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Julie I. Brown, Secretary

Ron DeSantis, Governor

**Minutes of  
THE FLORIDA REAL ESTATE COMMISSION  
October 19, 2021  
Hybrid Meeting**

**October 19, 2021**

Chair Richard Fryer called the meeting of the Florida Real Estate Commission to order at approximately 8:30 a.m., via Hybrid, on this Tuesday, the 19<sup>th</sup> day of October 2021.

**Commissioners**

Chair Richard “Dick” Fryer – in person  
Vice-Chair Randy Schwartz – excused absence  
Patricia “Patti” Ketcham – in person  
Patricia “Pat” Fitzgerald – in person  
Guy Sanchez, Jr. – in person  
Renee Butler – in person  
Richard Barbara – in person

Mr. Lawrence Harris, Senior Assistant Attorney General appeared in person as counsel for the Commission. Mr. Harris declared quorum present.

**Staff**

Giuvanna Corona, Executive Director – in person  
Al Cheneler, Chief Attorney – in person  
Emy Orellana, Regulatory Consultant – in person  
Tobechi “Charles” Bob-Duru, Regulatory Specialist III – in person  
Jocelyn Pomales, Education Coordinator – in person  
Janice Lugo, Operations Support Supervisor – via Live-Stream  
Linda Doolittle, Regulatory Consultant – in person  
Damon Boodram, Operation Review Specialist – in person  
Amanda Bova, Assistant General Counsel Attorney – in person  
Heather Page, Assistant General Counsel Attorney – in person  
Katie Pareja, Assistant General Counsel Attorney – in person

**Education Agenda**

Giuvanna Corona, Executive Director, presented 3 Real Estate Education Course for the Commission’s review and consideration.

**Tab A** – Florida Core Law – New Course (3 hours Core Law, Distance) – application number 51401 – CE Shop LLC

The applicant was NOT present in support of the application. After discussion, Commissioner Sanchez moved to approve the course as a Specialty course; seconded by Commissioner Ketcham. The motion passed without dissent.

**Tab B – Branding – New Course (2 hours Specialty, Live-Stream) – application number 50619 – Next Level Continuing Education**

The applicant was present in support of the application. After discussion, Commissioner Fitzgerald moved to approve the course with conditions; seconded by Commissioner Barbara. The motion passed without dissent.

**Tab C – FREC Course I: Florida Sales Associate License Training – New Course (63 hours Sales Associate Pre License, Distance) – application number 51457 – Onlined Inc**

The applicant was NOT present in support of the application. After discussion, Commissioner Sanchez moved to deny the course; seconded by Commissioner Fitzgerald. The motion passed without dissent.

**Special Agenda Education**

**Tab A – Request for Clarification of a “Correspondence Course” – Reese Stewart**

The petitioner was present in support of the request. After discussion, Commissioner Sanchez moved to approve e-mail as a delivery method of materials/exams for correspondence courses; seconded by Commissioner Ketcham. The motion passed without dissent.

**Summary of Applicants**

**Agenda A**

Giuvanna Corona, Executive Director, presented 43 Applicants requesting to sit for the real estate examination. Results are as follows:

TAB	NAME	PRESENT	MOVED by COMMISSIONER	SECONDED by COMMISSIONER	VOTE	COUNT
A	Chevalier, Fritzgerald	Yes	Informal Hearing. Commissioner Fitzgerald moved; seconded by Commissioner Ketcham, to vacate the Notice of Intent to Deny and accept the applicant’s request to withdraw the application. The motion passed with a 5-1 vote.			
B	Essix, Michael Courtney	Yes	Motion to Determine Disputed Issues of Material Fact. After discussion, Commissioner Ketcham moved there are no disputed issues of material fact and convene an informal hearing; seconded by Commissioner Sanchez. The motion passed unanimously. Informal Hearing. Commissioner Ketcham moved; seconded by Commissioner Sanchez, to uphold the Notice of Intent to Deny. The motion passed unanimously.			
C	Lacasse, Luis A Jr Daniel Villazon, Esq.	Yes Yes	Informal Hearing. Commissioner Barbara moved; seconded by Commissioner Fitzgerald, to vacate the Notice of Intent to Deny and approve the application. The motion passed unanimously.			
D	Schutz, Kristin	Yes	Informal Hearing. Commissioner Butler moved; seconded by Commissioner Barbara, to vacate the Notice of Intent to Deny and approve the application. The motion passed with a 5-1 vote.			
E	Abukhdeir, Ibrahim	No	Continued and Waived the 90 days			
F	Ali, Kathyria A Steve Gratz, Esq.	No Yes	Barbara	Fitzgerald	Approved	5-1
G	Alvarez, Alejandro	Yes	Barbara	Ketcham	Approved	4-2
H	Arichabala, Alexis Jose Daniel Villazon, Esq.	Yes Yes	Barbara	Ketcham	Approved	4-2
I	Ashley, Alexis Jordan	Yes	Fitzgerald	Ketcham	Approved	Unanimous
J	Bokhari, Iqrar Hussain	Yes	Fitzgerald	Barbara/Butler	Approved	Unanimous
K	Clark, Mickinkie	No	Fitzgerald	Sanchez	Denied	Unanimous
L	Collinsworth, Kevin	Yes	Fitzgerald	Sanchez/Barbara	Approved	Unanimous
M	Cruz, Safia	Yes	Barbara	Ketcham	Approved	Unanimous

N	Dorestal, Jude	Yes	Fitzgerald	Barbara	Approved	Unanimous
O	Dragojevich, Allison	Yes	Withdrawn			
P	Escobar, Paula	No	Sanchez	Fitzgerald	Denied	Unanimous
Q	Fagan, Marisa Resing	Yes	Fitzgerald	Sanchez	Approved	Unanimous
R	Fay, David	Yes	Sanchez	Barbara/Butler	Approved	Unanimous
S	Feliciano, Crystal	No	Sanchez	Fitzgerald	Denied	Unanimous
T	Fishman, Benjamin	Yes	Sanchez	Barbara	Approved	Unanimous
U	Frank, Steven Lester Daniel Villazon, Esq.	Yes Yes	Barbara	Fitzgerald	Approved	4-2
V	Gulliford, Rikki Rose	Yes	Fitzgerald	Barbara	Approved	4-2
W	Hart, Sikira	No	Continued and Waived the 90 days			
X	Heros, Alex	Yes	Barbara	Fitzgerald	Approved	4-2
Y	Kennington, Colleen	Yes	Withdrawn			
Z	Maldonado Yanes, Crisbey	Yes	Barbara	Ketcham	Approved	Unanimous
AA	Mcclure, Lyndzee Love	No	Fitzgerald	Barbara	Approved	Unanimous
AB	Mcknight, Montereio	Yes	Barbara	Fitzgerald	Approved	Unanimous
AC	Oyler, Kathryn	Yes	Barbara	Fitzgerald	Approved	Unanimous
AD	Plante, Kristin Marie Daniel Villazon, Esq.	Yes Yes	Continued and Waived the 90 days			
AE	Polk, Monique	Yes	Fitzgerald	Barbara	Approved	Unanimous
AF	Rios, Angie	Yes	Withdrawn			
AG	Roberts, Bradley	Yes	Continued and Waived the 90 days			
AH	Roddy, Krystal Marie	Yes	Barbara	Fitzgerald	Approved	Unanimous
AI	Rodriguez, Tonhu	Yes	Sanchez	Fitzgerald	Approved	Unanimous
AJ	Rosner, Myron Joel	Yes	Barbara	Ketcham	Approved	Unanimous
AK	Segura, Henry Abarca	No	Sanchez	Fitzgerald	Denied	Unanimous
AL	Shiple, Ross	Yes	Fitzgerald	Barbara	Approved	Unanimous
AM	Sironel, Benjamin	No	Fitzgerald	Sanchez	Denied	Unanimous
AN	Turner, Carlos D	Yes	Barbara	Fitzgerald	Approved	Unanimous
AO	Walker, Gregory	No	Sanchez	Fitzgerald	Denied	Unanimous
AP	White, Gerard Daniel	Yes	Sanchez	Barbara/Butler	Approved	Unanimous
AQ	Williams, Robin Renae	No	Fitzgerald	Sanchez	Approved	Unanimous

**Agenda B**

Giuvanna Corona, Executive Director, presented 7 Applicants requesting to sit for the real estate examination. Results are as follows:

TAB	NAME	PRESENT	MOVED by COMMISSIONER	SECONDED by COMMISSIONER	VOTE	COUNT
A	Alvin, Keonme Janea	Yes	Barbara	Fitzgerald	Approved	Unanimous
B	Arguello, Rossana	No/Yes	The applicant was not present in support of her application when initially considered by the Commission. Commissioner Sanchez moved; seconded by Commissioner Butler; to deny the application. The motion passed with a 4-2 vote. The applicant appeared and requested the Commission to reconsider the Notice of Intent to Deny.			

			Commission Barbara moved; seconded by Commissioner Ketcham; to reconsider the Notice of Intent to Deny. The motion passed with a 4-2 vote. After discussion, Commissioner Barbara moved; seconded by Commissioner Ketcham; to vacate the Notice of Intent to Deny and approve the application. The motion passed with a 4-2 vote.			
C	Arnold, Edgar Daniel Villazon, Esq.	No Yes	Continued and Waived the 90 days			
D	Arteaga, Roy	Yes	Barbara	Sanchez	Approved	Unanimous
E	Aymond, Troy Alphonse	Yes	Barbara	Fitzgerald	Approved	Unanimous
F	Barnes, Bryan	Yes	Fitzgerald	Ketcham	Approved	Unanimous
G	Barrientos, Bryan	Yes	Fitzgerald	Barbara	Approved	Unanimous

### **Agenda C**

Giuvanna Corona, Executive Director, presented 50 Applicants requesting to sit for the real estate examination. Results are as follows:

TAB	NAME	PRESENT	MOVED by COMMISSIONER	SECONDED by COMMISSIONER	VOTE	COUNT
A	Binns, Andrea Catherine	No	Sanchez	Ketcham	Denied	Unanimous
B	Blaudow, Kenneth	Yes	Fitzgerald	Barbara/Sanchez	Approved	Unanimous
C	Bonardi, Daniel	Yes	Withdrawn			
D	Bonet, Kervens	Yes	Barbara	Ketcham	Approved	4-2
E	Brown, Regina Renee	Yes	Barbara	Fitzgerald	Approved	5-1
F	Capen, Steve	Yes	Withdrawn			
G	Cardona, Jose Ivan	Yes	Barbara	Fitzgerald	Approved	Unanimous
H	Carreno, Ana M	No	Fitzgerald	Ketcham	Approved	Unanimous
I	Castro, Caleb Enrique	No	Fitzgerald	Sanchez	Denied	5-1
J	Clopton, Kaley Anne	Yes	Barbara	Butler	Approved	Unanimous
K	Coleman, Omarion	Yes	Withdrawn			
L	Conklin, Jennifer Marie	Yes	Fitzgerald	Barbara/Butler	Approved	Unanimous
M	Crow, Jon	Yes	Sanchez	Fitzgerald	Approved	Unanimous
N	Cunningham, William III Daniel Villazon, Esq.	No Yes	Barbara	Butler	Approved	5-1
O	Czaplewski, Katherine	Yes	Barbara	Fitzgerald	Approved	Unanimous
P	Dasher Davis, Gabrielle	Yes	Fitzgerald	Barbara	Approved	Unanimous
Q	Davis, Derek	Yes	Barbara	Fitzgerald	Approved	Unanimous
R	Del Valle, Carlos	No	Barbara	Ketcham	Approved	4-2
S	Dixon, Aaron	Yes	Barbara	Fitzgerald	Approved	Unanimous
T	Durham, Melody L	Yes	Fitzgerald	Butler	Approved	Unanimous
U	Easley, Joy	Yes	Fitzgerald	Barbara	Approved	Unanimous
V	Fuentes, Michael A	Yes	Sanchez	Butler	Denied	4-2
W	Fuentes, Orlando	Yes	Sanchez	Butler	Denied	Unanimous
X	Fuller, Colette	Yes	Fitzgerald	Barbara	Approved	Unanimous
Y	Gonzales, Jennifer	Yes	Ketcham	Sanchez	Approved	Unanimous
Z	Greenwade, Baron Sr	Yes	Barbara	Sanchez	Approved	Unanimous

AA	Grimmage, Jacqueline	Yes	Sanchez	Barbara/Butler	Approved	Unanimous
AB	Gutierrez, Jorge H Jr	No	Sanchez	Barbara	Approved	Unanimous
AC	Harper, Matthew John	Yes	Ketcham	Barbara	Approved	5-1
AD	Harrison, Charles	No	Schwartz	Barbara	Approved	Unanimous
AE	Hatfield, Lawrence III Daniel Villazon, Esq.	Yes Yes	Barbara	Ketcham	Approved	5-1
AF	Hiatt Bennett, Danna	Yes	Fitzgerald	Barbara/Sanchez	Approved	Unanimous
AG	Hilliard, William Rodis	Yes	Fitzgerald	Barbara	Approved	Unanimous
AH	Hills, Dana Russell	Yes	Barbara	Sanchez	Approved	Unanimous
AI	I Foronda, Eugenio	Yes	Withdrawn			
AJ	Jackson, Willie Jr	No	Ketcham	Sanchez	Denied	Unanimous
AK	Jafar, Ovi	Yes	Sanchez	Barbara	Approved	Unanimous
AL	Jean Baptiste, Ephraim	Yes	Barbara	Fitzgerald	Approved	Unanimous
AM	Jimenez, Gustavo	Yes	Fitzgerald	Ketcham	Approved	Unanimous
AN	Johnson, Nathaniel Jr	Yes	Fitzgerald	Barbara	Approved	Unanimous
AO	Jones, Jeffrey Jr	Yes	Schwartz	Barbara	Approved	5-2
AP	Jones, Shamika	Yes	Sanchez	Fitzgerald	Denied	5-1
AQ	Krzeminska, Kate	Yes	Withdrawn			
AR	Kunnen, Melinda	No	Schwartz	Ketcham	Approved	Unanimous
AS	Lafosse, Benjamin	No	Sanchez	Barbara	Denied	Unanimous
AT	Lapointe, Alexander	Yes	Barbara	Ketcham	Approved	Unanimous
AU	Leon, Lisbet	No	Schwartz	Barbara	Approved	Unanimous
AV	Luna, Marisol	Yes	Ketcham	Fitzgerald	Approved	Unanimous
AW	Lynch, Christian Jacob	Yes	Barbara	Fitzgerald	Approved	Unanimous
AX	Maldonado, Mirna	Yes	Fitzgerald	Barbara	Approved	Unanimous

**Executive Director's Comments**

Executive Director Corona thanked the Commission and Division staff for a great meeting; addressed questions and comments from the Commission.

**Chair's Comments**

Chair Fryer thanked the Commission and Division staff for a great meeting.

**Public Comments**

The Commission did not receive public comment.

**Adjournment**

There being no other business, the Chair adjourned the meeting at approximately 5:15 p.m. The next general meeting – licensing of the Florida Real Estate Commission is scheduled for November 16, 2021, in Orlando and via Hybrid.

ATTEST:

  
Richard "Dick" Fryer, Chair  
Florida Real Estate Commission

  
Giuvanna Corona, Executive Director  
Florida Real Estate Commission

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Julie I. Brown, Secretary

Ron DeSantis, Governor

**Minutes of  
THE FLORIDA REAL ESTATE COMMISSION  
October 20, 2021  
Hybrid Meeting**

**October 20, 2021**

Chair Dick Fryer called the meeting of the Florida Real Estate Commission to order at approximately 8:30 a.m., via Hybrid, on this Wednesday, the 20<sup>th</sup> day of October, 2021.

**Commissioners**

Chair Richard “Dick” Fryer – in person  
Vice-Chair Randy Schwartz – in person  
Patricia “Patti” Ketcham – in person  
Patricia “Pat” Fitzgerald – in person  
Guy Sanchez, Jr. – in person  
Renee Butler – in person  
Richard Barbara – in person

Mr. Lawrence Harris, Senior Assistant Attorney General, appeared in person as counsel for the Commission. Mr. Harris declared quorum present.

**Staff**

Giuvanna Corona, Executive Director – in person  
Al Cheneler, Chief Attorney – in person  
James Fortunas, Deputy Chief Attorney – via Live-Stream  
Mackenzie Medich, Deputy Chief Attorney – via Live-Stream  
Amanda Bova, Assistant General Counsel Attorney – in person  
William Childers, Assistant General Counsel Attorney – via Live-Stream  
Dan David, Assistant General Counsel Attorney – via Live-Stream  
Heather Page, Assistant General Counsel Attorney – in person  
Katie Pareja, Assistant General Counsel Attorney – in person  
Emy Orellana, Regulatory Consultant – in person  
Tobechi “Charles” Bob-Duru, Regulatory Specialist III – in person  
Janice Lugo, Operations Support Supervisor – via Live-Stream  
Linda Doolittle, Regulatory Consultant – in person  
Bradley Ramos, Regulatory Specialist III – in person  
Damon Boodram, Operation Review Specialist – in person  
Lia Matos, Barry University School of Law Intern – in person

**Escrow Disbursement Orders – Agenda**

Heather Page, Assistant General Counsel, presented 9 Escrow Disbursement Orders. Commissioner Butler was not present during the consideration of the Escrow Disbursement Orders.

**Tab G – Case Number 2021-036923; Broker: Christian Duhaime; Brokerage: Re/Max Consultants Realty I**

The Buyer, Patrick Quigley, was present and not represented by Counsel. Ms. Page represented the Department. After discussion, Commissioner Ketcham moved to disburse the escrow to the Seller; seconded by Commissioner Barbara; the motion passed with a 5-1 vote.

Commissioner Sanchez moved to approve Tab A and Tab B as a consent agenda, seconded by Commissioner Barbara; the motion passed unanimously.

Commissioner Barbara moved to approve Tab C and Tab D, seconded by Commissioner Ketcham; the motion passed unanimously. Commissioner Sanchez was recused.

Commissioner Barbara moved to approve Tabs E, F and H of the Escrow Disbursement Order as Interpleaders, seconded by Commissioner Sanchez; the motion passed unanimously.

Commissioner Sanchez moved to approve Tab I of the Escrow Disbursement Order as an Interpleader, seconded by Vice-Chair Schwartz and Commissioner Barbara; the motion passed unanimously. Commissioner Fitzgerald was recused.

### **Recovery Fund Claim – Agenda**

Heather Page, Assistant General Counsel, presented 1 Recovery Fund Claim. Commissioner Butler was not present during the consideration of the Recovery Fund Claim.

#### **Tab A – RFC Mathieu v. Amy, Case Number 2021-033228**

Claimant was not present and was not represented by Counsel; Licensee was not present and was not represented by Counsel. After discussion, Vice-Chair Schwartz moved to deny the claim as recommended by the Department; seconded by Commissioner Fitzgerald and Commissioner Barbara. The motion passed unanimously.

### **Legal Appearance Docket**

The Commission addressed the Legal Appearance Docket, hearing 12 docket items with the following results:

#### **Tab A – Hermann Blum, SL3320456, Case No. 2021-019907 – Petitioner’s Motion for Informal Hearing**

The Respondent was not present and was not represented by counsel. Mr. Childers represented the Department. Commissioner Sanchez served on probable cause and was recused.

After discussion, Commissioner Fitzgerald moved; seconded by Commissioner Barbara and Commissioner Ketcham; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Fitzgerald moved; seconded by Commissioner Barbara; to impose the following sanctions: **revocation; investigative costs of \$528.00**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, by failing to timely complete a lawful order imposed by FREC.

#### **Tab B – Joseph Coyler, SL3246185 Case No. 2021-001303 – Respondent’s Request for Informal Hearing**

The Respondent was present and was not represented by counsel. Ms. Bova represented the Department. Commissioner Fitzgerald and Commissioner Barbara served on probable cause and were recused.

After discussion, Vice-Chair Schwartz moved; seconded by Commissioner Sanchez; to dismiss the Administrative Complaint; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(b), Florida Statutes, by being guilty of fraud, misrepresentation, and dishonest dealings, concealment, culpable negligence or breach of trust, or has formed an intent, design or scheme to engage in any such misconduct and committed an overt act in furtherance of such intent, design or scheme.

**Tab C – Gary Harris, BK3045954, Case No. 2021-017964 – Respondent’s Request for Informal Hearing**

The Respondent was not present and was represented by counsel, Rickey Strong Esq., present. Ms. Page represented the Department. Commissioner Ketcham served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Sanchez moved; seconded by Commissioner Fitzgerald; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Mr. Strong requested to continue the determination of sanctions to November 2021. Commissioner Barbara moved; seconded by Commissioner Sanchez; to continue the case to November 2021; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(f), Florida Statutes, by being convicted or being found guilty of or entered a plea of nolo contendere to, regardless of adjudication, a crime in which directly relates to the activities of a licensed broker or sales associate, or involves moral turpitude or fraudulent or dishonest dealing.

**Tab D – Helen Jones, SL3118775, Case No. 2021-020040 – Respondent’s Request for Informal Hearing Waiving Rights**

The Respondent was present and was not represented by counsel. Ms. Bova represented the Department. Commissioner Ketcham served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Sanchez moved; seconded by Vice-Chair Schwartz; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Vice-Chair Schwartz moved; seconded by Commissioner Barbara; to impose the following sanctions: **5 years suspension; investigative costs of \$363.00**; the motion passed with a 4-1 vote.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, through a violation of Section 455.227(1)(t), Florida Statutes, by failing to report in writing to the board or, if there is no board, to the department within 30 days after the licensee is convicted or found guilty of, or entered a plea of nolo contendere or guilty to, regardless of adjudication, a crime in any jurisdiction; Section 475.25(1)(f), Florida Statutes, by being convicted or being found guilty of or entered a plea of nolo contendere to, regardless of adjudication, a crime in which directly relates to the activities of a licensed broker or sales associate, or involves moral turpitude or fraudulent or dishonest dealing.

**Tabs E – Dan Lanhaus, SL3096368, Case No. 2021-009521 – Petitioner’s Motion for Informal Hearing**

The Respondent was present and was not represented by counsel. Ms. Pareja represented the Department. Vice-Chair Schwartz served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Barbara moved; seconded by Commissioner Sanchez; there are no disputed issues of material fact and convene and Informal Hearing; the motion passed without dissent. Commissioner Barbara moved; seconded by Commissioner Sanchez and Commissioner Fitzgerald; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Barbara moved; seconded by Commissioner Fitzgerald; to impose the following sanctions: **6 months of probation; administrative fine of \$300.00; investigative costs of \$396.00; 3-hour Core Law Education Course**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, through a violation of Section 455.227(1)(t), Florida Statutes, by failing to report in writing to the board or, if there is no board, to the department within 30 days after the licensee is convicted or found guilty of, or entered a plea of nolo contendere or guilty to, regardless of adjudication, a crime in any jurisdiction.



**Tab F – Dan Lanhaus, SL3096368, Case No. 2021-014905 – Petitioner’s Motion for Informal Hearing**

The Respondent was present and was not represented by counsel. Ms. Bova represented the Department. Vice-Chair Schwartz served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Barbara moved; seconded by Commissioner Sanchez; there are no disputed issues of material fact and convene and Informal Hearing; the motion passed without dissent. Commissioner Fitzgerald moved; seconded by Commissioner Barbara; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Fitzgerald moved; seconded by Commissioner Barbara; to impose the following sanctions: **6 months of probation; administrative fine of \$1,000.00; investigative costs of \$775.50; 28-hour Reactivation Education Course**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(b), Florida Statutes, by being guilty of fraud, misrepresentation, and dishonest dealings, concealment, culpable negligence or breach of trust, or has formed an intent, design or scheme to engage in any such misconduct and committed an overt act in furtherance of such intent, design or scheme.

**Tab G – Joseph Lopez, SL3330267, Case No. 2021-018931 – Respondent’s Request for Informal Hearing Waiving Rights**

The Respondent was not present and was not represented by counsel. Mr. David represented the Department. Commissioner Ketcham served on probable cause and was recused.

After discussion, Vice-Chair Schwartz moved; seconded by Commissioner Sanchez; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Sanchez moved; seconded by Commissioner Fitzgerald; to impose the following sanctions: **revocation; investigative costs of \$313.50**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, through a violation of Section 455.227(1)(t), Florida Statutes, by failing to report in writing to the board or, if there is no board, to the department within 30 days after the licensee is convicted or found guilty of, or entered a plea of nolo contendere or guilty to, regardless of adjudication, a crime in any jurisdiction.

**Tab H – Jeffrey Myers, SL3330267, Case No. 2021-018931 – Respondent’s Request for Informal Hearing**

The Respondent was present and was not represented by counsel. Ms. Page represented the Department. Commissioner Ketcham served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Fitzgerald moved; seconded by Commissioner Barbara; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Fitzgerald moved; seconded by Commissioner Sanchez; to impose the following sanctions: **revocation; investigative costs of \$800.25**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(f), Florida Statutes, by being convicted or being found guilty of or entered a plea of nolo contendere to, regardless of adjudication, a crime in which directly relates to the activities of a licensed broker or sales associate, or involves moral turpitude or fraudulent or dishonest dealing.

**Tab I – Gennady Nudelman, SL3122889, Case No. 2021-031658 – Respondent’s Request for Informal Hearing Waiving PC**

The Respondent was present and was not represented by counsel. Ms. Pareja represented the Department. Commissioner Butler was not present.

After discussion, Vice-Chair Schwartz moved; seconded by Commissioner Sanchez; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Vice-Chair Schwartz moved; seconded by Commissioner Sanchez; to impose the following sanctions: **revocation; investigative costs of \$330.00**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(p), Florida Statutes, by failing to inform the commission in writing within 30 days after entering a plea, or being convicted or found guilty of a felony; Section 475.25(1)(b), Florida Statutes, by being guilty of fraud, misrepresentation, and dishonest dealings, concealment, culpable negligence or breach of trust, or has formed an intent, design or scheme to engage in any such misconduct and committed an overt act in furtherance of such intent, design or scheme.

#### **Tab J – Gleyson Silva, SL3217290, Case No. 2021-000098 – Settlement Stipulation**

The Respondent was present and was not represented by counsel. Ms. Bova represented the Department. Commissioner Ketcham served on probable cause and was recused. Commissioner Butler was not present.

After discussion, Commissioner Fitzgerald moved; seconded by Commissioner Sanchez; to deny the Settlement Stipulation; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(k), Florida Statutes, by failing to immediately place, upon receipt, any money, fund, deposit, check or draft entrusted to her or him by any person dealing with her or him as a broker in escrow with a title company banking institution credit union or savings and loans association located or doing business in this state, or to deposit such funds in a savings and loans association located and doing business in this state, wherein that funds shall be kept until disbursement thereof properly authorized; or has failed, if sales associate to immediately place with her or his registered employer any money, fund deposit, check or draft entrusted to her or him by any person dealing with her or him as agent of the registered employer.

#### **Tab K – Terri Onick, SL3218641, Case No. 2021-003274 – Motion for Finding of Waiver and Entry of Final Order**

The Respondent was not present and was not represented by counsel. Mr. Childers represented the Department. Commissioner Fitzgerald and Commissioner Barbara served on probable cause and were recused.

After discussion, Commissioner Sanchez moved; seconded by Vice-Chair Schwartz; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Sanchez moved; seconded by Vice-Chair Schwartz; to impose the following sanctions: **revocation; administrative fine of \$3,000.00; investigative costs of \$924.00**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, through a violation of Section 455.227(1)(t), Florida Statutes, by failing to report in writing to the board or, if there is no board, to the department within 30 days after the licensee is convicted or found guilty of, or entered a plea of nolo contendere or guilty to, regardless of adjudication, a crime in any jurisdiction; Section 475.25(1)(f), Florida Statutes, by being convicted or being found guilty of or entered a plea of nolo contendere to, regardless of adjudication, a crime in which directly relates to the activities of a licensed broker or sales associate, or involves moral turpitude or fraudulent or dishonest dealing; Section 475.25(1)(b), Florida Statutes, by being guilty of fraud, misrepresentation, and dishonest dealings, concealment, culpable negligence or breach of trust, or has formed an intent, design or scheme to engage in any such misconduct and committed an overt act in furtherance of such intent, design or scheme.

**Tab L – Frenel Vladimir, SL3374451, Case No. 2021-008416 – Motion for Finding of Waiver and Entry of Final Order**

The Respondent was not present and was not represented by counsel. Mr. Childers represented the Department. Vice-Chair Schwartz served on probable cause and was recused.

After discussion, Commissioner Fitzgerald moved; seconded by Commissioner Ketcham; to find the Respondent guilty as charged in the Administrative Complaint; the motion passed without dissent. Commissioner Fitzgerald moved; seconded by Commissioner Barbara; to impose the following sanctions: **revocation; investigative costs of \$676.50**; the motion passed without dissent.

**Violation(s):** Section 475.25(1)(e), Florida Statutes, by failing to timely complete a lawful order imposed by FREC.

**Special Agenda Legal**

**Tab A – Petitioner’s Motion for Reconsideration – Richard Vecchio, BK3024041**

The petitioner was not present and was represented by counsel, Mr. Dwight Slater, Esquire, present. Vice-Chair Schwartz and Commissioner Fitzgerald were recused. After discussion, Commissioner Barbara moved to grant the motion for reconsideration and vacate the Final Order; seconded by Commissioner Ketcham; the motion passed without dissent.

**Summary of Applicants**

**Agenda D**

Giuvanna Corona, Executive Director, presented 30 Applicants requesting to sit for the real estate examination. Results are as follows:

TAB	NAME	PRESENT	MOVED BY:	SECONDED BY:	VOTE	COUNT
A	Mapps, Melissa	Yes	Fitzgerald	Barbara	Approved	Unanimously
B	Mitchell, Anthony	No	Sanchez	Butler	Denied	Unanimously
C	Mulet, Ervin Asbel	Yes	Sanchez	Butler	Approved	Unanimously
D	Naasz, Jacob Miodrag	Yes	Fitzgerald	Barbara	Approved	Unanimously
E	Ogletree, Ernest	Yes	Schwartz	Fitzgerald	Approved	5-1
F	Owen, Breeannah	Yes	Schwartz	Barbara	Approved	Unanimously
G	Palacios, Frank V	Yes	Barbara	Fitzgerald	Approved	Unanimously
H	Parsons, Morgan	Yes	Schwartz	Barbara	Approved	Unanimously
I	Perez, David	No	Barbara	Fitzgerald	Approved	Unanimously
J	Perez, Gabriel	Yes	Schwartz	Barbara	Approved	Unanimously
K	Perez, Iani	Yes	Schwartz	Barbara/Fitzgerald	Approved	Unanimously
L	Peryea, Tina	Yes	Schwartz	Barbara	Approved	Unanimously
M	Rhoe, Sasha	Yes	Schwartz	Barbara	Approved	Unanimously
N	Richardson, Katherine	Yes	Sanchez	Barbara	Denied	Unanimously
O	Ricks, James	Yes	Sanchez	Butler	Denied	6-1
P	Rodriguez, Gianni	No	Barbara	Schwartz	Approved	Unanimously
Q	Rodriguez, Maria	Yes	Schwartz	Barbara	Approved	Unanimously
R	Rusciollelli, William	No	Schwartz	Barbara	Approved	5-2
S	Salomon, Scott	Yes	Sanchez	Barbara	Denied	Unanimously
T	Sanchez, Armand	Yes	Schwartz	Ketcham	Approved	6-1

U	Sarandah, Tareq H	Yes	Fitzgerald	Barbara/Butler	Approved	Unanimously
V	Schroeder, Sharli Ann	Yes	Fitzgerald	Sanchez	Approved	Unanimously
W	Snyder, James Lee	No	Ketcham	Barbara	Approved	Unanimously
X	Srado, Antonio	Yes	Schwartz	Barbara	Approved	5-2
Y	Stefanski, Gail	Yes	Barbara	Ketcham	Approved	Unanimously
Z	Taylor, Darryll Roan	No	Schwartz	Barbara	Approved	Unanimously
AA	Theophile, Addner	Yes	Fitzgerald	Barbara	Approved	Unanimously
AB	Valerio, Ayessa	Yes	Fitzgerald	Butler	Approved	Unanimously
AC	Velazquez, Janet	No	Schwartz	Barbara	Approved	Unanimously
AD	Wheatley, Natalie	Yes	Schwartz	Barbara	Approved	Unanimously

### **Agenda E**

Giuvanna Corona, Executive Director, presented 1 Applicant requesting to sit for the real estate examination. Results are as follows:

TAB	NAME	PRESENT	MOVED BY:	SECONDED BY:	VOTE	COUNT
A	Stewart, Peuta	No	Schwartz	Barbara	Approved	Unanimously

### **Rules**

#### **A. Rule 61J2-24.001, F.A.C. – Disciplinary Guidelines**

The purpose of this rule discussion is to update the Commission on the proposed language of the Disciplinary Guidelines. The Commission received comment from Ms. Juana Watkins, Esq., Florida Realtors Vice-President of Law and Policy and General Counsel. The Chair requested the discussion be continued to December 2021. Any interested member of the public is encouraged to submit written comments for the Commission's consideration.

#### **B. Rule 61J2-24.002, F.A.C. – Citation Authority**

The Chair requested the discussion be continued to December 2021 for further discussion. Any interested member of the public is encouraged to submit written comments for the Commission's consideration.

#### **C. Rule 61J2-24.003, F.A.C. – Notification of Noncompliance**

The Chair requested the discussion be continued to December 2021 for further discussion. Any interested member of the public is encouraged to submit written comments for the Commission's consideration.

#### **D. Rule 61J2-24.004, F.A.C. – Mediation**

The Chair requested the discussion be continued to December 2021 for further discussion. Any interested member of the public is encouraged to submit written comments for the Commission's consideration.

#### **E. Rule 61J2-24.006, F.A.C. – Probation**

The Chair requested the discussion be continued to December 2021 for further discussion. Any interested member of the public is encouraged to submit written comments for the Commission's consideration.

#### **F. FREC-1 Syllabus**

The purpose of this rule discussion is to update the Commission on the proposed language of the FREC-1 Syllabus. The Commission received comments from the audience and requests to have an all day workshop to work through the FREC-1 Syllabus final draft. The Division will draft and present the final strikethrough version of the FREC-1 Syllabus proposed language to the Commission.

### **Consent Agenda A**

The Commission considered 73 applicants; Commissioner Fitzgerald moved; Commissioner Barbara seconded; to approve 35 applicants and require 38 applicants to be placed on the Summary of Applicant Agenda; the motion passed with a 6-1 vote.

### **Consent Agenda B**

The Commission considered 37 applicants; Commissioner Fitzgerald moved; Commissioner Barbara seconded; to approve 14 applicants and require 23 applicants to be placed on the Summary of Applicant Agenda; the motion passed with a 6-1 vote.

### **Meeting Minutes**

FREC Executive Director Corona presented the September 2021 General and September 2021 Rules Workshop Meeting Minutes to the Commission. After discussion, Commissioner Barbara moved; Commissioner Sanchez seconded; to approve the minutes as presented. The motion passed unanimously.

### **Reports**

FREC Executive Director Corona presented the 4<sup>th</sup> Quarter Financial Report and the Division Reports. FREC Chief Attorney, Mr. Cheneler, Esq., presented the Legal Reports for September 2021. FREC Counsel, Mr. Harris, Esq., presented the Rules Report for September 2021.

### **Special Agenda General**

#### **Tab A – SmileDirectClub**

FREC Counsel, Mr. Harris, Esq., provided a review of antitrust laws and an update that the Board of Dental Examiners of Alabama agreeing to settle charges that it violated antitrust law which limited consumer choice and excluded new providers in the state of Alabama.

#### **Tab B – Resolution for Richard “Dick” Fryer**

Executive Director Corona read into the record a Resolution recognizing the service of Chair Richard “Dick” Fryer, who served from December 13, 2013 thru October 31, 2021. The Resolution is part of these minutes. On behalf of the Division and Department, Executive Director Corona presented a plaque in honor of Chair Fryer’s excellent service to the Division, the Department and the State of Florida. Chair Fryer expressed his appreciation for his fellow Commissioners, the Division and the Department.

#### **Tab C – Resolution for Guy Sanchez, Jr.**

Executive Director Corona read into the record a Resolution recognizing the service of Commissioner Guy Sanchez, Jr., who served from December 21, 2017 thru October 31, 2021. The Resolution is part of these minutes. On behalf of the Division and Department, Executive Director Corona presented a plaque in honor of Commissioner Sanchez’s excellent service to the Division, the Department and the State of Florida. The Commission received public comment from Mrs. Katherine Figueroa. Commissioner Sanchez expressed his appreciation for fellow Commissioners, the Division and the Department.

#### **Tab D – Nominations for Chair and Vice-Chair**

After discussion, Commissioner Ketcham moved to nominate Commissioner Fitzgerald as Vice-Chair of the Commission; seconded by Commissioner Sanchez; the motion passed without dissent. Commissioner Fitzgerald moved to nominate Vice-Chair Schwartz as Chair of the Commission; seconded by Commissioner Sanchez and Commissioner Barbara; the motion passed without dissent.

### **Public Comments**

The Commission received public comment from Ms. Linda Crawford, Author Dearborn Real Estate Education Company, Mr. Steven Mettling, Founder Performance Programs Company, and Ryan Mettling, Publisher Performance Programs Company.

**Adjournment**

There being no other business, the Chair adjourned the meeting at approximately 4:30 p.m. The next general meeting – Legal of the Florida Real Estate Commission is scheduled for November 17, 2021, in Orlando and via Hybrid.

ATTEST:



Richard "Dick" Fryer, Chair  
Florida Real Estate Commission



Giovanna Corona, Executive Director  
Florida Real Estate Commission

## Follow Up to Syllabus Update

### Section 1: The Real Estate Business

Per Denise Johnson's comment, the fifth learning objective was revised.

### Section 2: Real Estate License Law and Qualifications for Licensure

Two additional changes were made to the proposed revised Syllabus:

- X) C Reactivation education was deleted because it is covered in Section 3.
- XII) Unauthorized Practice of Law was deleted because it is covered in Section 11.

### Section 3: Real Estate License Law and Commission Rules

Under IV) B 2) Involuntary inactive, hardship has been added to the proposed revised Syllabus:

- (a) Renewal requirements
- (b) Reactivation education
- (c) Hardship

### Section 5: Real Estate Brokerage Activities and Procedures

Page 14, 7<sup>th</sup> Learning Objective, delete:

~~Explain the rule regarding the advertisement of rental property information or lists or negotiation of rentals~~

Commissioner Fryer commented that the statute and rule regarding rental lists are obsolete and should proceed with removal. Coordinate with BET regarding removing rental lists.

Page 14, Key Terms,

Corrected the error in the Syllabus. Do not delete the term conversion.

Insert the Key Term, failure to account or deliver. Corrected the error in the Syllabus.

Page 16, Outline

Karen Climer commented regarding **LC29** that she does not think students should be required to know that if they are selling property they own as a FSBO, that they must disclose that they have a real estate licensee. This is a Realtor Code of Ethics requirement and is not in rule or statute. The requirement to disclose that the FSBO seller is a licensee is not in the 2015 Syllabus and it is not in the revised Syllabus. However, some instructors believe that BET may test the Code of Ethics requirement. Ms. Climer is requesting that this not be tested.

Consensus was to remove Fax Solicitation from the Course Outline. Coordinate with BET not to test the Junk Fax Prevention Act.

Karen Climer commented regarding **LC30**. She suggested adding unsolicited texts. It has been inserted into the Syllabus. Refer to page 16 of the Syllabus:

#### II. Guidelines for Advertising

- I. Email advertising
  - 1) CAN-SPAM Act

2) Unsolicited texts

IV) Rental Lists and Rental Companies has been deleted from the Syllabus. Commissioner Fryer requested that in next year's legislative package, the DRE remove 475.453, F.S. Also remove 61J2-10.030, F.A.C. because it is obsolete. Can this rule be deleted in the current rules workshop with proper notice? Coordinate with BET removing rental lists.

**Section 6: Violations of License Law, Penalties and Procedures**

Requirement to self-report is in Section 6, III) F. Refer to Comment **LC44**, page 20 of the Syllabus.

Karen Climer suggested adding declaratory statement to the Course I Syllabus. Denise Johnson and I suggest that this may be more appropriate for the Course II (Broker Syllabus). If the Commission chooses to include the declaratory statement in the Course I Syllabus, it could be inserted in Section 6, III, G, page 20 of the Syllabus.

**Section 8: Property Rights: Estates and Tenancies, Condominiums, Cooperatives, and Time-Sharing**

Karen Climer commented regarding **LC52** to keep CDD and HOA in Unit 8 and Unit 11. I concur that it is appropriate to keep homestead in Section 8. (See Syllabus VII D, page 31) The DBPR Candidate Information Booklet for the Sales Associate Exam includes Homestead under Section 8:

VIII. D. Homestead

1. Define
2. Protection of homestead
3. Tax exemption

I have left CDD in Section 11 under Disclosures (Syllabus, page 34). Whereas Homestead is a topic that demands more coverage, it is my opinion that CDD can be better explained in a single location in the course accompanied by the disclosure. Note, the BET Content Outline does not include CDD and the statute governing CDDs is not listed in the legal references. If the Commission wants CDDs to be tested, the BET should be contacted to add CDD to the content outline and the legal references and include the topic in the test bank.

**Section 10: Legal Descriptions**

Per Denise Johnson's comment, the second and seventh learning objectives were revised.

**Section 16: Real Estate Appraisal**

Karen Climer suggested removing from the current Syllabus: I) Regulation of Appraising – FIRREA:

- A. Appraisal Foundation
- B. Appraisal Qualifications Board
- C. Appraisal Standards Board
- D. Appraisal Subcommittee

If the Commission desires to remove A through D, it should be noted that the DBPR Content Outline states: XVI. A. Appraisal Regulation/USPAP. Therefore, I would suggest coordinating with the BET if the decision is to remove these topics from the Syllabus.

**Section 19: Planning, Zoning and Environmental Hazards**

One additional deletion was made to the Syllabus on page 54:

Delete under I) A 1) (b) ~~Industrialization and urbanization~~



**Florida Real Estate Commission**  
**SALES ASSOCIATE COURSE SYLLABUS**  
**(FREC COURSE I)**  
**January 1, 2015**  
(effective date)

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SECTION 4: Authorized Relationships, Duties And Disclosure

SECTION 5: Real Estate Brokerage Activities And Procedures

SECTION 6: Violations Of License Law, Penalties And Procedures

SECTION 7: Federal And State Laws Pertaining To Real Estate

SECTION 8: Property Rights: Estates And Tenancies; Condominiums, Cooperatives,  
Community Development Districts, Homeowner Associations, And Time-Sharing

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SECTION 11: Real Estate Contracts

SECTION 12: Residential Mortgages

SECTION 13: Types Of Mortgages And Sources Of Financing

SECTION 14: Real Estate Related Computations And Closing Of Transactions

SECTION 15: The Real Estate Markets And Analysis

SECTION 16: Real Estate Appraisal

SECTION 17: Real Estate Investments And Business Opportunity Brokerage

SECTION 18: Taxes Affecting Real Estate

SECTION 19: Planning, And Zoning

**Comment [LC1]:** Relocate to Section 11; VII  
B 5) Required disclosures

## **Suggested formatting and instructional techniques:**

1. When discussing the application and examination process refer students to the Candidate Information Booklet
2. Use application based instruction
3. When available utilize case studies
4. Emphasize the role of ethics in the practice of real estate
5. Where applicable refer students to the Florida Administrative Code and Florida Statute.
  - Section times are not required to be three hours in duration provided the overall course is 60-hours of instruction with 3-hour end-of-course examination. Allocate your time based upon the complexity of the material.
  - Refer students to available online services offered by the Department of Business and Professional Regulation when discussing application, license renewal and general account information.
  - Where appropriate incorporate the most timely forms and applications used in the field
  - While the syllabus contains structured areas of study if you find that subject matter from different sections applies to the topics you are covering you may incorporate the material into that section.

# SECTION 1

## COURSE OVERVIEW: THE REAL ESTATE BUSINESS

### Learning Objectives:

- Describe the various activities of real estate brokerage
- Distinguish among the five major sales specialties
- Identify the role of property managers
- ~~Explain the appraisal process and the role of the appraiser~~ Describe activities that require appraiser services and distinguish among CMA, BPO, and appraisal
- ~~Understand the mortgage process and the role of mortgage loan originator~~
- Explain the three phases of development and construction
- Distinguish among the three categories of residential construction

**Comment [LC2]:** Explain the mortgage loan process and recognize the role of the mortgage loan originator

### Key Terms:

- absentee owner
- appraisal
- appraiser
- broker price opinion (BPO)
- business opportunity
- comparative market analysis (CMA)
- dedication
- farm area (target market)
- follow-up
- property management
- real estate brokerage
- ~~special purpose property~~
- subdivision plat map
- USPAP
- ~~MLS~~

**Comment [LC3]:** Insert new Key Terms in alphabetical order:  
business broker  
community association manager (CAM)  
multiple listing service (MLS)  
property manager

**Comment [LC4]:** Relocate to Section 19 (Zoning)

**Comment [LC5]:** See new Key Terms comment

### Outline

- I) Introduction to the Real Estate Business
  - A Overview of the real estate industry
    - 1) The real estate industry's role in the nation's economy
    - 2) Many industries are dependent on real estate activity
  - B Real estate is a business of many specializations
    - 1) Expert information is the product that a broker or a sales associate must market
      - (a) Knowledge of property transfer
      - (b) Knowledge of market conditions
      - (c) Knowledge of how to market real estate
- II) Real Estate Brokerage
  - A Sales and Leasing
    - 1) A business in which real estate license-related activities are performed under the authority of a real estate broker
    - 2) The broker acts as an agent or intermediary between two or more people in the negotiation of the sale, purchase or rental of real estate
    - 3) A sales associate works for the broker, providing services to prospective

**Comment [LC6]:** Insert under 2)  
(a) Distinguish between Community Association Manager (CAM) and property manager

buyers and sellers

**Comment [LC7]:** The page breaks are due to tracking the edits and will correct on the final document once the tracking is no longer displayed.

- 4) Requires expert information that the average layperson does not possess
  - 5) More efficient to acquire this information through a real estate professional
  - 6) Real estate brokers and sales associates often specialize in a particular geographic area or property type. This method of target marketing is often called "farming"
  - 7) Five major sales specialties
    - (a) Residential
    - (b) Commercial
    - (c) Industrial
    - (d) Agricultural
    - (e) Businesses
- B Property Management
- 1) Need for property managers
    - (a) Absentee ownership
  - 2) Services typically provided by a property manager
    - (a) Distinguish between Community Association Manager (CAM)
  - 3) Scope of work detailed in a management agreement
  - 4) Property manager's charge is to protect the owner's investment and maximize owner's returns
- C Appraising
- 1) The process of estimating the value of real estate
  - 2) Types of real estate activities that require appraisal services
  - 3) State-certified, licensed and registered appraisers are regulated by the Florida Real Estate Appraisal Board
  - 4) Real estate licensees may appraise real property provided they do not represent themselves as state-certified, ~~registered~~ or licensed appraisers
  - 5) Real estate licensees must ~~compare~~ conform to USPAP when conducting appraisals of real property--define USPAP
  - 6) Comparative market analysis versus appraisal--define CMA
    - (a) CMAs exempt from USPAP
  - 8) Broker Price Opinion (BPO)
  - 7) USPAP's Ethics Rule regarding compensation
- D Financing
- 1) The business of providing funds for real estate transactions
  - 2) Sources of funds to finance real estate transactions
  - 3) Importance of expertise in financing matters and knowledge of how to solve financing problems
  - 4) Mortgage loan originator ~~and mortgage bankers~~ must be licensed as such
- E Counseling
- 1) The service of analyzing existing or potential projects and providing advice
  - 2) Extensive knowledge and expertise ~~is~~ are required
- III) Development and Construction
- A Land acquisition
  - B Subdividing and development
  - C Subdivision plat map is recorded
  - D Developer often dedicates land to a governmental body for public use
  - E Construction
    - 1) Types of residential construction

- (a) Spec homes
- (b) Tract homes
- (c) Custom homes

IV) The Role of Government

- A Local government
- B State government
- C Federal government

V) Professional Organizations

- A Variety of professional organizations are in existence
- B National Association of REALTORS® (NAR)
- C Florida REALTORS®
- D Local Board (Association) of REALTORS®

E Distinguishing between holding a Real Estate license vs. being a Realtor

## SECTION 2 REAL ESTATE LICENSE LAW AND QUALIFICATIONS FOR LICENSURE

### *Learning Objectives:*

- Identify the qualifications for a sales associate's license
- Describe the application requirements for licensure including nonresident application requirements
- Explain the importance of responding accurately and completely to the background information questions on the licensure application
- Illustrate the background check procedure conducted by the DBPR
- Describe the education requirement for pre- and post-license education and continuing education
- Distinguish among the various license categories
- Identify services of real estate where licensure is required
- Recognize actions that constitute unlicensed activity
- Recognize exemptions from real estate licensure
- Distinguish between registration and licensure
- Explain mutual recognition agreements

### Key Terms:

- adjudication withheld
- broker
- broker associate
- ~~caveat emptor~~
- compensation
- Florida resident
- license/registration
- nolo contendere / no contest
- prima facie evidence
- real estate services
- sales associate
- ~~expungement vs. sealing~~

### Outline

- I) History and purposes of real estate license laws
  - A History of Florida's real estate license law
    - 1) Department of Business and Professional Regulation
    - 2) Division of Real Estate
    - 3) Florida Real Estate Commission
  - B Need for regulation
    - 1) Caveat emptor
  - C Purpose of regulation
    - 1) Consumer protection
  - D Important real estate statutes and **rules**
- II) License Categories

**Comment [LC8]:** Insert new Key Terms in alphabetical order:  
expungement  
mutual recognition agreement  
owner-developer  
reciprocity  
sealed

**Comment [LC9]:** See Section 4 (Brokerage Relationships)

**Comment [LC10]:** See new Key Terms comment

**Comment [LC11]:** Insert under D  
1) Chapter 20, F.S.  
2) Chapter 475, F.S.  
3) Chapter 455, F.S.  
4) Chapter 120, F.S.  
5) Chapter 61J2, F.A.C

- A Broker
  - B Sales associate
  - C Broker associate
- III) General Licensure Provisions
- A Age
  - B High school diploma or its equivalent
  - C Honest, trustworthy, of good moral character
  - D Disclose if under investigation, convicted of a crime or ever entered a plea of *nolo contendere / no contest or guilty*
  - E Aliases–A/K/A
  - F Disclose if denied, or had a license disciplined or pending discipline in another jurisdiction
  - G Disclose if ~~Denied~~denied, surrendered, or revoked license or registration to practice a regulated profession in any jurisdiction
  - H Guilty of any conduct or practice that would have been grounds for suspension or revocation under Chapter 475, F.S.
  - I U.S. citizenship (Chapter 455.10)
  - J Qualification of immigrants for examination (Chapter 455.11, F.S.)
  - K Requirement for United States social security number (Chapter 559, F.S.)
- IV) Application Requirements
- A ~~License Fees~~
  - B Application form
    - 1) Responding accurately and completely to background information on the application
  - C Background check procedure
  - D ~~Period to check for errors and omissions~~Summary of applicants (SOAs)
  - E ~~Period to inform applicant of approval or denial of application~~
  - F Rights of an applicant
  - G The length of time a licensure application is valid
    - 1) Initial application
    - 2) Exam eligible
  - 2)H ~~Reciprocity for U.S. armed service members and their spouses (455.02, F.S.)~~
  - H Nonresident application requirements
  - HJ Regulations pertaining to pre-license courses
  - J ~~Identify what is public record~~
- V) Sales Associate License Requirements
- A Education exemptions
  - B Sales associate pre license course
  - C State licensure examination
- VI) Broker License Requirements
- A Education exemptions
  - B Experience requirement
  - C Broker pre license course
  - D State licensure examination
- VII) Mutual Recognition Agreements with Other States
- A Florida resident defined
  - B Distinguish between mutual recognition and reciprocity
- VIII) Information included on the real estate license

**Comment [LC12]:** Under A insert  
1)License fee exemptions (455.213, F.S. and 455.219, F.S.)

**Comment [LC13]:** Replace E  
Application time periods

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**Comment [LC14]:** Not relevant to Section 2



- A Prima facie evidence that holder of a real estate license possesses current and valid licensure
- IX) Registration vs. Licensure
- X) License Renewal Education
  - A Post licensure requirement
  - B Continuing education
  - ~~C Reactivation education~~
- XI) Real Estate Services
  - A Individuals who are required to be licensed
  - B Individuals who are exempt from licensure
- ~~XII) Unauthorized Practice of Law~~

**Comment [LC15]:** Under A insert  
1) Hardship cases

**Comment [LC16]:** Covered in Section 3

### SECTION 3 REAL ESTATE LICENSE LAW AND COMMISSION RULES

#### Learning Objectives:

- Describe the composition, appointment and member qualifications of the Florida Real Estate Commission
- Define the powers and duties of the Commission
- Explain the different licensure statuses
- Distinguish between active and inactive license status
- Describe the regulations regarding involuntarily inactive status
- Distinguish between multiple and group licenses

**Comment [LC17]:** Insert new LO  
• Describe the scope and function of the DBPR and the DRE

#### Key Terms:

- active/inactive
- canceled
- cease to be in force
- current mailing address
- group license
- involuntarily inactive
- license authority voided
- multiple licenses
- null and void
- voluntarily inactive

**Comment [LC18]:** Insert new Key Terms in alphabetical order  
current status  
probation  
promulgates

#### Outline

- I) Regulation by Department of Business and Professional Regulation
  - A Organizational structure
  - B Definitions; F.S. 455.01
  - C Legislative intent; requirements; F.S. 455.02
  - D Department powers and duties; F.S. 455.203
  - E Licensing examinations
  - ~~F Licenses, fees, statuses, and renewal~~
    - ~~1) Active status~~
    - ~~2) Inactive status~~
      - ~~(a) Voluntarily inactive status~~
      - ~~(b) Involuntarily inactive status~~

**Comment [LC19]:** Under I) A insert  
1) Division of Professions  
2) Division of Service Operations  
3) Division of Florida Condominiums, Timeshares, and Mobile Homes  
4) Division of Real Estate

**Comment [LC20]:** Replace with F.S. 455.201

**Comment [LC21]:** Relocate I) F – G to IV below

- 3)1) License ceases to be in force (F.S. 475.23)
- 4)2) Members of armed forces (F.S. 475.02)
- G) Types of real estate license
  - 1) Multiple and group licenses
- II) Division of Real Estate
  - A) Organizational structure
- III) The Florida Real Estate Commission; Rules Governing Internal Organization and Operation; 61J2-20
  - A) Purpose of regulation
  - B) General structure
    - 1) Composition and qualifications of members
    - 2) Term of office and compensation
    - 3) Legal counsel
    - 4) Meetings and minutes
  - C) Duties and powers of the Commission
    - I) ~~Specific areas of responsibility~~ Executive powers
    - II) ~~Rule making~~ Quasi-legislative powers
    - III) ~~Education~~ Quasi-judicial
    - IV) Discipline

- Comment [LC22]:** Insert:
- IV) License Renewal and License Statuses
    - A) License renewal periods
      - 1) Armed Forces renewal exemption
    - B) Active vs inactive status
      - 1) Voluntary inactive
      - 2) Involuntary inactive
        - (a) Renewal requirements
        - (b) Reactivation education
        - (c) Hardship
    - C) Other license classifications
      - 1) Null and void
      - 2) Cease to be in force (475.23, F.S.)
    - D) Current mailing address
      - 1) Change of address procedure
      - 2) Penalty for failure to notify FREC
    - E) Change of employer
  - V) Multiple Licenses and Group Licenses
    - A) Multiple licenses
    - B) Group license

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## SECTION 4

### AUTHORIZED RELATIONSHIPS, DUTIES AND DISCLOSURE

#### *Learning Objectives:*

- Describe which provisions of the Brokerage Relationship Disclosure Act apply only to residential real estate sales and list types of real estate activities that are exempt from the disclosure requirements
- Define residential transaction
- Distinguish among nonrepresentation, single agent and transaction broker
- List and describe the duties owed in the various authorized relationships
- Compare and contrast the fiduciary duties owed in a single agent relationship and the duties owed in a transaction broker relationship
- Describe the disclosure procedures for the various authorized relationships
- Describe the required content and format of the various disclosure forms
- Explain the procedure for transition from a single agent to a transaction broker
- Describe the disclosure requirements for non-residential transactions where the buyer and seller have assets of \$1 million or more
- List the events that will cause an agency-authorized relationship to be terminated
- ~~Distinguish between and explain the disclosure requirements and forms pursuant to Florida Statute~~
- ~~Identify Information That is Subject to Public Record~~

#### Key Terms:

- agent
- caveat emptor
- consent to transition
- customer
- designated sales associate
- dual agent
- fiduciary
- general agent
- limited representation
- nonrepresentation
- principal
- residential sale
- single agent
- special agent
- subagency
- transaction broker

#### Outline

- I) Concept of agency
  - A Historical perspective of agency relationships
    - 1) Statutory law
    - 2) Common law
  - B Types of agents
    - 1) General agent
    - 2) Special agent
  - C Fiduciary relationships

**Comment [LC23]:** Redundant to 7<sup>th</sup> LO above

**Comment [LC24]:** Not relevant to Section 4

**Comment [LC25]:** Under I) A 2) insert 3) Administrative law

**Comment [LC26]:** Agency relationships in general business dealings

- 1) Dealing at arm's length
  - 2) Caveat emptor
  - 3) Dual agency
  - 4) Subagency
  - 5) Customer vs. client
- D ~~Agency-Brokerage~~ relationships determined by broker
- II) Disclosure Requirements
- 1) Applies to residential sales only
  - 2) Disclosure requirements do not apply to:
    - 1) Non residential transactions
    - 2) The rental or leasing of real property, unless an option to purchase all or a portion of the property improved with four or fewer residential units is given
    - 3) Auctions
    - 4) Appraisals
    - 5) Dispositions of any interest in business enterprises or business opportunities, except for property with four or fewer residential units
- III) Authorized Brokerage Relationships
- A Nonrepresentation
- 1) Customer means a member of the public who is or may be a buyer or seller of real property and may or may not be represented by a real estate licensee in an authorized brokerage relationship
  - 2) Duties
    - (a) Dealing honestly and fairly
    - (b) Disclose all known facts that materially affect the value of residential property which are not readily observable to the buyer
    - (c) Accounting for all funds entrusted to the licensee
  - 3) Disclose the no brokerage relationship (nonrepresentation) notice in writing before the showing of property (Section 475.278(4)(b), F.S.)
- B Single agent relationship
- 1) Single agent is a broker who represents, as a fiduciary, either the buyer or seller but not both in the same transaction
  - 2) The party with whom a real estate licensee has entered into a single agent relationship is the principal
  - 3) Duties
    - (a) Dealing honestly and fairly
    - (b) Loyalty
    - (c) Confidentiality
    - (d) Obedience
    - (e) Full disclosure
    - (f) Accounting for all funds
    - (g) Skill, care and diligence in the transaction
    - (h) Presenting all offers and counteroffers in a timely manner
    - (i) Disclosing all known facts that materially affect the value of residential real property that are not readily observable
  - 4) Give the single agent disclosure before, or at the time of, entering into a listing agreement or an agreement for representation or before showing the property, whichever occurs first
  - 5) Required information on the disclosure per Statute
  - 6) Required format of the disclosure per Statute

- C Transaction broker relationship
  - 1) Presumption of transaction brokerage relationship
  - 2) Transaction broker means a broker who provides limited representation to a buyer, a seller, or both, in a real estate transaction, but does not represent either in a fiduciary capacity or as a single agent
  - 3) Transaction brokers provide a limited form of nonfiduciary representation to a buyer, a seller, or both in a real estate transaction
  - 4) Duties include:
    - (a) Dealing honestly and fairly
    - (b) Accounting for all funds
    - (c) Using skill, care, and diligence in the transaction;
    - (d) Disclosing all known facts that materially affect the value of residential real property and are not readily observable to the buyer
    - (e) Presenting all offers and counteroffers in a timely manner, unless a party has previously directed the licensee otherwise in writing
    - (f) Limited confidentiality, unless waived in writing by a party. This limited confidentiality will prevent disclosure that the seller will accept a price less than the asking or listed price, that the buyer will pay a price greater than the price submitted in a written offer, of the motivation of any party for selling or buying property, that a seller or buyer will agree to financing terms other than those offered, or any other information requested by a party to remain confidential
    - (g) Any additional duties that are mutually agreed to with a party
- IV) Consent to Transition From Single Agent to Transaction Broker
  - A A single agent relationship may be changed to a transaction broker relationship at any time during the relationship between an agent and principal, provided the agent gives the transition disclosure and the principal consents to the transition before a change in relationship
  - B Procedure
    - 1) Give the single agent disclosure before, or at the time of, entering into a listing agreement or an agreement for representation or before showing of property, whichever occurs first
    - 2) Give transition disclosure and secure consent (signature) from party
  - C Required information on the disclosure per Statute
  - D Required format of the disclosure per Statute
- V) Designated sales associate
  - A Non-residential transaction limitations
  - B Disclosure requirements
  - C Single agent duties
- ~~VI) Discipline~~
  - ~~A Violations and penalties~~
- VII) Record keeping and retention
  - A Documenting agency-brokerage relationship disclosure

**Comment [LC27]:** See Section 6 (Violations of License Law, Penalties and Procedures)

**Comment [LC28]:** Insert VII) Terminating Brokerage Relationships

## SECTION 5 REAL ESTATE BROKERAGE ACTIVITIES AND PROCEDURES

### *Learning Objectives:*

- Identify the requirements for real estate brokerage office(s) and the types of business entities that may register
- Explain what determines whether a temporary shelter must be registered as a branch office
- List the requirements related to sign regulation
- List the requirements related to the regulation of advertising by real estate brokers
- Explain the term *immediately* as it applies to earnest money deposits
- Describe the four settlement procedures available to a broker who has received conflicting demands or who has a good-faith doubt as to who is entitled to disputed funds
- ~~Explain the rule regarding the advertisement of rental property information or lists or negotiation of rentals~~
- Describe the obligations placed on a sales associate who changes employers and/or address
- Describe the regulations regarding lien rights for unpaid sales commission
- Contrast the features and requirements of the various types of business organizations

### Key Terms:

- arbitration
- blind advertisement
- commingle
- conflicting demands
- conversion
- corporation (INC)
- deposit
- earnest money
- escrow account
- escrow disbursement order (EDO)
- general partnership
- good-faith doubt
- interpleader
- kickback
- limited liability company (LLC)
- limited liability partnership (LLP)
- limited partnership
- litigation
- mediation
- ostensible partnership
- professional association (PA)
- point of contact information
- sole proprietorship
- trade name

### Outline

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**Comment [LC29]:** Rental lists are obsolete to the profession; however, still in 475.453, F.S. and 61J2 10.030, FAC.

**Comment [LC30]:** Commissioner Fryer suggested the statute and rule are obsolete and should proceed with removal. Inform BET that Commission is deleting this topic from the Course I Syllabus.

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**Comment [LC31]:** Insert new Key Terms in alphabetical order  
personal assistant  
team advertising

**Comment [LC32]:** failure to account or deliver

I) Brokerage offices

- A Sales associates must be registered and work under direction and control of broker's office or branch office

**Comment [LC33]:** Insert under  
I) Brokerage offices  
A . Broker office requirements  
B Branch office requirements  
1) . Sales associates must be registered and work under the direction and control of the employing broker  
2) Sales associates may not have offices of their own and must work from the broker's office or branch office

- B Entrance Sign Requirements
- C Temporary shelters
- II) Guidelines for advertising (475.01(1), F.S.)
  - A False or misleading advertising (475.42(1)(n), F.S.)
    - 1) Penalties for false advertising
    - 2) Unauthorized use of association names (61J2-10.027, F.A.C.)
  - B Any advertising must be worded so that a reasonable person knows that the advertiser is a real estate licensee
  - C "Blind" advertising is prohibited; it must always reveal the licensed name of the brokerage firm
  - D Any person advertising real estate services is interpreted as acting as a broker
  - E Sales associates cannot advertise or conduct business in his or her own name
  - F All types of Internet advertising
    - 1) Point of contact information

**Comment [LC34]:** Under II) E insert  
 1) Personal information in advertisements  
 2) Licensees selling their property by owner

III) Handling of deposits Escrow (Trust) Accounts

- A Requirement to deposit in an escrow account monies received from a client or customer Definition of escrow account and trust funds
  - 1) Definition of escrow account Acceptable depositories
  - 2) Sales associate must deliver funds to broker by end of next business day
  - 3) Meaning of "immediately" for a broker to deposit trust funds
  - 4) Deposit notification if deposited with title company or attorney within 15 days
- B Management of escrow accounts
  - 1) If the account is interest bearing, requirement for written authorization for distribution of interest
  - 2) Requirement to inform broker immediately of any conflicting demands concerning disbursement of escrowed funds
  - 3) Good-faith doubt procedure when it is not clear which party should receive the escrowed property
    - (a) Situations that are considered good-faith doubt
  - 4) Settlement procedures
    - (a) Mediation
    - (b) Arbitration
    - (c) Litigation
      - (1) Interpleader
      - (2) Declaratory judgment
    - (d) Escrow disbursement order (EDO)

**Comment [LC35]:** After II) E insert  
 F Team advertising  
 1) Definition and requirements (61J2-10.026, F.A.C.)  
 2) Words that may not be used in team names  
 G Internet sites  
 1) Point of contact information  
 H Telephone solicitation  
 1) Prerecorded telemarketing calls  
 2) Federal regulation  
 3) State regulation (501.604(25), F.S.)  
 I Email advertising  
 1) CAN-SPAM Act  
 2) Unsolicited texts  
 NOTE: Remove Junk Fax Prevention Act from Syllabus and confirm with BET.

**Comment [LC36]:** Under III) B insert  
 1) Signatory on escrow account (renumber)  
 2) Interest bearing escrow accounts require written authorization for distribution of interest  
 3) Broker must review, sign, and date monthly reconciliation statement  
 4) Misappropriation of escrow funds  
 (a) Commingle  
 (b) Conversion  
 (c) Failure to account or deliver  
 5) Money to maintain escrow account  
 (a) Sales escrow account  
 (b) Property management escrow account  
 6) Recordkeeping and retention  
 7) Title company and attorney escrow accounts  
 (a) Requirements (61J2-14.008(2)(b), F.A.C.)  
 8) Notice and settlement procedures  
 (a) Conflicting demands  
 (1) Sales associates must inform their broker immediately of conflicting demands

**Comment [LC37]:** Insert under 8) (a) (1) above

**Comment [LC38]:** Broker's sale of rental lists information is obsolete. Remove from the Syllabus. See additional comment under Learning Objectives. NOTE: requires renumbering the outline.

IV) Rental Lists and Rental Companies

- A Requirement
  - 1) Provide a receipt when offering rental information for a fee
    - (a) Required language under Rule 61J2-10.030, F.A.C.
  - 2) Refund procedures
    - (a) Fail to attain rental
    - (b) Material misrepresentation
    - (c) Request must be made within 30 days
- B Penalties for advertising obsolete or otherwise inaccurate rental lists
  - 1) License suspension or revocation
  - 2) First degree misdemeanor



| (a) Punishable by up to one year of imprisonment and/or fine of up to \$1,000

IV) Broker/Sales associate licensee as an expert in specific aspects of property transfer

- V) A Requirement to avoid offering an opinion of title since it can be relied on as expert opinion.
- B Ability to offer a representation of value, avoiding misrepresentation through exaggeration, etc.
- C Misrepresentation of value by a licensee as fraud, breach of contract, or breach of trust

~~D Unauthorized practice of law~~

V) Broker's Commissions

- A "Fixing" commissions or fees is illegal
- B A Sales associate cannot contract directly with a principal
  - 1) The sales associate's commission is by agreement with the broker
  - 2) A sales associate cannot sue a principal over a commission
- C "Kickbacks" are legal only under limited conditions
  - 1) All parties to the transaction must be fully informed of the kickback
  - 2) It must not be prohibited by other law
  - 3) It is unlawful to share a commission with an unlicensed person, except for the seller or buyer of the property
  - 4) It is unlawful for a licensee to pay any unlicensed person for performing real estate services
- D ~~The details of commission agreements with sales associates should be part of a broker's policy manual~~

VII) Change of Employer

- A A sales associate must inform FREC about a change of employer
  - 1) Within ten days
  - 2) On a prescribed form
- B A Sales associate's obligation of confidentiality with respect to principals or the broker does not end with termination of employment
- C Duplication of records from a previous employer constitutes breach of trust, even if the one copying the records originated them, if done for the purpose of taking listings to the new employer
- D Removal of records from a previous employer's office constitutes theft

VIII) ~~Unauthorized display of names or insignia of real estate organizations or associations is prohibited by FREC rules~~

~~IX) Change of address procedure and penalty for failure to notify FREC~~

~~X) IX) Types of Business Entities~~

- A Entities that may register as a brokerage
  - 1) Sole proprietorship
  - 2) General partnership
  - 3) Limited partnership
    - (a) Ostensible partnerships are prohibited
  - 4) Corporation
    - (a) For profit
    - (b) Not for profit
  - 5) Limited liability company
  - 6) Limited liability partnership
- B Entities that may not register as a brokerage
  - 1) Corporation sole
  - 2) Joint venture

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**Comment [LC39]:** Recommend relocating Change of Employer VII) A-D to Section 3 (Real Estate License Law and Commission Rules)

**Comment [LC40]:** See II) above.

**Comment [LC41]:** See Section 3 (Real Estate License Law and Commission Rules)  
IV E

- 3) Business trust
- 4) Cooperative association
- 5) Unincorporated associations

C A sales associate is prohibited from being an officer or director in a real estate brokerage corporation, or a general partner in a brokerage limited partnership

~~XI)~~ Trade names (865.09, F.S.)

A ~~No trade name (fictitious name) may be used by a sales associate; sales associates must register under their true name only.~~

**Comment [LC42]:** Insert under Trade Names

- A . DBPR registration of a trade name procedure
  - . 1) . Sales associates may not use a trade (fictitious) name
  - . 2) . Sales associates must register under their legal (personal) name
- B . DOS registration of a fictitious name
- C . Procedure to form a professional association in a sales associate's legal name (475.161, F.S.)

IX. . Personal Assistants

- . A . Permissible activities of unlicensed personal assistants
- . B . Licensed personal assistants
- . C . Procedure for compensating personal assistants

## SECTION 6 VIOLATIONS OF LICENSE LAW, PENALTIES AND PROCEDURES

### *Learning Objectives:*

- Explain the procedures involved in the reporting of violations, the investigation of complaints and the conduct of hearings
- Define the elements of a valid complaint
- Discuss the composition of the probable-cause panel
- Recognize events that would cause a license application to be denied
- Distinguish actions that would cause a license to be subject to suspension or revocation
- Identify individuals who would be eligible and the procedure to seek reimbursement from the Real Estate Recovery Fund
- Identify individuals who are not qualified to make a claim from the Real Estate Recovery Fund
- Describe the monetary limits imposed by law on the Real Estate Recovery Fund
- ~~Explain the penalty for a first and second degree misdemeanor and what real estate activities are first degree misdemeanors~~ Distinguish among the various penalties that may be issued by a court of law
- ~~Provide Examples of Unlicensed Practice of Law~~
- ~~Illustrate Presumptions for a Party Performing Real Estate Services~~

### Key Terms:

- breach of trust
- citation
- complaint
- ~~commingle~~
- concealment
- ~~conversion~~
- culpable negligence ~~failure to account for and deliver~~
- formal or administrative complaint
- fraud
- legally sufficient
- ~~mediation~~
- misrepresentation
- moral turpitude
- notice of noncompliance
- probable cause
- recommended order
- stipulation
- subpoena
- summary/emergency suspension order
- voluntary relinquishment for permanent revocation

### Outline

- I) Disciplinary Procedure (~~Chapters 120, F.S.; 455, F.S.; 475, F.S.; 60Q and 61J2 of the Florida Administrative Code~~)
  - A The complaint (475.25, F.S. and 455.225, F.S.)
    - 1) Filed with DBPR

**Comment [LC43]:** Refer to Section 5 Key Terms (Real Estate Brokerage Activities and Procedures) for deleted terms

2) The complaint must be legally sufficient

- 3) ~~Notice of noncompliance for first time offense of a minor violation~~
- B) ~~DBPR DRE~~ conducts investigation
  - 1) Anonymous complaints
  - 2) Withdrawal of complaints
  - 3) When an investigation of a subject is undertaken the DBPR forwards a copy of the complaint to the subject (~~notice exception except~~ for criminal violation)
  - 4) Investigative report is submitted by legal to the probable-cause panel
- C Probable-cause Panel
  - 1) Composition of probable-cause panel
  - 2) Purpose is to determine whether probable cause exists
  - 3) Letter of guidance
- D ~~If probable cause is found, a formal/administrative complaint is filed~~
- E Licensee is entitled to an informal or a formal hearing
  - 1) Election of rights form
  - 2) If no dispute of material fact the case can be presented in an informal hearing before the FREC
  - 2)3) Waiver hearing
- F Settlement Stipulation
- G Voluntary Relinquishment for Permanent Revocation
- II) Commission meeting (probable-cause panel members are excused)
  - A Formal hearings are conducted by administrative law judges
    - 1) hears evidence
    - 2) makes findings of fact
    - 3) submits a recommended order to FREC
  - B FREC (probable-cause members excused) consider the administrative law judge's report and recommended order and then issues a final order
    - 1) Summary/Emergency suspension order
  - C Judicial Review (appeal process)
    - 1) Stay of enforcement
    - 2) Writ of supersedeas
- III) Violations and Penalties
  - A ~~The Florida Real Estate Commission is authorized to:~~ Administrative penalties
    - 1) Deny a license application
      - (a) Grounds for denial
    - 2) ~~Refuse to renew~~ Refusal to recertify a license for renewal
    - 3) Suspend a license up to 10 years
    - 4) Revoke a license
      - (a) ~~Exceptions to permanent revocation~~
        - (1) ~~Filed for renewal without complying with the continuing or post-licensing education requirement~~
        - (2) ~~Filed an application for licensure which contained false or fraudulent information~~
      - (b) ~~Revoke without prejudice~~
    - 5) ~~Issue citations~~
    - 6) ~~Impose a fine~~
      - (a) ~~Maximum \$5,000 per violation of Chapter 455, F.S.~~
      - (b) ~~Maximum \$5,000 per violation of Chapter 475, F.S.~~
    - 7) ~~Impose probation~~

**Comment [LC44]:** In wrong location. See III) below.

**Comment [LC45]:** D Formal (administrative complaint  
 1) . If probable caused is found, a formal (administrative) complaint is filed  
 2) Formal complaint consisting of allegations of facts and charges against the licensee is sent to the address of record (455.225, F.S.)

**Comment [LC46]:** Relocate to B . 5)

**Comment [LC47]:** Insert after III) A . 2)  
 B Penalties issued by DRE  
 1) . Notice of noncompliance (61J2-24.003, F.A.C.)  
 2) Citation (61J2-24.002, F.A.C.)  
 C . Penalties issued by FREC  
 1) Reprimand  
 2) . Denial of license application  
 3) Probation  
 4) . Administrative fine  
 (a) . Maximum \$5,000 per violation of Chapter 455, F.S.  
 (b) . Maximum \$5,000 per violation of Chapter 475, F.S.  
 5) Suspend a license up to 10 years  
 6) . Revoke a license  
 (a) . Permanent  
 (b) . Revoke without prejudice

- 8) ~~Issue notice of noncompliance~~
- 9) ~~Mediation~~

B Violations and recommended penalties (see Disciplinary Guidelines, 61J2-24.001, F.A.C.)

**Comment [LC48]:** Renumber D

C Penalties that may be issued by a court of law

**Comment [LC49]:** Renumber E

- 1) Second degree misdemeanor
- 2) First degree misdemeanor
  - (a) Failing to provide accurate and current rental information for a fee
- 3) Civil penalties
  - (a) Denial and recovery of compensation
- 4) Third degree felony
  - (a) Unlicensed activity
    - (1) Fine of not more than \$5,000 and/or up to 5 years in jail
    - (b) Falsifying an application

**Comment [LC50]:** Under E 4) Third degree felony insert  
(a) Making misleading statement or giving false information on a DBPR license application  
(b) Conducting unlicensed activity  
(c) Theft or reproduction of a DBPR license exam  
5) Criminal penalties  
F . Requirement to self-report (455.227(1)(t), F.S.)

#### IV) Real Estate Recovery Fund

- A Applies to real estate brokerage transactions:
  - 1) Involving Florida real estate
  - 2) Involving a licensee under Chapter 475, F.S
  - 3) Violating any part of Chapter 475, F.S.
- B Persons *not* qualified to make a claim
- C Payment for claims from the fund
- D Authorized fund limit and fees

**Comment [LC51]:** Under IV) D insert  
1) Compensatory damages only  
E . Mandatory suspension  
F Recovery fund claim resulting from an EDO  
1) . Fees eligible to recover



## SECTION 7

### FEDERAL AND STATE LAWS PERTAINING TO REAL ESTATE

#### *Learning Objectives:*

- Explain the significance of the Jones vs. Mayer court case
- List the real estate included under the different fair housing acts
- Recognize the groups protected under the 1968 Fair Housing Act
- List the property exempt from the 1968 Fair Housing Act and the protected classes
- Understand the provisions of List the two protected classes added to the 1988 Fair Housing Amendment
- Describe the types of discriminatory acts that are prohibited under the 1968 Fair Housing Act
- Describe the HUD process for handling a complaint under the 1968 Fair Housing Act
- Describe the objectives and major provisions of the Americans with Disabilities Act
- Describe the major provisions of the Florida Residential Landlord and Tenant Act
- Describe the major provisions of the Interstate Land Sales Disclosure Act

#### Key Terms:

- blockbusting
- familial status
- handicap status
- property report
- public accommodation
- redlining
- subdivided land
- steering

#### Outline

##### 1) Federal Laws

- A Civil Rights Act of 1866
  - 1) Jones v. Mayer case
- B Civil Rights Act of 1964
- C Civil Rights Act of 1968
  - 1) Fair Housing Act of 1968 and amendments
    - (a) Prohibits discrimination in sales, leasing, advertising sales or rentals, financing or brokerage services
    - (b) ~~Protection from discrimination based on~~ Protected classes included race, color, religion, sex, national origin, ~~handicap or familial status~~
      - (1) Familial status ~~defined~~
      - (2) Handicap ~~status defined~~
    - (c) Groups not covered under the Fair Housing Act
      - (1) Marital status
      - (2) Age
      - (3) Occupation
    - (d) Two categories of housing covered by the 1968 Fair Housing Act:
      - (1) Single-family
      - (2) Multifamily
    - (e) Real estate transactions exempted under the Act
    - (f) Acts prohibited:

**Comment [LC52]:** Under 1) C . 1) (b) insert  
D . 1988 Fair Housing Amendments Act

(1) Refusing to rent

- (2) Quoting different terms
- (3) Discriminatory advertising
- (4) Steering
- (5) Blockbusting
- (6) Redlining
- (7) Denying membership
- (8) False statements regarding availability
- (g) Housing for older persons
- (h) Equal housing opportunity poster
- (i) Enforcement of the Fair Housing laws
  - (1) Complaints filed with HUD under the 1968 Fair Housing Act (as amended)
  - (2) Civil suits filed in Federal district court
  - (3) Action taken by the Department of Justice
- (j) Responsibility and liability of real estate licensees
- D Americans with Disabilities Act of 1990
  - (1) Access to public transportation, public accommodation and commercial facilities
  - (2) New construction and renovation of public accommodations and commercial facilities
  - (2)

**Comment [LC53]:** Insert  
 (h) Special exemptions under the Act  
 (1) Religious organizations  
 (2) Private clubs  
 (renumber)

**Comment [LC54]:** Insert  
 (i) Florida Fair Housing Act (760.21, F.S.)  
 (renumber)

**Comment [LC55]:** Removed reference to Florida Americans with Disability Act per comment from Commissioner Fryer.

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- E Interstate Land Sales Full Disclosure Act
- II) ~~State Laws Florida Residential Landlord and Tenant Act~~
- ~~1) Florida Fair Housing Law~~
- ~~2) 1) Florida Americans with Disabilities Accessibility Implementation Act C Florida Residential Landlord and Tenant Act~~

**Comment [LC56]:** Renumber beginning with A

- (1) Overview of the law
- (2) Deposits and advance rents
- (3) Landlord's obligation to maintain premises
- (4) Tenant's obligations
- (5) Landlord's access to premises
- (6) Vacating premises
- (7) Termination of rental agreements by the tenant
- (8) Termination of rental agreements by the landlord
- (9) Eviction procedure

**Comment [LC57]:** Insert under II) . B  
 Deposits and advance rents  
 (1) Broker property management  
 (2) Renting to active military service members  
 (3) Selling tenant-occupied homes

## SECTION 8

### PROPERTY RIGHTS: ESTATES AND TENANCIES; CONDOMINIUMS, COOPERATIVES, COMMUNITY DEVELOPMENT DISTRICTS, HOMEOWNER ASSOCIATIONS AND TIME-SHARING

#### *Learning Objectives:*

- Define *real property* based on the definition in Chapter 475, F.S.
- List and explain the physical components of real property
- Explain the four tests courts use to determine if an item is a fixture
- Distinguish between real and personal property
- Describe the bundle of rights associated with real property ownership
- List the principal types of estates (tenancies) and describe their characteristics
- Describe the features associated with the Florida homestead law
- Distinguish between cooperatives, condominiums and time-shares and describe the four main documents associated with condominiums

#### Key Terms:

~~community development districts~~

- condominium
- cooperative
- declaration
- estate for years
- exempt property
- fee simple estate
- fixture
- freehold estate
- homeowner associations
- homestead
- joint tenancy
- land
- leasehold estate
- life estate
- personal property
- proprietary lease
- Prospectus
- real estate
- real property
- remainderman
- right of survivorship
- separate property
- tenancy at sufferance
- tenancy at will
- tenancy by entireties
- tenancy in common
- time-share

**Comment [LC58]:** Deleted Key Terms see Section 11 (Real Estate Contracts)

## Outline

- I) Land, Real Estate and Real Property
  - A Definition of real property (Section 475.01, F.S.)
  - B Physical components of real property
    - 1) Surface rights
    - 2) Subsurface rights
    - 3) Air rights
  - C Water rights
    - 1) Riparian rights
    - 2) Littoral rights
    - 3) Accretion and erosion
    - 4) Alluvion and Reliction
- II) Real Versus Personal Property
  - 1) Real property is basically land and improvements on the land
  - 2) Personal property usually consists of items having a limited life, which are easily movable from one place to another
    - 1) Personal property (or *chattel*, or *personalty*) includes any property that is not real property
  - 3) Fixtures
    - 1) A fixture is an item that was once personal property, but is now legally considered to be real property
    - 2) Legal tests of determination:
      - (a) Intent of the parties
      - (b) Method or degree of attachment
      - (c) Agreement and/or relationship of the parties
      - (d) Adaptation of the item
    - 3) Listing and sale contracts should clearly specify which items are considered real property in the transaction and any personal property that is to be included
  - 4) Definition of a trade fixture
    - 1) Fixture versus trade fixture
- III) Basic Property Rights
  - A "Bundle of Rights" include the rights of:
    - 1) Possession
    - 2) Enjoyment
    - 3) Disposition
    - 4) Control
    - 5) Exclusion
- IV) Freehold Estates
  - A An estate refers to the degree, quantity, nature and extent of interest (ownership rights) a person can have in real property
  - B Estates are divided into two general groups:
    - 1) Freehold estates which are for an indefinite length
    - 2) Leasehold estates (or nonfreehold) which are for a fixed term
  - C Freehold estates include:
    - 1) Fee simple estate
      - (a) Fee, fee simple, fee simple absolute. . .defined as the largest bundle of rights we have. All three terms mean the same thing. Most titles are held in fee.

- 2) Life estate
  - (a) Conventional life estates are created by action of the grantor
    - (1) Use during life of holder or whoever's life the interest is based on.  
Often used by husband for wife with children as *remaindermen*
    - (2) Remainder estate
    - (3) Reversion estate
  - (b) Legal life estates are created automatically by law
    - (1) Homestead is a legal life estate
      - (i) Homeowner's principal residence is protected from certain creditors
      - (ii) Not protected from real estate property taxes or from a mortgage for purchase or cost of improvements
- V) How Ownership Can Be Held
  - A Severalty—sole ownership. Only one party is needed to sign deed (Spouse must sign if homesteaded)
  - B Co-ownership
    - 1) Tenancy in common
    - 2) Joint tenancy with right of survivorship
      - (a) Creating a joint tenancy
    - 3) Tenancy by the entirety
- VI) Leasehold (Nonfreehold) Estates
  - A An interest in real property for a definite period (measured in calendar time)
  - B Types of leasehold estates
    - 1) Estate for years
    - 2) Tenancy at will
    - 3) Tenancy at sufferance
- VII) Cooperatives, Condominiums, ~~Community Development Districts (CDD)~~, Homeowner Associations (HOA) and Time-Sharing
  - A Cooperatives
    - 1) Own stock in a corporation
    - 2) Stock ownership carries right of occupancy through a proprietary lease
    - 3) ~~Corporation pays property tax; each shareholder pays prorata~~
    - 4) Transfer is accomplished by sale of stock
    - 5) Disclosures required by The Cooperative Act (F.S. 719)
  - B Condominiums
    - 1) Own individual unit in fee simple
    - 2) Undivided interest in common areas
    - 3) Property tax levied on individual unit
    - 4) Transfer by deed
    - 5) ~~Declaration and bylaws~~ Condominium documents
      - (a) ~~Rights and obligations of condominium owners~~
    - 6) Disclosures required by The Condominium Act (F.S. 718)
  - C Time-Share
    - 1) Share ownership or right of occupancy for a time interval in a unit
    - 2) Legal formats
      - (a) Interval ownership
      - (b) Right-to-use
    - 3) Disclosures required under Florida Vacation Plan and Time-Sharing Act (F.S. 721) and Rule 61J2-~~23~~, F.A.~~C~~.

**Comment [LC59]:** See Section 11 (Real Estate Contracts)

**Comment [LC60]:** VII . A . 3) Property taxes and special assessments are assessed against each unit  
 (a) . Taxes and special assessments create a lien only on the individual unit  
 (b) Corporation pays the property tax bill and shareholders pay a pro rata share

**Comment [LC61]:** Insert and cancellation period

**Comment [LC62]:** VII . B . 5) insert  
 (a) Declaration  
 (b) . Articles of incorporation  
 (c) Bylaws  
 (d) . Frequently asked questions and answers (FAQ)

**Comment [LC63]:** VII . B . 6) insert  
 (a) Condominium units sold by a developer  
 (b) Resale condominium units sold by a unit owner

**Comment [LC64]:** VII . C . 3) . insert:  
 (a) Time-share resale listing agreement disclosure  
 (b) . Time-share resale contract disclosure  
 (c) Right to cancel the purchase agreement  
 4) . Licensure requirements and exemptions

D HOA (Chapter 720, F.S.)

1) Define

2) ~~Disclose~~ Benefits of homestead

3) Tax exemption

2)

E CDD (Chapter 190, F.S.)

1) Define

2) ~~Disclose~~

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**Comment [LC65]:** See Section 11

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## SECTION 9

### TITLE, DEEDS AND OWNERSHIP RESTRICTIONS

#### *Learning Objectives:*

- Differentiate between voluntary and involuntary alienation
- Explain the various methods of acquiring title to real property and describe the conditions necessary to acquire real property by adverse possession
- Distinguish between actual notice and constructive notice
- Distinguish between an abstract of title and a chain of title
- Explain the different types of title insurance
- Describe the parts of a deed and the requirements of a valid deed
- List and describe the four types of statutory deeds and the legal requirements for deeds
- List and describe the various types of governmental and private restrictions on ownership of real property
- Distinguish among the various types of leases and liens

#### Key Terms:

- abstract of title
- acknowledgment
- actual notice
- adverse possession
- alienation
- assignment
- chain of title
- condemnation
- construction lien
- constructive notice
- deed
- deed restriction
- easement
- eminent domain
- encroachment
- escheat
- further assistance assurance
- general warranty deed
- grantee
- granting clause
- grantor
- gross lease
- ground lease
- habendum clause
- intestate
- lien
- net leases
- percentage lease
- police power
- quiet enjoyment
- quitclaim deed
- seisin



- sublease
- testate
- title
- variable lease
- warranty forever

### Outline

- I) Concept of Title
  - A Ownership in a bundle of rights
  - B Legal vs Equitable title
  - C Transferred voluntarily or involuntarily by operation of law
- II) Transfer by Voluntary Alienation
  - A Deed
    - 1) When real property is sold or conveyed by gift
  - B Will
    - 1) Parties to a will
      - a) Deceased person who made the will is called a testator (if a male) or a testatrix (if female)
      - b) Devisee is the person receiving real property, or beneficiary if it is personal property
    - 2) Property conveyed by will
      - a) Devise if its real property
      - b) Bequest if its personal property
- III) Transfer by Involuntary Alienation
  - A Transfer by descent
    - 1) Person who dies without a will died intestate
    - 2) A form of involuntary alienation because the state (not the deceased) determines the disposition of property
    - 3) Passes to legal descendants known as heirs
  - B Escheat
    - 1) Provides for the property of a person who dies intestate and who has no known heirs to pass to the state
  - C Eminent domain
    - 1) Governmental power to *take* land from an owner through the legal process called condemnation
  - D Adverse possession
    - 1) Conditions for alienation by adverse possession
- IV) Notice to Legal Title
  - A Actual notice
  - B Constructive notice
    - 1) Acknowledgment
    - 2) Lis Pendens
- V) Protection of Title
  - A Title companies
  - B Chain of title vs. Abstract of title
  - C Title opinion
  - D Title insurance
    - 1) Owner's policy
    - 2) Lender's policy

**Comment [LC66]:** V) C insert  
 1) Giving opinions of title (475.25, F.S. and 61J2-24.001(3), F.A.C.)

## VI) Deeds

### A Parties to the deed

- 1) Grantor
- 2) Grantee

### B Parts of a deed

- 1) ~~Grantor and grantee~~ Premises
- 2) Consideration
- 3) Words of conveyance (granting clause)
- 4) Interest or estate being conveyed (habendum clause)
- 5) Deed restrictions
- 6) Exceptions and reservations
- 7) Appurtenances
- 8) Legal description of property
- 9) Voluntary delivery and acceptance
- 10) Signature of the grantor and two witnesses

**Comment [LC67]:** VI) B . 4) insert before 5)  
Covenant of seisin  
(renumber)

### C Requirements for a valid deed

- 1) The deed must be in writing (Statute of Frauds)
- 2) The names of grantor and grantee
- 3) Grantor must have legal capacity
- 4) Consideration must be described
- 5) A granting clause or words of conveyance
- 6) A habendum clause must define the quality of the ownership interest being conveyed
- 7) Legal description of the property being transferred
- 8) Grantor must sign
- 9) Delivery and acceptance

**Comment [LC68]:** Relocate to VI) C . 8)

### D Types of statutory deeds

- 1) General warranty deed
- 2) Special warranty deed
- 3) Bargain and sale deed
- 4) Quitclaim deed
- 5) Special purpose deeds
  - (a) Personal representative's deed
  - (b) Guardian's deed
  - (c) Committee's deed
  - (d) Tax deed

**Comment [LC69]:** VI) C . 9) insert  
Voluntary delivery and acceptance

**Comment [LC70]:** VI) D . 1) insert  
(a) Covenant of further assurance  
(b) . Covenant of quiet enjoyment  
(c) Covenant of warranty forever

### E Deed Clauses

- 1) Covenant of seisin
- 2) Covenant against encumbrances
- 3) Covenant of quiet enjoyment
- 4) Covenant of further assurance
- 5) Covenant of warranty forever

**Comment [LC71]:** Delete all of E  
(redundant)

### F Legal requirements

## VII) Ownership Limitations and Restrictions

### A Government restrictions

- 1) Police power
- 2) Eminent domain
- 3) Taxation

### B Private restrictions

- 1) Deed restrictions
  - (a) Restrictive covenants
- 2) Easements
  - (a) Appurtenant
  - (b) In gross
  - (c) By prescription
  - (d) By necessity
  - (e) Implied easement
    - (1) encroachment
- 3) Leases
  - (a) Types of leases
    - (1) Gross
    - (2) Net
    - (3) Percentage
    - (4) Variable/Index
    - (5) Ground
  - b) Assignment
  - c) Sublease
  - ~~d) Sale subject to lease~~
- 4) Liens
  - (a) ~~What is a lien~~ Liens defined
  - (b) Types
    - (1) Voluntary
    - (2) Involuntary
  - (c) Classifications
    - (1) General
      - (i) Judgment
      - (ii) Income tax
      - (iii) Estate tax
    - (2) Specific
      - (i) Property tax & special assessment
      - (ii) Mortgage
      - (iii) Vendors
      - (iv) Construction (mechanics/materialman's)
  - (d) Lien priority
    - (1) Satisfaction
      - (i) Superior
      - (ii) Junior

**Comment [LC72]:** See Section 7 under Florida Landlord Tenant Act

## SECTION 10 LEGAL DESCRIPTIONS

### *Learning Objectives:*

- Describe the purpose for legal descriptions
- **Understand-Describe** the licensee's role and responsibilities as it pertains to legal descriptions
- Explain and distinguish among the three types of legal descriptions
- Describe the process of creating a legal description using the metes-and-bounds method
- Locate a township **by-using the** township line and range
- Locate a particular section within a township
- **Understand-Recognize** how to subdivide a section
- Calculate the number of acres in a parcel based on the legal description, and convert to square feet
- Explain the use of assessor's parcel numbers
- Apply the measurements associated with checks, townships and sections

### Key Terms:

- base line
- ~~benchmark~~
- check
- ~~datum~~
- government survey system
- legal description
- lot and block
- metes and bounds
- monument
- point of beginning
- principal meridian
- range
- section
- survey
- ~~terminus tier~~
- township
- township line/~~tier~~

### Outline

- I) Purpose of Legal Descriptions
  - A A legal description is a method of describing the location of real estate that will be accepted by a court
    - 1) Established boundary lines
- II) Types of Legal Descriptions
  - A Metes-and-Bounds
    - 1) Oldest method of land description
    - 2) *Metes* refers to *distance* (measured in feet) and *bounds* refers to *direction*
    - 3) Begin with reference point called a point of beginning (POB)
    - 4) Monuments are fixed objects used to establish boundaries

- 5) Compass bearings are used to describe the direction of the boundary lines
  - (a) Circle =  $360^\circ$
  - (b) Directions given in degrees ( $^\circ$ ), minutes ( $'$ ) and seconds ( $''$ )
  - (c) For example, N  $45^\circ 25' 20''$ E = North 45 degrees, twenty-five minutes, 20 seconds East
- B Government Survey System
  - 1) Based on the logic that you can identify any point on a plane by reference to two axes
  - 2) Primary reference lines running in a north-south direction are called principal meridians and lines running in an east-west direction are called base lines
  - 3) Range lines run north-south every 6 miles. The north-south strip of land formed by two range lines is called a range
  - 4) Township lines run east-west every 6 miles. The east-west strip of land formed by two township lines is called a tier or township
    - (a) Numbering system of township lines and ranges
  - 5) Intersection of two range lines and two township lines form a 6-mile square called a township
    - (a) There are 36 sections in a township
    - (b) Numbering system of sections within townships
  - 6) Correction lines
  - 7) Using the government survey system
    - (a) Locating sections
    - (b) Subdividing sections
    - (c) Calculating size
    - (d) "And" in legal description
  - 8) Fractional sections and government lots
- C Lot and block survey method
  - 1) Also called recorded plat method
  - 2) Recorded survey called a plat map
  - 3) Platted subdivision divided into blocks and lots
- III) Assessor's Parcel Number
  - A To aid in the assessment of property for tax collection
  - B Tax maps based on recorded plat maps
    - 1) Other land in county
  - C Assessment roll
    - 1) Every parcel in county listed by parcel number
    - 2) Shows owner's name and address of record
    - 3) Assessed value of land and structures
- IV) Preparation and Use of Surveys
  - A Benchmarks

## SECTION 11 REAL ESTATE CONTRACTS

### *Learning Objectives:*

- List and describe the essentials of a contract
- Distinguish among formal, parol, bilateral, unilateral, implied, expressed, executory and executed contracts
- Describe the various ways in which an offer is terminated
- Describe the various methods of terminating a contract
- Explain the remedies for breach of a contract
- Describe the effect of the Statute of Frauds and the Statute of Limitations
- Describe the elements of an option
- Differentiate among the various types of listings
- Explain and describe the various disclosures required in a real estate contract
- Recognize what constitutes fraud
- Recognize what constitutes culpable negligence

### Key Terms:

- assignment
- attorney-in-fact
- bilateral contract
- competent
- contract
- culpable negligence
- exclusive-agency listing
- exclusive-right-of-sale listing
- fraud
- liquidated damages
- meeting of the minds
- net listing
- novation
- open listing
- option contract
- Statute of Frauds
- Statute of Limitations
- unenforceable
- unilateral contract
- valid contract
- void contract
- voidable contract

### Outline

- I) Contracts in General
  - A) Definition of a contract
  - B) Preparation of contracts
  - C) Statute of Frauds
  - D) Statute of Limitations
  - E) Void, voidable and unenforceable contracts

**Comment [LC73]:** See Section 6 (Violations of License Law)

**Comment [LC74]:** I) A insert  
1) Types of contracts real estate licensees may assist buyer and sellers

II) Essentials Elements of a Valid Contract

- A Contractual capacity of the parties
- B Offer and acceptance
- C Legality of object
- D Consideration

III) Authority of Real Estate Licensees to Prepare Contracts

IV) Classification of Contracts

- A Bilateral or unilateral contracts
- B Expressed or implied contracts
- C Executory or executed contracts
- D Formal or informal contracts

V) Contract Negotiation

- A Parties to offer
  - 1) Offeror
  - 2) Offeree
- B Ways an offer is terminated

VI) Termination of Contracts

- A Methods of terminating contracts
- B Remedies for breach
- C Assignment of contracts

VII) Contracts Important to Real Estate

A Employment Agreements Listing agreements (employment agreement)

- 1) Conditions created by listing agreements
- 2) Information included in listing agreements (475.25, F.S. and 61J2-24.002)
- 3) Types of listings:
  - (a) Open listing
  - (b) Exclusive-agency listing
  - (c) Exclusive-right-of-sale listing
  - (d) Net listing

4) Buyer broker agreement

B Sales contracts

- 1) Contract negotiation
  - (a) Offers and counteroffers
  - (b) Acceptance
- 2) Earnest money deposits
- 3) Equitable title
- 4) Information included in sales contracts
  - (a) Date, time and place of closing
  - (b) Purchase price
  - (c) Financing terms
  - (d) Quality of title to be conveyed
  - (e) Type of deed
  - (f) Items of personal property included
  - (g) Type of evidence of title to be provided
  - (h) Items to be prorated

5) Required disclosures

- (a) Radon gas disclosure (404.056, F.S.)
- (b) Energy efficiency disclosure

**Comment [LC75]:** Covered under I) B above  
Renumber

**Comment [LC76]:** VII) . A 2) insert after 2)  
3) Multiple listing service  
Renumber

**Comment [LC77]:** VII) . A 4) insert  
5) Broker's compensation  
6) Procuring cause

**Comment [LC78]:** VII) . B 4) . (h) insert  
Spouse's signature  
Power to bind the seller or the buyer  
Re-letter

- (c) Lead-based paint disclosure
- (d) Homeowner association disclosure (720.401, F.S.)
- (e) Flood insurance disclosure
- ~~(f) Condominium and cooperative disclosures~~
- ~~(g)(f) Property tax disclosure (689.261, F.S.)~~
- ~~(h)(g) Building code violation disclosure (125.69, F.S.)~~
- ~~6) FAR/BAR contract forms~~
- ~~7) 6) Disclosure of defects that materially affect the value of residential property~~
- ~~Material defects disclosure~~
  - 1) Johnson vs. Davis
  - 2) "As is" provision
  - 3) Duty for licensees to disclose
- ~~C) Option contracts~~
- ~~D) Installment sale contract~~
- VIII ~~Misrepresentation and Fraud~~ ~~Miscellaneous Real Estate Contract Considerations~~
- ~~A) Procuring cause~~
- ~~B) Telephone solicitation laws~~
- ~~C) Multiple listing service~~
- D Ethical practices
  - 1) When in doubt disclose
  - 2) Fraud
  - 3) Culpable negligence

**Comment [LC79]:** See Section 8 (Property Rights: Condominiums, Cooperatives and Time-sharing)

**Comment [LC80]:** Insert Community development district (CDD) disclosure 190, F.S.

**Comment [LC81]:** NOTE: Removed FAR/BAR contract form because different counties use various contracts. Suggest adding Material defects disclosure with the other required disclosures

**Comment [LC82]:** Insert Information that is not a material fact (689.25, F.S. and 760.50, F.S.)

**Comment [LC83]:** VII) C . Option contracts insert

- 1) Unilateral contract
- 2) . Consideration
- 3) Information required
- 4) . Licensee requirements (475.43, F.S.)

**Comment [LC84]:** See Unit 18 (Taxes Affecting Real Estate)



## SECTION 12

### RESIDENTIAL MORTGAGES

#### *Learning Objectives:*

- Distinguish between title theory and lien theory
- Describe the essential elements of the mortgage instrument and the note
- Describe the various features of a mortgage including down payment, loan-to-value ratio, equity, interest, loan servicing, escrow account, PITI, discount points and loan origination fee
- Explain assignment of a mortgage and the purpose of an estoppel certificate
- Explain the foreclosure process and distinguish between judicial and nonjudicial foreclosure
- Describe the mortgagor's and mortgagee's rights in a foreclosure
- Calculate loan-to-value ratio
- Explain the use of discount points and calculate approximate yield on a loan
- Distinguish among the various methods of purchasing mortgaged property

#### Key Terms:

- acceleration clause
- assumption
- blanket mortgage
- buydown
- contract for deed (land contract)
- defeasance clause
- deed in lieu of foreclosure
- discount points
- due on sale clause
- equity
- equity of redemption
- escrow
- estoppel certificate
- hypothecation
- interest
- lien theory
- lis pendens
- land development loans
- loan origination fee
- loan servicing
- loan-to-value ratio
- mortgage
- mortgagee
- mortgagor
- note
- novation [agreement](#)
- partial release clause
- PITI
- prepayment clause
- prepayment penalty

- receivership clause
- right to reinstate
- satisfaction of mortgage
- short sales
- subject to
- subordination agreement
- take-out commitment
- title theory

Outline

I) Mortgage concepts

A Mortgage law

- 1) Title theory
- 2) Lien theory

B Loan instruments

- 1) Promissory note (essential elements)
- 2) Mortgage instrument
  - (a) Parties to a mortgage
  - (b) Satisfaction of mortgage
- 3) Hypothecation

C First mortgages versus junior mortgages

- 1) Determining what priority a mortgage lien has
- 2) Subordination agreements

II) Essential elements of the mortgage

A Important mortgage provisions

- 1) Promise to repay
- 2) Taxes and liens insurance
- 3) Covenant of good repair

B Other mortgage provisions

- 1) Prepayment clause
  - (a) Prepayment penalty clause
- 2) Acceleration clause
- 3) Right to reinstate
- 4) Due on sale clause
- 5) Defeasance clause

III) Common mortgage features

A Down payment

B Loan-to-value-ratio

- 1) Equity

C Interest

D Loan servicing

E Escrow (impound) account

- 1) PITI

F Discount points

G Loan origination fee

H Take out commitment

IV) Assignment of the mortgage

A Estoppel certificate

V) Methods of Purchasing Mortgaged Property

**Comment [LC85]:** Under I) B . 1) insert Fannie Mae/Freddie Mac Uniform Florida Fixed-Rate Note for single-family property

**Comment [LC86]:** Under II) . A 2) . insert  
 3) Property insurance  
 4) . Occupancy  
 5) Maintenance and covenant of good repair

**Comment [LC87]:** Under III) . B 1) . insert  
 (a) Current market value – mortgage debt = equity

**Comment [LC88]:** Relocate to Land development loans and construction loans VI below

**Comment [LC89]:** Insert at end of line Encumbered by an Existing Mortgage Loan

- A Provisions under subject to the mortgage
  - B Provisions under assumed mortgage
    - 1) Effects of due on sale clause
    - 2) Novation
  - C Contract for deed (land contract)
    - 1) Distinguish a contract ~~from~~for deed from a normal sales contract and a mortgage
    - 2) Advantages and disadvantages of contract for deeds
    - 3) How a contract for deed is typically used
- VI) Default
- A Consequence of default
  - B Judicial versus nonjudicial foreclosure
    - 1) Deed in lieu of foreclosure
    - 2) Lis pendens
  - C Rights of mortgagor in foreclosure
    - 1) Equity of redemption
  - D Rights of mortgagee
    - 1) Surplus money action
  - E Results of foreclosure
    - 1) Effect on mortgagor/owner
      - (a) Deficiency judgments
      - (b) Effect on creditors or other claimants to title
      - (c) Effect on mortgagee
      - (d) Effect on title
  - F Short sales

**Comment [LC90]:** Under V) C . 3) insert  
 V) . Land Development Loans and  
 Construction Loans  
 A . Land development loans overview  
 B . Construction loans overview  
 . 1) Blanket mortgage loans  
 . 2) . Takeout commitment  
 C Buydown  
 Re-number VII) Default

**Comment [LC91]:** Under VII) . F insert  
 G . Income property foreclosure  
 . Receivership clause

## SECTION 13

### TYPES OF MORTGAGES AND SOURCES OF FINANCING

#### *Learning Objectives:*

- Describe the mechanics of an adjustable rate mortgage and the components of an ARM
- Describe the features of an amortized mortgage and amortize a level-payment plan mortgage when given the principal amount, the interest rate and the monthly payment amount
- Distinguish among the various types of mortgages
- Describe the characteristics of FHA mortgages and common FHA loan programs
- Identify the guarantee feature of VA mortgage loans and the characteristics of VA loan programs
- Explain the process of qualifying for a loan and how to calculate qualifying ratios
- Distinguish among the primary sources of home financing
- Describe the role of the secondary mortgage market and know the features of the major agencies active in the secondary market
- Describe the major provisions of the federal laws regarding fair credit and lending procedures
- Recognize and avoid mortgage fraud

#### Key Terms:

- adjustable rate mortgage (ARM)
- amortized mortgage
- balloon payment
- biweekly mortgage
- conforming loan
- [conventional mortgage loan](#)
- disintermediation
- [home equity conversion mortgage \(HECM\)](#)
- home equity loan
- index
- intermediation
- level payment plan
- lifetime cap
- margin
- [mortgage insurance premium \(MIP\)](#)
- mortgage broker
- mortgage fraud
- mortgage loan originator ([MLO](#))
- negative amortization
- nonconforming loans
- [nonconventional loan](#)
- package mortgage
- partially amortized/balloon mortgage
- payment cap
- periodic cap
- purchase money mortgage
- reverse [annuity](#) mortgage ([HECM](#))

- teaser rate
- UFMIIP

Outline

- I) Conventional mortgages
  - A Neither government insured nor guaranteed
    - 1) Down payment and LTV ratio
  - B Conventional mortgage loan featuresPMI
    - 1) Qualifying ratios
    - 2) Interest rate
    - 3) Assumption
    - 4) Prepayment
- II) Common Types of Mortgages
  - A Amortized mortgage
    - 1) Monthly payment is constant for term of mortgage
    - 2) As loan is paid off, amount applied to principal increases as amount applied to interest decreases
    - 3) 30-year and 15-year terms
    - 4) Amortizing a level-payment plan mortgage
  - B Adjustable rate
    - 1) Mechanics of an adjustable rate mortgage
    - 2) Components of an ARM
      - (a) Index
      - (b) Margin
      - (c) Adjustment interval
      - (d) Interest rate caps
        - (1) Periodic caps
        - (2) Lifetime cap
      - (e) Payment caps
        - (1) Negative amortization
        - (2) How negative amortization can result from payment caps
      - (f) Teaser rates
- III) Custom mortgages
  - A Partially amortized mortgage
    - 1) Balloon payment
  - B Biweekly mortgage
  - C Package mortgage
  - D Home equity loans
  - E Purchase money mortgage
  - F Reverse annuity mortgage
- IV) Government Insured FHA Program
  - A Purpose of FHA
  - B Characteristics of FHA mortgage loans
    - 1) Loan insurance
    - 2) Lending source
    - 3) Discount points
    - 4) Amount of down payment
    - 5) Loan limit
    - 6) Insured commitment
    - 7) Insurance premium
    - (a) UFMIP

**Comment [LC92]:** Under B 1) . insert  
(a) Housing expense ratio calculation  
(b) . Total obligations ratio calculation

**Comment [LC93]:** Under I) B . 4) insert  
Down payment and private mortgage insurance (PMI)  
Loan to value ratio (LTV)  
(renumber)

**Comment [LC94]:** Revise 4) to  
Components of a mortgage amortization table

**Comment [LC95]:** Under  
II) . B 2) . (b) insert  
. Calculated interest rate

**Comment [LC96]:** Under D Home equity  
loan . insert  
(a) Home equity line of credit (HELOC)

**Comment [LC97]:** Under III) . E insert  
1) Seller financing for part of purchase price  
2) Seller takes back loan from buyer

**Comment [LC98]:** Revise F . Home equity  
conversion mortgage (HECM) or reverse  
mortgage loan

**Comment [LC99]:** Revise  
Down payment

(b) MIP

- 8) Qualifying ratios
- 9) Interest rate
- 10) Appraisal
- 11) Closing costs
- 12) Assumption
- 13) Prepayment
- C Common FHA loan programs
  - 1) Section 203(b); homeownership; fixed rate
    - (a) Loan assumption criteria
  - 2) Condominium units
  - 3) Homeownership; adjustable rate
- V) VA loan guarantee program
  - A The guarantee feature
  - B Characteristics of VA mortgage loans
    - 1) Qualifications
    - 2) Eligibility
      - (a) Licensees should rely on the VA lender to determine eligibility
    - 3) Lending source
    - 4) Eligible property
    - 5) Discount points
    - 6) Qualifying ratios
    - 7) Loan limits
    - 8) Loan guarantee
    - 9) Amount of down payment
    - 10) Entitlement
    - 11) Reusing the entitlement
    - 12) Appraisal
    - 13) VA funding fee
    - 14) Loan origination fee
    - 15) Prepayment
    - 16) Assumption
    - 17) Interest rate
- VI) Qualifying for a loan
  - A Qualifying the Buyer
    - 1) The loan application process—Uniform Residential Loan Application
    - 2) Credit evaluation and credit scoring
    - 3) Qualifying ratios
      - (a) Housing expense ratio
      - (b) Total obligations ratio
    - 4) Qualifying the property
    - 5) Information required by lender
- VII) Primary sources of home financing
  - A Mortgage Depository Lenders
    - 1) Savings associations
      - (a) Types of loans offered
    - 2) Commercial banks
      - (a) Types of loans offered
    - 3) Credit unions
      - (a) Types of loans offered

**Comment [LC100]:** Under IV) B . 8) insert HER TOR

**Comment [LC101]:** Under V) B . 6) insert (a) . TOR

**Comment [LC102]:** Suggestion:  
 Move Qualifying for a Loan to I) and re-number Roman Numeral headings  
 I) Qualifying for a Loan  
 . A . Loan application process  
 . . 1) Uniform Residential Loan Application  
 . . . 2) . Credit evaluation and credit scoring  
 . . . 3) Qualifying ratios (introduction)  
 . . . 4) . Qualifying the property  
 . . . 5) Preapproval and prequalification



- B ~~Mortgage broker~~ Nondepository primary lenders
  - 1) ~~Their role – how they operate~~
- C Mortgage loan originator
- D Seller financing
  - 1) Contract for deed (land contract)
  - 2) Amortized mortgage
- E ~~Government programs~~
  - 1) ~~Mortgage bond financing~~
- VIII) Secondary Mortgage Market
  - A Effects of the mortgage market
    - 1) Circulate the mortgage money supply
    - (a) Intermediation and disintermediation
    - 2) Standardize loan requirements
      - (a) Conforming loans
      - (b) Portfolio lenders
  - B Fannie Mae
    - 1) ~~Private (not a government agency) corporation that trades on NYSE~~
    - 2) Secondary market for VA, FHA and conventional loans
    - 3) Issues mortgage-back securities to investors
    - 4) Largest single private mortgage purchaser
  - C Government National Mortgage Association (GNMA)
    - 1) ~~Wholly owned government corporation under HUD~~
    - 2) Provides a secondary market for VA and FHA loans
    - 3) ~~Mortgage-backed securities program~~
  - D Freddie Mac
    - 1) ~~Created by Congress in 1970~~
    - 2) Shares sold publicly
    - 3) Buy conventional loans
  - E ~~Nonconforming loans~~
    - 1) ~~Broker and correspondent loans~~
    - 2) ~~Private investors through mortgage brokers and bankers~~
- IX) Mortgage Fraud
  - A Common types of mortgage fraud
    - 1) Straw borrowers
    - 2) No document loans
  - B Red flags
    - 1) Inflated appraisal
    - 2) Inflated contract prices
  - C Ethical practices
- X) Laws regarding fair credit and lending procedures
  - A Equal Credit Opportunity Act (ECOA)
    - 1) Prohibits discrimination in loan underwriting on the basis of sex, marital status, race, religion, age, or national origin. (A lender cannot require an applicant's spouse to join in (sign) a loan application)
    - 2) Prohibits discriminatory treatment of income from alimony, child support, public assistance, or part-time employment
    - 3) Prohibits inquiry about, or consideration of, child bearing plans or potential for child bearing
  - B Consumer Credit Protection Act (Truth in Lending Act)

**Comment [LC103]:** Under VII) B-insert  
 1) Mortgage lender  
 2) Mortgage loan originator (MLO) (re-letter)

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**Comment [LC104]:** Delete per Commissioners Guy Sanchez and Dick Fryer.

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**Comment [LC105]:** Government sponsored enterprise (GSE)  
 Regulated under conservatorship authority of the Federal Finance Housing Agency

**Comment [LC106]:** secondary market participant

**Comment [LC107]:** 1) . Government corporation within the Department of Housing and Urban Development (HUD)

**Comment [LC108]:** 3) Only secondary participant backed by full faith and credit guarantee of the federal government  
 4) Mortgage-backed securities program

**Comment [LC109]:** Under VIII) D . Replace 1) – 3)  
 1) Secondary market for conforming conventional mortgages  
 . 2) Smaller banks, credit unions, and savings associations  
 3) Purchases mortgages that meet underwriting standards  
 . 4) Pools loans together and sells to investors as MBSs

- 1) Implemented by Federal Reserve Regulation Z
  - 2) Requires disclosure of full credit costs
  - 3) Requires disclosure of annual percentage rate (APR)
- C Real Estate Settlement Procedures Act (RESPA)
- 1) Applies to ~~virtually any~~ closings involving a "standard" home mortgage loan ~~from a financial institution or mortgage banker~~
  - 2) Requires that the borrower be provided a booklet of information regarding closing costs
  - 3) Requires advanced estimates of closing costs
  - 4) Requires that the borrower be able to examine the RESPA-specified closing statement in advance
  - 5) Prohibits kick-backs to a lender from vendors of closing related services

**Comment [LC110]:** Under X) B . 3) insert

- 1) . Bait and switch advertising
- 2) . Triggering terms
- 3) . Right of rescission

**Comment [LC111]:** Under X) C . 1) replace 1) – 5) with:

- 1) . Applies to closings where a federally related mortgage loan is secured by a one-to four-family residence
- 2) . Affiliated business relationships
- 3) . Purchase of title insurance
- 4) . Escrow for taxes and insurance
- 5) . Kickbacks, fee-splitting, and unearned fees

Insert D 1) – 5)

D TILA-RESPA Integrated Disclosure Rule (TRID)

- 1) . Loan estimate timing
- 2) . Closing disclosure
  - (a) . Timing
  - (b) . Required disclosures
- 3) . Information booklet
- 4) . Covered loans
- 5) . Comparison of TILA, RESPA, and TRID

## SECTION 14 REAL ESTATE RELATED COMPUTATIONS AND CLOSING OF TRANSACTIONS

### *Learning Objectives:*

- Compute the sales commission
- Calculate the percent of profit or loss, given the original cost of the investment, the sale price and the dollar amount of profit or loss
- Define settlement and title closing
- List the preliminary steps to a closing
- Prorate the buyer's and seller's expenses
- Calculate the dollar amount of transfer taxes on deeds, mortgages and notes
- Allocate taxes and fees to the proper parties and compute individual costs
- Explain the rules of thumb for closing statement-disclosure entries
- Explain the major sections of the Uniform Settlement StatementClosing Disclosure
- Demonstrate ability to read and check the Uniform Settlement StatementClosing Disclosure for errors

### Key Terms:

- arrears
- credit
- debit
- ~~level payment plan~~
- preclosing inspection
- ~~principal~~
- profit
- proration

### Outline

- I) Basic Real Estate Computations
  - A Sales commissions
  - B Calculating selling price, cost and profit
- II) Preliminary steps to a closing
  - A Earnest money deposited
  - B Additional deposit, if required
  - C Loan application
  - D Contingencies
  - E Appraisal
  - F** Loan approval
  - G Title insurance
  - H Termite inspection
  - I Required repairs ordered
  - J Survey ordered
  - K Buyer hazard insurance
    - 1) Hazard insurance policy to closing agent
    - 2) Flood insurance
  - L Buyer/seller contact for closing appointment
  - M Preclosing inspection

**Comment [LC112]:** Deleted Key Terms are located in Unit 13 (Types of Mortgages)

**Comment [LC113]:** Suggest relocating  
J . Survey ordered to follow  
F . Loan approval and re-letter

**Comment [LC114]:** After I . Required  
repairs ordered  
Insert J . Home inspection and re-letter

N Closing documents reviewed by parties prior to closing

- O Buyer informed of funds needed to close P  
Earnest money transferred to closing agent

III) Prorated Expenses

- A Prepaid rent
- B County and/or city property taxes
- C Mortgage interest on assumed mortgages
- D Prorating considerations
  - 1) Period over which item is prorated
  - 2) Period allocated to buyer and period allocated to seller
  - 3) Prorating methods: 360 vs. 365 days

IV) State Transfer Taxes

- A State documentary stamp tax on deeds
- B State intangible tax on new mortgages
- C State documentary stamp tax on notes

V) Other Charges

- A Preparation of documents
- B Recording fees
- C Broker's commission
- D Title insurance

VI) Rules of Thumb

- A General rule of thumb
  - 1) Items credited to seller
  - 2) Items debited to seller
  - 3) Items credited to buyer
  - 4) Items debited to buyer

VII) Uniform Settlement Statement

- A Buyer's Transaction Entries
- B Seller's Transaction Entries
- C Settlement Charges for both Buyer and Seller
- D Real Estate settlement Closing Disclosure  
example

**Comment [LC115]:** Key Concepts  
Regarding Closing Disclosure

## SECTION 15

### THE REAL ESTATE MARKETS AND ANALYSIS

#### *Learning Objectives:*

- Describe the physical characteristics of real estate
- Describe the economic characteristics of real estate
- Identify the factors that influence demand
- Identify the factors that influence supply
- Distinguish among different ways of interpreting market conditions
- Demonstrate understanding of the different market indicators

#### Key Terms:

- buyer's market
- demand
- household
- seller's market
- situs
- supply
- vacancy rate

#### Outline

- I) Physical Characteristics of Real Estate
  - A Immobility and importance of location in determining value
    - 1) The value of real estate is heavily influenced by changes in the surrounding area
    - 2) Highest and best use is fundamentally determined by alternate types of potential users bidding for a site in accordance with the locational and environmental value of the site in each use
    - 3) If the value of a site in its current highest and best use declines relative to competing uses, highest and best use may change and land use transition will begin
  - B Indestructibility (durability) of land and fixed location
    - 1) Real estate investment tends to be long term
    - 2) Land does not depreciate
    - 3) Property insurance insures improvements only, not land
  - C Nonstandardized; nonhomogeneous
    - 1) No two parcels are exactly alike
  - D Governmental controls influence the market through zoning, building codes, taxes, etc.
- II) Economic Characteristics of Real Estate
  - A Relationship between supply, demand and price
  - B Slow to respond to change in supply and demand
  - C Demand factors:
    - 1) Price of real estate
    - 2) Population and household composition
    - 3) Income of consumers
    - 4) Availability of mortgage credit
    - 5) Consumer tastes or preferences
  - D Supply factors:

**Comment [LC116]:** Relocate I . A . 2) and 3) to Section 16 (RE Appraisal) under Highest and Best Use

**Comment [LC117]:** Relocate D Government controls influence the market through zoning, building codes, taxes, etc. under . II) Economic Characteristics of Real Estate

**Comment [LC118]:** Insert after II) . B- C Area preference (situs) (Re-letter)

- 1) Availability of skilled labor
- 2) Availability of construction loans and financing
- 3) Availability of land
- 4) Availability of materials

E Interpreting market conditions and market indicators

- 1) Price levels
- 2) Vacancy rates
- 3) Sales volume
- 4) Area preference—situation
- 5) Market adjustment
  - (a) Buyer's market
  - (b) Seller's market

III) Market Indicators

- ~~A Vacancy rates~~
- ~~B Price/sales information~~
- ~~C Building permits~~

**Comment [LC119]:** Under E 2) . Vacancy rates insert . Calculate occupancy and vacancy rates

**Comment [LC120]:** Under E 3) . Sales volume insert  
4) Building permits (renumber)

## **SECTION 16**

### **REAL ESTATE APPRAISAL**

#### ***Learning Objectives:***

- Describe federal and state regulations pertaining to appraising
- Identify the appraisers fiduciary relationship
- Identify the economic and physical characteristics of real estate that affect market value
- Explain what the Uniform Standards of Professional Appraisal Practice (USPAP) is and how it affects the appraisal process of real property
- Distinguish among the various types of value
- Define market value and describe its underlying assumptions
- Distinguish among value, price and cost
- Describe the four characteristics of value
- Distinguish among the principles of value
- Differentiate among the three approaches to estimating the value of real property
- Estimate value of subject property using Comparable Sales Approach
- Estimate value of subject property using Cost Approach
- Estimate value of subject property using Income Approach
- Reconcile three approaches to establish final value estimate
- Calculate value using gross multiplier analysis
- Explain how to prepare a Comparative Market Analysis (CMA), comparing and contrasting with sales comparison approach

#### **Key Terms:**

- appraisal
- assemblage
- automated valuation models
- comparative market analysis (CMA)
- cost-depreciation approach
- curable
- depreciation
- economic life
- federally related transaction
- gross income multiplier (GIM)
- gross rent multiplier (GRM)
- highest and best use
- income approach
- incurable
- market value
- over-improvement
- plottage
- principle of substitution
- progression
- reconciliation
- regression
- replacement cost
- reproduction cost



- sales comparison approach
- situs
- subject property
- Uniform Standards of Professional Appraisal Practice (USPAP)
- valuation

### Outline

- I) Regulation of Appraising – FIRREA
  - A Appraisal Foundation
  - B Appraisal Qualifications Board
  - C Appraisal Standards Board
  - D Appraisal Subcommittee
  - E State ~~licensed and~~-certified appraisers
    - 1) Requirements for federally related transactions
    - 2) Certified appraisal reports
  - F Appraisal service of real estate
    - 1) Part I, Chapter 475, F.S.
    - 2) Appraisal reports must conform to USPAP
    - 3) Comparative Market Analysis (CMA)
    - 4) Broker Price Opinion (BPO)
- II) Concept of Value
  - A Concepts of market cost/price/value
  - B Many types of value apply to real estate
    - 1) Assessed value for property tax purposes
    - 2) Insurance value
    - 3) Value in use Going-concern value
    - 4) Liquidation value
    - 5) Investment value
    - 6) Salvage value
  - C Market value
    - 1) Definition of market value
    - 2) Assumptions associated with market value
  - D Characteristics of value
    - 1) Demand
    - 2) Utility
    - 3) Scarcity
    - 4) Transferability
- III) Principles of Value
  - A Substitution
  - B Highest and best use
    - 1) As if vacant
    - 2) As improved
  - C Increasing and decreasing returns
    - 1) Over-improvement
  - D Conformity
  - E Other valuation terminology
    - 1) Assemblage
    - 2) Plottage

**Comment [LC121]:** Section 15 (RE Market and Analysis) I) A . 2)-3) relocated to here

- 3) Progression
- 4) Regression
- IV) Introduction to the Three Approaches to Value
  - A Sales comparison approach
    - 1) Theory of method
    - 2) Steps in the approach
      - (a) Making adjustments
      - (b) Adjusted sale price
    - 3) Types of property best suited for this approach
  - B Cost ~~depreciation~~ approach
    - 1) Theory of method
    - 2) Steps in the approach
      - (a) Reproduction vs. replacement cost
        - (1) Cost estimating manuals Comparative square-foot method
      - (b) Three types of depreciation
      - (c) Calculating accrued depreciation using age-life method
    - 3) Applications of approach
  - C Income approach
    - 1) Theory of method
    - 2) Steps in the approach
      - (a) Potential gross income
      - (b) Effective gross income
      - (c) Net operating income
        - (1) Fixed variable, reserve for replacements
      - (d) Cap rates Overall capitalization rate
    - 3) Applications of approach
    - 4) Gross rent multiplier (GRM) and Gross income multiplier (GIM)
      - (a) Steps in the multiplier analysis
      - (b) Does not act as a substitute for the income approach to valuation
- V) Preparing a Comparative Market Analysis (CMA)
  - A Gathering appropriate data
    - 1) MLS
    - 2) Property appraisers office
    - 3) Clerk of Courts
  - B Selecting similar comparables
    - 1) Recently sold
    - 2) Currently on the market
    - 3) Recently expired listings
  - C Common elements of comparison
  - D Adjusting for differences
  - E Computer generated CMAs
  - F Automated Valuation Models (AVM)

## SECTION 17 REAL ESTATE INVESTMENTS AND BUSINESS OPPORTUNITY BROKERAGE

### *Learning Objectives:*

- Distinguish among the different types of real estate investments
- Identify the advantages and disadvantages of investing in real estate
- Distinguish among the various types of risk
- Explain the importance of investment analysis
- Describe the similarities and differences between real estate brokerage and business brokerage
- Describe the types of expertise required in business brokerage
- Distinguish among the methods of appraising businesses
- Describe the steps in the sale of a business

### Key Terms:

- appreciation
- asset
- basis
- capital gain (loss)
- cash flow
- equity
- going concern value
- goodwill
- leverage
- liquidation analysis
- liquidity
- personal property
- risk
- tax shelter

**Comment [LC122]:** See Key Terms Section 8 (Property Rights)

**Comment [LC123]:** Insert Real estate investment trust (REIT)

### Outline

- I) Investment Real Estate Terminology
  - A Cash flow
  - B Leverage
  - C Capital gain (loss)
  - D Basis
  - E Appreciation
  - F Equity
  - G Liquidity
  - H Risk
  - I Tax shelter
- II) Types of investments
  - A Residential
  - B Commercial
  - C Industrial
  - D Agricultural
  - E Business opportunities
- III) Advantages of Real Estate Investments

- A Rate of return
  - B Tax advantages
  - C Hedge against inflation
  - D Leverage
  - E Equity build up
- IV) Disadvantages of Investing in Real Estate
- A Illiquidity
  - B Market is local in nature
  - C Need for expert help
  - D Management
  - E Risk
- V) Assessment of Risk
- A Risks associated with general business conditions
    - 1) Business risk
    - 2) Financial risk
    - 3) Purchasing-power risk
    - 4) Interest-rate risk
  - B Risks that affect return
    - 1) Liquidity risk
    - 2) Safety risk
      - (a) Market risk
      - (b) Risk of default
- VI) Nature of Business Brokerage
- A Similarities to real estate brokerage
    - 1) Almost always a sale of real property or an assignment of a long-term lease is involved
    - 2) Must be licensed pursuant to Chapter 475, F.S., Part I
  - B Differences from real estate brokerage
    - 1) Usually involve transactions containing assets other than real estate
      - (a) Personal property
      - (b) Goodwill
    - 2) The value of the business may be less than, equal to, or greater than the value of the real estate. That is, the “going concern” value may be different than the real estate value
    - 3) Markets for business enterprises are typically wider in geographic scope than markets for individual parcels of real estate
  - C Expertise required in business brokerage
    - 1) Corporate finance
    - 2) Business accounting
    - 3) Valuation of businesses
      - (a) Comparable sales analysis
      - (b) Cost approach
      - (c) Income analysis
      - (d) Liquidation analysis
  - D Steps in the sale of a business

## SECTION 18

### TAXES AFFECTING REAL ESTATE

#### *Learning Objectives:*

- Distinguish among immune, exempt and partially exempt property
- Describe the various personal exemptions available to qualified owners of homestead property
- Compute the property tax on a specific parcel, given the current tax rate, assessed value, eligible exemptions and transfer of assessment limitation difference (save our homes portability) if applicable
- List the steps involved in the tax appeal procedure
- Describe the purpose of Florida's Green Belt Law
- Calculate the cost of a special assessment, given the conditions and amounts involved
- Describe the tax advantages of home ownership
- Explain how to determine taxable income of investment real estate
- Distinguish between installment sales and like-kind exchange

#### Key Terms:

- ad valorem
- assessment limitation (save our homes benefit)
- assessed value
- capital gains
- community development districts
- debt service
- exempt properties
- installment sale
- immune properties
- just value
- like-kind exchange
- mill
- special assessment
- tax rate
- taxable income
- taxable value

#### Outline

- I) Real Property Taxation
  - A Local importance
    - 1) Primary source of revenue
  - B Determining "just value"
    - 1) General procedure
      - (a) Provisions under Amendment II
    - 2) Protest procedure (194, F.S.)
      - (a) Property owner contacts property appraiser within legislated time frame
      - (b) File an appeal with the Value Adjustment Board
      - (c) Litigation in the courts
        - (1) Certiorari proceeding
  - C Exemptions from property taxes
    - 1) Immune property

**Comment [LC124]:** City and county property taxes

**Comment [LC125]:** Insert after I) A . 1)  
2) Property tax schedule

**Comment [LC126]:** Under I) B . 1) (a)  
. insert  
(b) Notice of proposed property taxes (TRIM) notice

- 2) Exempt or partially exempt property
- 3) Homestead tax exemption (196, F.S.)
  - (a) Assessment limitation (save our homes benefit, portability)
  - (b) Surviving spouse exemption
  - (c) Disability exemption
  - (d) Blind persons exemption
  - (e) Cumulative homestead tax exemption
  - (f) Military service-connected total and permanent disability tax exemption
  - (g) Tax exemption for certain totally and permanently disabled persons
- 4) Greenbelt law exemption
  - (a) Nature
  - (b) Purpose
  - (c) Provisions
- D Calculating taxable value
- E Calculating property taxes
- F Special Assessments
  - 1) Purpose of special assessments
  - 2) Limitations on use
  - 3) Computation of special assessment rate
  - 4) Special assessment liens
- G Nonpayment of real property taxes
- H Purchasing tax certificates
- II) Federal Income Taxes
  - A Sale of real property
    - 1) Amount realized
    - 2) Capital gain (loss)
  - B Principal residence
    - 1) Tax advantages
      - (a) Mortgage interest deduction on principal residence and second home
      - (b) Deduction of property taxes on principal residence and second home
      - (c) IRA withdrawal for first time home buyers
      - (d) Exclusion of gain from sale of principal residence
  - C Investment real estate
    - 1) Types of income and cash flows
      - (a) Potential gross income
      - (b) Effective gross income
      - (c) Net operating income
      - ~~(d) Before tax cash flow (cash throw off)~~
      - ~~(e)~~(d) After tax cash flow
    - 2) Determining taxable income
      - (a) Reserve for replacements
      - (b) Interest
      - (c) Straight-line method Depreciation
    - 3) Tax from operations
      - (a) Capital gain (loss)
        - (1) Short-term gain
        - (2) Long-term gain
    - 4) Installment sales method (contract for deed)
    - 5) Like-kind exchange

**Comment [LC127]:** (197, F.S.)

**Comment [LC128]:** Under II) B . (d)  
insert  
(a) . Up to \$250,000  
(b)\$500,000 for married couples filing a joint return  
2) Interest on home equity loans is deductible (used for improvements on the home)  
3) . Mortgage loan origination fees and points are deductible (in year paid)  
4) Disposition of real property from foreign sellers  
(a) . Foreign Investment in Real Property Tax Act (FIRPTA)

**Comment [LC129]:** Broker material

## SECTION 19 PLANNING, ZONING AND ENVIRONMENTAL HAZARDS

### *Learning Objectives:*

- Describe the composition and authority of the local planning agency
- Explain the purpose of land-use controls and the role of zoning ordinances
- Identify the provisions of Florida's comprehensive plan and the Growth Management Act
- Distinguish among the five general zoning classifications
- Distinguish among zoning ordinances, building codes and health ordinances
- Explain the purpose of a variance, special exception and a nonconforming use
- Calculate the number of lots available for development, given the total number of acres contained in a parcel, the percentage of land reserved for streets and other facilities and the minimum number of square feet per lot
- Describe the characteristics of a planned unit development
- Understand the basic provisions of the national flood insurance program
- Describe the impact Comprehensive Environmental Response Compensation and Liability Act (CERCLA)
- Explain the various environmental hazards associated with real estate

### Key Terms:

- asbestos
- buffer zone
- building code
- building inspection
- building permit
- certificate of occupancy
- concurrency
- environmental impact statement
- health ordinance
- nonconforming use
- planned unit development
- special exception
- special flood hazard area
- special purpose property
- variance
- zoning ordinance

### Outline

- I) Planning and Zoning
  - A City planning
    - 1) Historical
      - (a) Philosophy of laissez faire
      - (b) Industrialization and urbanization
      - (c) Protecting residential property
    - 2) Goals of planning include, for example:
      - (a) Savings of tax money by preventing sprawl
      - (b) Adequate provision of services

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**Comment [LC130]:** Delete

- (c) Providing for road right-of-ways and set backs
  - (d) Protection against costly drainage, flooding or environmental problems
  - (e) Reduction in political and equity problems in siting landfills, prisons, etc.
- II) Local planning agency
- A Composition
  - B Authority
    - 1) Subdivision plat approval
    - 2) Site plan approval
    - 3) Sign control
  - C Support staff
- III) Florida's **comprehensive plan**
- A Chapter 163, F.S. Growth Policy ~~Act; County And Municipal Planning; Land Development Regulation~~
  - 1) ~~Department of Community Affairs (DCA)~~
  - B Plan must contain certain elements to be coordinated with plans of surrounding areas
    - 1) Future land use
    - 2) Traffic circulation
    - 3) Water, sanitary and storm sewers, and solid waste
    - 4) Conservation of natural resources
    - 5) Recreation
    - 6) Housing
    - 7) Coastal zone protection, where relevant
    - 8) Intergovernmental coordination
    - 9) Utilities
      - (a) Plan must be implemented by adopting sufficient land use control ordinances and capital improvement programs (concurrency requirements)
      - (b) Optional elements may include: historical, scenic preservation, economic and public buildings
      - (c) Concurrency allows new development only after a minimum level of public infrastructure is in place around the development site
- IV) Zoning, land use restrictions and building codes
- A Zoning ordinance and classifications
    - 1) Residential—control of density
      - (a) Lot size
      - (b) Set backs
      - (c) Lot coverage
    - 2) Commercial—control of intensity of use
      - (a) Parking requirements
      - (b) Height and size limitations
    - 3) Industrial—control of emission and effluents
      - (a) Control of by-products such as noise, odor, smoke congestion and chemicals
    - 4) Agricultural
    - 5) Special use
  - B Building codes
    - 1) Building permits
    - 2) Building inspections
    - 3) R-Value

**Comment [LC131]:** A Growth policy and Community Planning Act (CPA)  
 1) . Under the CPA, state-mandated concurrency is not required for  
 (a) . Transportation  
 (b) . Schools  
 (c) . Parks

**Comment [LC132]:** 2) Department of Economic Opportunity (DEO)



- 4) Certificate of occupancy
- C Health ordinances
- V) Appeals and Exceptions
  - A Zoning Board of Adjustment
    - 1) Variance
    - 2) Special exception
    - 3) Legally nonconforming use
  - B Developments of Regional Impact
    - 1) Planned unit development
    - 2) Environmental impact statement
- VI) Flood zones
  - A National Flood Insurance Program (NFIP)
    - 1) Can qualify for Federal Flood insurance program
    - 2) "Special Flood Hazard Areas" are delineated according to NFIP criteria
    - 3) Development within SFHAs must be restricted in a manner so as not to obstruct the natural flow of flood waters
  - B Residential structures in the SFHA must have the first floor above the "Base Flood Elevation"
  - C Non-residential structures must meet the residential requirement, or be water-tight below the Base Flood Elevation
  - D Over 40 percent of purchasers of National Flood Insurance are in Florida
- VII Indoor and outdoor environmental hazards
  - A Water supply
    - 1) Well (adequacy, quality)
    - 2) Public (quality)
  - B Septic tank
  - C Asbestos
  - D Radon
  - E Toxic waste in soil
  - F Underground storage tanks
  - G Lead paint
  - H Mold
  - I Chemical contamination
  - J Structural damage
    - 1) Wood-destroying organisms
      - (a) Termites
      - (b) Carpenter ants
      - (c) Decay

VIII CERCLA

**Comment [LC133]:** Under V) A . 2) insert (a) Special purpose property

**Comment [LC134]:** Under V) . B Developments of Regional Impact insert  
 C . Planned unit development  
 VI Environment Requirements  
 . A . Environmental impact statement  
 . B National flood insurance program (NFIP)  
 . . 1) Qualifying for flood insurance  
 . . 2) Flood insurance rate maps (FIRM)  
 . . . (a) Special flood hazard area (SFHA)  
 . . . (b) High-risk coastal areas  
 . . 3) Development within SFHAs  
 . . 4) Mortgage loan requirements

**Comment [LC135]:** Broker material

## Corona, Giovanna

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**From:** Linda Crawford <ll.crawford@dearborn-fla.com>  
**Sent:** Thursday, October 7, 2021 4:09 PM  
**To:** Corona, Giovanna  
**Subject:** RE: FREC Meeting - October 2021

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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Giovanna,

If the October meeting is the appropriate time, I would like to discuss the suggestions that I submitted to the Commission regarding Rule 3.008. Will there be a third day meeting on October 21?

Regards,

Linda Crawford

---

**From:** Corona, Giovanna <[Giovanna.Corona@myfloridalicense.com](mailto:Giovanna.Corona@myfloridalicense.com)>  
**Sent:** Thursday, October 7, 2021 3:27 PM  
**To:** [ll.crawford@dearborn-fla.com](mailto:ll.crawford@dearborn-fla.com)  
**Subject:** FREC Meeting - October 2021

Good afternoon Linda,

I hope this email finds you well. The Florida Real Estate Commission is scheduled to discuss Rules 61J2-24.001-006 and the FREC-1 Course Syllabus on October 20, 2021 meeting. Please reply to me if you would like the Commission to consider additional public comment you may have regarding the rules and/or syllabus. I look forward to seeing you in October.

Thank you.



**Giovanna Corona**

Executive Director  
Division of Real Estate  
Florida Department of Business and Professional Regulation  
Phone: 407-650-4087



Email: [Giovanna.Corona@myfloridalicense.com](mailto:Giovanna.Corona@myfloridalicense.com)

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## Corona, Giovanna

---

**From:** Linda Crawford <ll.crawford@dearborn-fla.com>  
**Sent:** Friday, October 8, 2021 8:46 AM  
**To:** Corona, Giovanna  
**Subject:** RE: FREC Meeting - October 2021

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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Hi Giovanna,

I am pleased that the FREC Syllabus is on the October 20 agenda. I also would like to present the inconsistency I found in the post-license rule during public comments (see previous email from yesterday). We can forgo further discussion regarding revising rule 3.008 at this time. I will work with my other educators and hopefully present something in next year's rule workshop concerning Rule 3.008.

Regards,

Linda Crawford

---

**From:** Corona, Giovanna <[Giovanna.Corona@myfloridalicense.com](mailto:Giovanna.Corona@myfloridalicense.com)>  
**Sent:** Thursday, October 7, 2021 3:27 PM  
**To:** [ll.crawford@dearborn-fla.com](mailto:ll.crawford@dearborn-fla.com)  
**Subject:** FREC Meeting - October 2021

Good afternoon Linda,

I hope this email finds you well. The Florida Real Estate Commission is scheduled to discuss Rules 61J2-24.001-006 and the FREC-1 Course Syllabus on October 20, 2021 meeting. Please reply to me if you would like the Commission to consider additional public comment you may have regarding the rules and/or syllabus. I look forward to seeing you in October.

Thank you.



**Giovanna Corona**

Executive Director  
Division of Real Estate  
Florida Department of Business and Professional Regulation  
Phone: 407-650-4087



Email: [Giovanna.Corona@myfloridalicense.com](mailto:Giovanna.Corona@myfloridalicense.com)

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contact this office by email or provide information in an interactive form on our site, such information, unless otherwise exempted by Florida law, is a public record and must be made available for public inspection upon request.

## Corona, Giovanna

---

**From:** Linda Crawford <ll.crawford@dearborn-fla.com>  
**Sent:** Thursday, October 7, 2021 5:13 PM  
**To:** Corona, Giovanna  
**Subject:** Public Comment Request concerning possible error in Rule 3.020(3)

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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Giovanna,

During public comments at the October 20 meeting, I would like to bring to the Commissioners' attention a minor discrepancy in the Post-license Education Rule 3.020(3). Rules 3.008, 3.009 and 3.020 have the same sentence in the rules, however, in Rule 61J2-3.020(3), because of a one-word difference, the statement has a different interpretation.

61J2-3.008 (4)(b) states in part: ..."The school must also submit a copy of the course, and access to the course, in the format in which the course will be offered to the student."...

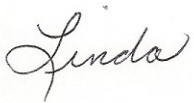
61J2-3.009 (1)(g) states in part: ..."The school or provider must also submit a copy of the continuing education course, and access to the course, in the format in which the course will be offered to the student."...

61J2-3.020 (3) states in part: ..."Providers and schools must also submit a copy of the course, or access to the course, in the format in which the course will be offered to students."...

Rule 3.020 (3) uses 'or access to the course' in its rule; however, 3.008 (4)(b) and 3.009 (1)(g) use 'and access to the course' in their rules.

I believe a scrivener's error was made when Rule 3.020(3) was previously revised.

Respectfully submitted,



Linda L Crawford, Author  
*Florida Real Estate Principles, Practices & Law*  
Dearborn Real Estate Education Company

## Corona, Giovanna

---

**From:** ryan@performanceprogramscompany.com  
**Sent:** Wednesday, October 13, 2021 10:13 AM  
**To:** Corona, Giovanna  
**Cc:** steve@performanceprogramscompany.com; Pomales, Jocelyn  
**Subject:** RE: FREC Meeting - October 2021  
**Attachments:** FREC 1 Syllabus changes letter - Performance Programs Company 10-13-2021.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**[NOTICE]** This message comes from a system outside of DBPR. Please exercise caution when clicking on links and/or providing sensitive information. If you have concerns, please contact your Knowledge Champion or the DBPR Helpdesk.

Greetings Giovanna and Jocelyn,

In responding to the issue of our critiquing the proposed FREC I Syllabus changes, we must confess that we are not fully familiar with the proper protocols and formats for submitting our various positions on this issue.

Further, we don't think it is our province to comment yea or nay on the many points of content changes proposed by Ms. Crawford. So with that preface, we will just plunge forward and present what our general position points are with respect to the FREC I Syllabus's proposed changes and what approach we would take if solicited. We think the easiest and clearest avenue forward is to summarize our position in four overarching points, summarized in the attached PDF. Please distribute our public comments in this PDF to the Commission.

Thank you,  
Steve and Ryan

Stephen Mettling  
Performance Programs Company  
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941-776-9909  
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813-512-6269  
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---

**From:** Corona, Giovanna <[Giovanna.Corona@myfloridalicense.com](mailto:Giovanna.Corona@myfloridalicense.com)>  
**Sent:** Thursday, October 7, 2021 3:27 PM  
**To:** [ryan@performanceprogramscompany.com](mailto:ryan@performanceprogramscompany.com)  
**Subject:** FREC Meeting - October 2021

Good afternoon Ryan,

I hope this email finds you well. The Florida Real Estate Commission is scheduled to discuss Rules 61J2-24.001-006 and the FREC-1 Course Syllabus on October 20, 2021 meeting. Please reply to me if you would like the Commission to consider your public comment regarding the rules and/or syllabus. I look forward to seeing you in October.

Take care,



**Giuvanna Corona**

Executive Director

Division of Real Estate

Florida Department of Business and Professional Regulation

Phone: 407-650-4087



Email: [Giuvanna.Corona@myfloridalicense.com](mailto:Giuvanna.Corona@myfloridalicense.com)

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## **A Critique of the Florida Real Estate Commission's Proposed FREC 1 Syllabus Changes**

**submitted as public comment by Performance Programs Company (FL License #ZH1002837) for inclusion in the Commission's 10-20-2021 Meeting to discuss Rules 61J2-24.001-006 and the FREC-1 Course Syllabus**

**Preview of points submitted:**

- I. Less specification is better than more**
- II. The "time" parameter caution**
- III. Dispense with the "order" mandate**
- IV. Put the schools back on the hook**

### **I. Less specification is better than more**

As real estate education specialists, content experts, and publishers active in over 45 states, we cannot avoid having a fairly broad understanding of how the various jurisdictions handle license-related education requirements. Yet only in Florida is there such an extensive syllabus that not only stipulates the entire soup-to-nuts landscape of content, but also *the order in which such content is to be presented*. Only North Carolina comes close with a 60-page syllabus, yet they do not mandate order. In every other state, prelicense content is stipulated by 1<sup>st</sup> and 2<sup>nd</sup> level heads (only) in a topic outline ranging from 3-20 pages.

To understate how this matches up nationally, the syllabus glass is already full in Florida given the time parameter of 63 hours. Educators and regulators in Florida need to take pause and realize that if you keep adding and adding to the Syllabus, pretty soon you are committing an educator's sin: trying to pour 16 ounces of water into a 12-ounce glass. What happens? Water on the floor. In one ear and out the other. And a declining pass rate. To wit, if you make too many Syllabus adds – which in Florida, we are in danger of doing – you have to increase the hours required for the course. And that's another ballgame all by itself.

### **II. The time parameter caution**

Anyone who has designed courseware – particularly online – knows about the time parameter and "the pie." The time parameter is 63 hours, the hour parameter is 50 minutes per hour, and the pie is how you cut up the pieces of text narrative, exercises, quiz questions, unit reviews and testing to fit into each hour. Typically, the text narrative eats up about 60% of the pie, the quizzes and exercises 25%, and the reviews / discussions another 15%. Thus, when you add one minute of content to a course, you're basically adding almost 2 minutes of time to the course. So again, if we go add, add, adding to the FREC I course, remember, one minute really equals two minutes; and one hour really equals two hours. It starts to add up pretty fast, and we have to be careful.

### **III. Dispense with the "order" mandate**

Moving away from the Syllabus' size problem, Florida – to us – has the order-requirement problem. This is over-regulation at its best. There are hundreds of real estate educators in Florida, many certainly with brilliant ideas as to how to best fashion our particular chunk of real estate law and practice into a pedagogically brilliant tract of learning. But this is all pretty much taken away when the order of content presentation is mandated... in Florida's case, down to the



teeniest citation. To meet Florida’s “order-requirement,” we had to totally re-order our national textbook presentation to conform – which only Florida’s size justified. Otherwise, we would not have bothered, and Florida would have had one less real estate education publisher. The final effect -- fewer offerings and much less diversity in approved programs.

Florida regulators need to pull in their tentacles a bit here. Let educators do the job of ordering and presenting FREC-required content in its courses. Specifying required content is necessary when done to the appropriate degree. But leave it up to the educators to design and structure the learning experience with varied sequencing, varying types of learning exercises, etc. Dictating the content and sequencing of the Syllabus should not be the sole prerogative of a competing author and publisher. Let the schools design the presentations!

**IV. Put the schools back on the hook**

When you free up the schools to educate our licensees, and you allow the curriculum to be taught in any order, you significantly enrich the diversity and tenor of Florida offerings. And you enable the educator to come up with a better way to do things that we’ve never thought of. At the same time, schools become far more responsible for what they teach and what kind of experience the student has. And, by the way, do we ever ask ourselves if we are requiring the right stuff for the 63-hour requirement? Or is it just more, more, more?

=====

**Appx: What should FREC’s Syllabus review and amendment process look like?**

As we are relative newcomers to Florida, we confess our naivete. What is the process for developing and molding the curriculum? What should this process look like? Who suggests and vettes proposed changes? Who speaks up for the schools when changes are suggested during this process? Is there a group of educators who can temper efforts to over-manipulate or monopolize the curriculum?

In other states there are typically educator advisory committees who develop consensus on the content of the Syllabus on an ongoing basis. How is this paralleled – if at all – in Florida? What is the formal process of Syllabus amendment development in Florida? Does this overall process institutionally reside within the Commission’s environment by way of a committee or facsimile thereof? Is it customary to reach out to a representative sampling of constituent educators and the onset of the revision process?

We at Performance Programs Company can assure all interested parties that expansive Syllabus changes are a major PITA and very expensive, time-consuming propositions. As real estate educators for the past 50 years, we can reliably submit that if it (the Syllabus) works, don’t fix it. And if a topic fits okay where it is, don’t move it. Any change means the entire freight train has to come to a screeching halt so we can re-order the boxcars. Is it really critical that a tertiary piece of content has to be added or moved? Finally, why isn’t a committee of industry educators generating and evaluating these rule reviews and changes? Perhaps these issues could be addressed as we attempt to progress toward higher levels of professional regulation and constituent inclusiveness.

Respectfully submitted,

Steve & Ryan Mettling

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[www.performanceprogramscompany.com](http://www.performanceprogramscompany.com)

Performance Programs Company is the publisher of Principles of Real Estate Practice in Florida which is currently approved to be used by 15+ Florida real estate schools.

TAB	NAME	VOTE	DF		RS		PF		PK		GS		RBU		RBA		TOTAL	
			APPROVE	PULL	APPROVE	PULL	APPROVE	PULL	APPROVE	PULL	APPROVE	PULL	APPROVE	PULL	APPROVE	PULL	APPROVE	PULL
A	ALVARADO, JONATHAN	APPROVED	x		x		x		x			x		x	x		5	2
B	ALVAREZ, MARCO	PULLED		x	x			x		x		x		x		x	1	6
C	BAKER, MICHAEL	APPROVED	x		x		x		x		x			x		x	5	2
D	BARTMAN, RICHARD JOSEPH	PULLED		x	x			x	x			x		x		x	2	5
E	BLACK, CARIN ELIZABETH	PULLED		x	x		x		x			x		x		x	3	4
F	BLACKMON BLAYLOC, CASSANDRA	APPROVED	x		x		x		x		x			x	x		6	1
G	BREMEL, DENIS	PULLED		x	x		x						x		x		2	4
H	BURDELL, TRICIA BROOKE	PULLED		x	x			x	x				x		x		2	5
I	BURESH, NINA MARIE	PULLED	x		x		x			x			x		x		3	4
J	BURT, CHRISTOPHER	APPROVED	x		x		x		x		x			x	x		6	1
K	CARRIZOSA, ANDRES G	PULLED		x	x			x		x		x		x	x		3	4
L	CLEMONS, DUANE	APPROVED		x	x		x		x		x			x	x		5	2
M	COLON, CLAUDIA	PULLED		x	x		x		x			x		x		x	3	4
N	CONTRERAS, CARMEN R	PULLED		x		x		x		x			x		x		0	7
O	COTTRILL, DYNELLE	APPROVED	x		x		x		x			x		x	x		5	2
P	CRUZ RIVERA, AMANDA	APPROVED	x		x		x		x		x			x	x		6	1
Q	DAVIS, GLINDA DENISE	PULLED		x	x			x		x			x		x		1	6
R	DEFILIPPO, GREGORY	APPROVED	x		x		x		x		x			x	x		6	1
S	DIXON, WILLIAM F	PULLED		x	x			x		x			x		x		1	6
T	DOUGLAS, LATIFAH	PULLED		x	x			x		x			x		x		1	6
U	FANALI, LINDSAY ANN	APPROVED	x		x		x		x		x			x	x		6	1
V	FERRER, OMAR EMILIO	APPROVED	x		x		x		x			x		x	x		5	2
W	FIGUEROA, BRENDA EVE	PULLED		x	x			x		x			x		x		1	6
X	FLEMING, DAVID W	PULLED	x		x		x			x			x		x		3	4
Y	FRENCH, ERIC M	APPROVED		x	x		x		x		x			x		x	4	3
Z	GOBIN, CHAN	APPROVED	x		x		x		x			x		x	x		5	2
AA	GOMEZ, ROBERTO	PULLED	x		x			x	x				x		x		3	4
AB	GONZALEZ, JAHSUA J	PULLED		x	x			x		x			x		x		1	6
AC	HARRIS, CARMELLE	PULLED	x		x			x		x			x		x		2	5

AD	HARTOG, MICHELLE CAROL	PULLED		x	x			x		x		x		x	x		2	5
AE	HICKLEN, BROKERICK NATHANIEL	APPROVED	x		x		x		x			x		x	x		5	2
AF	HIDALGO, EDGAR ALFONSO	APPROVED	x		x		x		x		x			x	x		6	1
AG	HODGE, NORMAN L JR	APPROVED	x		x		x		x			x		x		x	4	3
AH	HOLLAND, HELGA	PULLED		x	x		x			x		x		x	x		3	4
AI	HUDSON, CODY MATTHEW	PULLED		x	x			x		x		x		x		x	1	6
AJ	HUGHES, FORREST EANES	APPROVED		x	x		x		x		x			x	x		5	2
AK	JENSEN, DAVID L	PULLED		x	x		x			x		x		x		x	2	5
AL	JOHNSON, JEREMY	APPROVED		x	x			x	x		x			x	x		4	3
AM	JOHNSON, SEAN A	PULLED		x	x		x			x		x		x	x		3	4
AN	JOSEPH, JEAN CALEB	PULLED		x		x		x		x		x		x	x		1	6
AO	KING, SCOTT ALLAN	APPROVED	x		x		x		x			x		x		x	4	3
AP	KONIG, JEFF	APPROVED	x		x		x			x		x		x	x		4	3
AQ	LACKEY, JESSEE	PULLED		x	x			x		x		x		x		x	1	6
AR	LANIER, LASHAYLA	PULLED		x	x			x		x		x		x		x	1	6
AS	LEWIS, ROJONIC	PULLED		x	x			x		x		x		x		x	1	6
AT	LYNCH, ANNE	PULLED	x		x		x			x		x		x		x	3	4
AU	MALACINSKI, MICHAEL JOHN	APPROVED	x		x			x	x			x		x	x		4	3
AV	MARSHALL, TANYA	PULLED	.	x	x			x		x		x		x		x	1	6
AW	NGUYEN, CUONG	PULLED	x		x			x		x		x		x		x	2	5
AX	NIEVES, PAULINE MARIE	APPROVED	x		x			x		x	x			x	x		4	3
AY	NOUERAND, JOSEPH	APPROVED	x		x		x			x		x		x	x		4	3
AZ	OFULUE, HANS	APPROVED	x		x		x		x		x			x		x	5	2
BA	OVANDO VELASQUEZ, CESAR ENRI	PULLED		x	x			x		x		x		x		x	1	6
BB	PALMER, MAITEE	APPROVED	x		x		x		x			x		x	x		5	2
BC	PARMAR, RAAJVIR UDAYSINH	APPROVED	x		x		x		x			x		x	x		5	2
BD	PATRICK, TAYLOR CHRISTOPHER	PULLED		x	x			x		x		x		x		x	1	6
BE	PHYLES, ANTHONY WAYNE	PULLED	x		x			x		x		x		x	x		3	4
BF	RINELLO, MICHELLE MARIE	PULLED		x	x			x		x		x		x		x	1	6
BG	RIVERA, LUZSELENIA	PULLED	x		x			x	x			x		x		x	3	4

BH	ROYSTER, ANGELA	APPROVED	x		x		x		x		x			x	x		6	1
BI	SESSA, TAMMY LYNN	APPROVED	x		x		x		x		x			x	x		6	1
BJ	SHALLOW, GRIFFIN	APPROVED	x		x			x	x			x		x	x		4	3
BK	SIDDIQI, FOZIA SHAN	APPROVED	x		x		x		x		x			x	x		6	1
BL	STEVENS, COURTNEY LEO	APPROVED	x		x		x		x			x		x		x	4	3
BM	TERCIER, DEBORAH	APPROVED	x		x		x		x			x		x		x	4	3
BN	TUFFY, TAMMY JOYCE	PULLED		x	x			x		x		x		x		x	1	6
BO	UNDERWOOD, CHARLES HAYWARD	PULLED	x		x		x			x		x		x		x	3	4
BP	VARNER, MICHAEL SCOTT	APPROVED	x		x		x		x			x		x		x	4	3
BQ	WALLACE, JACQUELINE NICOL	PULLED		x	x			x		x		x		x		x	1	6
BR	WARREN, ALEXIS	PULLED		x		x		x		x		x		x		x	0	7
BS	WINCHESTER SCHUT, JENNIFER	APPROVED	x		x		x		x		x			x	x		6	1
BT	WOOLDRIDGE, FELECIA MICHELLE	APPROVED	x		x		x			x		x		x	x		4	3
BU	YANEZ, IVELISS	APPROVED		x	x		x		x			x		x	x		4	3



AD	RODRIGUEZ RIOS, NOE	PULLED		x	x		x		x			x		x		x	3	4
AE	ROMULUS, PAULE MAWENS	APPROVED		x	x		x			x	x			x	x		4	3
AF	RUF, CONNER	PULLED		x	x		x			x		x		x	x		3	4
AG	TANTAU, KATHY	APPROVED	x		x		x		x		x			x	x		6	1
AH	TEDESCO, AURIELLE VICTORIA	PULLED		x	x			x		x		x		x		x	1	6
AI	VELIZ, HUGO	PULLED	x		x			x		x		x		x		x	2	5
AJ	VERA, ANGELA	PULLED		x	x			x		x		x		x		x	1	6
AK	WESTROPP, KYLE M	APPROVED	x		x		x		x			x		x	x		5	2

**RESOLUTION**  
*OF THE*  
**FLORIDA REAL ESTATE COMMISSION**  
*IN RECOGNITION OF*  
**RICHARD “DICK” FRYER**

**WHEREAS**, Richard “Dick” Fryer served from December 13, 2013 thru October 31, 2021, as a member of the Florida Real Estate Commission, and served as Chairperson in 2016 and 2021, and

**WHEREAS**, He diligently discharged his responsibilities as a member and has worked to ensure a smooth transition of real estate regulation in the state so as to meet those requirements imposed under Chapter 475, Florida Statutes and Florida Administrative Code 61J2, and

**WHEREAS**, He has faithfully contributed as a member of the Commission since December 13, 2013 to develop fundamental philosophy of real estate regulation and has selflessly given of his time and knowledge, which has enabled Florida to be a leader at the national level, and

**Whereas**, The members of the Florida Real Estate Commission, mindful of his extraordinary contributions to the State of Florida and the real estate industry, desire to recognize his hard work,

**BE IT THEREFORE RESOLVED, THAT THE MEMBERS OF THE FLORIDA REAL ESTATE COMMISSION** attest to the exemplary standards of leadership and service which Richard “Dick” Fryer brought to the real estate profession and the people of this State; and

**BE IT FURTHER RESOLVED**, That a copy of this Resolution be made a part of the minutes and permanent records of the Florida Real Estate Commission.

Adopted this 20<sup>th</sup> day of October, 2021 at Orlando, Orange County, Florida.

**FLORIDA REAL ESTATE COMMISSION**

---

*Randy Schwartz, Vice-Chair*

---

*Patricia Ketcham, Commissioner*

---

*Patricia Fitzgerald, Commissioner*

---

*Guy Sanchez, Jr., Commissioner*

---

*Renee Butler, Commissioner*

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*Richard Barbara, Commissioner*



**RESOLUTION**  
*OF THE*  
**FLORIDA REAL ESTATE COMMISSION**  
*IN RECOGNITION OF*  
**GUY SANCHEZ, JR.**

**WHEREAS**, Guy Sanchez, Jr. served from December 21, 2017 thru October 31, 2021, as a member of the Florida Real Estate Commission, and

**WHEREAS**, He diligently discharged his responsibilities as a member and has worked to ensure a smooth transition of real estate regulation in the state so as to meet those requirements imposed under Chapter 475, Florida Statutes and Florida Administrative Code 61J2, and

**WHEREAS**, He has faithfully contributed as a member of the Commission since December 21, 2017 to develop fundamental philosophy of real estate regulation and has selflessly given of his time and knowledge, which has enabled Florida to be a leader at the national level, and

**Whereas**, The members of the Florida Real Estate Commission, mindful of his extraordinary contributions to the State of Florida and the real estate industry, desire to recognize his hard work,

**BE IT THEREFORE RESOLVED, THAT THE MEMBERS OF THE FLORIDA REAL ESTATE COMMISSION** attest to the exemplary standards of leadership and service which Guy Sanchez, Jr. brought to the real estate profession and the people of this State; and

**BE IT FURTHER RESOLVED**, That a copy of this Resolution be made a part of the minutes and permanent records of the Florida Real Estate Commission.

Adopted this 20<sup>th</sup> day of October, 2021 at Orlando, Orange County, Florida.

**FLORIDA REAL ESTATE COMMISSION**

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*Richard Fryer, Chair*

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*Randy Schwartz, Vice-Chair*

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*Patricia Ketcham, Commissioner*

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*Patricia Fitzgerald Commissioner*

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*Renee Butler, Commissioner*

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*Richard Barbara, Commissioner*