.nrec.ne.gov>



Who is
NAR?



<http://www.realtor.org>



Who is
NRA?



<http://www.nebraskarealtors.com>

“Are license laws constitutional?”

- 1) Does the state have the right to demand that only persons with certain qualification of education, knowledge, or character be permitted to engage in the real estate brokerage business?
- 2) Does it violate the “due process” clause of the Fourteenth Amendment of the Federal Constitution? Which provides; *“...nor shall any State deprive any person of life, liberty, or property without due process of law;...”*

Semenow, “Questions and Answers On Real Estate,” Fourth Edition, 1964

In 1935 Nebraska Passed a Real Estate License Law.

The “NEBRASKA Candidate Handbook!”



“Scheduling an Examination Appointment.”

- Go to www.pearsonvue.com/ne/realestate to schedule an Exam **after** your name has been released by NREC.
- Or call Pearson Vue at 800-819-3966, from 7:00 am to 9:00 pm
- This information is found on page 2 of the Nebraska Candidate Handbook.

Where do I find testing information?

National Salesperson Portion

<u>Topic</u>	<u>Number of Questions</u>
1. Agency Relationships and Contracts	16
2. Real Property Ownership and Transfer	8
3. Property Disclosures/Environmental	8
4. Real Property	9
5. Real Estate Practice	14
6. Real Estate Calculations	7
7. Value/Appraisal	11
8. Finance and Settlement	7

State Sales Person Portion

"The Nebraska Real Estate Salesperson examination deals with topics relating particularly to Nebraska real estate license law. There are 50 multiple-choice questions on the salesperson's exam."

- This information is found on page 18 of your handbook....(and is subject to change.)

What's on the test?



Tips for Proceeding through the Application Process

81-885.19. License; form; broker's branch office; license; fee.

(1) The commission shall prescribe the forms of brokers' and salespersons' licenses.

(2) If a broker maintains more than one place of business within the state, he or she shall obtain a branch office license for each branch office so maintained by him or her. The commission shall issue a branch office license upon the payment of an annual fee to be established by the commission of not more than fifty dollars per license. The broker or an associate broker shall be the manager of a branch office.

(3) The commission shall provide for verification of the current status of licenses electronically or by other means readily



Effective Date: August 31, 2003

- “(5) An applicant for an original broker's or salesperson's license shall be subject to fingerprinting and a check of his or her criminal history record information maintained by the Federal Bureau of Investigation through the Nebraska State Patrol.....The applicant shall authorize release of the national criminal history record check to the commission.”

- **Source:** Laws 1973, LB 68, § 17; Laws 1980, LB 936, § 3; Laws 1983, LB 182, § 15; Laws 1983, LB 447, § 95; Laws 1990, LB 350, § 7; Laws 2002, LB 863, § 15; Laws 2003, LB 60, § 2; Laws 2006, LB 819, § 2; Laws 2008, LB715, § 1; Laws 2011, LB25, § 16; Laws 2014, LB687, § 3.

Criminal History Check; Who's Checking?

“4 Pillars to Finding a Brokerage”

by:
Twenty New Clients



How to Choose A [Real Estate Brokerage \(4 Pillars\)](#) ... /[Twenty-New-Clients/397215317021805?focus_composer=true&ref=hl](#) 4

Developing Interview Questions

“Being ready isn’t enough; you have to be prepared for a promotion or any other significant change.” (Pat Riley)



- What does working as an independent contractor mean to you?

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- Do you have a business plan in place?

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- Have you been in business before?

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- Have you been in business before?
- What worked?

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- What didn't?

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- What advice would you share with your peers?

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- Have you been in business before?
- What worked?
- What didn't?
- What would you do differently?
- What advice would you share with your peers?

For **FREE** business plan information go to www.sba.org.



Module 2:

NEBRASKA FAIR HOUSING ACT Part 1

FAIR HOUSING in Today's World

- Introduction to Fair Housing practices in Real Estate

Key Terms

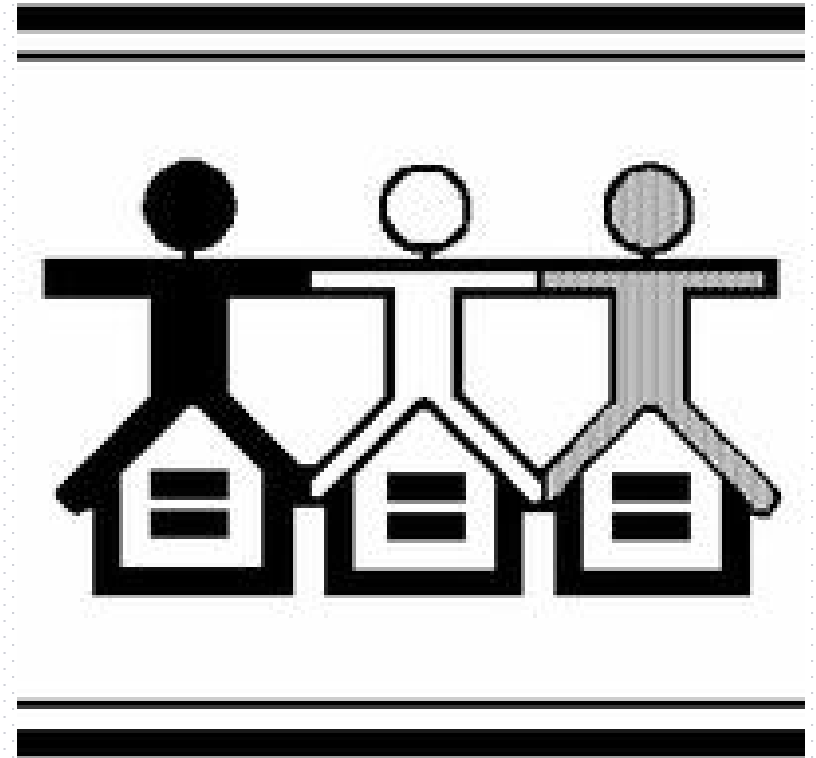
- Learn key terms and words associated with Fair Housing

The FAIR HOUSING ACT

- YOU WILL NEED: A copy of NEBRASKA FAIR HOUSING ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

What would you do if you were at your first listing appointment alone and the home seller off-the-cuff said to you; ***"I don't want you to sell my home to a Hispanic family"***?

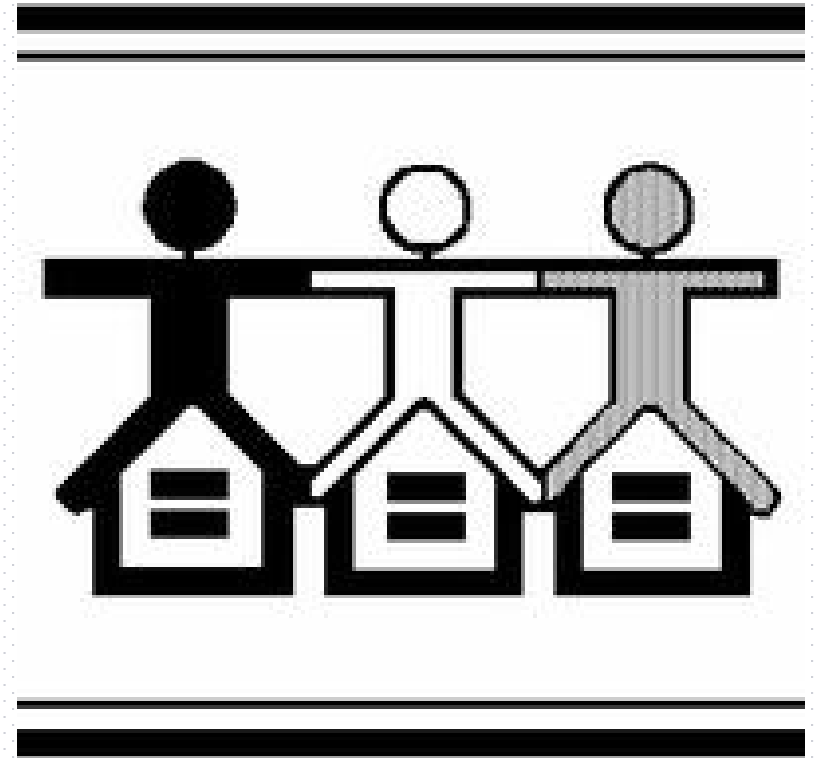


“Matter of Place”

by The Fair Housing Justice Center

<https://youtu.be/vNmVkozrqrw?si=iWKRqfICe63ogwP7>

What would you do if you were at your first listing appointment alone and the home seller off-the-cuff said to you; *"I don't want you to sell my home to an Hispanic family"*?



What is discrimination?

Definition of Discrimination; the unjust or prejudicial treatment of different categories of people or things, especially on the grounds of race, age, or sex.

www.google.com

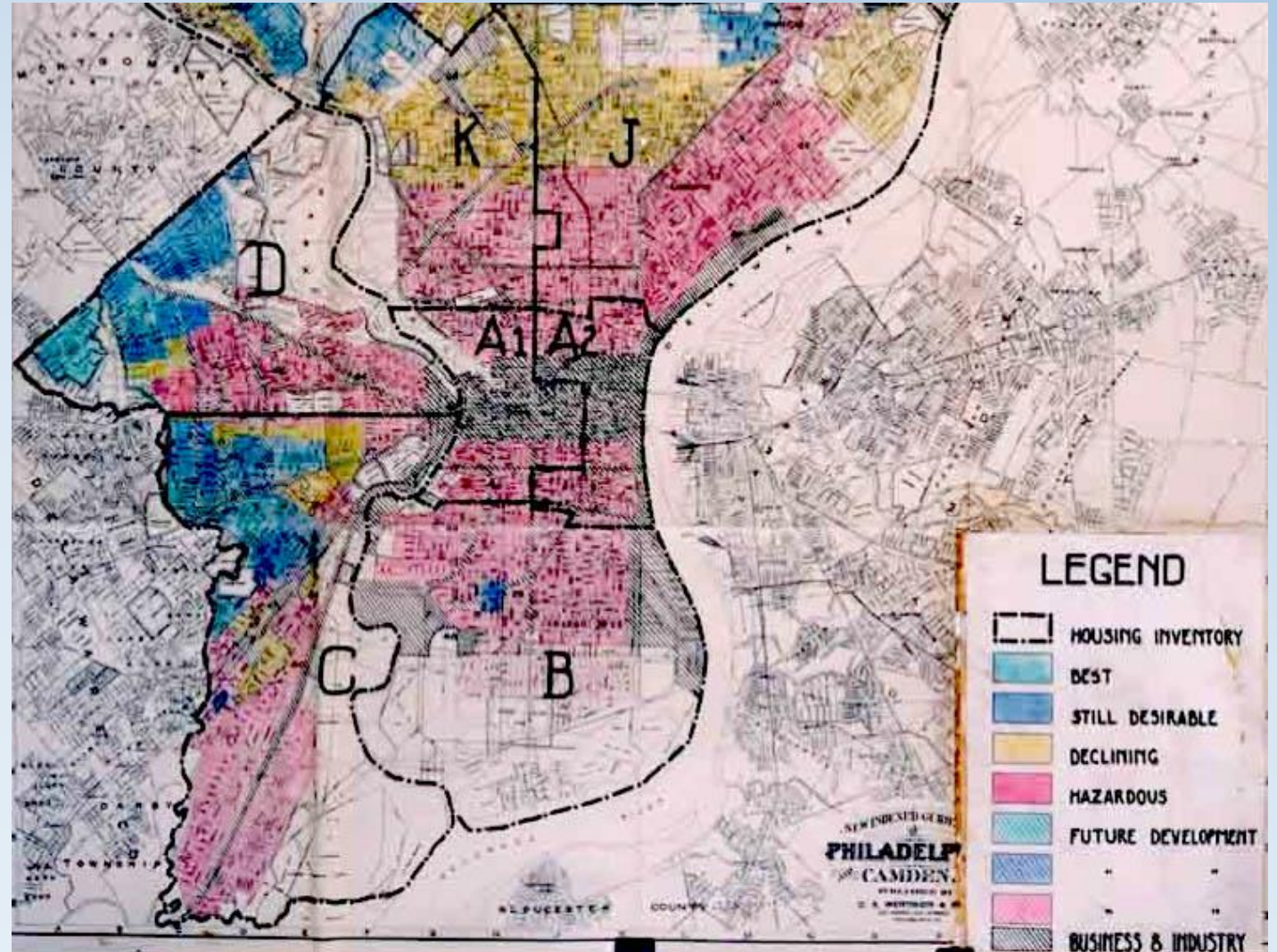
- Race
- Age
- Sex
- Color
- Religion
- National Origin
- Physical or Mental Handicaps
- Families with Children
- Marital Status

What does this list represent?

What is Redlining?

In the United States, **redlining** is the practice of denying services, either directly or through selectively raising prices, to residents of certain areas based on the racial or ethnic makeups of those areas.

www.wikipedia.com



What is BLOCKBUSTING?

Blockbusting was a business practice of U.S. real estate agents and building developers to convince white property owners to sell their house at low prices out of fear that persons of color will soon move into the neighborhood. The agents then sold the houses at much higher prices to black families desperate to escape the overcrowded ghettos.

www.wikipedia.com



Would you panic if a Negro moved next door?

"I'm broad-minded," said one homeowner when Negroes moved into his block. But a short time later he panicked—and sold his house at a loss.

out the whites. And how one speculator brags that he could "bust" your block in no time at all.

In this week's Post, you'll read how speculators decide which blocks are "ripe" for racial change. How they use vicious tactics to force

The Saturday Evening
POST
July 14-21 issue.
A Curtis Magazine

Who is HUD?

HUD: The United States Department of Housing and Urban Development is a Cabinet department in the Executive branch of the United States federal government. Although its beginnings were in the House and Home Financing Agency, it was founded as a Cabinet department in 1965, as part of the "Great Society" program of President Lyndon Johnson, to develop and execute policies on housing and metropolises.

www.wikipedia.com



What is the FAIR HOUSING ACT?

- YOU WILL NEED: A copy of FEDERAL FAIR HOUSING ACT. You will find one in the application packet provided by the Commission. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

Human Rights



Definition of Fair Housing Act. Fair Housing Act. A law enacted as part of civil rights legislation that prohibits discrimination of home sales, rentals and financing based on race, color, national origin, religion, sex, familial status or those with disabilities

www.google.com

- “**Fair Housing Act** (Title VIII of the Civil Rights Act of 1968) introduced meaningful federal enforcement mechanisms. It outlawed: Refusal to sell or rent a dwelling to any person because of race, color, religion, sex, or national origin.”

- www.wikipedia.org

- **Protected:** Race, color, religion, national origin.

Fair Housing Act 1968

- **NE Fair Housing Act; Article 3; Housing; 20-302. Civil rights; policy of state.** It is the policy of the State of Nebraska that there shall be no discrimination in the acquisition, ownership, possession or enjoyment of housing throughout the State of Nebraska in accordance with Article 1, section 25, of the Constitution of Nebraska.

NEBRASKA Fair Housing ACT

- “The **Housing and Community Development Act of 1974**, (12 U.S.C. 1706e), is a United States Federal Law that, among other provisions, amended the Housing Act of 1937 to create Section 8 housing, authorizes “Entitlement Community Grants” to be awarded by the United States Department of Housing and Urban Development.....”

- www.wikipedia.org

- **Protected: Sex**

The 1974 Housing and Community Development Act

- “The Federal **Fair Housing Act** (codified at 42 U.S.C.3601-3619, penalties for violation at 42 U.S.C.3631), Title VIII of the Civil Rights Act of 1968, was intended to protect the buyer/renter of a dwelling from seller/landlord discrimination. Its primary prohibition makes it unlawful to refuse to sell, rent to, or negotiate with any person because of that person’s inclusion in a protected class.”

– www.wikipedia.org

Protected: Persons with physical or mental handicaps, families with children.

The 1988 Fair Housing Amendment Act

- **NE Fair Housing Act; Article 3; Housing; 20-318. Unlawful acts enumerated.** Except as exempted by section 20-322 it shall be unlawful to:

(1) Refuse to sell or rent after making of a bona fide offer, refuse to negotiate for the sale or rent of, or otherwise make unavailable or deny, refuse to show, or to receive.....(20-318 through 20-322.)

NEBRASKA FAIR HOUSING ACT

Explain;

WHY is Section 20-322 **EXEMPT**?

Reference; Section 20-322 Nebraska Fair Housing Book





Module 3:

NEBRASKA FAIR HOUSING ACT, Part 2

FAIR HOUSING in Today's World

- Housing Problems We Face Today

NREC Role

- Discover what roles NREC plays in NE Fair Housing.

HUD Advertising

- YOU WILL NEED: A copy of NEBRASKA FAIR HOUSING ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

Immigration and Fair Housing— California Poised to Open Mortgage Assistance to Illegal Immigrants



FAIR Housing Issues We Face
Today in The United States

California is poised to make history for offering state-financed mortgage assistance to illegal immigrants. According to [combined media reports](#), the proposed legislation AB 1840 would require the California Dream for All Shared Appreciation Loans program to overlook the immigration status of applicants for loans that are up to 20% of the home's purchase price, with assistance provided up to \$150,000 per person. The only interest paid on this loan is 15% or 20% of the home's increase in value upon selling the property, depending on their income level. The program is run by the California Housing Finance Agency and receives state funding. (Aug. 26. 2024)



2) If the Fair Housing Act of 1968 prohibited discrimination on the basis of race, color, religion, sex and national origin does these rights extend to people who are not citizens of the United States?



FAIR HOUSING Complaints Trending Upwards

2023 Fair Housing Trends Report

- There were 33,007 fair housing complaints received in 2022 – the highest number of complaints ever reported in a single year;
- Overall complaints were 5.74 percent higher than the previous year;
- Complaints based on source of income and domestic violence increased;
- Even with this record-setting number of complaints, most incidents of housing discrimination go undetected or unreported.

What is NRECE's role in Fair Housing?

20-324. Equal Opportunity Commission; educational and conciliatory activities; programs of compliance and enforcement.

20-325. Commission; duties.

Also reference*;

20-326; Discriminatory housing practice ;complaint; procedure; investigation.

20-337. Hearing officer; powers and duties; civil penalties; order; effect.

How to file a complaint with NEOC?

Reference 20-327 through 20-334.

- Aggrieved person MUST file the complaint within 12 months of an alleged discriminatory housing practice with the NEOC.
- Complaint MUST be in writing.
- Commission may also investigate housing practices to decide if they should hear the complaint.

Section 20-326. Discriminatory housing practice; complaint; procedure; investigation. Nebraska Fair Housing Book

After the filing of the complaint;

- NEOC will serve notice to the aggrieved person acknowledging they have received the complaint, in addition to sharing with them other forums provided under the Nebraska Fair Housing Act. No later than 100 days after filing the complaint, or identification of an additional respondent, will serve notice of the complaint.

Section 20-326. Discriminatory housing practice; complaint; procedure; investigation. Nebraska Fair Housing Book

EACH respondent will file, within 10 days, a response to the complaint.

- The NEOC then has 100 days to investigate the complaint or take further action under section 20-332. If the commission cannot complete the investigation within 100 days after the filing of the complaint, they will notify the complainant and respondent in writing for the reasons of not doing so. **Complaints and answers will be under oath.**
- A person who is not named as a respondent in the complaint, but is identified as one in the course of the investigation may be joined as an additional or substitute respondent.

Section 20-326. Discriminatory housing practice; complaint; procedure; investigation. Nebraska Fair Housing Book

- 1) Did a discriminatory act occur?
- 2) Can Julie and Sam file a complaint with the NREC? If so, against whom?
- 3) If Kayla and Juan had not hired Roger to represent them, would they have been exempt from the fair housing Act?



1) Did a discriminatory act occur?

Answer: YES! Licensed property managers are not allowed to consider risk and circumstances of a home when making rental decisions. For that reason they cannot discriminate based on ***Familial Status.***



2) Can Julie and Sam file a complaint with the NREC? If so, against whom?

Answer: YES! They can file a complaint against Roger the Property Manager.



3) If Kayla and Juan had not hired Roger to represent them, would they have been exempt from the fair housing Act?

Answer: Yes, they would have been exempt if they had no agent.

Reference; Section 20-322 of the Nebraska Fair Housing Book .





The Real Estate Agents Best Friend!
GO TO: www.hud.gov

It is unlawful "to make, print, or publish, or cause to be made, printed, or published, any notice, statement, or preference, limitation, or discrimination because of race, religion, sex, handicap, familial status, or national origin, or an intention to make such preference, limitation, or discrimination."

Section 804(C) of the Fair Housing Act

Applies to ALL advertising media, including;

- *Newspapers*
- *Magazines*
- *Television*
- *Radio*
- *AND Internet & Social Media!*

Section 804(C) of the Fair Housing Act

DATES TO REMEMBER;

- **1989** HUD published advertising guidelines,
- **1995** additional guidelines were published.

GUIDELINES;

1. Advertising that contains words, phrases, symbols or visual aids that indicate a discriminatory preference or limitation.
2. Advertising that selectively uses media, human models, logos and location to indicate an illegal preference or limitation.
3. Various types of discriminatory advertising practices condemned by the Fair Housing Acts.

4. If Kayla and Juan had rented out their home using an online ad that stated “NO CHILDREN” would they have been exempt?

Reference Section 20-327 through 20-334 of Nebraska Fair Housing Book.



Answer: NO! They would have lost their exemption because of discriminatory advertising.

Reference Section 20-327 through 20-334 of Nebraska Fair Housing Book.



Recommended by HUD to reflect a commitment to fair housing practices on real estate advertising.

Logo choice depends on the type of advertising and the size of the advertisement.

Other types of advertising; Equal Housing Logo should be the size at least equal to the largest of other types of logos. If no logos are used, 3-5% of the advertisement should be a Fair Housing Logo.

Equal Housing Opportunity Logo




Where should this poster be displayed?

Why?

Fair Housing Poster

U. S. Department of Housing and Urban Development



EQUAL HOUSING OPPORTUNITY

We Do Business in Accordance With the Federal Fair Housing Law
(The Fair Housing Amendments Act of 1988)

It is illegal to Discriminate Against Any Person Because of Race, Color, Religion, Sex, Handicap, Familial Status, or National Origin

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:
1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)
www.hud.gov/fairhousing

U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, D.C. 20410

Previous editions are obsolete

form HUD-928.1 (6/2011)

Which Words are Acceptable in Fair Housing Advertising?

Fair Housing Advertising Word and
Phrase Quiz.

www.neoc.ne.gov







Module 4: Understanding Real Estate Law

Real Estate Law

- Introduction the importance of Real Estate Law.

Nebraska License Law Act

- Learners should be able to interpret basic concepts of Nebraska License Law Act.

Key Terms.

- Define Key Terms.

- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

What makes real estate operations successful?



Successful real estate operations depend on;

Real Estate Law



Successful real estate operations depend on;

1. Ethics and honesty of its brokers and agents.

Real Estate Law

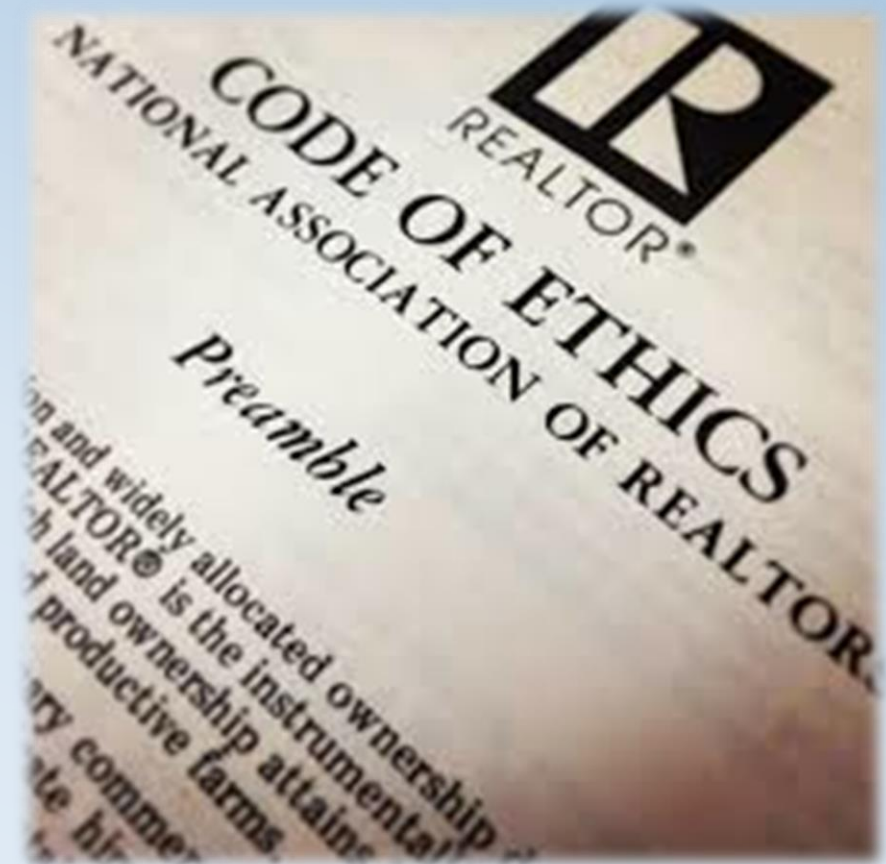


Successful real estate operations depend on;

1. Ethics and honesty of its brokers and agents.
2. That the public also sees them as ethical and honest and trusts them.

Real Estate Law

NAR (National Association of REALTORS) is a Professional organization which has a strict Code of Ethics to which all members must adhere.



Real Estate Law

Many problems stem from Licensees putting their own interests before those of their client's, driving them to make decision which may result in violations of the license act, and forgetting to work in a fair and ethical manner with **BOTH** their clients and their peers.



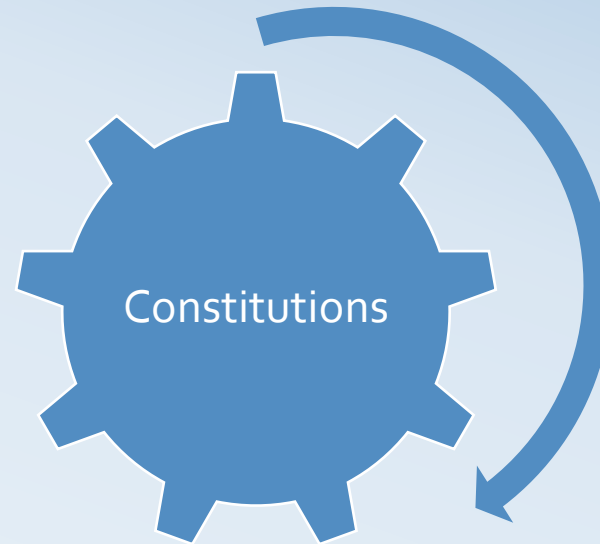
Real Estate Law



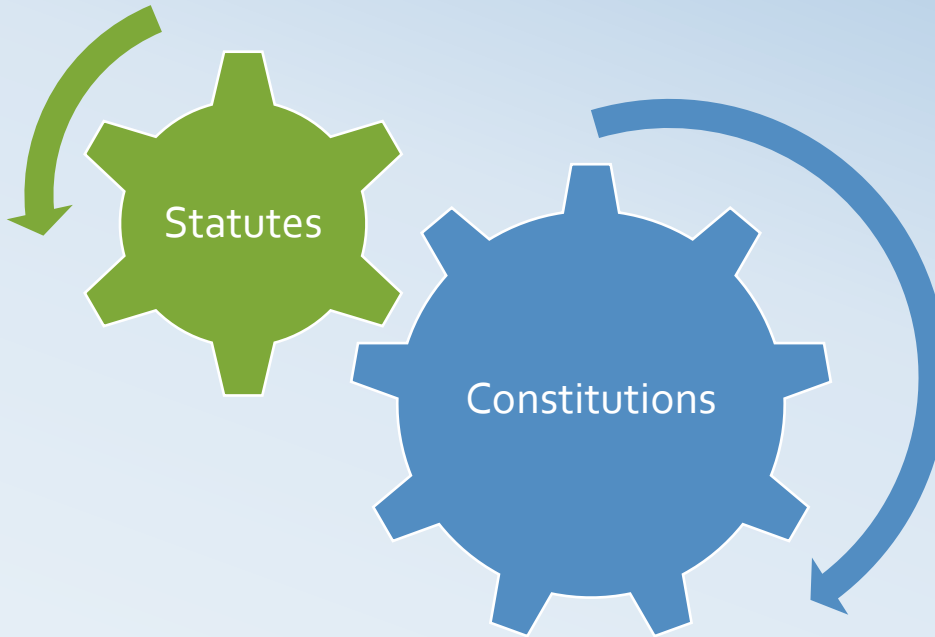
To be successful in the real estate industry you must have a basic understanding of License Law & the legal process.

"In everything that you do, every statement you make, and every paper you prepare, remember that there is a possibility that your action may be the subject of a court decision. Conduct yourself as if it is not only possible but likely."

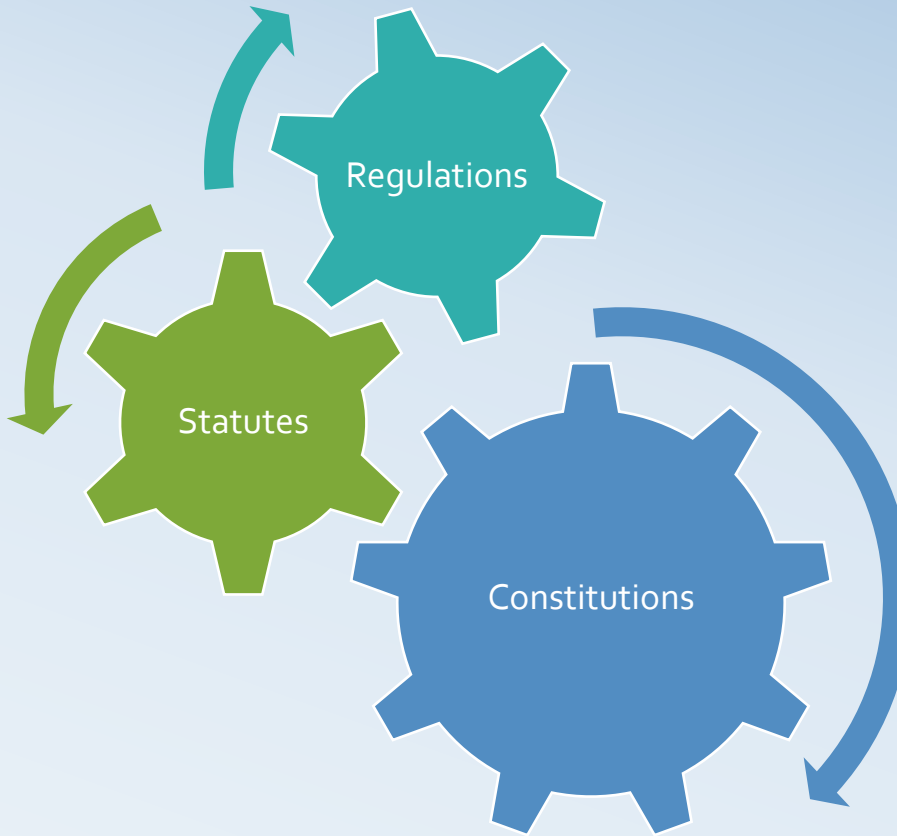
~unknown broker



General Framework of Law and Regulation in the United States



General Framework of Law and Regulation in the United States



General Framework of Law and Regulation in the United States

Common Law

Case Law

DEFINE:

Common Law

- Doctrines established by court precedent, any principles of contract law come from common law.

Case Law

DEFINE:

Common Law

- Doctrines established by court precedent, many principles of contract law come from common law.

Case Law

- Interpreting statutes and regulations, also ruling statutes or other government actions unconstitutional.

DEFINE:

What are the two types of law?



Real Estate Law

What are the two types of law?

1. **Written Law;**
constitutions, statutes,
and court decisions.



Real Estate Law

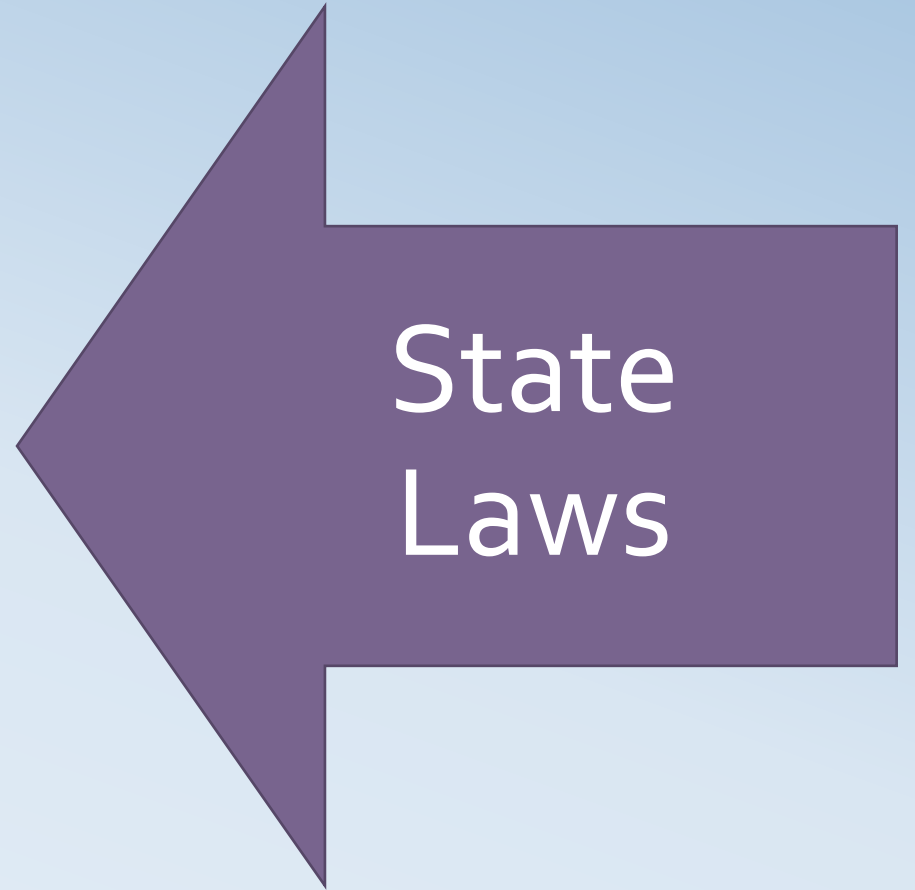
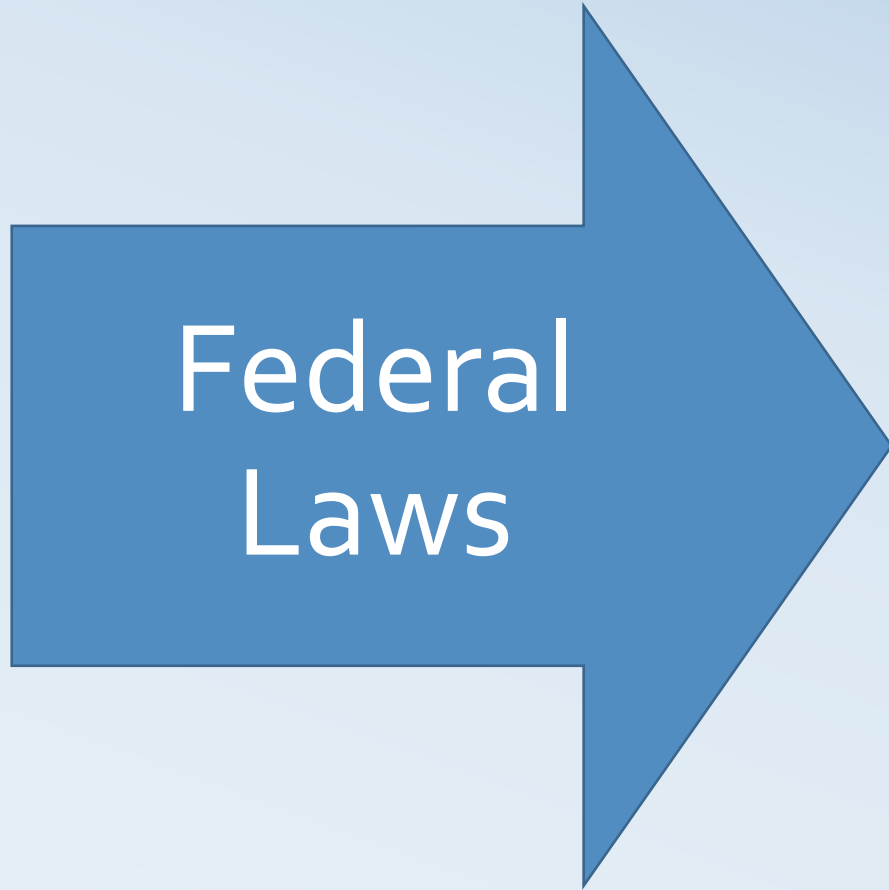
What are the two types of law?

1. **Written Law;**
constitutions, statutes,
and regulations
2. **Case law; and Court**
decisions.

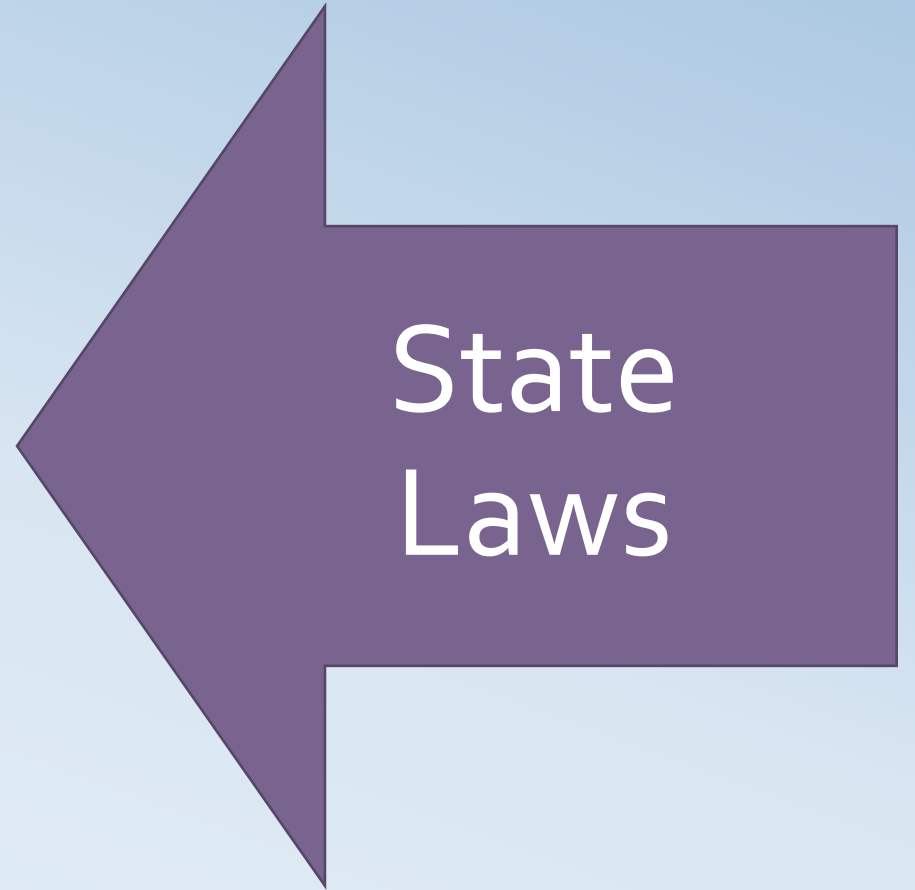
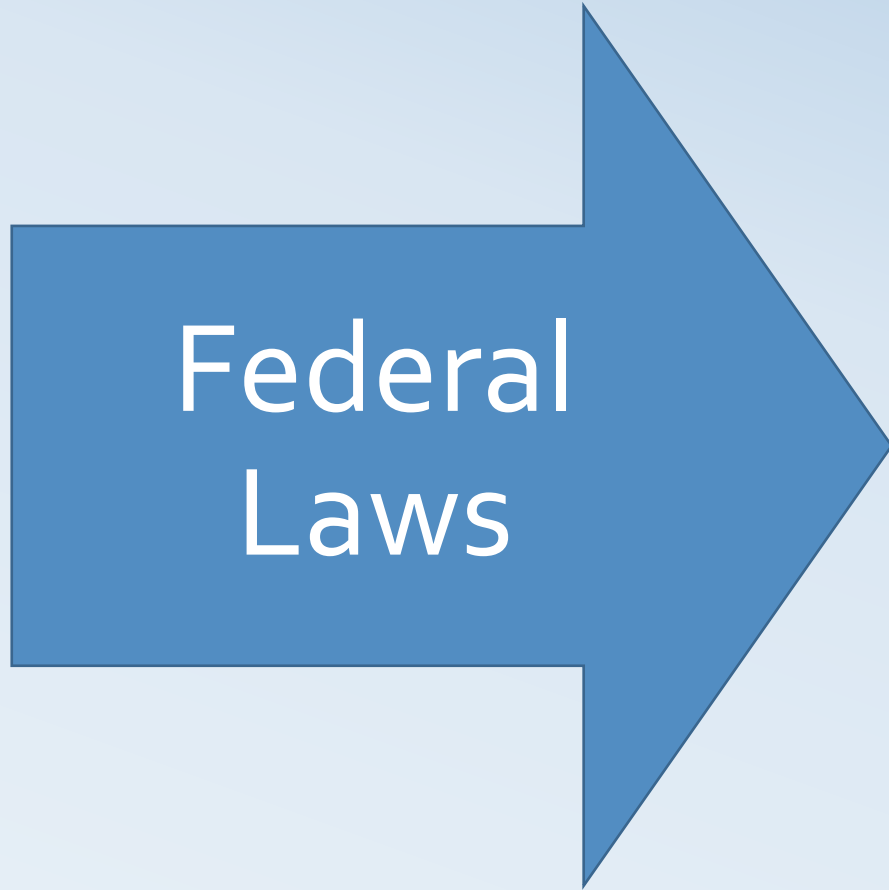
Also, **Custom & Practice;**
not officially written law.



Real Estate Law



Who governs real estate conflicts?



Real estate conflicts are governed by **both!**

Federal and State Laws follow these basic principles.

- Principle of Jurisdiction

Federal and State Laws follow these basic principles.

- Principle of Jurisdiction
- Principle of Equity

Federal and State Laws follow these basic principles.

- Principle of Jurisdiction
- Principle of Equity
- Statutes of Limitations

Federal and State Laws follow these basic principles.

- Principle of Jurisdiction
- Principle of Equity
- Statutes of Limitations
- Doctrine of Laches

Federal and State Laws follow these basic principles.

- Principle of Jurisdiction
- Principle of Equity
- Statutes of Limitations
- Doctrine of Laches
- Estoppel

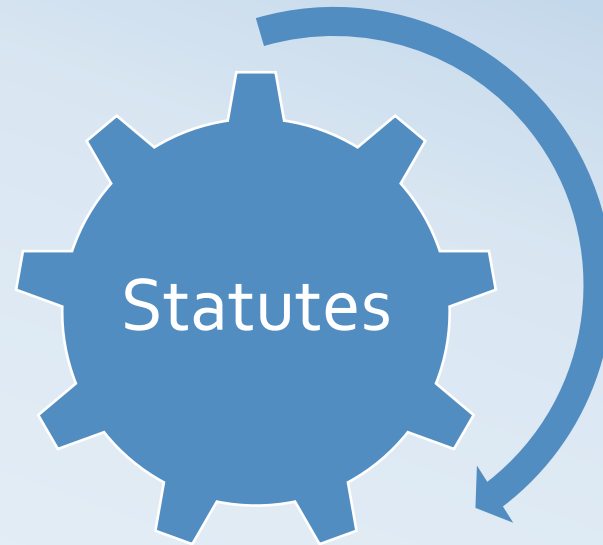
Federal and State Laws follow these basic principles.

- Principle of Jurisdiction
- Principle of Equity
- Statutes of Limitations
- Doctrine of Laches
- Estoppel
- Doctrine of Clean Hands

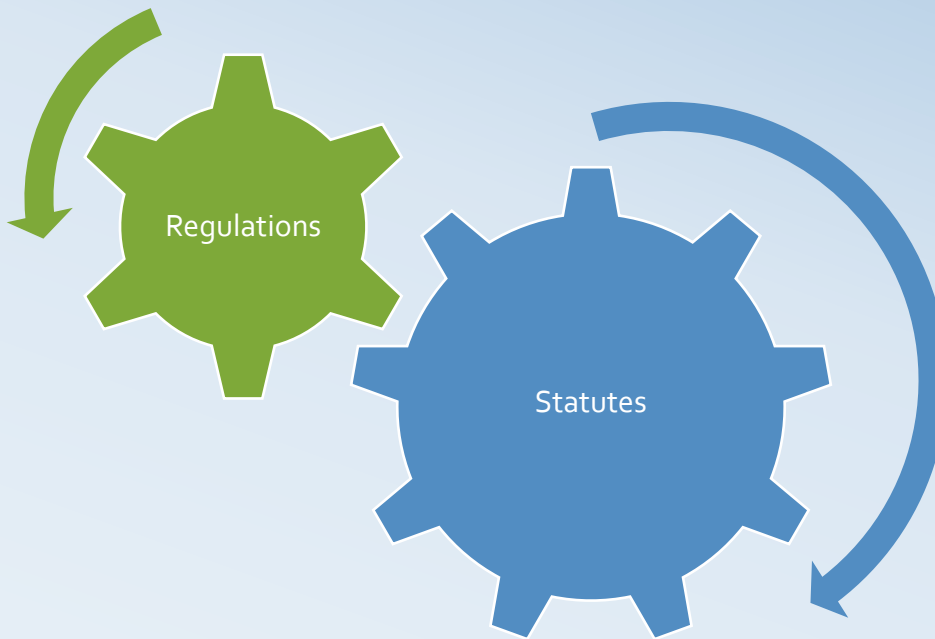
Federal and State Laws follow these basic principles.

The specific framework of law and the regulations of real estate licensees is controlled by the enactment of statutes and general structure of the government, both federal and state.

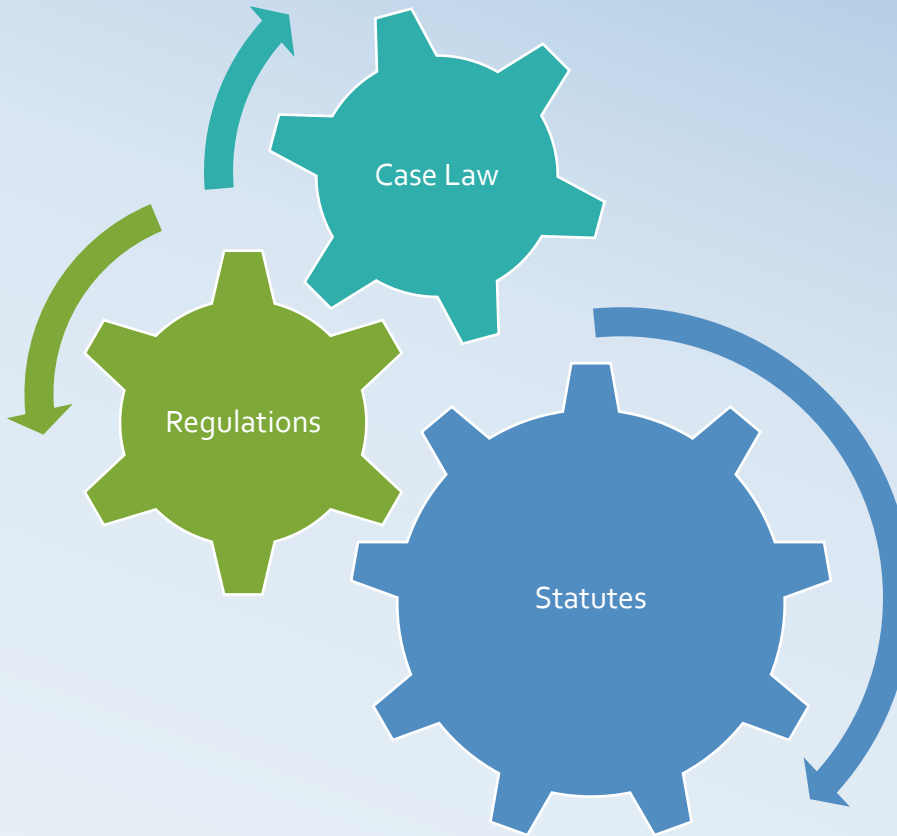
Specific Framework of Law and
Regulation of Real Estate Licensees



Specific Framework of Law and Regulation of Real Estate Licensee



Specific Framework of Law and Regulation of Real Estate Licensee



Specific Framework of Law and Regulation of Real Estate Licensee

What happens if **YOU** get caught acting as an agent or providing brokerage services without a license?

81-885.01(2)



“Broker means **any person** who, for any form of compensation or consideration or with the intent or expectation of receiving the same from another, **negotiates or attempts to negotiate the listing, sale, purchase, exchange, rent, lease, or option for any real estate or improvements thereon**, or assists in procuring prospects or holds himself or herself out as a referral agent for the purpose of securing prospects for the listing, sale, purchase, exchange, renting, leasing, or optioning of any real estate or **collects rents** or attempts to collect rents, gives a broker's price opinion or comparative market analysis, or holds himself or herself out as engaged in any of the foregoing. Broker also includes any person: (a) Employed, by or on behalf of the owner or owners of lots or other parcels of real estate, for any form of compensation or consideration to sell such real estate or any part thereof in lots or parcels or make other disposition thereof; (b) who auctions, offers, attempts, or agrees to auction real estate; or (c) who buys or offers to buy or sell or otherwise deals in options to buy real estate”

Definition of Broker (activity requiring a license) Neb. Rev. Stat. §81-885.01(2)





Module 5: **Understanding Real Estate Law**

Real Estate Law

- Introduction of the importance of Real Estate Law.

Nebraska License Law Act

- Learners should be able to interpret basic concepts of Nebraska License Law Act.

Key Terms.

- Define Key Terms.

- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

Which of these things is NOT like the others?

Appraisal

Broker's Price Opinion

Comparative Market Analysis

81.885.16. Real Property Appraiser Act; applicability; broker's price opinion or comparative market analysis; requirements. Nebraska License Law Act

Appraisal

- The process of estimating and supporting an opinion of value.
- **MUST be a Licensed Appraiser to perform this duty.**

Broker's Price Opinion

- (BPO) The brokers estimate of probable selling price, rather than the estimate of value.

Comparative Market Analysis

- (CMA) A simplified version of the sales comparison approach used by brokers to help determine the value of the real estate.

- No Compensation, fee, or other consideration shall be charged for a BPO or CMA other than a real estate commission or brokerage fee charged or paid for brokerage services in connection with the sale of a property....(81.885.16 paragraph 2.)
- 81.885.16. Real Property Appraiser Act; applicability; broker's price opinion or comparative market analysis; requirements. Nebraska License Law Act



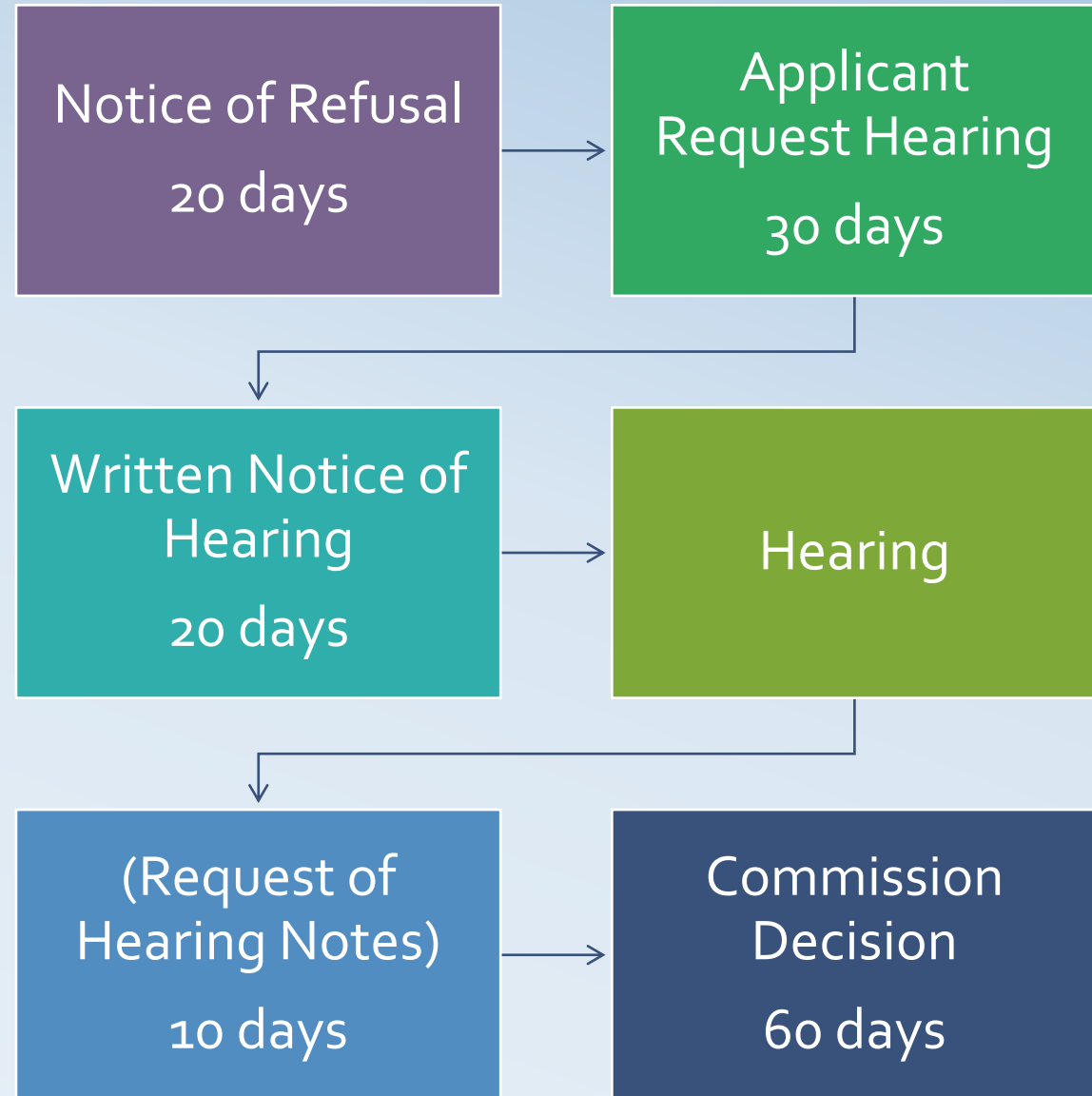
“Train-the-Trainer”

When the
Commission denies
your application.

81.885.18 Application; refusal;
hearing ;decision.



When the Commission denies your application.



81.885.18 Application; refusal;
hearing ;decision.

Susie Salesperson leaves company A for a better opportunity at Company B. What should Susie do with her license?

81-885.20 Broker, salesperson; change in place of business; notify commission; fee.







Module 6: **TRUST ACCOUNTS**

Trust Accounts

- Introduction of Students to the basic concepts of Trust Accounts.

Discover

- Discover information found on NREC website.

Key Terms

- Familiarize students with key terms and definitions.

- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.
- It is also advised to have a copy of the TRUST ACCOUNT MANUAL.

OBJECTIVES

TRUST ACCOUNTS WORD FIND

Attachment 6A



What is a Trust Account?



What is a Trust Account?

An **account** that is managed by one party for the benefit of another.



1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What happens?**
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?** YES! *Interest may be distributed or otherwise accrue only to nonprofit organizations that promote housing in Nebraska and are exempt from the payment of federal income taxes.*
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What Happens?**
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts? *Such Trust Accounts shall be a non-interest-bearing account.***
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What Happens?**
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
NO.
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What Happens?**
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this? Attorney General**
5. **What Happens?**
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What Happens?** *“...in an unsafe or unsound condition and the commission shall forthwith submit a compete report to the Attorney General of all information available to it...liquidation of such property and business.....conferred upon him or her by the court.”*
6. **Can a salesperson or associate broker open a trust account?**

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.

1. **Can trust accounts be interest bearing?**
2. **On July 1, 2017 what change is made to trust accounts?**
3. **Is there a limit of how many trust accounts a broker can have?**
4. **If a trust account is deemed “unsafe” by the Commission, to whom does the Commission report this?**
5. **What happens?**
6. **Can a salesperson or associate broker open a trust account?**
No.

81-885.21. Broker; separate trust account; notify commission where maintained; examination by representative of commission; broker entitled to money; when. THROUGH 81.885.23 Attorney General; special counsel; appoint; fees allowed; taxed as costs.



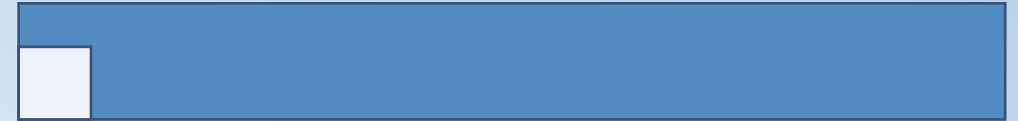
The Real Estate Agents Best Friend!

GO TO: www.nrec.ne.gov/legal/trustaccountinfo.html

Agents



Brokers



What records do Agents NEED to keep copies of?
What do you turn into Brokers?

**AGENTS MUST
MAKE IT A
PRIORITY TO
RECEIVE AND
DELIEVER FUNDS
IMMEDIATELY!**



**AGENTS MUST
RECEIVE A CHECK
WHEN WRITING
THE OFFER, NOT
AFTER THE OFFER
IS ACCEPTED!**





Closing can be handled by?



Brokers



Closing can be handled by?



Brokers



Attorneys



Closing can be handled by?



Brokers



Licensed Title Insurance Agents



Attorneys



State Regulated Financial Institutions

Closing can be handled by?



- **NO FUNDS** can be dispersed prior to closing without the written consent of **ALL** parties. Persons closing are required to have “**GOOD FUNDS.**”



Trust Accounts in Real Estate Property Management

What happens when a broker uses a check on the trust account to pay an expense on behalf of the owner, but the owner does not have sufficient funds in the account to cover it?



Trust Accounts in Real Estate Property Management

What may be considered “Trust Funds”?



Trust Accounts in Real Estate Property Management

What will a broker be asked to provide for a Trust Account examination?



Trust Accounts in Real Estate Property Management

1. **Management agreements**
2. **Lease agreements**
3. **Checkbooks and checkbook registers**
4. **Checks – canceled, voided, and unused**
5. **Financial institution statements and reconciliations**
6. **Deposit Slips – originals and/or duplicates**
7. **Bookkeeping system – general ledger and sub-ledgers**
8. **Supporting Vendor Invoices**
9. **Any other Pertinent files or documents**

BROKER EXAMINATION LIST





Module 7: "THOU SHALT NOT"

Real Estate Law

- Learn Nebraska License Law
81-885.24

Case Study

- Learners will be challenged with potential license law violations and questions. They will become decision makers using license law to answer the questions.

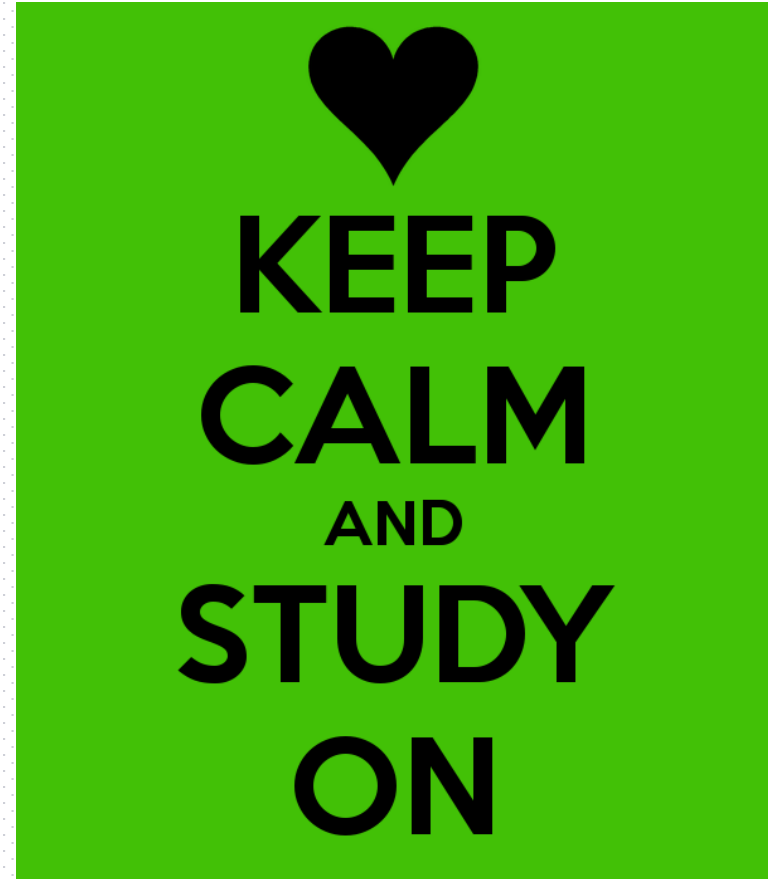
- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

“Thou Shalt Not” Crossword

Attachment 7A





81-885.24. Commission investigative powers; disciplinary powers; civil fine; violations of unfair trade practices.

“Thou Shalt Not” Worksheet



Attachment 7B

Common Disciplinary Violations Under Neb. Rev. Stat. 81-885.24

- Refusing services or lease or sale of real estate because of religion, race, color nation origin, sex or familial status
- Intentionally using advertising that is misleading or inaccurate
- Acting in dual capacity of agent and undisclosed principal in a transaction
- Negotiating a contract directly with seller who has an exclusive listing contract, or inducing seller to break an exclusive listing contract
- Providing Referral fees or compensation to unlicensed persons
- Making any substantial misrepresentations
- Conviction of any criminal felony
- Demonstrating negligence, incompetence or unworthiness to act as a licensee

UNFAIR TRADE PRACTICES COMPLAINTS PROCESS



81.885.25 Censure, revoke, or suspend license; impose civil fine; ease and desist order; hearing notice; contents THROUGH 81.885.31 Civil fines; distribution; collection procedure.

- Acting as a real estate broker (activities requiring a real estate license) shall include marketing an equitable interest in a contract for the purchase of real estate (marketing a wholesaler transaction must be done through licensed agent)(§81-885.02)
- Equitable interest—A contractual interest, buyer on a contract to purchase, not an existing ownership interest in the property
- Agency Disclosure Addendum for Marketing an Equitable Interest must be provided to title owner and buyer
- Review Commission Policy and Interpretation on Wholesaling
<https://nrec.nebraska.gov/legal/policyinterpretation.html#PI42>

Marketing an Equitable Interest in Real Estate—“Wholesaling”

Commission vs Dani D. Drinker, Broker; Dani was caught driving under the influence of alcohol. Dani has held an ACTIVE Nebraska Real Estate license for 10 years and did not report the incident to the Nebraska Real Estate Commission on the renewal application for his/her real estate license.

What happens to Dani next?

Commission vs Dani D. Drinker, Broker; the hearing was held in 2008. License was suspended for two years, with the entire suspension period stayed and served on probation. Dani must abstain from alcohol; attend Alcoholics Anonymous meetings on a regular basis and provide documentary proof of such regular attendance on at least a monthly basis to the Commission; obtain a sponsor and provide documentary proof of such sponsorship to the Commission; and if charged with another criminal offense during the two year period, Dani must report such charge to the Commission within 7 days of such charge.

Do you think Dani should be able to continue to sell real estate?

Commission vs Mark Talksalot; Mark who has been a builder representative for ABC Builders since 2013, was accused of not disclosing that he was working strictly on behalf of the builder/seller as a Seller's Agent to Megan and Kyle at first substantial contact. Megan and Kyle were customers of both Mark and his builder. The day they signed a Purchase Agreement was the first time they were given an Agency Agreement to sign stating they were "*Customers*" of Mark. When Megan and Kyle left the builder meeting and read the Agency Agreement paperwork, they were very upset to learn that they were not represented by Mark and filed a complaint with the NREC.

What happens next?

Commission vs Mark Talksalot; Salesperson Stipulation and Consent Order. License censured plus an additional three (3) hours of continuing education in the area of agency to be completed within 12 months. [Violated Neb. Rev. Stat 76-2421 (1) Licensee offering brokerage services duties. (1) At the earliest practicable opportunity during or following the first substantial contact with the seller landlord, buyer or tenant who has not entered into a written agreement for brokerage services to that person or who is providing brokerage services for that property shall: (a) Provide that person with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the commission; and

(b) Disclose in writing to that person the types of brokerage relationships the designated broker and affiliated licensees are offering to that person or disclose in writing to that person which party the licensee is representing. Respondent Mark failed to have the buyers sign an Agency Disclosure at the earliest practicable opportunity during or following first substantial contact with the parties.]

What should Mark have done differently?

Do you think Mark's punishment fit the crime?

Hemant and Jillayne vs Aaron Appleseed, Salesperson; Aaron listed Hemant and Jillayne 500 acre forest in October, 2011 for 1.1 million dollars for a period of a year. Aaron had discussed with Hemant and Jillayne that there were not many buyers in the market for 500 acre forest, *it could take a while for the property to sell*, which they said they understood. In September of 2012 Hemant and Jillayne contacted Aaron to let him know they appreciated his service but would be relisting the property with another agent at the end of the contract. Aaron told Hemant and Jillayne the Listing Agreement was actually *open-ended*, which he thought they understood. Since they did not have a copy of the contract, they had no way of checking this information. Hemant and Jillayne filed a complaint with the Commission.

What happens next?

CASE STUDY 3, Attachment 7c

Hemant and Jillayne vs Aaron Appleseed, Salesperson; Stipulation and Consent Order entered April, 2013. License censured; Plus a civil fine of \$250.00 to be paid by May, 2013; plus three (3) hours of additional continuing education in the area of "License Law", to be completed by July, 2013. [Violated Neb. Rev. Stat. 81-885.24(14) Failing to include a fixed date of expiration in any written listing agreement and failing to leave a copy of the agreement with the principle; for failing to leave a copy of the Listing Agreement with the seller.]

Do you believe Aaron's penalty was fair? What should he have done differently?



Module 8: **SUBDIVISIONS, TITLE 299 & 305**

Subdivisions

- Assess Students knowledge of Real Estate Law regarding Subdivisions.

Title 299

- Review laws and procedures in Title 299 which are drafted and enacted by the NREC.

Key Terms.

- Define Key Terms.

- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT, Title 299. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

What is the definition of a subdivision?



81-885.01 (9) Subdivision or Subdivided Land
81-885.33 Subdivision real estate; sale or offer to sell; requirements. THROUGH 81-885.42 Subdivision real estate; sales of twenty-five or more lots.

What is the definition of a subdivision?

A tract of land which has been divided into blocks, lots and streets, then recorded on a plat map following local ordinances and regulations.



However, for purposes of the Nebraska Real Estate License Act:

81-885.01 (9) Subdivision or Subdivided Land

81-885.33 Subdivision real estate; sale or offer to sell; requirements. THROUGH 81-

885.42 Subdivision real estate; sales of twenty-five or more lots.



What information must be included when making application for a subdivision in the State of Nebraska?



Why is it important to understand subdivision laws?

“BUST TO BOOM:
The Standing Stone subdivision near Gretna filed for bankruptcy protection a few years ago, when it had 150 empty lots. But today, the subdivision is bustling with construction again.”

Nebraska is King of Chapter 9 bankruptcies – how’d that happen?
Posted by Deena Winter 7/26/2013
Nebraska Watchdog.org



What is Title 299?

MULTIPLE CHOICE QUESTIONS BY YOU!

Write one multiple choice question for each chapter; Chapters 1 THROUGH 6 of Title 299.



The “NEBRASKA Candidate Handbook!”



Title 299; Chapter 1

LICENSES; APPLICATIONS; TERMS, DEFINED; EXAMINATIONS; SURRENDER, SUSPENSION OR REVOCATION; RENEWAL; CANCELLATION; REINSTATEMENT; TRANSFER OF LICENSE.

**BUSINESS PRACTICES;
EMPLOYMENT OF
SALESPERSON OR
ASSOCIATE BROKER;
ADVERTISING;
SOLICITING LISTINGS
OR REPRESENTATION;
TRANSMISSION OF
WRITTEN OFFER TO
OWNER; CLOSING
REAL ESTATE
TRANSACTIONS....**

Title 299; CHAPTER 2



Title 299; CHAPTER 3

**RECORDS; TRUST
ACCOUNTS;
REQUIREMENT;
DISPOSITION OF
EARNEST DEPOSITS.**



SUBDIVISIONS; ADVERTISING; DESIGNATED NEBRASKA REAL ESTATE BROKER; FINANCIAL STATEMENT REQUIREMENTS



Title 299; CHAPTER 4



**DISCIPLINARY MATTERS;
COMMISSION DISPUTES;
DISCUSSION BY
COMMISSIONERS; ACTIONS
DEMONSTRATING
NEGLIGENCE,
IMCOMPETENCY, OR
UNWORTHINESS.**

Title 299; CHAPTER 5

- Failure to make known, in writing, to any purchaser or seller, any interest the licensee has in the property he or she is buying or selling
- Failure by a licensee to note in all advertising where they are a principal (owner) selling or soliciting to buy that they are a real estate agent
- Failure to comply with Neb. Rev. Stat. §§76-2401-76-2430 (agency statutes, agency disclosure, fiduciary duty, duty to present all offers)
- Failure to provide estimated closing costs at the time an offer is accepted
- Failure to produce any requested document related to an investigation when requested to do so by the Commission
- Failure to disclose an adverse material fact in writing to the purchaser at or before the time the buyer signs an offer to purchase
- Failure to ensure that a seller property condition disclosure statement is delivered to the purchaser on or before the effective date of any contract to purchase
- Failure by an agent of the seller or landlord to submit an offer to purchase in a timely manner

Title 299 Chapter 5, Common Disciplinary Violations

COMPLAINT PROCEDURE; FILING; INVESTIGATION; HEARINGS.

Repealed.

(Title 305, Chapter 4 replaces this
Chapter effective November 19,
1997.)

Title 299; CHAPTER 6







Module 9: **AGENCY RELATIONS**

Agency

- Students should be able to differentiate and explain between the different types of agency available to the consumer.

First Substantial Contact

- Learners should be able to explain First Substantial Contact and when to initiate it.

Key Terms.

- Define Key Terms.

- YOU WILL NEED: A copy of a ARTICLE 24 and a NEBRASKA AGENCY DISCLOSURE. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES

What is AGENCY?

Agency is the relationship between real estate brokers or salespersons who represent the interest of or act as an agent for persons who are sellers, landlords, buyers or tenants who have rights and/or interest in real property.

"Agency Relationship – someone who represents your best interest in a real estate transaction and owes you fiduciary responsibilities. Agency relationships are usually established in writing with buyer agency agreements and require;

- Loyalty
- Obedience
- Disclosure
- Confidentiality
- Reasonable care and diligence
- Accounting"

~NAR

- **First Substantial Contact**
- Chapter 76. Real Property
- Article 24, Agency Relationships
- SS 76-2421 (1) contains two phrases (in ***bold italics***) for which the Nebraska Real Estate Commission has provided some clarification to guide the conduct of real estate licensees in their practice with clients and customers, to assist designated brokers in their supervision of their affiliated licensees, and to help real estate trainers formulate and implement practical, meaningful agency disclosure training.



First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- Section 76-2421 (1) requires that “At the ***earliest practicable opportunity*** during or following ***first substantial contact*** [emphasis added], landlord, buyer, or tenant . . . the licensee who is offering brokerage services to that person or who is providing brokerage services for that property shall” provide that person, whether a client or customer, with a written copy of the current brokerage disclosure pamphlet and disclose in writing to that person the types of brokerage services offered or which party the licensee is representing.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- Although, as has been said in Commission Comment before (see Winter 2000 issue), “earliest practicable opportunity” is somewhat subjective and “depends on the circumstances of each situation,” the Commission interprets **“earliest practicable opportunity”** to mean that the required brokerage disclosure pamphlet should be presented and signed and the disclosure of the types of brokerage services offered or of which party the licensee is representing should be made BEFORE the licensee provides **“specific assistance”** to that client or customer. IF the written disclosure is not made before the specific assistance is provided, it must be made immediately thereafter.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- **Specific assistance** means eliciting or accepting compromising information about a potential or actual client's or customer's real estate needs. Compromising information is information that would reduce, impair or erode that party's bargaining power in an arm's length negotiation. Compromising information may include but is not necessarily limited to:
 - The person's motivations or motivating factors.
 - That a buyer or tenant is willing to pay more than the offered purchase price or lease rate.
 - That a seller or landlord is willing to accept less than the asking sale price or lease rate.
 - That a client or customer will agree to financing terms other than those offered.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- Specific assistance shall also mean showing a specific property or properties to a specific buyer by pre-arrangement. Specific assistance MAY be provided at an open house if compromising information is elicited or accepted from the buyer at the open house, but specific assistance to a buyer WILL be deemed to be provided when there is a pre-arranged showing of a particular property or properties to that buyer.



First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- Specific assistance may be offered anywhere and not necessarily at a formal showing or appointment, so it is important that the required disclosures be made BEFORE any compromising information is elicited or accepted, even if the setting is an open house or a public place. It is not the venue, but rather the content of the interchange that determines if specific assistance has been provided.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- However it is possible to enumerate some things that are not generally considered to be specific assistance within the meaning of this policy interpretation. In the absence of the items listed above, specific assistance will not be considered to include:
- Preliminary conversations about the market, general real estate values and general financing terms;
- Conveying publically available information about the property's or properties' general factual features including price, location, style, amenities, etc.
- Eliciting or accepting general, non-compromising information about a buyer's or tenant's real estate needs or desires, such as the person's general preferences for location, price range, features, etc.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- Two useful criteria can be assessed in determining whether specific assistance has been provided:
- The direction information is flowing should be considered. It can generally be held that the licensee eliciting or accepting personal, compromising information **from** the person constitutes specific assistance, but the licensee conveying general information **to** the person about the market, financing or a specific property or properties is not offering specific assistance.
- The nature of the information being conveyed should be considered. Generally, if the information being elicited or accepted is compromising (i.e. information a rational person would not share with the other principal in an arm's length negotiation because that information could reduce, erode or impair that person's bargaining power), then specific assistance is being provided, but if the licensee is eliciting or accepting general information that is not compromising to the person's bargaining power or position, then the licensee is not providing specific assistance.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- The point at which the licensee first provides specific assistance will be deemed to be “**first substantial contact**” under this section.

First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

- On a related matter, the Commission will deem an electronic copy of the current brokerage disclosure language that has been appropriately checked and completed by the licensee and which has been emailed to the person to whom disclosure is being made to be in compliance with Section 76-2421 (1) (a), provided that the recipient client or customer sends the licensee an email response acknowledging receipt of the disclosure language.
- Adopted January 17, 2013



First Substantial Contact
NREC COMMISSION POLICIES AND INTERPRETATIONS
WWW.NREC.ne.gov/

Concept of “Limited Agent” Agent is an advisor and expert in the transaction acting in the best interest of the client, but the client makes the decisions, signs any transactional documents, etc.

Seller or Landlord Limited Agent—Requires a written agreement before acting as the seller or landlord’s agent, a written agreement with a fixed expiration date and specific terms of compensation is required

Buyer or Tenant Limited Agent—May be created by acting as the party’s agent, written agreement is not required

Dual Agent—Acts on behalf of both sides of the transaction (buyer/seller, landlord/tenant. A specific written disclosure and consent to dual agency required from all parties.

Types of Agency (Agency Statutes Chapter 76-2401-2430)

Team means two or more persons licensed by the Commission who (a) work under the supervision of the same broker, (b) work together on real estate transactions to provide real estate brokerage services, (c) represent themselves as being part of a team, and (d) are designated by a team name (81-885.01(9))

Team Leader means any person licensed by the commission and appointed or recognized by his or her broker as leader of the team (81-885.01(10))

A team may represent both sides of a transaction without dual agency being created or implied (recommend full disclosure to the clients of team status and agency relations)

A team may not use a name that does not include the words "Team" or "Group" or advertise or hold itself out in such a way as to imply the team is an independent brokerage (81-885.24(34) & Title 299, Chapter 2)

A team leader is responsible for providing and a designated broker is responsible for keeping a current list of all team members and team leaders (81-885.24(31-32))

REAL ESTATE TEAMS



The Real Estate Agents Best Friend!
GO TO: www.nrec.ne.gov/legal/trustaccountinfo.html

Case 2008-029 Commission vs. (Tyler Doe,) Salesperson. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of agency to be completed by March 25, 2009. [**Violated Neb. Rev. Stat. 76-2421** (1) Licensee offering brokerage services; duties. (1) At the earliest practicable opportunity during or following the first substantial contact with a seller, landlord, buyer, or tenant who has not entered into a written agreement for brokerage survives to that person or who is providing brokerage services for that property shall: (a) Provide that person with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the commission; and (b) Disclose in writing to that person which party the license the licensee is representing....

CASE STUDY 1, Attachment 9B

2006-030 – Commission vs. (Tyler Doe,) Salesperson. Stipulation and Consent Order. License Censured; plus additional six (6) hours of continuing education with three (3) hours in the area of license law and (3) hours in the area of agency, all to be completed by September 12, 2006. [Violated Neb. Rev. Stat. 76-2418 (1) A licensee representing a buyer or tenant as a buyer's tenant's agent shall be a limited agent with the following duties and obligations: (b) To exercise reasonable skill and care for the client; (c) To promote the interest of the client with utmost good faith, loyalty, and fidelity, including : (ii) Presenting all written offers to and from the client in a timely manner regardless of whether the client is already a party to a contract to purchase property.....

CASE STUDY 2, Attachment 9B





Module 10: **MAKING SENSE OF IT ALL**

Violations

Continuing Education

Seller Property Disclosure

- Review of Violations, CE & SPD.

Other Statutory References

- What are SID's, Homesteads, etc.

Preparing for the Exam.

- Q&A

- YOU WILL NEED: A copy of NEBRASKA REAL ESTATE LICENSE ACT. If one is not provided by your instructor, please go to the Nebraska Real Estate Commission website, www.nrec.ne.gov.

OBJECTIVES



How important is E&O insurance to your business plan?

How much do you need?

Why do you need it at all?

81-885.43 Violations; Attorney General; maintain action. THROUGH 81-885.48. Term, how construed. 81-885.55. Errors an omissions insurance; commission; duties; certificate of coverage; required when; group plan unavailable at a reasonable premium; effect.



Active licensees are required to complete 18 clock hours of education every two years.

At least 12 hours of the 18 must be in continuing education activities approved by the Commission. Of these 12 hours, at least 6 hours must be in designated subject matter. These courses are indicated with the letter "R" in the four-digit course content number that is assigned to the course

81-885.49 Continuing Education; purpose THROUGH 81.885.54 Continuing Education; rules Regulations.



Continuing Education Credit will not be granted when activities or substantial activity content is duplicated within 4 years.

However, "R" courses are an exception to this rule and may be duplicated in subsequent continuing education periods but NOT in the same continuing education period.

The course content number is used to determine duplication of content between courses i.e. don't take the same number within 4 years.

Special Requirements for property management and teams

81-885.49 Continuing Education; purpose THROUGH 81.885.54 Continuing Education; rules Regulations.

What does that mean to a new licensee?



81-885.49 Continuing Education; purpose THROUGH 81.885.54 Continuing Education; rules Regulations.



What does that mean to a new licensee?

No education is due during the first calendar year of license.

Your license must be renewed by November 30th of the licensing year.

Beginning on January 1 of following year, education period begins for a 24 month cycle.

81-885.49 Continuing Education; purpose THROUGH 81.885.54 Continuing Education; rules Regulations.



SELLER PROPERTY CONDITION DISCLOSURE STATEMENT
GO TO: www.nrec.ne.gov/licensing-forms/formlist.html#Form5

OTHER STATUTORY REFERENCES;

➤ Recognition of Acknowledgements

OTHER STATUTORY REFERENCES;

- Recognition of Acknowledgements

- State of Frauds Provisions

OTHER STATUTORY REFERENCES;

- Recognition of Acknowledgements
- State of Frauds Provisions
- Dual Contracts

OTHER STATUTORY REFERENCES;

- Recognition of Acknowledgements
- State of Frauds Provisions
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- Real Estate Closing Agents

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- **Real Estate Closing Agents**
- **SID, Smoke Detectors, Sale of Trailers, Homesteads**
- **Appealing Commission Decisions**
- **1980 Time Share Act**

The “NEBRASKA Candidate Handbook!”



“Scheduling an Examination Appointment.”

- Go to www.goAMP.com to schedule an Exam.
- Or call AMP (Applied Measurement Professionals, Inc.) at 800-345-6559, from 7:00 am to 9:00 pm (Central Time) Monday through Thursday, 7:00 am to 7:00 pm on Friday and 8:30 am to 5:00 pm on Saturday.
- This information is found on page 2 of the Nebraska Candidate Handbook.

Where do I find testing information?

National Salesperson Portion

<u>Topic</u>	<u>Number of Questions</u>
1. Agency Relationships and Contracts	28
2. Real Property Ownership	14
3. Finance	15
4. Real Property	14
5. Marketing Regulations	8
6. Property Management	8
7. Real Estate Calculations	13

State Sales Person Portion

"The Nebraska Real Estate Salesperson examination deals with topics relating particularly to Nebraska real estate license law. There are 50 multiple-choice questions on the salesperson's exam."

- This information is found on page 5 of your handbook....(and is subject to change.)

What's on the test?

