

## Maine Real Estate Commission Designated Broker Course

Upon completion of this course, the licensee will have the fundamental knowledge and skill to open a real estate office. The licensee will understand the designated broker's supervisory role as well as the obligations to licensees, clients, customers and the public.

This course consists of forty-five hours of classroom time, broken out according to the outline below. A minimum of three quizzes and a comprehensive final exam are also required. It is expected that five hours will be devoted to quizzes and the final exam, in addition to the forty hours of topic areas outlined below. Students must pass this course with a minimum grade of 75%.

	Part 1: The Business Plan 5 hours
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Outline a business plan for a real estate company (*the goal of this section is to provide an overview of elements of organizing a real estate company*).

- A. Initial organization of company
  - 1. Mission Statement
  - 2. Written goals and philosophies
  - 3. Scope of services (residential, commercial, land)
  - 4. Company makeup:
    - a. Sole proprietorship
    - b. Partnership
    - c. LLC
    - d. Corporation (S or C)
    - e. Franchise or independent
    - f. Local affiliation or large national corporation
    - g. Trade association membership
  - 5. Organizational chart for company, including staffing requirements and qualifications
    - a. Independent contractor agreements
    - b. Employer/employee status
  - 6. Physical office requirements
    - a. Location
    - b. Visibility
    - c. Floor plan
    - d. Parking
    - e. Public accommodations (accessibility)
- B. Financial Planning
  - 1. Projected start-up costs
  - 2. Sales Projections
  - 3. Income and Cost Projections
  - 4. Cash Flow
  - 5. Accounting Software

	Part 2: License Law and Rules 4 hours
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Review License Law and Rules and Regulations (*the goal of this section is to cover the license law and rules and regulations from the point of view of a designated broker with a goal of developing a legally compliant office*).

- A. Role of the Real Estate Commission (Title 32 & Title 10)
  - 1. Agency licensing (all practice occurs under the auspices of the agency license)
  - 2. Disciplinary action against company and company's licensees

	Part 2: License Law and Rules (continued)
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- 3. Rulemaking authority
- 4. Answering questions regarding license law & rules
- B. Licensing Issues
  - 1. Requirements for agency licensing (company)
  - 2. Requirements for individual licensing
- C. Designated Broker's responsibilities
  - 1. (Title 32, Chapter 114, subchapter 3, rule chapter 400)
  - 2. (Title 32, 13067-A, rule chapter 410)
- D. Complaint and adjudicatory process

	Part 3: Trust Account 2 hours
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Identify how to open and maintain a real estate trust account (*the goal of this section is to enable students to open and maintain a legally compliant trust account*) (32 M.R.S.A. §13178 & chapter 400)

	Part 4: Brokerage Forms 6 hours
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Analyze Brokerage Forms (*the goal of this section is to enable students to fully explain the importance of written documents and the meanings of specific provisions in commonly used industry forms*).

- A. Real Estate Brokerage Relationships Form
- B. Real Estate Brokerage Forms
  - 1. Listing Contract
  - 2. Buyer Agent Agreement
  - 3. Appointed Agent Agreement
  - 4. Disclosed Dual Agency Agreement
- C. Property Disclosures
  - 1. Mandatory and optional disclosures
  - 2. Responsibility of licensees
- D. Purchase and Sale Contracts
  - 1. Contract clauses, addenda and amendments
  - 2. Offer and counter offer guidelines
  - 3. Determining whether contingencies have been met

	Part 5: Financing 3 hours
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Discuss Financing (*the goal of this section is to identify and be able to pursue financing arrangements consistent with the duties of the real estate company*)

- A. Awareness of finance alternatives
- B. Role of seller agent or buyer agent in the financing process
- C. Role of the transaction broker in the financing process
- D. Predatory lending
- E. Mortgage fraud
- F. Lending regulations
  - 1. Real Estate Settlement Procedures Act/Kickbacks
  - 2. Truth in Lending/Advertising (Regulation Z)
  - 3. Real Estate companies' affiliation with mortgage companies, title companies, etc.
- G. Resolving transaction issues related to financing

	Part 6: Closings 5 hours
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Summarize Closings (*the goal of this section is to identify and be able to resolve a variety of issues that arise prior to, at, and after closing from the perspective of the Designated Broker*).

- A. Pre-closing, closing, and post-closing activities and issues
- B. Settlement Statements – costs involved (buyer costs/seller proceeds)
- C. Role of licensee at closing (i.e. compare good faith estimate with settlement statement, read the deed).
- D. Pros and cons of real estate company acting as closing agent
- E. Pros and cons of licensees acting as power of attorney at closings
- F. FIRPTA (Foreign Investment in Real Estate Property Tax Act)
- G. State of Maine non-resident withholding

	Part 7: Municipal/State/Federal 2 hours
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Discuss Municipal, State and Federal Laws that are applicable to Real Estate Brokerage (*the goal of this section is to generate awareness of laws outside of license law and rules that licensees need to follow*)

- A. Anti-trust
- B. Civil Rights & Fair Housing
- C. Land use
- D. Environmental
- E. Code conformance

	Part 8: Risk Reduction 4 hours
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Explore Risk Reduction and Risk Management (*the goal of this section is to generate awareness of an ever-expanding universe of liability*)

- A. Record keeping
- B. Checklists for procedures
- C. Documented sources of information
- D. Developing service standards
- E. Telephone logs/email logs/faxes
- F. Declinations (i.e. declining service contracts, home inspections, radon tests)
- G. Errors & Omissions insurance
- H. Resolving issues between real estate companies in the best interest of the clients
- I. Procuring cause
- J. Personal safety
- K. Other

	Part 9: Ethical Practices 2 hours
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Evaluate Ethical Practices (*the goal of this section is to enable students to develop a climate of best practices within their office*).

- A. Ethical vs. legal
- B. Ethical dilemmas
- C. Models for ethical decision making
- D. Code of Ethics
  - 1. Personal
  - 2. Office
  - 3. Professional industry code

	Part 10: Training Program 3 hours
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Outline a Real Estate Company training program (*the goal of this section is to enable students to identify the elements of an effective training program for new and experienced licensees*).

- A. Training of newly licensed licensees
- B. Training licensees new to the company who have been previously licensed
- C. On going supervision and training for licensees and unlicensed staff

	Part 11: Company Policy 4 hours
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Develop an outline for a Company Policies and Procedures Manual (*the goal of this section is to outline and discuss company policy manual requirements*)

- A. Policy and procedures manual
  - 1. General company policies and procedures (13179, Chapter 400, 1-2)
  - 2. Policies and Procedures: Real Estate Brokerage Relationships (13277, Chapter 400 1-4)
    - A. Review agency relationships
    - B. Types of real estate brokerage relationship policies
    - C. Advantages and disadvantages of each
  - 3. Policies and procedures: brokerage law and Commission rules
  - 4. Policies and procedures: State and Federal law