

**WASHINGTON STATE DEPARTMENT OF LICENSING
REAL ESTATE PROGRAMS
EDUCATION UNIT**

**2022/2023 CURRENT
ISSUES IN WASHINGTON
RESIDENTIAL REAL
ESTATE COURSE
CURRICULUM**

APPROVED: September 15, 2021

Developed by the Washington State Department of Licensing, Real Estate Education Unit.

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INTRODUCTION

Every two years, the Washington State Department of Licensing (DOL) and Washington State Real Estate Commission (Commission) release a set Current Issues (CORE) curricula specifically designed to provide a mandated three-hour legislative, legal, and business practices update for real estate professionals.

For the 2022/2023 CORE curricula, DOL and the Commission utilized the following data points and resources to guide eventual content determinations:

- An alignment review of RCW, WAC and other legislative mandates
- An assessment of real estate compliance data
- An identification of new key issues/trends and out-of-date content/topics based on stakeholder input received April-May 2021

This 2022/2023 edition of the Current Issues in Washington Residential Real Estate Course Curriculum was adopted by the Commission on September 15, 2021 to be implemented January 1, 2022.

NOTE: With ever-evolving legislative, legal, and business practices in the real estate profession, this curriculum is subject to change. Such changes are often minor, rarely involving more than the modification of a sub-objective or an element of a sub-objective, and in most cases do not constitute re-adoption of the curriculum by the Commission. Should they occur, DOL will post an updated curriculum with such changes to its website at <http://www.dol.wa.gov/business/realestate/curriculum.html>. Education providers will be expected to show course alignment to such changes within thirty (30) days of the effective date of the changes.¹

¹ WAC 308-124H-850(1)

RECOMMENDED LEARNING LEVELS

Recommended Learning Level:

Current Issues in Washington Residential Real Estate.....B-2

In developing the recommendations for this edition of the Current Issues in Washington Residential Real Estate Course Curriculum (Residential CORE), DOL and the Commission also analyzed the recommended topics with respect to desirable learning levels.

Learning levels, known as “Bloom’s Taxonomy,” are described in the designations on the following page. These designations are used to identify the learning level recommended for a particular set of topics. A higher learning level designation assumes that students have also achieved lower designated learning levels.

The educational objectives of the Residential CORE are intended to provide a mandated three-hour legislative, legal, and business practices update for minimally competent real estate professionals. This course focuses on the following topic areas:

- Topic Area I: Forms Updates
- Topic Area II: Legislative Update
- Topic Area III: Business Practices Updated and Professional Standards

Given the difficulty to attain deep learning levels with only three (3) clock hours of instruction and still cover all required topic areas, topics in this curriculum should be taught at the *B-2 Comprehension* level.

Additionally, while it is not required to teach subjects in the sequence shown in this curriculum, every education provider must ensure that the courses taught meet the basic learning objectives required to ensure that prospective licensees are minimally competent.

The following page defines and gives examples of the various learning levels.

Learning Levels

B-1 Knowledge

Knowledge is defined as the remembering of learned material. This may involve the recall of a wide range of material, from specific facts to complete theories, but all that is required is the remembering of the appropriate information.

Examples: Know definitions of common terms, basic concepts, methods and procedures and principles.

B-2 Comprehension

Comprehension is defined as the ability to grasp the meaning of material. These learning levels go one step beyond the simple remembering of material and represent the lowest level of understanding.

Examples: Understand and interpret facts and principles.

B-3 Application

Application is defined as the ability to use learned material in new situations.

Examples: Apply laws and theories to practical situations. Demonstrate correct usage of a method or procedure.

B-4 Analysis

Analysis refers to the ability to study or determine the nature and relationship of the parts.

Examples: Distinguish between fact and inference and evaluate the relevancy of data.

B-5 Synthesis

Synthesis refers to the ability to put parts together to form a new whole. Learning outcomes in this area stress creative behaviors, with major emphasis on the formulation of new patterns or structures.

Examples: Propose a plan for an experiment, integrate learning from the different areas into a plan for solving a complex problem.

B-6 Evaluation

Evaluation refers to the ability to determine the significance or worth of something by careful study.

Examples: Form a valid opinion through weighing of evidence.

RECOMMENDED HOURLY BREAKDOWN

Required Clock Hours:

Current Issues in Washington Residential Real Estate..... Total: 3 Clock Hours²

Though course providers may choose to employ any hourly breakdown that meets the required clock hours for Residential CORE, the following hourly breakdown is recommended. The breakdown was developed using topic-coverage ratios and subject matter expert input.

Recommended Hourly Breakdown

Topic Area I: Forms Updates	1.0
Topic Area II: Legislative Update.....	0.50
Topic Area III: Business Practices Updated and Professional Standards	1.50

² Per WAC 308-124H-820(4) a clock hour is a period of fifty (50) minutes of actual instruction.

REQUIRED TOPIC AREAS AND EDUCATIONAL OBJECTIVES

TOPIC AREA I: FORMS UPDATES

Upon completion of this unit, the learner will know and be able to:

Educational Objective 1: Forms Update

Identify and discuss the forms that are currently causing issues for agents in the field, emphasizing purpose, standards of practice, and pitfalls, as well as specific loan program updates affecting the industry.

Specifically, the learner will know and be able to effectively utilize the following forms in a residential real estate transaction where appropriate:

a. Escalation Addendum (10 Min)

- Benefits and pitfalls of an escalation provision from the buyer and sellers' side to include when it is appropriate to use an escalation addendum and when it may not be appropriate to use, and how to identify when the benefits outweigh the disadvantages in a transaction and how to use this tool correctly.

b. Evidence of Funds (10 Min)

- Students will gain competency in using evidence of funds on all transactions (unless buyer is required to provide no cash for closing).

c. Inspection Addendum (5 Min)

- Students will receive information regarding the overall function of the inspection addenda.

d. Inspection Response (15 Min)

- Students will receive information on how to use the inspection response form to navigate the inspection contingency including buyer's notice to the seller, seller's response to the buyer's notice, and the buyer's reply to the seller's response.

e. Terms of closing and possession (10 Min)

- Students will receive information on how to explain the differences between signing, closing, and possession. Students will also learn the best practices regarding early and delayed possession.

f. Financing Contingency Addendum and Additional Down Payment Addendum (10 Min)

- The proper use of the financing addendum and the benefits and pitfalls of an additional down payment addendum.

TOPIC AREA II: LEGISLATIVE UPDATE

Upon completion of this unit, the learner will know and be able to:

Educational Objective 1: Common Concepts

Identify and describe Identify and describe common concepts relating to Washington State residential real estate legislative issues.

Specifically, the learner will know and be able to identify and describe:

a. Clarification on Protected Classes (10 Min)

- Review the Federal Protected Classes (<https://www.eeoc.gov/>)
- Review the additional Washington State Protected Classes (<https://www.hum.wa.gov/fair-housing>)

b. Landlord Tenant Law Update (2019-2020 Legislative Session) (10 Min)

- Update on HB 1138, armed forces exceptions for giving notice of termination of tenancy.
- Update on HB 1694 must allow installment payments on deposit and other move-in costs.
- Update on HB 2535, grace period before late fees may be imposed for past due rent.
- Update on SB 5600, timely notice for economic evictions. Rent payment policy requirements and eviction process reform.

c. Landlord Tenant Law Update (2021 legislative Session) (10 Min)

- Update on HB 1236, limiting the reasons for eviction, refusal to continue, and termination.
- Update on SB 5160, tenant protections during and after public health emergencies, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and authorizing landlord access to state rental assistance programs.

TOPIC AREA III: BUSINESS PRACTICES UPDATE AND PROFESSIONAL STANDARDS

Educational Objective 1: Understanding the basics of best business practices and professional standards.

Specifically, the learner will know and be able to identify and describe:

- a. **Raising the bar of professionalism in interactions.**

- b. **Managing Broker responsibilities regarding managing a firm or branch office or as a team leader.**

- c. **Timely presentation of all written offers (RCW 18.86.030(1)(c))**
 - i. What is meant by the requirement to “present” all written offers, written notices and other written communications?
 - ii. Definition of “timely manner”

- d. **Multiple Offer Scenarios**
 - i. How to evaluate offers based on a buyer’s ability to close on terms acceptable to seller.
 - ii. How to avoid evaluating offers based on discriminatory information or protected classes.
 - iii. Seller and Buyer options when facing multiple offer situations.
 - iv. Time is of the essence when presenting offers.
 - v. Best practices in multiple offer situations.

- e. **Risky practices in an abundant market**

From Listing Brokers:

- i. Falsifying information about competing offers – violation of Uniform Regulation of Business and Professions Act RCW 18.235.130 and duty to deal honestly and in good faith.
- ii. Offer instructions – are they broker or seller instructions?
 - a. Cannot use these instructions as a tool to filter buyers offers - must present all offers to the seller (Agency Law duty to timely present all written offers to your client).
 - b. If using, should be signed by sellers.
- iii. Review Date for Offers in the future – listing brokers are holding until a date in the future when offers should be presented to the seller immediately upon receipt (“timely” presentation is likely getting the offer to the seller the day it is received by the listing broker).
 - a. If holding for offers to review on for a future date, this should be the seller’s idea or the seller should agree by signing off the MLS data sheet where this is stated.
 - b. If the seller wants to accept an offer early, what advice do you provide the seller?
- iv. Misleading photos in listings

Bright Line Rules:

- i. Present all offers received to the seller.
- ii. Present all offers timely (the day the offer is received).
- iii. Every action taken is the seller's choice.

From Buyer Brokers:

- i. Dangerous inspection scenarios:
 - a. Waiving all inspections
 - b. Inspection "for information only"
 - c. Seller Pre-Inspection
 - d. Buyer Pre-Inspections
- ii. Striking the "Information Verification" paragraph from the PSA
- iii. Earnest money to be released to the seller upon mutual acceptance.
- iv. Post-Closing possession by seller
- v. Buyer waiving the right to receive "Seller Disclosure Statement" form (Form 17).

APPENDIX I: OPTIONAL COURSE CURRICULUM RESOURCE MATERIALS

- a. Washington State Department of Licensing Real Estate Program Webpage:
<http://www.dol.wa.gov/business/realestate/index.html>
- b. National Association of Realtors'® Federal Issues Tracker:
www.nar.realtor/political-advocacy/nars-federal-issues-tracker
- c. Washington Legislature Webpage
<http://leg.wa.gov/>
- d. YouTube Video relating to Form 35
<https://youtu.be/y-cFjX9LsXs>
- e. NAR's Pathways to Professionalism:
<https://www.nar.realtor/about-nar/governing-documents/code-of-ethics/pathways-to-professionalism>
- f. NAR's Buyer's and Seller's Guide to Multiple Offer Negotiations:
<https://www.nar.realtor/about-nar/policies/professional-standards-and-code-of-ethics/a-buyers-and-sellers-guide-to-multiple-offer-negotiations>
- g. Inspection Addendum:
YouTube video regarding inspection addendum for reference option:
<https://www.bing.com/videos/search?q=youtube+insepction+addendum&view=detail&mid=FF7B847A0A0FA24D28D6FF7B847A0A0FA24D28D6&FORM=VIRE>
- h. Forms
 - a. 35E Escalation Addendum
 - b. 22EF Evidence of Funds
 - c. 35 Inspection Addendum
 - d. 35R Inspection Response
 - e. Closing and Possession Provisions
 - f. 22A Financing Contingency Addendum
 - g. 22AD Additional Down Payment
- i. National Association of Realtors Buyers and Sellers Guide to Multiple Offer Negotiations
<https://www.nar.realtor/about-nar/policies/professional-standards-and-code-of-ethics/a-buyers-and-sellers-guide-to-multiple-offer-negotiations>
- j. Real Estate Excise Tax Legislation
 - a. Washington Realtors Legislative Update 2019 Part 1

k. Real Estate Educators

<https://www.dol.wa.gov/business/realestate>

l. Course Search (Chrome Browser)

<https://professions.dol.wa.gov/s/course-search>

m. How to get your license

a. Real Estate Broker - <https://www.dol.wa.gov/business/realestate/brokerslicense.html>

b. Managing Broker - <https://www.dol.wa.gov/business/realestate/mngbrokerslicense.html>

n. Fingerprinting & Background Checks

a. WAC 308-124A-700

b. <https://www.dol.wa.gov/business/fingerprinting.html>