

DETAILED INSTRUCTOR OUTLINE

PRESCRIBED CURRICULUM

SALESPERSON'S LICENSE

(Minimum 90 Hours)

ARIZONA DEPARTMENT OF REAL ESTATE

2910 North 44th St., Ste 100, Phoenix, AZ 85018

www.azre.gov

This is a detailed instructor outline of the prescribed curriculum for the Arizona Real Estate Salesperson's Pre-licensure course. The course comprises a minimum of **90** hours of classroom instruction and is one prerequisite to filing an application for Real Estate Salesperson's License.

Student attendance at all sessions of the Pre-license Course is required. Attendance includes that the student pays attention to the instructor, participate in class discussions and activities, and complete all assigned exercises and homework.

A student must attend the entire course and successfully pass the school's final examination on the curriculum before the school can certify the student's completion.

Consult the **Candidate Information Bulletin** for detailed information on examination procedures, applicable forms, and registering for the examination.

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

1. Real Estate Statutes

- 1.1. Sources of Real Estate Law
 - 1.1.1 State Constitution - Article 26
 - 1.1.2. Statutes - Federal, State (A.R.S. Title 32, Chapter 20), Administrative Rules
 - 1.1.3. Case Law
- 1.2. Arizona Real Estate Statutes -Title 32 Chapter 20
 - 1.2.1 Real Estate Department Structure - Article 1
 - 1.2.1.1. Commissioner
 - 1.2.1.2. Advisory Board
 - 1.2.2. Licensing -Article 2
 - 1.2.2.1. Parties required to be licensed
 - 1.2.2.2. License exemptions
 - 1.2.2.3. Broker & Salesperson requirements
 - 1.2.2.4. Licensing fees
 - 1.2.2.5. Multiple licenses
 - 1.2.2.6. License transfer
 - 1.2.2.7. Renewal of license
 - 1.2.2.8. Designation(s)
 - 1.2.2.9. Temporary licenses
 - 1.2.3. Regulation Article 3
 - 1.2.3.1. Funds -Trust Account
 - 1.2.3.2. Broker requirements - recordkeeping
 - 1.2.3.3. Employment Agreements (32-2151.02)
 - 1.2.3.4. Collecting compensation
 - 1.2.3.5. Grounds for denial of license, civil penalty, license suspension or revocation, provisional license
 - 1.2.3.6. Consent Orders, Cease & Desist Orders, Summary Suspensions
 - 1.2.3.7. Restriction on employment or compensation
 - 1.2.4. Requirements for Property Management -Article 3.1 (32-2173)
 - 1.2.4.1. Agreements
 - 1.2.4.2. Employment Agreements
 - 1.2.4.3. Trust accounts
 - 1.2.4.4. Records
 - 1.2.4.5. Unlicensed employee activities
 - 1.2.5. Sale of Subdivided Lands -Article 4
 - 1.2.5.1. Definition
 - 1.2.5.2. Procedures
 - 1.2.5.3. Issuance of Public Report (see Commissioner's Rules, Article 12)
 - 1.2.5.4. Exemptions
 - 1.2.5.5. Bulk Sales
 - 1.2.5.6. Voidable Sales

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 1.2.5.7. Advertising Material
- 1.2.5.8. Inducements
- 1.2.6. Sale of Unsubdivided Land -Article 7
 - 1.2.6.1. Definition
 - 1.2.6.2. Procedure and requirement
 - 1.2.6.3. Issuance of Public Report
- 1.2.7. Real Estate Recovery Fund -Article 5
 - 1.2.7.1. Definition
 - 1.2.7.2. Brokers responsibilities
 - 1.2.7.3. Current changes and updates
- 1.2.8. Cemetery, Real Estate Timeshares
& Membership Camping -Articles 6, 9 & 10

2. Commissioner's Rules -Arizona Administrative Code

- 1.2. License Timeframes
- 2.2. General License Requirements
 - 2.2.1. Non-resident Licenses
 - 2.2.2. Employing Broker- Sole proprietors, Corporations, Limited Liability Companies and Partnerships
 - 2.2.3. Renewal, Reinstatement, Changes,
 - 2.2.4. Department notification
 - 2.2.5. Branch offices, managers
 - 2.2.6. Professional Corporations, Professional Limited Liability Companies
 - 2.2.7. Temporary Licenses and Certificate of Convenience
 - 2.2.8. Unlawful License Activity
- 2.3. Education
 - 2.3.1. Pre-licensure and state examination
 - 2.3.2. Continuing education
 - 2.3.3. School, course & instructor approval required
- 2.4. Advertising
 - 2.4.1. Requirements
 - 2.4.2. Promotional
 - 2.4.3. Owner/agent
 - 2.4.4. Blind ad
 - 2.4.5. Subdivisions, Timeshares & Membership Campgrounds
- 2.5. Commissions -Article 7
- 2.6. Documents -Article 8
 - 2.6.1. Conveying Documents
 - 2.6.2. Offer Acceptance

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 2.6.3. Contract Disclosure
- 2.7. Professional Conduct -Article 11
 - 2.7.1. Duties to Client/Customer
 - 2.7.2. Duties to all other parties
 - 2.7.3. Duties to other Licensees
 - 2.7.4. Fiduciary Responsibility
- 2.8. Investigations and Administrative Procedures
(see also A.R.S. § 41-1092, et seq.)

3. Agency Relationships & Managerial Duties

- 3.1. Law of Agency
 - 3.1.1. Types of agents
 - 3.1.1.1. Special
 - 3.1.1.2. General
- 3.2. Agency Relationships
 - 3.2.1. Dual Agency
 - 3.2.2. Single Agency
 - 3.2.3. Sub Agency
- 3.3. Fiduciary
- 3.4. Due Diligence
- 3.5. Misrepresentation & Fraud
 - 3.5.1. Definition
 - 3.5.2. Duty to Discover and Disclose
 - 3.5.3. Puffing
 - 3.5.4. E&O
- 3.6. Creating an Agency Relationship
 - 3.6.1. Expressed
 - 3.6.1.1. Written
 - 3.6.1.2. Oral
 - 3.6.2. Implied
 - 3.6.2.1. Ratified
 - 3.6.2.2. Ostensible
 - 3.6.2.3. Estoppel

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 3.7. Terminating an Agency Relationship
- 3.8. Employment Agreements
 - 3.8.1. Definition
 - 3.8.2. Types
 - 3.8.3. Requirements for an Employment Agreement
 - 3.8.3.1. Listing
 - 3.8.3.2. Buyer's broker
 - 3.8.4. Commissions
 - 3.8.5. Multiple Listing Service/Co-brokerage.

4. Contracts and Contract Law

- 4.1. Contract Essentials and Terminology
 - 4.1.1. Expressed contracts versus implied contracts
 - 4.1.2. Unilateral Contracts versus bilateral contracts
 - 4.1.3. Executed contracts
 - 4.1.4. Valid, void, and voidable contracts
 - 4.1.5. Enforceable contracts versus unenforceable contracts
 - 4.1.6. Elements of a valid contract
 - 4.1.6.1. Competent parties
 - 4.1.6.1.1. Of legal age ("emancipated minors")
 - 4.1.6.1.2. Not a ward of the state (mentally ill or incarcerated)
 - 4.1.6.1.3. Not under duress (undue influence/or menace)
 - 4.1.6.1.4. Not under the influence of drugs
 - 4.1.6.2. Offer and acceptance (and proper notification of acceptance)
 - 4.1.6.3. Lawful objective (no conspiracy)
 - 4.1.6.4. Consideration ("valuable" vs. "good")
 - 4.1.6.5. Adequate description of the property/legal description
 - 4.1.7. In writing (Statute of Fraud)
 - 4.1.8. Signed by all appropriate parties
 - 4.1.9. Joinder for contract amendments
- 4.2. The Concept "Reasonableness"
 - 4.2.1. Implication
 - 4.2.2. The ordinary, reasonable and prudent person
- 4.3. A "Bona Fide" Purchaser
 - 4.3.1. Definition
 - 4.3.2. Innocent Purchaser for Value
- 4.4. Real Estate Contract Requirements per Arizona Rules and Regulations
 - 4.4.1. Broker Responsibilities -General
 - 4.4.2. Notification of Acceptance
 - 4.4.3. Earnest Money Responsibilities

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 4.4.4. Responsibilities to Present All Offers
- 4.5. Purchase Contract Concerns
 - 4.5.1. Offer and Acceptance
 - 4.5.2. Amount of Earnest Deposit
 - 4.5.3. Equitable Interest /Equitable Title
 - 4.5.4. Close of Escrow -Actual Occurrence
 - 4.5.5. Risk of Loss Before C.O.E.
 - 4.5.6. Marketable Title
 - 4.5.7. "Time is of the Essence"
 - 4.5.8. Contingencies
 - 4.5.9. Joinder for Contract Amendments
- 4.6. Contract Assignability
 - 4.6.1. Nominee
 - 4.6.2. Assignee
 - 4.6.3. Assignability Problems
 - 4.6.4. Fiduciary Responsibility; Disclosure as Nominee
- 4.7. Contract Termination
 - 4.7.1. Generally
- 4.8. Options and First Rights of Refusal

5. Property Interests, Estates and Tenancies

- 5.1. Property
 - 5.1.1. Real versus Personal
 - 5.1.1.1. When can sell manufactured home
 - 5.1.1.2. Affidavit of Affixture
 - 5.1.2. Fixtures/trade Fixtures
 - 5.1.3. Characteristics of Real Property
 - 5.1.4. Land and its Elements
 - 5.1.4.1. Definitions
 - 5.1.4.2. Mineral Rights
 - 5.1.4.3. Air Rights
 - 5.1.4.4. Horizontal Regimes
 - 5.1.5. Alternative Housing
- 5.2. The Estate Concept
 - 5.2.1. Estates in Land
 - 5.2.2. Freehold Estates
 - 5.2.3. Conventional Life Estates
 - 5.2.4. Homestead

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 5.3. Easements
 - 5.3.1. Appurtenant
 - 5.3.2. Engross
 - 5.3.3. Prescription
- 5.4. Sole Ownership -Severalty
- 5.5. Co-Ownership -Concurrent Tenancy
- 5.6. Joint Tenancy
- 5.7. Joint Tenancy with Right of Survivorship
- 5.8. Tenancy in Common
- 5.9. Community Property
- 5.10. Community Property with Right of Survivorship
- 5.11. Syndication
- 5.12. Modern Types of Common Ownership
 - 5.12.1. Cooperative
 - 5.12.2. Condominium
 - 5.12.3. Timeshare Ownership
 - 5.12.4. Land Trust
 - 5.12.5. Membership Camping Contracts
 - 5.12.6. Real Estate Investment Trust (REIT)
 - 5.12.7. Joint Venture
 - 5.12.8. Corporations, Limited Liability Companies, Partnerships (General, Limited)

6. Government Rights in Real Property

- 6.1. Eminent Domain
- 6.2. Police Power
- 6.3. Escheat
- 6.4. Real Property Taxation
 - 6.4.1. Taxes

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 6.4.1.1. Residential
- 6.4.1.2. Vacant land
- 6.4.1.3. Commercial property
- 6.4.2. Tax ratios and tax rates
- 6.4.3. Lien priority
- 6.4.4. Tax Sale
- 6.4.5. Special Tax Assessments/Improvements

7. Tax Implications on Real Estate

- 7.1. Types of Income
 - 7.1.1. Ordinary Income
 - 7.1.2. Capital Gain Income
- 7.2. Sale of Principle Residence -Examples
 - 7.2.1. Computing Gain
 - 7.2.2. Deductibility of Expenses
 - 7.2.3. Interest Deductions
- 7.3. Investment Real Estate
 - 7.3.1. Depreciation "Cost Recovery"
 - 7.3.2. Tax Shelter Concept
 - 7.3.3. Tax Deferred Exchanges - Basic Concepts

8. Water Law

- 8.1. Definitions.
 - 8.1.1. Erosion and accretion
 - 8.1.2. Avulsion, alluvion and alluvium
 - 8.1.3. Water table
- 8.2. Types of Water Sources
 - 8.2.1. Aquifers
 - 8.2.2. Percolated water
 - 8.2.3. Underground rivers
 - 8.2.4. Lakes, reservoirs, rivers and streams
 - 8.2.5. Central Arizona Project (CAP)
 - 8.2.6. Colorado River
 - 8.2.7. Effluent
- 8.3. Water Users
 - 8.3.1. Residential, commercial and industrial
 - 8.3.2. Municipal (cities, towns, water districts) and private water companies

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 8.3.3 Special users (golf courses, lake developments, recreational)
- 8.4. Doctrine of water law applicable to Arizona
 - 8.4.1. Riparian Doctrine
 - 8.4.1.1. Navigable
 - 8.4.1.2. Non-navigable
 - 8.4.2. Doctrine of Prior Appropriation
 - 8.4.2.1. First in time, first in right
 - 8.4.2.2. Reasonable use
 - 8.4.2.3. Beneficial use
 - 8.4.3. Adjudication of Indian Tribe claims
- 8.5. Arizona Groundwater Act of 1980
 - 8.5.1. Reasons for the act
 - 8.5.1.1. Overdraft
 - 8.5.1.2. Subsidence
 - 8.5.2. Arizona Department of Water Resources
 - 8.5.3. Classification of water
 - 8.5.3.1. Groundwater
 - 8.5.3.2. Surface water
 - 8.5.4. Active Management Areas
 - 8.5.5. Irrigation Non-expansion Areas
 - 8.5.6. Grandfathered rights
 - 8.5.6.1. Irrigation
 - 8.5.6.2. Type I Non-irrigation
 - 8.5.6.3. Type II Non-irrigation
 - 8.5.7. Assured water supply versus Adequate Water Supply
 - 8.5.8. Transfer of Well Rights
 - 8.5.8.1. Is it required
 - 8.5.8.2. Transfer request
 - 8.5.9. Other permits and exemptions
 - 8.5.9.1. Service area rights
 - 8.5.9.2. Storage and recovery permits (recharge/percolation)
 - 8.5.9.3. Withdrawal permits
 - 8.5.9.4. Exempt wells
- 8.6. Wetlands in Arizona
 - 8.6.1. Definition
 - 8.6.2. Location in Arizona

9. Environmental Law / Disclosures

- 9.1. Regulators
 - 9.1.1. Environmental Protection Agency (EPA)
 - 9.1.2. Arizona Department Of Environmental Quality (ADEQ)

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 9.1.3 County and City Health Officials
- 9.2. Environmental Laws And Regulations
 - 9.2.1. Federal - Comprehensive Environmental Response Compensation & Liability Act (CERCLA)
 - 9.2.2. State - Water Quality Assurance Revolving Fund (WQARF)
- 9.3. Current Issues
 - 9.3.1. Mold
 - 9.3.2. Radon
 - 9.3.3. Asbestos
 - 9.3.4. Lead paint -contract requirements
 - 9.3.5. Underground storage tanks (UST)
 - 9.3.6. Formaldehyde/urea
 - 9.3.7. PCB's
 - 9.3.8. SBS (sick building syndrome)
 - 9.3.9. Pesticides and fertilizers
 - 9.3.10. Alternative wastewater systems/bulletin 12
 - 9.3.11. Wood infestation
 - 9.3.12. Dry wells and on-site retention
- 9.4. Due Diligence And Information Sources
 - 9.4.1. Public information
 - 9.4.2. Environmental audits
 - 9.4.3. Property inspection/observation
- 9.5. Liabilities
 - 9.5.1. Owner and operator
 - 9.5.2. Brokers and agents' disclosures
- 9.6. Remedy Terminology
 - 9.6.1. Abatement/remediation
 - 9.6.2. Management in place / encapsulation

10. Land Descriptions

- 10.1. Monuments and Markers
 - 10.1.1. Oldest Method
 - 10.1.2. Occasionally used today
- 10.2. Metes and Bounds
 - 10.2.1. Precise Directional Notations
 - 10.2.2. Primary System Many States
 - 10.2.3. Used as Supplement to Prevailing Descriptive Form
 - 10.2.3.1. metes

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 10.2.3.2. bounds
- 10.2.3.3. directional notation
- 10.2.3.4. P.O.B. (point of Beginning)

10.3. Rectangular Survey

- 10.3.1. Meridian
- 10.3.2. Baselines
- 10.3.3. Range Lines
- 10.3.4. Township Lines
- 10.3.5. Correction Lines
- 10.3.6. Quadrangles/Checks
- 10.3.7. Sections
- 10.3.8. Fractional Sections
- 10.3.9. Government Lots

10.4. Subdivision (Lot, Block and Tract)

- 10.4.1. Plat of Survey
 - 10.4.1.1. Filed with government office (zoning)
 - 10.4.1.1.1. city
 - 10.4.1.1.2. county
 - 10.4.1.2. Filed with Arizona Department of Real Estate when creating a lawful Subdivision
- 10.4.2. Assessors Maps

11. Land Development & Construction

11.1. Land Development

11.2. Land Planning Terminology

- 11.2.1. General Plan
- 11.2.2. Master Planned Community
- 11.2.3. Planned Unit Development
- 11.2.4. Transportation Plan
- 11.2.5. Buffer Zones
- 11.2.6. Zoning/Changes
- 11.2.7. Non-Conforming Use
- 11.2.8. Variances
- 11.2.9. Grandfathered Rights

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 11.3. Environmental Concerns -Impact Studies/Audits
- 11.4. Interstate Land Sales -Requirements
- 11.5. Construction Fundamentals
 - 11.5.1. Soil Preparation
 - 11.5.2. Orientation
 - 11.5.3. Foundation
 - 11.5.4. Roof Framing Styles
 - 11.5.5. Joist, Rafters And Load-Bearing Walls
 - 11.5.6. Exterior Trim
 - 11.5.7. Building Code -Regulations
 - 11.5.8. New Home Builders' Warranties

12. Encumbrances

- 12.1. Non-monetary
 - 12.1.1. Easements
 - 12.1.2. Deed Restrictions/CC&R's
 - 12.1.3. Encroachments
 - 12.1.4. Clouds
- 12.2. Monetary (lien)
 - 12.2.1. Theory
 - 12.2.1.1. General vs. Specific
 - 12.2.1.2. Voluntary vs. Involuntary
 - 12.2.1.3. Equitable vs. Statutory
 - 12.2.2. Application
 - 12.2.2.1. Financing Liens
 - 12.2.2.2. Property Tax Liens
 - 12.2.2.3. Mechanic's Liens
 - (1) Justification
 - (2) Who has the lien right
 - (3) Pre-lien Notices
 - (4) Costs that cannot create a lien on the property
 - (5) What does a mechanic's lien attach to
 - (6) Priority of mechanic's liens
 - (7) Release or assignment of mechanic's liens
 - (8) Statutory rights/time periods
 - 12.2.2.4. Judgment Liens
 - (1) Creation
 - (2) Recordation
 - (3) Enforcement and Renewal
 - 12.2.2.5. Income Tax Liens

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

13. Acquisition and Transfer of Title

- 13.1 Terminology
- 13.2. Methods of Transfer
 - 13.2.1. Voluntary
 - 13.2.2. Involuntary
 - 13.2.3. Descent
 - 13.2.4. Will
- 13.3. Deeds
 - 13.3.1. Types
 - 13.3.2. Essential Elements
- 13.4. Notice
 - 13.4.1. Actual
 - 13.4.2. Constructive
- 13.5. Adverse Possession (Title and Easement)
- 13.6. Probate
- 13.7. Title Insurance
 - 13.7.1. Types of Policies
 - 13.7.1.1. Standard / Residential
 - 13.7.1.2. Extended ALTA
 - 13.7.1.3. Plain language
 - 13.7.1.4. Homeowner's
 - 13.7.2. Commitment for Title Insurance
 - 13.7.2.1. Schedule A
 - 13.7.2.2. Schedule B
 - 13.7.3. Endorsements

14. Escrow and Settlement (Not Including Math)

- 14.1. Definitions
- 14.2. Parties to the Escrow
- 14.3. Duties of the Escrow Officer
- 14.4. Settlement Statements
 - 14.4.1. Debits and Credits

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

14.4.2. Sample Statement and Worksheet

14.5. Seller's disclosures required by law

15. Fair Housing and Americans With Disabilities Act

15.1. Fair Housing Laws

15.1.1. History

15.1.1.1. 1866 Civil Rights Law

15.1.1.2. 1968 Federal Fair Housing

15.1.1.3. Jones vs. Mayer 1968

15.1.1.4. Amendments

15.1.1.5. Equal Opportunity Lending

15.1.1.6. Steering

15.1.1.7. Blockbusting

15.1.1.8. Redlining

15.1.2. 1988 Fair Housing Legislation

15.1.3. Fair Housing Enforcement Provisions

15.1.4. Exemptions

15.1.4.1. Federal

15.1.4.2. State

15.1.5. Penalties for violations

15.1.5.1. Federal

15.1.5.2. State

15.1.5.3. City

15.1.6. Advertising Requirements

15.2. Americans With Disabilities Act

15.3. Potential Conflicts

15.3.1. Landlord Tenant Act

15.3.2. CC&R's / Deed Restrictions

16. Leases and Leasehold Estates

16.1. Types of Leasehold Estate

16.2. Essentials of a Valid Lease

16.3. Types Of Leases/Payment Plans

16.3.1. Graduated Lease

16.3.2. Index Lease

16.3.3. Percentage/Participation Lease

16.3.4. Net Lease

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 16.3.5. Gross Lease
- 16.3.6. Ground Lease
- 16.3.7. Sale And Leaseback
- 16.3.8. Rental Agreement
- 16.3.9. Commercial Lease Vs. Residential Lease

16.4. Assignment Vs. Subleasing

16.5. Termination Of The Lease

- 16.5.1. Bankruptcy Of The Lessee
- 16.5.2. Foreclosure Of A Mortgage

17. Arizona Residential Landlord and Tenant Act

17.1 General Provisions

- 17.1.1 Purposes
- 17.1.2 Applicability
- 17.1.3 Enforcement
- 17.1.4 Exclusions
- 17.1.5 Jurisdiction/Service of Process
- 17.1.6 Definitions
- 17.1.7 Good Faith
- 17.1.8 Unconscionability
- 17.1.9 Notice
- 17.1.10 Terms and Conditions of Rental Agreement
- 17.1.11 Utility Charges
- 17.1.12 Prohibited Provisions in Rental Agreements
- 17.1.13 Separation of Rents and Obligations to Maintain Property Forbidden
- 17.1.14 Discrimination Against Tenants with Children
- 17.1.15 Early Termination for Domestic Violence
 - 17.1.15.1 Conditions
 - 17.1.15.2 Lock Replacement
 - 17.1.15.3 Access Refusal
 - 17.1.15.4 Damages
 - 17.1.15.5 Immunity

17.2 Landlord Obligations

- 17.2.1 Security Deposits
- 17.2.2 Written Agreement
- 17.2.3 Possession
- 17.2.4 Fit Premises
- 17.2.5 Limitation of Liability
- 17.2.6 Regulation of Rents
- 17.2.7 Records

17.3 Tenant Obligations

- 17.3.1 Maintain Dwelling Unit
- 17.3.2 Rules and Regulations

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 17.3.3 Access
- 17.3.4 Use and Occupancy
- 17.4 Remedies
 - 17.4.1 Noncompliance by Landlord
 - 17.4.2 Failure to Deliver Possession
 - 17.4.3 Self-Help for Minor Defects
 - 17.4.4 Withholding Essential Services
 - 17.4.5 Landlord's Remedies
 - 17.4.6 Fire or Casualty Damages
 - 17.4.7 Tenant's Remedies
 - 17.4.8 Noncompliance with Rental Agreement by Tenant
 - 17.4.8.1 Failure to Pay Rent
 - 17.4.8.2 Utility Discontinuation
 - 17.4.8.3 Liability for Guests
 - 17.4.9 Failure to Maintain
 - 17.4.10 Abandonment
 - 17.4.11 Partial Payments
 - 17.4.12 Landlord Liens; Distraint
 - 17.4.13 After Termination
 - 17.4.14 Recovery of Possession
 - 17.4.15 Holdover Tenants
 - 17.4.16 Abuse of Access
 - 17.4.17 Forcible Entry and Detainer
- 17.5 Retaliatory Conduct Prohibited
- 17.6 Residential Rental Property
 - 17.6.1 Recording
 - 17.6.2 Temporary Receivers
 - 17.6.3 Inspections
 - 17.6.4 Slum Property
 - 17.6.5 Property Management Training
 - 17.6.6 Registration with One-Call Notification Center

18. Property Management

- 18.1. Licensing Requirements
 - 18.1.1. Exemptions
- 18.2. Owner -Broker Management Agreement
 - 18.2.1. Basic Requirements -per Title 32 Chapter 20, Article 3.1
 - 18.2.2. Salesperson Acting as a Property Manager

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 18.3. Trust Account -Property Management Specifics
- 18.4. Agency Law and the Property Manager
- 18.5. Owner/Tenant Associations
 - 18.5.1. Residential
 - 18.5.2. Commercial
- 18.6. General Property Management Issues
 - 18.6.1. Credit Issues
 - 18.6.2. Privacy Act
 - 18.6.3. Bankruptcy Issues
- 18.7. Arizona Slumlord Abatement Act (A.R.S. 33-1901 et seq.)
- 18.8. Owner Liability
 - 18.8.1. Dangerous Dogs
 - 18.8.2. Drugs and Other Current Legal Issues

19. Property Insurance And Warranties

- 19.1. Insurance Terminology
- 19.2. Types Of Properties And Policies
- 19.3. Indemnification
- 19.4. Warranties
 - 19.4.1. Contractors'
 - 19.4.2. Homeowners
- 19.5. National Flood Insurance Program
- 19.6. Claims History (Clue Report)

20. Appraisal -Terminology & Concepts

- 20.1. Terminology
 - 20.1.1. Appraisal /Appraiser
 - 20.1.2. Value
 - 20.1.2.1. Components of Value (Demand, Utility, Scarcity, Transferability)
 - 20.1.2.2. Objective Value versus Subjective Value

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 20.1.2.3. Market Value (worth) versus Market Price (Value in Exchange)
- 20.1.2.4. Types of Value
 - 20.1.2.4.1. Market Value
 - 20.1.2.4.2. Loan (Mortgage) Value
 - 20.1.2.4.3. Insurable Value
 - 20.1.2.4.4. Assessed (Taxable) Value
 - 20.1.2.4.5. Condemnation Value
 - 20.1.2.4.6. Salvage/Residual Value
- 20.1.2.5. Concepts of Measurements

- 20.2. Appraisal Concepts and Principles of Value
 - 20.2.1. Highest and best use
 - 20.2.2. Substitution
 - 20.2.3. Change
 - 20.2.4. Anticipation
 - 20.2.5. Supply and Demand
 - 20.2.6. Contribution
 - 20.2.7. Increasing and Decreasing Returns (Marginal Returns) 8. Balance
 - 20.2.9. Conformity
 - 20.2.10. Progression and Regression
 - 20.2.11. Competition
 - 20.2.12. Integration, Equilibrium, and Disintegration (Growth, Stability, Decline, and Renewal)
 - 20.2.13. Plottage (Assemblage)
 - 20.2.14. Directional Growth
 - 20.2.15. Orientation
 - 20.2.16. Opportunity Cost
 - 20.2.17. Externalities

- 20.3. The Appraisal Process
 - 20.3.1. Sales comparison analysis approach to value
 - 20.3.1. Collection and analysis of data
 - 20.3.2. Extraction of component market values
 - 20.3.3. Adjustments to comparables for features different from the subject
 - 20.3.2. Cost Approach to Value (Appraisal by Summation)
 - 20.3.1. Estimation of site value (land value)
 - 20.3.2. Estimation of construction costs (building costs)
 - 20.3.3. Estimation of accrued depreciation from all sources
 - 20.3.3. Income Approach to Value
 - 20.3.1. Gross Rent Multipliers versus Gross Income Multipliers
 - 20.3.2. Direct Capitalization
 - 20.3.4. Correlation

- 20.4. Appraiser Licensing and Certification
 - 20.4.1. Requirements

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- a. Separate License
- b. Dual Licensure
- 20.4.2. Competitive Market Analysis ("CMA")
- 20.4.3. Appraisal
- 20.4.4. Broker Price Opinion (Exemption for Real Estate Licensees (A.R.S. § 32-3602 (A)))

21. Primary Lenders And The Secondary Market

21.1. Primary Lenders

- 21.1.1. Commercial Banks
- 21.1.2. Mortgage Brokers And Bankers
- 21.1.3. Life Insurance Companies
- 21.1.4. Credit Unions
- 21.1.5. Private Investor

21.2. Secondary Mortgage Market I

- 21.2.1. Federal National Mortgage Association
- 21.2.2. Government National Mortgage Association- Pools -Securities
- 21.2.3. Federal Home Loan Mortgage Corporation
- 21.2.4. Private Investor
- 21.2.5. Paper Terminology/Holder In Due Course

21.3. Types Of Repayment Plans

- 21.3.1. Fixed Rate Loan
- 21.3.2. Level Payment Loan
- 21.3.3. Straight/Term Loan
- 21.3.4. Adjustable Rate Loan
- 21.3.5. Graduated Payment Loan
- 21.3.6. Open Ended Loan
- 21.3.7. Blanket Loan
- 21.3.8. Bi-Weekly Loan
- 21.3.9. Reverse Annuity Mortgage
- 21.3.10. Zero Percent Interest
- 21.3.11. Interest Only

22. Residential Financing

22.1. FHA Title Programs

- 22.1.1. Qualification of Borrower
- 22.1.2. Requirements of an FHA Insured Loan

22.2. Veterans Administration

- 22.2.1. Borrower's eligibility

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

22.2.2. Requirements of a V A Guaranteed Loan

22.3. Conventional Loans

22.3.1. Buyer Qualifications

22.3.2. Private mortgage insurance

22.4. Seller Carryback/Wraparound

22.5. Financial Institutions Reform Recovery Enforcement Act (FIRREA)

22.6. Truth in Lending (Regulation Z)

22.7. RESPA

22.8. Assumption Policies

22.8. Federal Reserve impact on interest

23. Commercial Financing

23.1. Financial Analysis

23.1.1. Property Income & Expense Analysis (Annual Property Operating Data)

23.1.2. Capitalization Rates

23.1.3. Cash-On-Cash Returns

23.1.4. Debt Coverage (Net Income-To-Deb) Ratios

23.1.5. Cash Flow Projections

23.2. Uniform Commercial Code Search (Secretary Of State, Corporation Commission)

23.3. Seller Carry-Backs

24. Financing Documents

24.1. Financing Theory

24.1.1. Lien Theory vs. Title Theory

24.1.2. Hypothecation vs. Pledging

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 24.2. Promissory Notes
- 24.3. Mortgages
- 24.4. Deeds of Trust
- 24.5. Agreement for Sale

25. Foreclosure

- 25.1. Processes of Foreclosure - Mortgage
 - 25.1.1. Filing of legal action
 - 25.1.2. Recording Lis Pendens
 - 25.1.3. Acceleration of Debt
 - 25.1.4. CourtAction
 - 25.1.5. Sheriffs sales and bidding
 - 25.1.6. Sheriffs Certificate
 - 25.1.7. Six-month statutory redemption period
 - 25.1.8. Sheriffs Deed and delivery
 - 25.1.9. Rights of borrower in possession
 - 25.1.10. Difference between equity of redemption and statutory right of redemption
- 25.2. Processes of Foreclosure - Deed of Trust
 - 25.2.1. Contrasts to a Mortgage Foreclosure
 - 25.2.2. Non-Judicial Foreclosure (power of Sale)
 - 25.2.2.1. Preparation and recordation of Notice of Default and Trustee's Sale
 - 25.2.2.2. Parties required to be notified
 - 25.2.2.3. Use of Request for Notice of Default
 - 25.2.2.4. Trustor's right of reinstatement
 - 25.2.2.5. Absence of acceleration of debt
 - 25.2.2.6. Minimum time period prior to day of Trustee's Sale
 - 25.2.2.7. Trustee's sale and bidding h. Delivery of Trustee's Deed
 - 25.2.2.8. Absence of Statutory Right of Redemption
 - 25.2.3. Judicial Foreclosure Alternative
- 25.3. Deed in Lieu of Foreclosure
 - 25.3.1. Cancellation of debt
 - 25.3.2. Acquisition by lender subject to prior and subordinate liens
 - 25.3.3. Use of Deed in Lieu with estoppel
 - 25.3.4. Consideration (Purchaser for Value)

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 25.4. Proceeds and Lien Priorities Upon Foreclosure
 - 25.4.1. Recorded/ Non-recorded Interests
 - 25.4.2. Application of Foreclosure Proceeds
- 25.5. Post-Foreclosure Remedies
 - 25.5.1. Terminology
 - 25.5.2. Deficiency Judgments
 - 25.5.2.1. Residential
 - 25.5.2.1.1. Arizona Anti-deficiency Statutes
 - 25.5.2.1.2. Exceptions
 - 25.5.2.2. Commercial
 - 25.5.2.2.1. Recourse versus Non-recourse
- 25.6. Forfeiture of Agreement for Sale (aka Land Contract, Contract for Deed, Installment Contract, Land Sales Contract)
 - 25.6.1. Difference between foreclosure and forfeiture
 - 25.6.2. Default by Vendee
 - 25.6.3. Statutory reinstatement periods given to the buyer
 - 25.6.4. Notice of Election to Forfeit
 - 25.6.5. Notices to persons with recorded interests
 - 25.6.6. Completing the forfeiture through the Affidavit of Completion of Forfeiture versus quiet title action
 - 25.6.7. Required use of an account servicing agent to avoid quiet title action

26. Bankruptcy And Its Effect On Real Estate Business

- 26.1. Types Of Bankruptcy Relief
- 26.2. Impacts On Contracts/Transactions

27. Math

- 27.1. Proration Calculations
- 27.2. Appreciation and Depreciation Calculations
- 27.3. Property Tax Calculations
- 27.4. Net Proceeds Calculations
- 27.5. Loan Interest Calculations
- 27.6. Area and Volume Calculations
- 27.7. Capitalization Calculations
- 27.8. Commission Calculations
- 27.9. Ratio Calculations

28. Selling A Business

- 28.1. When is Real Estate License Not required
- 28.2. Area of Specialization, Designations
- 28.3. Recording of Interests

29. Cooperative Nature Of Real Estate

- 29.1. Professional Boards and Associations

**DETAILED INSTRUCTOR OUTLINE
PRESCRIBED CURRICULUM
SALESPERSON'S LICENSE
(Minimum 90 Hours)**

- 29.1.1. Functions
- 29.1.2. Standards
- 29.2. Multiple Listing Service
 - 29.2.1. How it works
 - 29.2.2. Who operates it
 - 29.2.3. Types (Residential, other)
- 29.3. Ethics and Professional Conduct
- 29.4. Practice of Brokerage
 - 29.4.1. Compensation
 - 29.4.2. Insurance
 - 29.4.3. Contractor agreements
 - 29.4.4. Expectations
 - 29.4.5. Performance standards
 - 29.4.6. Office policies
- 29.5. Related Careers
 - 29.5.1. Property management
 - 29.5.2. Finance
 - 29.5.3. Appraisal (limited to CMA as licensee)
 - 29.5.4. Property development
- 30. Disclosure/Consumer Protection
 - 30.1. Stigmatized Property Law
 - 30.2. Affiliated business Relationships
 - 30.3. Privacy Act
 - 30.4. Flood hazard areas
 - 30.5. Military airports and ancillary military facilities
 - 30.6. Military training routes and military restricted airspace
 - 30.7. Public and private airports
 - 30.8. Expansive soils
 - 30.9. Fissures as shown on earth fissure maps issued by the Arizona Geological Survey
 - 30.10. Special tax assessment areas/special assessments
 - 30.11. Radon gas potentials zones
 - 30.12. Superfund Sites and Water quality Assurance Revolving Fund Sites
 - 30.13. Any other condition that affects the real property