

Course Outline

Marketing, Sales, and Service

REVISED: July/2021

Job Title

Real Estate Agent

Career Pathway:

Professional Sales

Industry Sector:

Marketing, Sales, and Service

O*NET-SOC CODE:

41-9022.00

CBEDS Title:

Professional Sales I

CBEDS No.:

4130

71-40-80

Real Estate Practice

Credit: 5 hours

Hours: 60

Course Description:

This competency-based course is the first in a sequence of four designed for real estate. It satisfies the statutory requirements for the broker's and salesperson's license. It includes instruction in basic business, financial, and sales practices of real estate. It covers agency laws, various types of contracts and their usage, competitive market analysis, types of advertising, various methods of real estate finance, property management, escrow procedures, tax aspect of real estate practice and the standards of real estate ethics. The competencies in this course are aligned with the California High School Academic Content Standards and the California Career Technical Education Model Curriculum Standards.

Prerequisites:

Enrollment requires successful completion of Real Estate Principles or possession of a real estate salesperson's or broker's license.

NOTE: For Perkins purposes this course has been designated as a **capstone** course.

Department of Real Estate (DRE) Approval No. **4181-18 effective 5/28/2019**. DRE Statutory/Pre-License Course Completion Certificate provides maximum of 45 credit hours.

This course **cannot** be repeated once a student receives a Certificate of Completion.



COURSE OUTLINE COMPETENCY-BASED COMPONENTS

A course outline reflects the essential intent and content of the course described. Acceptable course outlines have six components. (Education Code Section 52506). Course outlines for all apportionment classes, including those in jails, state hospitals, and convalescent hospitals, contain the six required elements:

(EC 52504; 5CCR 10508 [b]; Adult Education Handbook for California [1977], Section 100)

COURSE OUTLINE COMPONENTS

LOCATION

GOALS AND PURPOSES

Cover

The educational goals or purposes of every course are clearly stated and the class periods are devoted to instruction. The course should be broad enough in scope and should have sufficient educational worth to justify the expenditure of public funds.

The goals and purpose of a course are stated in the COURSE DESCRIPTION. Course descriptions state the major emphasis and content of a course, and are written to be understandable by a prospective student.

PERFORMANCE OBJECTIVES OR COMPETENCIES

pp. 7-18

Objectives should be delineated and described in terms of measurable results for the student and include the possible ways in which the objectives contribute to the student's acquisition of skills and competencies.

Performance Objectives are sequentially listed in the COMPETENCY-BASED COMPONENTS section of the course outline. Competency Areas are units of instruction based on related competencies. Competency Statements are competency area goals that together define the framework and purpose of a course. Competencies fall on a continuum between goals and performance objectives and denote the outcome of instruction.

Competency-based instruction tells a student before instruction what skills or knowledge they will demonstrate after instruction. Competency-based education provides instruction which enables each student to attain individual goals as measured against pre-stated standards.

Competency-based instruction provides immediate and continual repetition and In competency-based education the curriculum, instruction, and assessment share common characteristics based on clearly stated competencies. Curriculum, instruction and assessment in competency-based education are: explicit, known, agreed upon, integrated, performance oriented, and adaptive.

COURSE OUTLINE COMPETENCY-BASED COMPONENTS
(continued)

COURSE OUTLINE COMPONENTS	LOCATION
<p>INSTRUCTIONAL STRATEGIES</p> <p>Instructional techniques or methods could include laboratory techniques, lecture method, small-group discussion, grouping plans, and other strategies used in the classroom.</p> <p>Instructional strategies for this course are listed in the TEACHING STRATEGIES AND EVALUATION section of the course outline. Instructional strategies and activities for a course should be selected so that the overall teaching approach takes into account the instructional standards of a particular program, i.e., English as a Second Language, Programs for Adults with Disabilities.</p>	p. 20
<p>UNITS OF STUDY, WITH APPROXIMATE HOURS ALLOTTED FOR EACH UNIT</p> <p>The approximate time devoted to each instructional unit within the course, as well as the total hours for the course, is indicated. The time in class is consistent with the needs of the student, and the length of the class should be that it ensures the student will learn at an optimum level.</p> <p>Units of study, with approximate hours allotted for each unit are listed in the COMPETENCY AREA STATEMENT(S) of the course outline. The total hours of the course, including work-based learning hours (community classroom and cooperative vocational education) is listed on the cover of every CBE course outline. Each Competency Area listed within a CBE outline is assigned hours of instruction per unit.</p>	Cover pp. 7-18
<p>EVALUATION PROCEDURES</p> <p>The evaluation describes measurable evaluation criteria clearly within the reach of the student. The evaluation indicates anticipated improvement in performances as well as anticipated skills and competencies to be achieved.</p> <p>Evaluation procedures are detailed in the TEACHING STRATEGIES AND EVALUATION section of the course outline. Instructors monitor students' progress on a continuing basis, assessing students on attainment of objectives identified in the course outline through a variety of formal and informal tests (applied performance procedures, observations, and simulations), paper and pencil exams, and standardized tests.</p>	pp. 20-21
<p>REPETITION POLICY THAT PREVENTS PERPETUATION OF STUDENT ENROLLMENT</p> <p>After a student has completed all the objectives of the course, he or she should not be allowed to reenroll in the course. There is, therefore, a need for a statement about the conditions for possible repetition of a course to prevent perpetuation of students in a particular program for an indefinite period of time.</p>	Cover

ACKNOWLEDGMENTS

Thanks to KARL PORTER and MATTHEW OBERLANDER for developing and editing this course outline. Acknowledgment is also given to ERICA ROSARIO for designing the original artwork for the course covers.

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CALIFORNIA CAREER TECHNICAL EDUCATION MODEL CURRICULUM STANDARDS

Marketing, Sales, and Services Industry Sector Knowledge and Performance Anchor Standards

1.0 Academics

Analyze and apply appropriate academic standards required for successful industry sector pathway completion leading to postsecondary education and employment. Refer to the Marketing, Sales, and Services academic alignment matrix for identification of standards

2.0 Communications

Acquire and accurately use Marketing, Sales, and Services sector terminology and protocols at the career and college readiness level for communicating effectively in oral, written, and multimedia formats.

3.0 Career Planning and Management

Integrate multiple sources of career information from diverse formats to make informed career decisions, solve problems, and manage personal career plans.

4.0 Technology

Use existing and emerging technology to investigate, research, and produce products and services, including new information, as required in the Marketing, Sales, and Services sector workplace environment.

5.0 Problem Solving and Critical Thinking

Conduct short, as well as more sustained, research to create alternative solutions to answer a question or solve a problem unique to the Marketing, Sales, and Services sector using critical and creative thinking, logical reasoning, analysis, inquiry, and problem-solving techniques.

6.0 Health and Safety

Demonstrate health and safety procedures, regulations, and personal health practices and determine the meaning of symbols, key terms, and domain-specific words and phrases as related to the Marketing, Sales, and Services sector workplace environment.

7.0 Responsibility and Flexibility

Initiate and participate in a range of collaborations demonstrating behaviors that reflect personal and professional responsibility, flexibility, and respect in the Marketing, Sales, and Services sector workplace environment and community settings.

8.0 Ethics and Legal Responsibilities

Practice professional, ethical, and legal behavior, responding thoughtfully to diverse perspectives and resolving contradictions when possible, consistent with applicable laws, regulations, and organizational norms.

9.0 Leadership and Teamwork

Work with peers to promote divergent and creative perspectives, effective leadership, group dynamics, team and individual decision making, benefits of workforce diversity, and conflict resolution as practiced in the DECA career technical student organization

10.0 Technical Knowledge and Skills

Apply essential technical knowledge and skills common to all pathways in the Marketing, Sales, and Services sector, following procedures when carrying out experiments or performing technical tasks.

11.0 Demonstration and Application

Demonstrate and apply the knowledge and skills contained in the Marketing, Sales, and Services anchor standards, pathway standards, and performance indicators in classroom, laboratory and workplace settings, and through the DECA career technical student organization.

Marketing, Sales, and Services Pathway Standards

B. Professional Sales Pathway

Develop knowledge and skills in the theory and practice of sales designed to provide a professional foundation to those involved in personal selling careers, including the fundamentals of personal selling with an emphasis on customer behavior, persuasive presentation of ideas, products and services, and developing sales goals.

Sample occupations associated with this pathway:

- ◆ Customer Service Representative
- ◆ Retail Salesperson
- ◆ Sales Manager
- ◆ Real Estate Broker
- ◆ Fashion buyer

- B1.0 Understand the interrelationships between economic and marketing concepts and selling.
- B2.0 Analyze and evaluate legal, moral, and ethical issues affecting selling and sales management.
- B3.0 Analyze customer/client behavior in the selling process.
- B4.0 Understand the nature and scope of the functions associated with personal and business sales strategies, product knowledge, support activities, and management of selling techniques.
- B5.0 Examine different types of sales pathways.
- B6.0 Analyze the support activities of sales staff and management.
- B7.0 Complete a strategic plan that includes establishing individual and company sales goals to guide the activities of the sales staff.
- B8.0 Access and use marketing information to enhance sales opportunities and activities.

CBE
Competency-Based Education

COMPETENCY-BASED COMPONENTS
for the Real Estate Practice Course

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
<p>A. INTRODUCTION TO REAL ESTATE AGENCY LAWS</p> <p>Know the importance of agency laws as they relate to the fields of real estate.</p> <p>(2 hours)</p>	<ol style="list-style-type: none"> 1. State the broker principal relationship regarding rules of agency. 2. State the broker principal relationship regarding contract law. 3. Describe the consequences of breach of fiduciary duties. 4. Describe fiduciary duties regarding the exercising of reasonable care and skill. 5. Describe how fiduciary duties require the disclosure of all “material facts”. 6. Describe that “material facts” include all offers, value and marketability of the property. 7. Describe how “material facts” include any self-dealing, secret profit, or dual agency of the agent/agency. 8. List the agent’s duties to the buyer. 9. State the disclosure requirements to the buyer. 10. Describe the liability of the agent. 11. Describe the Civil Rights Act of 1866 (federal law) as it relates to real estate. 12. Describe the basic tenants of the Federal Fair Housing Act. 13. List the basic provisions of the Home Mortgage Disclosure Act of 1975 (federal law). 14. State how the Unruh Civil Rights Act (state law) related to real estate. 15. Describe the Housing Financial Discrimination Act (state law). 16. Summarize the Fair Employment and Housing Act (state law). 17. State the California License Law (state law). 18. Describe the main points of Regulations 2780, 2781, and 2787 of the Commissioner Regulations (state law). 19. Describe safe office practices and procedures. 20. Pass a test covering safe office practices and procedures with a score of 100%. 	<p>Career Ready Practice: 2, 5, 11</p> <p>CTE Anchor: Communications: 2.1 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4 Health and Safety: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B6.1</p>
<p>B. EMPLOYMENT CONTRACTS</p> <p>Describe the various types of employment contracts of real estate and their functions.</p>	<ol style="list-style-type: none"> 1. Describe the difference between an independent contractor and an employee in the Broker-Salesperson Contract. 2. Describe the Broker-Salesperson Contract as it relates to handling of listings. 3. Describe the Broker-Salesperson Contract as it relates to the right to use office space. 4. Describe the Broker-Salesperson Contract as it relates to working in a diligent manner. 	<p>Career Ready Practice: 2, 5, 7, 8, 11, 12</p> <p>CTE Anchor: Health and Safety: 6.2</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(3 hours)	<ol style="list-style-type: none"> 5. Describe the Broker-Salesperson Contract as it relates to payment of professional dues and license fees. 6. Restate the Broker-Salesperson Contract as it relates to payment of professional dues and license fee. 7. Describe the Broker-Salesperson Contract as it relates to disputes. 8. Explain the “hold harmless” agreements of a Broker-Salesperson Contract. 9. Explain the integration clauses of a Broker-Salesperson Contract. 10. List the prerequisites in the Broker-Salesperson Contract. 11. Describe the types of listing of the Broker-Client Contract: open listings, and exclusive right to sell listings. 12. Define the seller’s agreement to pay commission as it relates to an able buyer. 13. Describe the seller’s agreement to withdraw from sale. 14. Explain the safety clauses and conditions in the Broker-Client Contract. 15. Explain multiple listings as they relate to the Broker-Client Contract. 16. Describe how net listings relate to the Broker-Client Contract. 17. Describe the buyer-broker agreements and the payment of commission. 	<p>Responsibility and Flexibility: 7.1, 7.2</p> <p>Ethics and Legal Responsibilities: 8.5, 8.7, 8.8</p> <p>CTE Pathway: B2.1, B3.1, B3.2</p>
<p>C. CALIFORNIA ASSOCIATION OF REALTORS’ LISTING FORM</p> <p>Describe the California Association of Realtors listing form.</p> <p>(2 hours)</p>	<ol style="list-style-type: none"> 1. Describe the exclusive type of authorization. 2. Describe the nonexclusive type of authorization. 3. Describe the right to “sell” provisions including showing property and presenting offers to seller. 4. Describe the terms of sale. 5. Describe the Multiple Listing Service. 6. Describe the title insurance provision. 7. Describe the negotiable commission during listing and after the listing term. 8. Explain the requirements to take advantage of protection period after the listing term. 9. State the limitations to right of commission after the listing term. 10. Explain the deposit provisions. 11. Describe the home protection plan. 12. Describe the key box and sign provisions. 13. State the pest control requirements. 14. Describe seller’s disclosure obligations. 15. Describe the agreement to provide listing information. 16. Understand the disclosure statement. 17. Explain the “hold harmless” clause. 18. Be aware of the tax withholding provisions. 19. Describe the equal housing provisions. 20. Describe the attorney fees provisions. 21. Explain the “entire agreement” paragraph of the California Association of Realtors’ (CAR) listing form. 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B8.1</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
<p>D. REAL ESTATE DISCLOSURE STATEMENT</p> <p>Describe the real estate transfer disclosure statement of the California Association of Realtors listing form.</p> <p>(1 hour)</p>	<ol style="list-style-type: none"> 1. Pass a test covering the basic procedures in opening an escrow. 2. Describe Section I —other disclosure forms. 3. Describe Section II —seller’s information. 4. Describe Section III —agent’s inspection disclosure—listing agent. 5. Describe Section IV —agent’s inspection disclosure—selling agent. 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.3, 2.4 Technology: 4.6 Problem Solving and Critical Thinking: 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.5, B4.2</p>
<p>E. COMPETITIVE MARKET ANALYSIS</p> <p>Describe the competitive market analysis and its usage in a listing presentation.</p> <p>(3 hours)</p>	<ol style="list-style-type: none"> 1. Describe the importance of determining fair market value in a listing presentation. 2. Define the “eyeball” approach to establishing value. 3. Define the cost approach to establishing value. 4. Describe the income approach to establishing value. 5. Describe the competitive market analysis approach to establishing value. 6. Explain how utility influences value. 7. Describe how scarcity influences value. 8. Describe how demand influences value. 9. Explain how transferability influences value. 10. List types of value. 11. Describe principles of value. 12. Describe how the competitive market analysis is used in determining value. 13. List the sources of market analysis. 14. Describe how to analyze subject property by a site analysis. 15. Describe how to analyze subject property by an improvement analysis. 16. State how to select comparables by date of comparables. 17. State how to select comparables by location of comparables. 18. State how to select comparables by physical characteristics of comparables. 19. Explain how to select comparables by terms of sale. 20. Explain how to select comparables by arm’s length transaction. 21. Describe how to compare subject property to comparables. 22. Describe how to estimate market value of subject property. 23. Explain how to use the CAR comparative market analysis form. 24. Describe how the request for reconsideration of value is used when appraisal is too low. 25. Describe how the request for reconsideration of value is used when you present a lender with your own comparables. 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B8.1</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
<p>F. ADVERTISING</p> <p>Describe various forms of advertising and their importance to real estate.</p> <p>(3 hours)</p>	<ol style="list-style-type: none"> 1. Define advertising. 2. State factors to consider when advertising. 3. Explain how to budget for advertising. 4. Describe the importance of determining objectives in the advertising process. 5. Describe the importance of determining the target audience. 6. Describe the importance of media selection in the advertising process. 7. Describe the importance of the design of the ad in the advertising process. 8. Describe the desired effects of an ad such as: attention, interest, desire, action, rational and emotional appeal. 9. Describe image advertising. 10. Describe rules of classified advertising. 11. Know the elements of a classified ad. 12. Describe the importance of headlines, visualization, photos/drawings, flow, layout, graphic, and copy in display advertising. 13. Describe how advertising is subject to review and revision. 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5</p>
<p>G. PROPERTY MANAGEMENT</p> <p>Know history and techniques of real estate management.</p>	<ol style="list-style-type: none"> 1. Describe how a check sheet is used. 2. Briefly describe the history of property management. 3. Explain how the supply and value of money affect the real estate market. 4. Describe how the factors of occupancy, rent levels, employment, family size and demographics affect the real estate market. 5. Describe management techniques used with apartment buildings. 6. Explain different techniques used with cooperatives and condominiums. 7. Describe management techniques used with office buildings. 8. Describe management techniques used with retail property. 9. Describe management techniques used with industrial property. 10. Describe the contents of a management agreement. 11. Explain management plan strategy. 12. Describe the importance of in-depth analyses, management proposal, recordkeeping and statements in a management plan. 13. Describe good manager/owner relations. 14. Describe benefits of various types of advertising when leasing property. 15. Describe techniques of showing property to a prospective leasee. 16. Explain how to qualify a prospective leasee. 17. List different types of leases and their uses. 18. List characteristics of a valid lease. 19. State reasons for security deposits. 20. State the manager's role in lease renewals. 21. Describe the manager's role and responsibilities in rental collections. 22. Describe the manager's role in the supervision of property maintenance activities. 	<p>Career Ready Practice: 2, 10, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.3, 4.5, 4.6 Problem Solving and Critical Thinking: 5.1, 5.2, 5.3, 5.4 Technical Knowledge and Skills: 10.1</p> <p>CTE Pathway: B2.1, B2.2, B2.3, B3.1, B3.2, B3.5, B3.6, B4.2, B4.5, B4.6</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(3 hours)	23. Describe four basic categories of maintenance activities.	
<p>H. INTRODUCTION TO FINANCE</p> <p>Describe the loan process and types of real estate finance disclosure laws.</p> <p>(3 hours)</p>	<ol style="list-style-type: none"> 1. Describe the loan application process. 2. List data necessary for a loan application. 3. Practice use of a loan application checklist. 4. State the agent’s duty of full disclosure. 5. State the California License Law requirements for an agent. 6. State the fiduciary duties of an agent. 7. Define the Federal disclosure requirements of Regulation “Z” of the Truth-in-Lending Act. 8. State the Federal disclosure requirements of the Real Estate Settlement Procedures Act. 9. Describe the seller financing disclosures of the California Statutes. 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5</p>
<p>I. FINANCE PROGRAMS</p> <p>Describe various types of loans available to a buyer.</p>	<ol style="list-style-type: none"> 1. Describe the 80% conventional loan. 2. Define secondary financing. 3. Describe the 90% conventional loan. 4. Describe the 95% conventional loan. 5. State the reason for Private Mortgage Insurance (PMI). 6. Describe how PMI works. 7. Understand the Buy Down plan for alternate financing. 8. List several types of Buy Downs. 9. List the advantages of a Buy Down plan. 10. Describe Adjustable Rate Mortgages (ARMs). 11. State the advantages of ARMs. 12. Describe how ARMs work. 13. List elements of an ARM. 14. Describe Growth Equity Mortgages (GEMs). 15. Explain how GEMs work. 16. List advantages of GEMs. 17. List disadvantages of GEMs. 18. Describe Federal Housing Authority (FHA)-insured loans. 19. Describe the process for obtaining FHA-insured loans. 20. State benefits to borrowers for obtaining a FHA-insured loan. 21. State eligibility requirements for a FHA-insured loan. 22. List the fees for a FHA-insured loan. 23. State the allowable sources of down payments for a FHA-insured loan. 24. State the requirements of secondary financing for a FHA-insured loan. 25. Describe Mortgage Insurance Payment (MIP). 26. Demonstrate how to calculate the MIP. 	<p>Career Ready Practice: 2, 5, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3 Problem Solving and Critical Thinking: 5.4 Responsibility and Flexibility: 7.6 Technical Knowledge and Skills: 10.11</p> <p>CTE Pathway: B2.1, B2.2, B3.2, B3.5, B4.2, B4.5, B5.1</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(6 hours)	27. Describe the FHA standard program for loans (Sec. 203b). 28. Describe various FHA programs for Armed Service, low/moderate income, apartment tenants. 29. Describe FHA graduated payment and ARMS. 30. State the loan-to-value ratios for the standard FHA loan. 31. State the maximum loan amounts that are set for FHA loans. 32. Describe the Veterans' Administration (VA) loan. 33. State the advantages of a VA loan. 34. State the requirements for a VA loan approval. 35. Describe the loan guarantee for VA loans. 36. State the guarantee amount/loan amount for VA loans. 37. Describe eligibility requirements for a VA loan. 38. Describe how to apply for a VA loan. 39. State provisions for the transfer of property with a VA loan. 40. Describe the California Veterans (Cal Vet) loan. 41. Identify the source of funding for a Cal Vet loan. 42. State eligibility requirements of a Cal Vet loan. 43. State the loan fees of a Cal Vet loan. 44. Describe the loan terms for a Cal Vet loan.	
J. QUALIFYING STANDARDS Explain the underwriting guidelines of the various loan programs in real estate finance.	1. Describe the loan application process. 2. Describe the function of the secondary market. 3. List the three major governmental agencies of the secondary market (FNMA, GNMA, and FHLMA). 4. Describe conventional underwriting guidelines regarding income. 5. List acceptable sources of stable income. 6. State unacceptable sources of income. 7. Describe the importance of an employment history. 8. State the housing expense-to-income ratio. 9. State the total monthly obligations-to-income ratio. 10. Define net worth. 11. Explain the need for verification of net worth. 12. Describe the use of gift letters. 13. Explain the importance of credit history/credit report. 14. Define derogatory credit. 15. State the FHA underwriting guidelines regarding income standards. 16. List the VA underwriting guidelines regarding income standards.	Career Ready Practice: 2, 5, 11, 12 CTE Anchor: Communications: 2.1, 2.3 Problem Solving and Critical Thinking: 5.4 Responsibility and Flexibility: 7.6 Technical Knowledge and Skills: 10.11 CTE Pathway: B2.1, B2.2, B3.2, B3.5, B4.2, B4.5, B5.1
K. FINANCE DOCUMENTS Describe various documents used to finance real estate.	1. Describe the promissory note. 2. Explain the importance of negotiability of a promissory note. 3. Describe types of endorsements of a promissory note. 4. List types of promissory notes. 5. Describe a Deed of Trust. 6. Describe the lien theory versus title theory.	Career Ready Practice: 2, 5, 11, 12

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(6 hours)	<ol style="list-style-type: none"> 7. Explain how a Deed of Trust works. 8. State the necessary provisions of a valid Deed of Trust. 9. Describe the process for a Trust Deed foreclosure. 10. Define junior lienholder. 11. State the rights of a junior lienholder. 12. List the disadvantages of a junior lienholder. 13. Identify special provisions that frequently appear in Deeds of Trust. 	<p>CTE Anchor: Communications: 2.1, 2.3 Problem Solving and Critical Thinking: 5.4 Responsibility and Flexibility: 7.6 Technical Knowledge and Skills: 10.11</p> <p>CTE Pathway: B2.1, B2.2, B3.2, B3.5, B4.2, B4.5, B5.1</p>
<p>L. DEPOSIT RECEIPT: OVERVIEW</p> <p>Describe various parts of the deposit receipt and their usage.</p> <p>(3 hours)</p>	<ol style="list-style-type: none"> 1. State the purpose of a deposit receipt. 2. Describe the importance of proper preparation of a deposit receipt. 3. State the necessary elements of a deposit receipt. 4. Describe the role of the agent in the preparation of a deposit receipt. 5. Demonstrate understanding that the real estate purchase contract and the deposit receipt are composed of pre-printed clauses and provisions. 6. Demonstrate understanding that the signature of the person against who the contract should be enforced must appear on the document. 7. Explain the need for a seller and a buyer to disclose their marital status. 8. Describe the need to include all names (multiple sellers or buyers) and their signatures on the CAR form. 9. Demonstrate understanding that contracts for the purchase and sale of real estate must describe the property to be sold. 10. Define full and legal description of property. 11. State where the legal description should be attached. 	<p>Career Ready Practice: 2, 5, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3 Problem Solving and Critical Thinking: 5.4 Responsibility and Flexibility: 7.6 Technical Knowledge and Skills: 10.11</p> <p>CTE Pathway: B2.1, B2.2, B3.2, B3.5, B4.2, B4.5, B5.1</p>
<p>M. DEPOSIT RECEIPT: THIRD-PARTY FINANCING</p> <p>Describe third-party financing and methods of payment.</p>	<ol style="list-style-type: none"> 1. State the requirements for the deposit receipt concerning total price and liens. 2. Describe different versions of payment clauses. 3. State the procedures when payment can be “all cash”. 4. State the procedures when payment is by a conventional loan. 5. Identify loan expenses normally paid by the buyer. 6. Describe the payment of points/discounts. 	<p>Career Ready Practice: 2, 5, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(3 hours)	<ol style="list-style-type: none"> 7. Identify procedures for FHA loans. 8. Identify procedures for VA loans. 9. Describe FHA/VA Amendment. 10. Identify the procedures for CalVet financing. 11. Use a checklist when completing a practice deposit receipt. 	<p>Problem Solving and Critical Thinking: 5.4</p> <p>Responsibility and Flexibility: 7.6</p> <p>Technical Knowledge and Skills: 10.11</p> <p>CTE Pathway: B2.1, B2.2, B3.2, B3.5, B4.2, B4.5, B5.1</p>
<p>N. DEPOSIT RECEIPT: SELLER FINANCING</p> <p>Describe seller-financed conditions and contingency clause.</p> <p>(6 hours)</p>	<ol style="list-style-type: none"> 1. Define seller-financing. 2. State the advantages of seller-financing. 3. State the disadvantages of seller-financing. 4. Identify pre-printed forms for seller-financing transactions. 5. Describe the requirements for seller having clear title. 6. Describe an all-inclusive trust deed. 7. Describe advantages and disadvantages in seller-financed transactions. 8. Describe “zero-down” seller-financing. 9. State why contingencies are used. 10. Describe how contingencies work. 11. List conditions within the control of one party. 12. State the elements of a contingency clause. 13. Describe pre-printed clauses for financing contingencies. 14. State the purpose of financing contingencies. 15. Define bump clause. 16. State when and how to use a contingency release clause. 	<p>Career Ready Practice: 2, 5, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3</p> <p>Technology: 4.3</p> <p>Problem Solving and Critical Thinking: 5.2, 5.4</p> <p>Responsibility and Flexibility: 7.6</p> <p>Technical Knowledge and Skills: 10.11</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B5.1</p>
<p>O. DEPOSIT RECEIPT: STANDARD PROVISIONS</p> <p>Describe standard provisions of deposit receipt.</p>	<ol style="list-style-type: none"> 1. Define a Deed of Trust. 2. Describe standard provisions relating to occupancy. 3. State standard provisions relating to title. 4. Define prorations. 5. State standard provisions relating to possession and vesting. 6. Describe standard provisions relating to Multiple Listing Service. 7. Describe standard provisions relating to liquidated damages. 	<p>Career Ready Practice: 2, 5, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(3 hours)	<ol style="list-style-type: none"> 8. Describe standard provisions relating to arbitration and attorney's fees. 9. State standard provisions relating to personal property. 10. State standard provisions relating to structural modifications. 11. State standard provisions relating to transfer disclosure. 12. State standard provisions relating to tax withholding. 13. Describe standard provisions relating to additional terms, conditions, and amendments. 14. Describe standard provisions relating to offer, acceptance, and counter offer. 15. Describe standard provisions relating to licensee and a party to contract. 	<p>Technology: 4.3</p> <p>Problem Solving and Critical Thinking: 5.2, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B5.1</p>
<p>P. ESCROW</p> <p>Describe the escrow procedure and its usage in real estate.</p> <p>(3 hours)</p>	<ol style="list-style-type: none"> 1. Define escrow. 2. Describe the use of escrows. 3. Describe requirements of a valid escrow. 4. Define escrowees. 5. Identify the parties involved in an escrow. 6. List the essential steps of the escrow process. 7. Describe closing costs and settlement statements for both buyer and seller. 8. Explain the need to use an escrow progress chart. 9. Describe the provisions of the Real Estate Settlement Procedures Act (RESPA). 	<p>Career Ready Practice: 2, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3, 2.4 Technology: 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5</p>
<p>Q. TAX ASPECTS OF REAL ESTATE PRACTICE</p> <p>Describe Federal tax system as it relates to real estate practices.</p>	<ol style="list-style-type: none"> 1. Define progressive tax. 2. Define proportional tax. 3. Define regressive tax. 4. Understand that the Federal Income Tax is progressive. 5. Define income. 6. Define realization. 7. Define recognition. 8. Explain what is meant by an "installment sale". 9. Explain what is meant by a "principal residence sale". 10. Explain what is meant by "principal residence property". 11. Explain what is meant by "unimproved investment property". 12. Explain what is meant by "property held for the production of income". 13. Explain what is meant by "property used in a trade or business". 14. Explain what is meant by "dealer property". 15. Explain how the sale or exchange of an asset normally results in a gain or loss. 	<p>Career Ready Practice: 2, 11, 12</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.2, 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4</p> <p>CTE Pathway: B1.2, B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B5.1, B5.2, B5.3</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(2 hours)	<ol style="list-style-type: none"> 16. Demonstrate how to figure the gain/loss on the sale or disposition of property. 17. Demonstrate how to figure the adjusted basis on the sale of property. 18. Describe the Tax Reform Act of 1896 as it relates to the gain on disposition of real estate. 19. Describe how the Internal Revenue Code (IRS) allows a gain to be deferred for installment sales. 20. Explain how the IRS allows a gain to be deferred on the sale of a principal residence. 21. Explain the provision that the IRS allows on the sale of principal residence by a taxpayer over age fifty-five. 22. State the IRS conditions for deferral of tax in the sale of low-income housing. 23. State what the IRS allows in a tax-free exchange. 24. State the formula that is used for calculating the new basis for property in a tax-free exchange. 25. Define the term depreciation. 26. Describe the depreciation method: straight line. 27. Describe the depreciation method: 200% declining balance. 28. Describe the depreciation method: 150% declining balance. 29. Describe the depreciation method: 125% declining balance. 30. Describe the depreciation method: sum of the year's digits 31. Define cost recovery deductions. 32. Demonstrate understanding that repairs are deductible for most properties (excluding personal residence). 33. Identify improvements and alterations as capital expenditures. 34. Describe how capital expenditures are not deductible but add to cost basis of property. 35. Describe what taxes on the property are deductible. 36. State what mortgage interest is deductible for most property. 37. Define the term "passive losses" under the Tax Reform Act 1986. 38. State limitations on deductibility of passive losses. 	
<p>R. REAL ESTATE ETHICS</p> <p>Apply accepted standards of ethics in all transactions.</p>	<ol style="list-style-type: none"> 1. Define the responsibilities of one realtor to another realtor in a transaction. 2. Explain the fee the broker can charge in real estate transactions. 3. Explain the requirements in the presentation of an offer by the listing agent. 4. Describe the licensee/professional relationship when directly involved in a transaction. 5. Explain when written offers must be submitted in a proposed transaction. 6. Explain when purchase money deposit can be refunded. 7. Explain when a real estate licensee may claim he is a specialist in a real estate field. 8. Describe when a signed or initialed document can be modified or changed. 9. Explain secret profit. 	<p>Career Ready Practice: 2, 5, 8, 10, 11</p> <p>CTE Anchor: Communications: 2.1, 2.3 Technology: 4.2, 4.3, 4.6 Problem Solving and Critical Thinking: 5.2, 5.3, 5.4 Responsibility and Flexibility: 7.2</p>

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(1 hour)		Ethics and Legal Responsibilities: 8.5 CTE Pathway: B2.1, B2.2, B3.1, B3.2, B3.5, B4.2, B4.5, B5.1, B5.2, B5.3, B7.1, B7.2
S. EMPLOYABILITY SKILLS Demonstrate competency in job search and acquisition skills.	<ol style="list-style-type: none"> 1. Describe the steps in a job search. 2. Write a résumé and cover letter; describe the value of résumés and personal networking in obtaining employment. 3. Complete a job application form legibly. 4. Demonstrate work habits: punctuality and regular attendance. 5. Describe job interview preparation: dress, references, résumé, transcripts, work permit, interview, and follow-up. 6. Participate in a mock interview as an applicant and describe employee’s point of view. 7. Participate in a mock interview as an employer and describe employer’s point of view. 8. Describe civil, age and equal rights in employment and what constitutes discriminatory hiring practices. 9. Describe employer’s rights: attendance, punctuality, attitude, grooming, honesty, industrial safety, substance abuse. 10. Describe statutory, compensatory and employer-sponsored benefits. 11. Define gross/net pay; federal, state, FICA, SDI taxes and the W-4 form. 12. Describe customer service as a method of building permanent relationships between the organization and the customer. 	Career Ready Practice: 2, 3, 5, 7, 8, 9, 10, 11, 12 CTE Anchor: Communications: 2.4, 2.5 Career Planning and Management: 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9 Technology: 4.2, 4.3, 4.6 Health and Safety: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 Responsibility and Flexibility: 7.1, 7.2, 7.3, 7.4, 7.6, 7.7 Ethics and Legal Responsibilities: 8.2, 8.3, 8.4, 8.5, 8.6, 8.8 Leadership and Teamwork: 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7 Technical Knowledge and Skills: 10.2, 10.15 Demonstration and Application: 11.2, 11.5

COMPETENCY AREAS AND STATEMENTS	MINIMAL COMPETENCIES	STANDARDS
(2 hours)		CTE Pathway: B2.4, B3.1, B3.2, B3.3, B3.4, B3.5, B3.6, B3.7, B4.1, B4.2, B4.5, B6.2, B7.1, B7.2, B7.3
<p>T. EVALUATION</p> <p>Demonstrate knowledge acquired by passing, with a minimum grade of 70%, a final examination covering the complete course under conditions as prescribed by the California Department of Real Estate.</p> <p>(2 hours)</p>	<p>1. Demonstrate knowledge acquired by passing, with a minimum grade of 70%, a final examination covering the complete course under conditions as prescribed by the California Department of Real Estate.</p>	<p>Career Ready Practice: 5</p> <p>CTE Anchor: Problem Solving and Critical Thinking: 5.2, 5.3, 5.4 Technical Knowledge and Skills: 10.1</p> <p>CTE Pathway: B2.1, B3.2, B3.3, B3.5, B3.6, B3.7, B4.1, B4.5, B4.6</p>

SUGGESTED INSTRUCTIONAL MATERIALS and OTHER RESOURCES

TEXTBOOK

Walt Huber and Arlette Lyons, California Real Estate Practice, Educational Textbook Company, Inc. 2015

RESOURCES

Employer Advisory Board members

Bureau of Labor Statistics, U.S. Department of Labor. *Occupational Outlook Handbook, 2010-11 Edition*.

CDE Model Curriculum Standards for Marketing, Sales, and Services

<http://www.cde.ca.gov/ci/ct/sf/documents/mktsaleservices.pdf>

COMPETENCY CHECKLIST

TEACHING STRATEGIES and EVALUATION

METHODS AND PROCEDURES

- A. Lectures and discussions
- B. Demonstrations
- C. Multimedia presentations
- D. Individualized instruction
- E. Small group work
- F. Write practice contracts and forms

EVALUATION

SECTION A – Introduction to Real Estate Agency Laws – Pass a safety test with a score of 100%.

SECTION B – Employment Contracts– Pass all assignments and exams on employment contracts with a minimum score of 80% or higher.

SECTION C – California Association of Realtors’ Listing Form – Pass all assignments and exams on California Association of Realtors’ listing form with a minimum score of 80% or higher.

SECTION D– Real Estate Disclosure Statement– Pass all assignments and exams on real estate disclosure statement with a minimum score of 80% or higher.

SECTION E – Competitive Market Analysis – Pass all assignments and exams on competitive market analysis with a minimum score of 80% or higher.

SECTION F – Advertising– Pass all assignments and exams on advertising with a minimum score of 80% or higher.

SECTION G – Property Management – Pass all assignments and exams on property management with a minimum score of 80% or higher.

SECTION H – Introduction to Finance– Pass all assignments and exams on introduction to finance with a minimum score of 80% or higher.

SECTION I – Finance Programs – Pass all assignments and exams on finance programs with a minimum score of 80% or higher.

SECTION J – Qualifying Standards– Pass all assignments and exams on qualifying standards with a minimum score of 80% or higher.

SECTION K – Finance Documents – Pass all assignments and exams on finance documents with a minimum score of 80% or higher.

SECTION L – Deposit Receipt: Overview – Pass all assignments and exams on deposit receipt: overview with a minimum score of 80% or higher.

SECTION M – Deposit Receipt: Third-Party Financing – Pass all assignments and exams on deposit receipt: third-party financing with a minimum score of 80% or higher.

SECTION N – Deposit Receipt: Seller Financing – Pass all assignments and exams on deposit receipt: seller financing with a minimum score of 80% or higher.

SECTION O – Deposit Receipt: Standard Provisions – Pass all assignments and exams on deposit receipt: standard provisions with a minimum score of 80% or higher.

SECTION P – Escrow– Pass all assignments and exams on escrow with a minimum score of 80% or higher.

SECTION Q – Tax Aspects of Real Estate Practice – Pass all assignments and exams on tax aspects of real estate practice with a minimum score of 80% or higher.

SECTION R – Real Estate Ethics – Pass all assignments and exams on real estate ethics with a minimum score of 80% or higher.

SECTION S – Employability Skills – Pass all assignments and exams on employability skills with a minimum score of 80% or higher.

SECTION T – Evaluation – Pass a final examination covering the complete course under conditions as prescribed by the California Department of Real Estate with a minimum score of 70% or higher.

Standards for Career Ready Practice

1. Apply appropriate technical skills and academic knowledge.

Career-ready individuals readily access and use the knowledge and skills acquired through experience and education. They make connections between abstract concepts with real-world applications and recognize the value of academic preparation for solving problems, communicating with others, calculating measures, and performing other work-related practices.

2. Communicate clearly, effectively, and with reason.

Career-ready individuals communicate thoughts, ideas, and action plans with clarity, using written, verbal, electronic, and/or visual methods. They are skilled at interacting with others: they are active listeners who speak clearly and with purpose, and they are comfortable with terminology that is common to workplace environments. Career-ready individuals consider the audience for their communication and prepare accordingly to ensure the desired outcome.

3. Develop an education and career plan aligned with personal goals.

Career-ready individuals take personal ownership of their educational and career goals and manage their individual plan to attain these goals. They recognize the value of each step in the educational and experiential process, and they understand that nearly all career paths require ongoing education and experience to adapt to practices, procedures, and expectations of an ever-changing work environment. They seek counselors, mentors, and other experts to assist in the planning and execution of education and career plans.

4. Apply technology to enhance productivity.

Career-ready individuals find and maximize the productive value of existing and new technology to accomplish workplace tasks and solve workplace problems. They are flexible and adaptive in acquiring and using new technology. They understand the inherent risks—personal and organizational—of technology applications, and they take actions to prevent or mitigate these risks.

5. Utilize critical thinking to make sense of problems and persevere in solving them

Career-ready individuals recognize problems in the workplace, understand the nature of the problems, and devise effective plans to solve the problems. They thoughtfully investigate the root cause of a problem prior to introducing solutions. They carefully consider options to solve a problem and, once agreed upon, follow through to ensure the problem is resolved.

6. Practice personal health and understand financial literacy.

Career-ready individuals understand the relationship between personal health and workplace performance. They contribute to their personal well-being through a healthy diet, regular exercise, and mental health activities. Career-ready individuals also understand that financial literacy leads to a secure future that enables career success.

7. Act as a responsible citizen in the workplace and the community.

Career-ready individuals understand the obligations and responsibilities of being a member of a community and demonstrate this understanding every day through their interactions with others. They are aware of the impacts of their decisions on others and the environment around them, and they think about the short-term and long-term consequences of their actions. They are reliable and consistent in going beyond minimum expectations and in participating in activities that serve the greater good.

8. Model integrity, ethical leadership, and effective management.

Career-ready individuals consistently act in ways that align with personal and community-held ideals and principles. They employ ethical behaviors and actions that positively influence others. They have a clear understanding of integrity and act on this understanding in every decision. They use a variety of means to positively impact the direction and actions of a team or organization, and they recognize the short-term and long-term effects that management's actions and attitudes can have on productivity, morale, and organizational culture.

9. Work productively in teams while integrating cultural and global competence.

Career-ready individuals contribute positively to every team, as both team leaders and team members. To avoid barriers to productive and positive interaction, they apply an awareness of cultural differences. They interact effectively and sensitively with all members of the team and find ways to increase the engagement and contribution of other members.

10. Demonstrate creativity and innovation.

Career-ready individuals recommend ideas that solve problems in new and different ways and contribute to the improvement of the organization. They consider unconventional ideas and suggestions by others as solutions to issues, tasks, or problems. They discern which ideas and suggestions may have the greatest value. They seek new methods, practices, and ideas from a variety of sources and apply those ideas to their own workplace practices.

11. Employ valid and reliable research strategies.

Career-ready individuals employ research practices to plan and carry out investigations, create solutions, and keep abreast of the most current findings related to workplace environments and practices. They use a reliable research process to search for new information and confirm the validity of sources when considering the use and adoption of external information or practices.

12. Understand the environmental, societal, and economic impacts of decisions.

Career-ready individuals understand the interrelated nature of their actions and regularly make decisions that positively impact other people, organizations, the workplace, and the environment. They are aware of and utilize new technologies, understandings, procedures, and materials and adhere to regulations affecting the nature of their work. They are cognizant of impacts on the social condition, environment, workplace, and profitability of the organization.

Statement for Civil Rights

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