



Kaplan Real Estate Education

DRE Sponsor No. - 0104

Home office- 332 Front Street, Suite 555

La Crosse, WI 54601

General Information Page

(This is provided to you in accordance with standards set by the CA Department of Real Estate – DRE)

Cost and Course Description

The total cost of the course(s) is the price advertised in the current brochure, on the current version of the website, or quoted to you by the Kaplan Real Estate Education Registrar or Enrollment Center; fees for additional services are explained below. We do not accept cash. Also, specific course descriptions are provided in our current brochure and are available at our website. Specific textbook information is available upon request.

Examination Requirements

You will be required to pass a final examination, which will be administered online. For Continuing Education, you will have a maximum of 2 attempts, a Final and an Alternate. If you do not pass, you will be required to re-enroll in the course. Pass rates for Continuing Education courses are 70%. All DRE approved final exams for correspondence courses are provided online and are included in the course cost. For DRE approved courses, the exam will be “open book”. All tests are timed.

Name	Category	Hours	Presentation	# of Questions	Time Limit
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Home Study-HS Multiple Choice-M/C

Continuing Education

Ethics	Ethics	3	HS	15 M/C	15 mins
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Textbook: *First Renewal Package with California Risk Management, 2007* - Students who complete this course will be able to explain ethics, including the Department of Real Estate’s involvement, DRE’s major concerns, and professional organizations. Discuss unlawful conduct related to sale, lease, and exchange transactions, including misrepresenting market value, existence of offers, broker affiliation, closing costs, deposits, buyer’s qualifications, misrepresenting security value, misrepresenting the condition of the property, misrepresenting size and boundaries, concealing use restrictions, nondisclosure of material facts, failing to present offers, bias in presenting competing offers, not explaining contingencies, nondisclosure of seller’s agent’s interest, nondisclosure of agent’s interest (buyer’s agent), and interest in referrals. Discuss unlawful conduct related to loan transactions, including misrepresenting loan availability, misrepresenting borrower’s qualifications, underestimating costs, misrepresenting priority of a lien, “free” services, false information on loan payments, not accounting for knowledge, cooperation, arbitration, expertise, discrimination prohibited, value opinions, refunding deposits, status reports, net proceeds, codes of ethics, and fair housing.

Fair Housing	Fair Housing	3	HS	15 M/C	15 mins
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Textbook: *First Renewal Package with California Risk Management, 2007* - Students who complete this course will be able to explain the basics of fair housing laws. Discuss fair housing legislation and regulation, including federal fair housing law, California fair housing legislation and regulation, applicability of fair housing laws, protected classes, exemptions and exceptions, and enforcement and penalties. List discriminatory acts, including failure, avoidance, or refusal to render services; encouraging discrimination; discriminatory misrepresentation; misrepresenting property availability; discriminatory advertising; creating barriers and obstructions to the transaction; unequal or inconsistent services; discriminatory terms and conditions of sale, discriminatory management practices; inconsistent or burdensome application procedures; zoning; steering; blockbusting and panic selling; use of force, threats, or retaliation; and restrictive covenants. Explain HUD fair housing advertising regulations, including published real estate advertising; logo, statement, and slogan; publisher’s notice; notice to employees and clients; use of human models; fair housing poster; and lenders. Explain discontinued voluntary fair practice (VAMA). Discuss legislation for the disabled, including the definition of disability, employment impacts, access to public facilities, and enforcement and penalties. Explain fair credit and credit reporting laws, including prohibitions and the importance of credit reporting laws.

Trust Fund Handling	Trust Fund Handling	3	HS	15 M/C	15 mins
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Textbook: *First Renewal Package with California Risk Management, 2007* - Students who complete this course will be able to explain the basics of trust fund handling, including general responsibilities, general procedure, and determining ownership. Describe advance fee trust funds, including defining "advance fee," DRE approval requirements, record-keeping requirements, and additional requirements. Explain trust fund bank accounts, including general requirements, trust account withdrawals, trust fund account protection, interest-bearing accounts, specific beneficiaries, disclosure to owner, designation of payee, interest may not go to broker, trust account integrity, and trust fund liability. List trust fund violations, including commingling and trust fund conversion. Describe trust fund accounting, including accounting systems, the recording process, and reconciliation of accounting records. Explain trust fund documentation, including activity documentation requirements, contracts involving licensed activities, and broker supervision. Discuss audits and examinations, including their purposes, general requirements, access for audits, initiation of audits, and results of audits. Describe mortgage loan brokerage, including threshold level of activity, reporting requirements, disclosure to lenders, disclosure content, multi-lender rules, funding and servicing loans, and loan service record keeping.

Agency	Agency	3	HS	15 M/C	15 mins
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Textbook: *First Renewal Package with California Risk Management, 2007* - Students who complete this course will be able to discuss the statutory basis of agency. Describe the principal-agent relationship, including types of agency, creation of agency, termination of agency, authority of the agent, liability of the principal, delegation of duties to other agents, and the differences between employees and independent contractors. List the licensee's duties to the principal in a real estate transaction, including general fiduciary duties; duties under real estate law; case, skill, and diligence; and the licensee's duty to investigate. List duties to third parties, including disclosure to the buyer and prohibition of secret profits. Determine whose agent the licensee is, including listing brokers and seller's agents, selling and cooperating brokers, buyer's brokers, and dual agency. Explain breaches of duties, including intentional breaches, negligent breaches, and innocent breaches. Discuss agency relationships in residential transactions, including disclosure form Civil Code §2079.14, refusal to acknowledge Civil Code §2079.15, and agency disclosures Civil Code §2079.17.

CA Foreclosures and Shortsales	Consumer Protection	15	HS	40 M/C	40 mins
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Textbook: *California Foreclosures and Short Sales, 2008* - Gain knowledge to protect buyers and sellers in today's most dangerous transactions. Develop an overview of the various forms distress sales can take in today's marketplace. Learn about the rights, duties, and liabilities of the parties involved. Examine the Home Equity Sales Contract Act and other laws that protect consumers from scams. At the end of this course participants will possess techniques that will enable their clients to make sound business decisions.

CA Risk Management	Risk Management	3	HS	15 M/C	15 mins
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Textbook: *First Renewal Package with California Risk Management, 2007* - Students who complete this course will be able to describe risk management, including risk shifting, risk anticipation, risk control, and how risk management affects consumers. Discuss fraud, misrepresentation, and puffing; identify unsophisticated buyers; and explain how to protect sellers from the fraud of others. Identify risks associated with conflicts of interest, including dual agency, secret profit, referral fees as potential secret profit, net listings, option listings, agent as buyer, affiliated business arrangements (RESPA), and insurance rebate law. List risks associated with offers, contracts, and trust funds, including contracts and the unauthorized practice of law, dealing with offers, confidential information, offers with subordination clauses, trust fund handling, and depositing checks. List risks associated with property condition and disclosures, including duty to inspect, oral and written disclosures, natural hazards, revealing death on the premises, AIDS disclosure, Megan's Law, disclosing use restrictions, square footage disclosures, and late disclosures. Identify risks associated with employment issues, broker supervision, antitrust violations, fair housing, and advertising. Discuss legal responsibility as it pertains to risk management; explain discipline from the Department of Real Estate, including vicarious liability and discipline procedures; explain the difference between criminal wrongs and civil wrongs; list judicial remedies, including monetary remedies (damages) and equitable remedies; and explain alternative dispute

Survey Course	Survey	8	HS	20 M/C	20 mins
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Textbook: *8 Hour Survey Course, 2011* - Students who complete this course will learn about the principal-agent relationship, including licensee duties. Gain an understanding of ethics by studying unlawful conduct and suggestions for professional conduct. Examine Fair Housing legislation and regulation to ensure compliance with applicable laws. Learn the basics of trust funds, including violations, audits, and examinations to ensure trust funds are handled properly in every transaction. Gain an understanding of risk management by examining fraud, misrepresentation, and puffing through examples of risks present in the real estate business. At the end of this course participants will gain the necessary knowledge of agency, ethics and professional conduct, trust fund handling, risk management, and fair housing to be a compliant and law-abiding real estate professional in California.

Real Estate Finance Today (4E)	Consumer Protection	7	HS	20 M/C	20 mins
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Textbook: *Real Estate Finance Today 4th Edition, 2011* - After completing this course, students will be able to define and explain the use of the principal financing instruments; name major sources of mortgage loan funding in the primary market; and identify and explain the role of the key players in the secondary market. Explain the significance of the Federal Reserve Board as it relates to mortgage lending; name and explain the functions of the government agencies most influential in home mortgage financing; and describe the most significant congressional acts that apply to home mortgage lending. Discuss the current financial crisis in the mortgage lending industry; identify the cause and effect of the collapse of the subprime market; list the most common factors that lead to foreclosure; define the lender options available to avoid foreclosure; and describe the factors affecting an individual's credit score and importance of the credit score. Describe the guidelines of the Fannie Mae/Freddie Mac products; explain the purpose of private mortgage insurance and alternatives in practice today; list the components, benefits, and disadvantages of an adjustable-rate mortgage; and calculate the monthly mortgage payment and the borrowing power of a prospective purchaser. List FHA and VA guidelines; explain the purpose and costs of the FHA mortgage insurance premium and the VA funding fee; make a list of compensating factors; and perform essential mortgage calculations. Describe the essential elements of a lease-purchase contract; understand the special problems encountered by a self-employed borrower; list alternative sources of cash for down payment and closing; and explain the purpose and implementation of a reverse annuity mortgage. At the end of this course participants will gain the necessary knowledge of financing basics, government influence on real estate finance, current issues in mortgage lending, conventional mortgages, government-issued lending, and special financing alternatives.

Essential Taxation
Topics

Consumer
Protection

15

HS

40 M/C

40 mins

Textbook: *Essential Taxation Topics, 2008* - Students who complete this course will be able to identify the two main requirements for mortgage interest deductions; discuss the limits on home equity loans when determining tax deductions; summarize the differences between acquisition debt and home equity debt; list the three requirements needed for deducting interest on a qualified residence; and summarize the general requirements that must be met for home mortgage points to be deductible. Explain the gain or loss formula; identify items that may be included in the selling price; list items that may (or may not) be used as selling expenses; explain adjusted basis and why correct determination is valuable in determining gain (or loss); and summarize the differences between repairs and capital improvements and how this test applies differently to rental properties and personal residences. Define principal residence; explain when the gain realized on the sale or exchange of a principal residence is free; identify the tax planning ideas that have been replaced (i.e., 24-month rollover and over-55 one-time deduction); summarize the §121 requirements to exclude up to \$250,000, or \$500,000 if married filing jointly, from gross income; and explain what happens when one spouse qualifies and the other does not. Explain RREAs (rental real estate activities); summarize requirements for material participation in rental activities; discuss the three common tests to define material participation for real estate investors; and list at least three types of taxpayers who will benefit from the 50% participation and 750-hour requirements. Summarize the three criteria to establish an office-in-home deduction; define principal place of business; discuss which transportation costs may be converted to business mileage; cite examples of direct and indirect expenses that are used to calculate the office-in-home deduction; and calculate the office-in-home deduction. Describe the various types of taxes and the differences between earned income and unearned income; identify the types of unearned income; explain the differences between long-term and short-term capital gains; explain the history of depreciation schedules; calculate the capital gain on a real estate transaction; and summarize the choices an investor client has upon the sale of investment property. Summarize the choices an investor client has upon the sale of his or her investment property; describe a typical installment sale situation; list and explain the benefits of an installment sale to the buyer, seller, and agent; and list and explain the potential disadvantages of an installment sale to the buyer, seller, and agent. List the major historical events that affected the use of 1031 exchanges; identify the major provisions of the law; list the four classes of real estate as per IRS; understand a basic/straight/simultaneous exchange; explain the concept of "boot"; explain the concepts of "buy up," "mortgage up," and "spend all the money"; and describe the role Starker played in the evolution of the exchange, including the reverse Starker exchange. Describe the impact and meaning of the major words found in the law (e.g., *held, like-kind*); describe how leases for more than 30 years qualify for 1031 treatment; discuss the identification rule; discuss the three-property rule/200 percent rules/95 percent rule; discuss the 45-day clock; discuss the 180-day clock; describe the handling of the proceeds of sale and qualifications of the "safe harbor"; explain the transfer of the cost basis and depreciation from the old to the new property; and briefly identify the rules for a personal property tax-free exchange. Describe the IRS Form 8824 Tax-Free Exchange; describe the wording needed in the various contracts of sale for the relinquished and replacement property; explain the purpose of the exchange agreement; and describe the use of the property assignment forms and the addendum to closing statement form.

Hot Mortgage Topics	Consumer Protection	15	HS	40 M/C	40 mins
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Textbook: *Hot Mortgage Topics*, 2008 - Students who complete this course will be able to identify participants in most real estate transactions; describe the roles of each participant in most real estate transactions, explain several causes of foreclosure, and list types of fraud. Differentiate between a note and a mortgage; explain the differences between fixed-rate and adjustable-rate loans; discuss the advantages and disadvantages of several exotic loans; identify the criteria for various loan types; and describe the reasons that occupancy is so important to an underwriter. Differentiate between fraud for housing and fraud for profit; discuss a typical fraudulent real estate transaction; name penalties for fraud; explain why real estate licensees may be hesitant to point out discrepancies; and list activities that lead to mortgage fraud. List targets of predatory lenders; discuss how subprime lenders meet the needs of low-income consumers and those with poor credit histories; define yield spread premiums and how they assist predatory lenders; describe the deficiencies of binding mandatory arbitration (BMA); and explain efforts to modernize the Federal Housing Administration (FHA). Explain how equitable title enables back-to-back closings; list characteristics of legal flipping; name characteristics of illegal flipping; and discuss how real estate licensees can educate their investor clients to protect their investments. List consumer protection laws and explain the intent of each; name the time of and describe the disclosures required under RESPA; define kickbacks, provide illustrations, and indicate why they are not in the best interest of the consumer; discuss the intent of the Truth in Lending Act (TILA) and define trigger items; and describe the real estate closings to which RESPA does not apply. Describe the development of the reverse mortgage; point out the role of FHA and Fannie Mae with reverse mortgages; list the requirements for an FHA Home Equity Conversion Mortgage; illustrate the difference between a forward and reverse mortgage; and name the four types of reverse mortgages available. List the features that all reverse mortgage plans have in common; explain the difference between proprietary and government-insured reverse mortgages; identify the factors that determine the amount to be received with a reverse mortgage; describe in detail the tenure, term, line-of-credit, and lump-sum reverse mortgage; and provide examples of how each of the reverse mortgage plans could be used to meet the specific financial needs of senior homeowners. Explain the importance of reverse mortgage counseling; locate a reverse mortgage lender; list important things to consider in selecting a lender; describe in detail the factors involved in determining the amount available for a reverse mortgage loan; and discuss the factors affecting the total loan amount available. Discuss the schedule involved in obtaining a reverse mortgage; list the categories of costs for a reverse mortgage loan; give an example of anticipated closing costs on a reverse mortgage loan; and describe expected loan costs after closing. Explain how tax deductions apply to reverse mortgage loans; discuss the option of adding an annuity with a reverse mortgage; describe the way a senior may rebuild his or her estate; and illustrate the benefit of returning to the workplace.

Certificate of Completion

When you pass your exam, Certificates can be printed by going to our website www.kpscalifornia.com and clicking on "Returning Students, Click Here to Log In." Your Certificate will indicate the number of credit hours earned, and the course-approval category. If you should misplace or lose your Certificate, Kaplan Real Estate Education maintains College Level records indefinitely and Continuing Education records for a minimum of 5 years and will issue a duplicate Certificate upon request (\$15 each, payable by check or credit card).

Course Completion Time Limits

The enrollment period for Continuing Education courses is 6 months. This falls within the amended Article 25, Section 3006 (m). "All offerings shall require completion *within* one year from the date of registration." Extensions will no longer be available for continuing education. The DRE will only allow students to take exams for a maximum of 15 approved credit hours in any 24 hour period. If you don't pass the final exam within the allotted two attempts, you must re-enroll in the course.

Refund Policy

Risk-Free Money Back Guarantee*: Please check your materials immediately upon receipt to ensure they include everything that was ordered. If you're not completely satisfied, you can return the materials unmarked to us



within 30 days from the date they were received. Upon verification, you will receive a 100% refund less shipping and handling.

*Refunds are not provided if we've issued you a certificate of completion.

Dismissal for Unsatisfactory Attendance

For Residence Courses (mandatory attendance), attendance in at least 90% of a course offering is required. Also, students must show a government issued or real estate trade association issued picture ID prior to beginning the residence (live) course to the course instructor. An instructor may authorize make up work for up to 10% of a Residence Course offering if arranged with the instructor's approval in advance. Mandatory attendance is not required for approved correspondence courses.

Grading System

In order to pass a course, you must achieve a minimum score on the course final exam. For all DRE approved College Level courses, the minimum is 60%, for continuing education, it is 70%.

DRE Course and Instructor Evaluation

An online evaluation of courses and instructors is available on the DRE Web site at www.dre.ca.gov; it can be accessed by clicking on "Course and Instructor Evaluation."

DRE Disclaimer Statement

These courses are approved for Credit by the California Department of Real Estate. However, this approval does not constitute an endorsement of the views or opinions which are expressed by the course sponsor, instructor, authors, or lecturers.

This material is for educational purposes only. In no way should any statements or summaries be used as a substitute for legal or tax advice.

It is your responsibility to know and understand DRE rules and regulations concerning licensing and educational requirements. We will be pleased to help answer your questions, but the DRE is the final authority - contact them at 877-373-4542 or visit the DRE's website at www.dre.ca.gov.