

# Video 1

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## Provisional On-line Class Information

The following information outlines provides you, the student with an overview of the class, a list of changes from the initial video and some of the goals of the course:

- My Primary focus is to help you achieve a passing score on the state exam and give you the basics to prepare for a career in the real estate industry
- This is an accelerated distance learning class that utilizes the textbook, pre-recorded lecture and correspondence (*Handouts available in PDF form on Video Page*)
- Most video modules cover 1 chapter and last around 40 minutes.
- The online lectures are a thorough review of the material but primarily focuses on the most relevant data that must be learned to pass the exam.
- Feel free to ask questions. You can email us at any time. ([cwmaxey@cox.net](mailto:cwmaxey@cox.net)) But it's important to know, there's little room for conjecture or "what ifs." The data must be learned in its original form and context.
- Student may consider reviewing either the odd or even questions after each chapter and video. This serves as a primary learning objective by testing your knowledge immediately after completion of the chapter. If you struggle, then review the videos and try to answer the opposing question again.
- Review the website. It has helpful instruction on the entire process.
- Do a quick review of the chapter prior to viewing
- **NOTE: You now take your test on our automated testing software and it will print your certificate.**
- *When can I take the final exam? Any time after completion of your material and videos.*
- *You can print the application from the real estate commission accessed from our website. Remember to get your fingerprints completed at a local county sheriff's office.*
- *You will need a copy of your birth certificate to accompany your application*
- *Consult the PSI website for testing sites near you.*

### *Changes from Video.*

- ***Nearly every video has a handout for the student to follow. These handouts have all the applicable information a student needs to know for each chapter***
- ***The final is automated at the bottom of the page and will be graded and certificate will be available for print by student for OREC. I do not need to sign the certificate. Its already electronically signed.***
- ***The In class final is now 200 questions and a student needs 80% to pass***

# Video 2

## Chapter 3

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### Property Ownership

Be familiar with and know the following items discussed in the video and found in the corresponding material:

- Know the legal description of and the difference between Real Property and Personal Property
- Update: Chapter 3, Page 22 In your textbook
- (3) c. I-VI Know townships, range and sq. mile numbers
- Page 22. C(1) Legal Description, Lot 2 blk. 2 Subdivision name AKA 312 s. main
- Page 23 c. encumbrance
- Page 24 C(1) Liens (2) know difference between general and special liens
- 2 (2) Know easement in gross and (3) necessity
- Page 25 b. License and temporary easements- Ownership
- Page 25 Know D- 1 and 2 A-D
- Know 3 a-c “d” in textbook
- Page 26 4. Life Estate, (6) Homestead and (7) Adverse possession and 15 years
- E. Freehold estate
- Know all page 26 E 1-5 Tenancy in Common, Joint tenant and the differences
- Severability and Co Ownership and Partnerships and what they mean
- Page 28 Know leasehold estates F 1a Estate for Years and a “Beginning and Ending”
- C Tenancy at Will, Know Gross lease vs. Net lease
- Page 29 Know 6 Cloud, 9 Fixtures, 11 Novation, and 12 Quiet Title

# Video 3

## Chapter 4

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### Land Use Controls

Be familiar with and know the following items discussed in the video and found in the corresponding material:

**NOTE THIS CHAPTER JUMPS AROUND IN THE BOOK QUITE A BIT SO FEEL FREE TO PAUSE THE VIDEO WHEN APPROPRIATE**

- Begin on Page 40 Middle of the page. C. Police Powers
- Page 39 Taxation
- Page 40 Know: Eminent Domain B. 3 Escheat
- Water Rights: NOT IN BOOK Please know: Littoral Rights, Riparian Rights
- Water's Edge vs. Mid-Point of the body of water
- Page 40 Know the different Zoning Use: A 1 (a-h):
- Variance, Buffer zone and density.
- Page 41 Master Plan
- B. Building Codes
- Page 39 in Text book
- Be Familiar: START BACK AT page 39- Taxes
- (c.) Ad Valorem Taxes
- (3) Page 39 KNOW Mills calculation
- Page 41 in Textbook
- Floodplain
- Know FEMA (not in book) and National Flood Insurance Program
- BUILDING PERMITS ARE ENFORCEMENT: NOT IN BOOK.
- Page 44 Top of Page:
- Role of Licensee Know a.- d.
- Asbestos: (b.) Abatement
- Page 47 in textbook 1 (1)

- Disclosure Agents Responsibilities:
- Get a disclosure in Oklahoma from Seller YES or NO or Will provide
- Page 43 in Textbook
- Lead Poisoning: Remove it or Paint over or encapsulate it BEFORE 1978
- 2 Requirements: Sellers mandated disclosures
- Lead based paint disclosure. A licensee must provide the information packet
- Go to Page 45
- Be familiar with PCB'S, DISPOSAL SITES, UNDERGROUND, CONTAMINATION POWER LINE AREAS, MOLD
- Page 46 (4)
- Know EPA- Governing body
- Page 42. (a)
- Know CERCLA superfund and responsibilities of clean up
- BACK TO PAGE 47 (1)
- Agent responsibilities: Have experts review with known and potentially unknown issues!
- Describe all problems with description one of the MANDATED DISCLOSURES.
- Page 47 V. Private Controls
- Deed Restrictions
- Next items not in book.
- Doctrine of Laches: Years of use
- Water Rights: know Accretion and Avulsion

# Video 4

## Chapter 5

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### Valuation and Analysis

Be familiar with and know the following items discussed in the video and found in the corresponding material:

- Pg. 55 FIRREA
- II Appraisers
- Pg. 56 B.2 Know DUST
- Know Value A.1-C
- b. Principals of Value Know 1-12
- Pg. 58 2. Cost Approach
- Pg. 59 C. Depreciation
- Go to pg. 60
- D. CMA 1 a and b
- Back to pg. 58
- 9. Value and b. Areas of Adjustment
- Know time vs. location- how and why?
- Pg. 59 Know Formula for CAP rate 3 c.

# Video 5

## Chapter 6

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### Theory of Mortgage Law

Be familiar with and know the following items discussed in the video and found in the corresponding material:

- Lien Theory- A mortgage that allows ownership with an “encumbrance” which is voluntary

II Mortgage Loan:

a. Origination?

b. Discount Points “Buy Down”

Uniform Residential Loan Application: 1003

B. Mortgage- Mortgagor (borrower) Mortgagee (Lender)

Rules- “Don’t Pay, You Don’t Stay”

Alienation Clause?

Note: “Promise to pay”

IV Types of Loans

a. Amortized loan?

b. Graduated payment? Neg. Am.?

c. Straight- Lump Sum?

d. Balloon Loan and Payment

V. Mortgage Provision

Payment \$ is PITI- Payment, Interest, Taxes and Insurance

Acceleration Clause

Defeasance Clause

Alienation Clause

Buying Subject To Assumption- Qualified and Non-qualified- Still responsible?

VI Non Judicial Foreclosure

1. Include the power of sale clause

2. Notice of Default- where?

3. Public Sale

Chapter 6 Video Handout

D. Deed In Lieu? Process

Short Sale? 90,000 and 100,000 whats the difference?

G. Deficiency Judgment \$10,000 Amount of insufficiency

Characteristics of the Primary Financial Plans:

Conventional: Private 80% LTV - No PMI

FHA: Governmental Program 95-97% LTV -MIP “INSURES”

VA: Governmental Program 100% LTV- “GUARANTEES”

B4 FHA Mortgage properties must be appraised.

D. Rural Development? Farm and other rural areas designated as “rural”

H. Blanket Mortgage?

K. Construction Loans- short term in nature, possibly paid in draws

M. ARM

1. Interest rate based on an index

2. Adjustable rate over life of the loan

3. Can be converted to fixed by refinancing

4. CAPS over the life of the loan

Q. Buy Downs- Temporary or Permanent

9. Sources of Real Estate Loans

a. savings and loans

b. commercial banks

c. mortgage banking companies

d. mortgage broker

10. Secondary Mortgage Market:

Provides what?

1. “Fannie Mae”- Psuedo private/public company

2. “Ginnie Mae”

11. Mortgage Fraud- All are held accountable to a party to fraud if knowingly participate

“Blind Eye”

Chapter 6 Video Handout

13. Closing Statements:

E. RESPA- What does it regulate?

B. Balloon Payment

C. Equity: Price appreciation or paying the mortgage principal over time

Usury- Interest in excess of what state allows

F. Sellers Financing?

K. Discount Points

STUDENT NOTE: This is a “hybrid” study chapter that utilizes the handout for the video but you will need to complete and know all question on quiz in the back of chapter 6.

# Video 6

## Chapter 7

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### Laws of Agency

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Pg. 89 2b (Begin here)

Pg. 90 c. Fiduciary to the f. customer

Single Agency?

Dual Agency with Disclosure?

Pg. 92. COLDAC (I mention COLD in Video)

D. 1- 4: Know these items

Pg. 90 Special Agent?

Employment Agreement - Not in textbook (A Listing Agreement)

Pg. 93 Previously written agreement Listing Agreement

O, P, G Pg. 94

No commingling

1. Commissions are negotiable. Not standard



# Video 7

## Chapter 8

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### Mandated Disclosures

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Use textbook for Q & A and word match.

1. Agency Disclosure  
B. Dual Agency with an agreement

I. Know A. and B.

2. Sellers Disclosure laws

3. Latent Defects

Strict Liability

Brownfield- Toxic sites- not in textbook

Pg. 106 C. Lead based paint before 1978 Requires what?

Pg. 107 V. Material Facts- If a buyer would have known, would they have changed their mind?

Sellers- Known defects must be disclosed Include?

Buyers and Buyers Agency- not in textbook

Pg. 94 F. Transaction or Facilitator

Agent and Brokerage- understand relationship and commissions

C. All activities are in the name of the brokerage

The following is not in text book- Video Lecture

Independent contractor vs. employee

Agreements and sales commissions?

All listings are in the name of the broker

Know Fraud vs. Puffery?

Ethical Standards and the NAR.

Know what a Realtor is vs. a licensee- Code of Ethics

Anti-Trust Laws as it relates to commissions and Price fixing among brokers

# Video 8

## Chapter 9

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### Contracts and Terms

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Begin on Page 115

Know information I reference on whiteboard

Offer, Acceptance and Deed: "Blueprint"

Equitable Title and what it means

Pg 115                      Know: I AB&C

Know delivery and its impact and importance in establishing a contract

Know 3,4 and 5

C. Contract

Go to: Pg. 116 Know D. 1-4

Know legal effect

E. Discharge or Performed Know 1-4

Know G. Breach

Go to: Pg. 117

Know II Listing Contracts

C. Open Listing

Go to Pg. 118 IV. Know A 1-7 and B 1-4

Earnest not required

Go To Pg. 120 C. Installment contracts

VIII    A. Counter Offer

Go to Pg. 118                      IV. C. Contingency Contract

# Video 9

## Chapter 10

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### Property Transfer

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Know items on white board Pg. 129-130

Page 134 D. Intestate No Will                      Testate- With a Will (Description is not in chapter)

Involuntary Alienation- Not in chapter

Escheat

Know Condemnation Not in chapter – With compensation

Go to pg. 130

Deeds A. 1. Voluntary

B.1. General Warranty Deed = Promise

b. 1. seizen

2. Encumbrance

3. Enjoyment

4. Further Assurance

2. Special Warranty Deed

3. Quitclaim deed

Go to 129 I. A Title Insurance

I A (4) Indemnify contract

Know pg. 130 and 131 C. Essential Elements 1. a-g (Delivery is very important)

Not in textbook- Uniform Vendor and Purchaser Risk Act- Seller has risk of loss until closing

Equitable Title- Not in chapter

RESPA – know question # 16 in end of chapter Q and A. Know R in matching quiz

HUD 1 now called a Closing Disclosure- change from video

RESPA does not allow for referral \$'s between settlement providers, lenders, agents or closing companies.

# Video 10

## Chapter 11

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### Practice of Real Estate

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Page 142 Know Dates of laws

1866 civil rights 1968 protected classes 1974 and 1988 Disability

Over 55 (Different chapter)

Pg. 142 Know G1-8

Pg. 143 J. 1988 a-b-c

Pg. 144 Know N. 1-8 Panic selling, redlining, steering

O. 1.2.3 Dwelling Units

Pg. 145 III Equal housing poster

V. ADA D. and H.

Know Reg Z. Not in book but know that payment and all terms must be disclosed including APR

Truth in Lending and REG Z

CHANGE FROM VIDEO- ADDITIONAL MATERIAL YOU NEED TO KNOW FROM CHAPTER- NO VIDEO INSTRUCTION FOR THE NEXT PORTION

Know in the Book...

Pg. 146 VI A. Puffery, D. Material Facts

Pg. 147 Z. telemarketing rules and laws a-h

VII Know A. 1-3 All information.

1. Liability and responsibility of Broker and sales person

VIII Know 1. A-c

X 2. And 5.

# Section 11

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## Broker Relationship

The Broker Relationship section is covered in a PowerPoint Presentation available under Section 11 on the Videos page. Please download the PowerPoint Presentation and review the slides.



# Video 12

## Chapter 13 (Chapter 12 skipped intentionally)

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### Specialty Areas

Be familiar with and know the following items discussed in the video and found in the corresponding material:

Lease Definition: Transfer of Possession only

Landlord and Tenant Act

Pg. 189 II. Estate for Years- Has a beginning and an ending date, (Not years)

Tenancy at will- With consent and indefinite period of time. Death ends the lease or by will of either party

Tenancy at Sufferance: Still occupying property but must go through a legal process of eviction

Pg. 191: Know the Difference: Gross Lease vs. Net Lease

Know Requirements for a valid lease (Not in video)

Death will not generally terminate a lease. An Estate or will may provide a disposition

Know Property management responsibilities of being a general agent

Pg. 198 E. Trust account responsibilities include? No Commingling etc.

Know Condominium ownership and the “undivided interest in the common areas”

What is a time share?

Pg. 189 I: Subdivision: Know Development phases and dedication and plats and Deed Restrictions

Know Advantages of owning Commercial property; including Hedging and rate of return

Disadvantages? Liquidity, etc.

Cash flow and appreciation and tax benefits

Pg. 190 D. Know the basics of Tax Benefits, Capital Gains and 1031 Exchanges

Know the characteristics of agricultural properties and emblements.

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# Video 13

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## Oklahoma Laws and Rules – State Specific

Be familiar with and know the following items discussed in the video and found in the corresponding material:

- Real Estate commissioners are appointed by the governor with the consent of the senate. They are appointed for 4 Years (Update change from video)
- There are a total of 7 commissioners, 5 brokers, 1 school instructor and 1 member of the public
- Fine for practicing without a license is 5000.00 and is a misdemeanor
- OREC has a standing committee to review contracts
- You do not have to have a license if you are; an attorney or selling your own property or a resident manager of an apartment
- In order to apply for a provisional sales license; 18 or older, good moral character and complete a 90-hour provisional course. A passing grade of 80% or better. (Update change from video.)
- The provisional sales license is good for 1 year.
- You must have a 45-hour post-license course in the first year of licensure or you cannot apply for a Sales Associate license.
- After the initial provisional 1 year license all licenses are for 3 years including a Broker's license
- All associates and brokers are required to complete 21 hours of continuing education during and before the expiration of the 3-year period.
- OREC issues licenses to associates, branch offices, corporations, brokers and associates
- Brokers' offices have to have a specific location and available to the public during business hours.
- Concerning sex offenders, the code imposes no duty to disclose information about sex offenders but may provide the direction to where information may be obtained.
- The primary purpose of the OREC is safeguard the public, provide resources for brokers and investigate and sanction licensing activities.
- The examination fee for the test is \$60.00
- Ultimate responsibility for notifying completion of continuing education is the licensee.
- If you fail to complete your 45-hour education during your 3-year license period, you will not be allowed to renew your license
- A broker may have multiple offices but must have a broker in charge of that office
- If a licensee is working out of a branch office, then the license issued to the branch office.

- When an associate advertises for any licensing activities, they must do it in the name of the brokerage.
- You must disclose on all listings and sales.
- If an associate leaves a broker and the refuses to let them go then the associate must send a certified letter and produce evidence of the letter to the OREC.
- Good faith money, or earnest money must be held in a trust account. And shall not be co-mingled. The amount is negotiated and is not required
- Earnest money needs to be deposited by the end of the 3<sup>rd</sup> banking day following the completion of the contract. A broker is responsible for the entire amount.
- The obligation of associates and brokers to deposit these funds in the law is called Duty-to-Account.
- Non-depository escrow items can be used if appraised and placed with an authorized escrow agent.
- A settlement statement may be defined as the final accounting of the transaction dealing with all associated expenses.
- The OREC is not an arbitration entity for disputes among brokers, associate or clients.
- A licensee can only accept commissions from their brokers and no one else, such as, bonuses etc.
- A license dated July 1<sup>st</sup> will expire on June 30<sup>th</sup>, 1 year later

**Video Note: Other state laws that may be applicable to your exam or any associated updates have been added to the “Notes and Feedback” handout available on the video page.**

# Video 14

## Chapters 1 and 2

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### Test Review and Procedures

The video will discuss what you can expect when you show up to take your exam and how to prepare for it.