

ARIZONA DEPARTMENT OF REAL ESTATE
Salesperson Pre-licensing Curriculum Outline Summary
Removed and Added

DISCLAIMER

This summary was prepared and distributed for the purposes of providing an overview of modifications to the outline and is not all inclusive nor does it provide sufficient detail to develop your curriculum. ALL COURSES MUST BE DEVELOPED USING THE "FINAL" VERSION OF DETAILED INSTRUCTOR OUTLINE.

1. Real Estate Statutes

Re-organized to follow sequence of Articles in Chapter 32 and Chapter 20; citing specific statutes in the outline to assist with test question development and curriculum writers in developing their curriculum

REMOVED

- Licensee Fees and Designations
- Details regarding Un-Subdivided land except the definition
- Membership Campground and Cemetery Licensing

ADDED

- Substantive Policy Statements
- Real Estate Teams and Groups
- Affidavit of Disclosure

2. Commissioner's Rules – Arizona Administrative Code

Re-organized the outline

Under 2.1 we REMOVED

- General Licensing Requirements for Non-Resident, Partnerships
- Certificate of Convenience (temporary broker's license in the event of incapacitation of DB) covered in Section 1

Under 2.2 REMOVED

- Pre-Licensing Education and Real Estate School and Instructor Approval

Under 2.3 REMOVED

- Advertising requirements for Subdivisions, Timeshare and Membership, Campgrounds

ADDED under 2.3

- Greater detail on Article 5. Advertising
- Accurate Claims
- Brokers name in clear and prominent manner
- Advertising another Broker's listing
- Designated Broker supervises advertising
- Advertising an Acre
- Written consent to place sign

ADDED New Section 2.3.2. Promotional Activities

- Premiums to clients not 'award' or ;prize
- Disclosure of terms for premiums
- Lotteries, drawings or games of chance prohibited
- Exception for subdividers and timeshare developers

ADDED under 2.6

- Property negotiations through exclusive agent
- Broker supervision

3. Agency Relationships & Managerial Duties

REMOVED

- Sub-Agency
- Ratified, Ostensible and Estoppel

ADDED

- Listing v Unrepresented Compensation Agreement
- Cyber Crime, Wire Fraud, Identify Theft
- Expanded definition of Employment Agreements
- MLS Services: Full Service vs. Limited Service
- Coming Soon/"Exclusive"
- Vicarious Liability & Imputed notice
- Under 3.2.1: Disclosure & Consent to Limited Representation

4. Contracts and Contract Law

REMOVED:

- Emancipated Minors
- Not a Ward of the State
- Joinder for Contract Amendments
- The Concept of Reasonableness
- A Bona Fide Buyer for Value

ADDED:

- Electronic Transactions
- Boilerplate Forms
- Bankruptcy and impact on contracts/transactions and foreclosure
- Letter of Intent
- Multiple offers; multiple counter offers; multiple offers on different properties
- Covenant not to compete

5. Property Interests, Estates and Tenancies

REMOVED:

- Alternative Housing (tiny houses, dome houses, tree houses, etc.)
- Syndications from Types of Tenancies
- Timeshare, Land Trust, Membership Campground, Joint Venture

ADDED:

- Fixtures: owned v. leased
- Manufactured Homes Sales (new and resale)
- Security Agreements and Uniform Commercial Code
- Easement by Necessity
- Planned Unit Development
- Under 5.4.6: Authorized Signatories
- Under 5.4.7.3. Planned Unit Development
- Under 5.4.4.2: two sub topics: Conservation Easement and View Easement

6. Government Rights in Real Property

REMOVED:

- Nothing

ADDED:

- Expanded Full Cash Value, Limited Property Value, Assessed Value
- Residential Property Class 1, 2, 3, 4
- Appealing FCV
- Calculating Taxes
- Community Facilities Districts
- Residential Rental Property Registration
- Tax Lien Auction, Live Auction, On Line Auction
- HOA Liens & Minimum Requirements to Foreclose

- Under 6.4.3. two sub topics added: Existing Property and New Homes & other property under development
7. Tax Implications on Real Estate (IS NOW TITLED) Income Tax Aspects of Real Estate
REMOVED:
- **Nothing**
- ADDED:**
- ~~K-1 pass through income~~ Now Reads: Income treatment for pass through entities
 - Deductions of Taxes and Interests on Principal Residence: Limitations
 - Deductibility of Expenses & Interest
 - Employee v. Independent Contractor - W2, 1099
8. Water Law
REMOVED:
- Erosion, Accretion, Avulsion, Alluvion, Alluvium, Aquifers, Percolated Water, Underground Rivers, Lakes, Reservoirs and Streams
 - Service Area Rights, Storage and Recovery Permits, Withdrawal Permits
- ADDED:**
- Central Arizona Ground Water Replenishment District (CARGD)
9. Environmental Law/Disclosures
REMOVED:
- Regulators: County and City Health Officials
 - Formaldehyde/urea, PCB'S, Sick Building Syndrome, Dry Wells and Retention Sites
 - Bulletin 12
- ADDED:**
- Fissures, Radon gas potential zones, Superfund and WQARF sites; (moved from old sect. 30)
 - Wood Destroying Insects, Brownfields,
 - Phase I, II, III
 - Expanded Alternative waste water systems
10. Land Descriptions
REMOVED:
- Monuments and Markers, Government Lot
- ADDED:**
- Organized/enhanced Metes and Bounds
 - Reworded Lot and Block information
 - Article X Arizona Constitution State Trust Land
11. Land Development & Construction (IS NOW TITLED) Land Development and Zoning
REMOVED:
- Entire Section on Construction Fundamentals
- ADDED:**
- Natural area Open Space,
 - Arizona 811 (Blue Stake)
 - Planned Communities (definition; resale; requirements; charges/fees)
 - New Home Sales: Earnest Money, Representation
12. Encumbrances
REMOVED:
- From 12.2.2.3.
 - (4). Costs that cannot create a lien on the property
 - (5). What does a mechanics lien attach to
 - (6) Release or assignment of mechanics liens

ADDED:

- Under Deed Restrictions: For Sale/Rent Signs, Solar Exemption
- Reorganized Mechanics Liens
- IRS Liens
- Priority of Liens
- Arizona Homestead Exemption

13. Acquisition and Transfer of Title

REMOVED:

- Descent
- Details on Adverse Possession: only ask Definition and Purpose
- Plain Language Policy, Homeowners and Endorsements

ADDED:

- Deeds of Conveyance: Special Purpose Deeds - Dedication, Beneficiary, Disclaimer and Patent
- Parties
- Requirements for Validity
- Inheritance: Probate, Testate and Intestate
- Affidavit of Value: Definition, Purpose, Use
- Subrogation
- Under 13.7.1.1 added two sub headings: Standard Policy and Extended Coverage

14. Escrow and Settlement

REMOVED:

- Duties of the Escrow Officer

ADDED:

- Double Escrow / Simultaneous
- Foreign Investment Real Property Tax Act
- Requirements for disbursing commissions to salespersons and associate brokers

15. Fair Housing and Americans with Disabilities Act

REMOVED:

- \$\$ amount of Penalties, Federal, State, City

ADDED:

- Under Potential Conflicts: Age Restricted Developments and Group Homes

16. Leases and Leasehold Estates

REMOVED: From Types of Leases/Payment Plans:

- Index Lease;
- Rental Agreement;
- Commercial Lease v. Residential Lease

ADDED:

- Expanded Types of Leasehold Estate
- Estate at Sufferance, Holdover Tenancies
- Types of Leases / Payment Plans:
 - Terms to Assignment and Subleasing
 - New section on Commercial Leasing
 - Tenant Improvements
 - Building shell
 - Certificate of Occupancy
 - CAMS
 - Expense Stop
 - Turnkey project
 - Anchor Tenant
- Expanded Assignment v. Subleasing section
- Short Term/Vacation Rentals

- Residential Tenants' Rights after Foreclosure (Protecting Tenants at Foreclosure Act)
- ~~Section 8 Housing~~ NOW READS: Subsidized Housing

17. Arizona Residential Landlord and Tenant Act

REMOVED:

- Nothing

ADDED:

- Changed some language
- Re-organized to Conform to the Landlord Tenant Act

18. Property Management

REMOVED:

- Owner Tenant Associations
- Agency Law & the Property Manager
- General Property Management Issues } placed under addition of Manager's duties, etc.
- AZ Slumlord Abatement Act – now in section 17
- Owner Liability
 - Dogs
 - Drugs and other issues

ADDED:

- Licensees acting as a property manager outside of brokerage company
- Unlicensed Persons Performing Property management
- Finders fees to unlicensed tenants
- Manager's duties and responsibilities

19. Property Insurance and Warranties

REMOVED:

- Condemnation Value, Concepts of Measurements

ADDED:

- Elevation Certificate
- New Section on Business Insurance
 - Liability
 - Umbrella Policy

20. Appraisal -Terminology & Concepts (IS NOW TITLED) Appraisal

REMOVED:

- Opportunity Cost

ADDED:

- Excess Land
- Appraisal Process Section
- Desk Top Appraisal
- Automated Valuation Models
- Uniform Residential Appraisal Report

21. Primary Lenders And the Secondary Market (IS NOW TITLED) Primary and Secondary Markets/ Financing Concepts

REMOVED:

- Graduated Payment,
- Zero Percent Interest,
- Bi Weekly Loans

ADDED:

- Portfolio Lenders
- Loan Servicing

Under Loan Types:

- Open End Loan
- Blanket Loan
- Reverse Mortgage
- Gap Loan
- Take Out Loan
- Construction Loan
- Balloon Payment
- Budget Payment
- Seller Financing
- Package Loan
- Private Investor / Hard Money Loan

Under Loan Clauses

- Non-disturbance clause
- Non-recourse clause
- Added back in: Loan Assumption
- Added back in: Wraparound Loan

22. Residential Financing (IS NOW TITLED) Residential Financing and Commercial Financing

REMOVED:

- ~~Wraparound see Sec 21~~
- ~~FHA Title I, II, III~~
- ~~FIRREA~~
- ~~Assumption Policies See Sec. 21~~
- ~~Federal Reserve impact on interest~~

ADDED:

- U.S. Department of Agriculture (USDA)
- Subprime Loans
- Seller Financing Consumer Credit v Non Consumer Credit Transactions
- CFPB TRID Loan Estimate & Closing Disclosure
- Floating rate
- Rate Lock
- FNMA Form 1003 (Loan Application)
- Credit score
- HOA Reserve Requirement
- Commercial Financing Terms

23. Commercial Financing (IS NOW TITLED) Financing Documents

REMOVED:

- ~~Financial Analysis Section moved to Appraisal Section~~

ADDED:

- Nothing

24. Financing Documents (IS NOW TITLED) Deed of Trust Foreclosure

REMOVED:

- ~~Revised and re-organized Foreclosure Sections~~

ADDED:

- Foreclosure with multiple liens
- Distressed property transactions
 - Short sale
 - REO sales
 - Forbearance/loan modification

25. Foreclosure (IS NOW TITLED) Disclosure/Consumer Protection (was Sec. 30 in previous outline)

REMOVED:

- ~~Nothing~~

ADDED:

- **Fix and Flips**
 - **Building/Fixing for Sale**
 - **\$\$ Limits for Unlicensed Contractors**
 - **Building without Permits**
 - **Registrar of Contractors**
 - **Builder Requirements**

26. Bankruptcy And Its Effect On Real Estate Business (IS NOW TITLED) Math

REMOVED:

- **Volume calculation**

ADDED:

- ~~All proration problems use 365 days~~ **Calculations using both 360 and 365 days**
- **Perimeter calculation**

27. Cooperative Nature of Real Estate (FORMERLY #29.)

ADDED:

- **Section on Parties related to a real estate transaction**

28. Selling a Business (DELETED)

NOTE: The Section Regarding Selling a Business Has Been Removed from the Salesperson outline and Will Be Added To the Broker Course Outline.

29. Cooperative Nature of Real Estate (IS NOW #27.)