**Introduction**

Upon completion of this section, the student should be able to:

1. Explain the role of real estate broker, designated broker, managing broker, and firm in the context of a real estate transaction; plus demonstrate an awareness of legal duties and obligations to the client and other parties involved.

2. Show an understanding of what is meant by the unauthorized “practice of law” by a licensee.  
   a. In various situations, demonstrate an awareness of when the licensee needs to suggest clients seek legal counsel.

3. Indicate an awareness of “common pitfalls” that may be encountered by brokers. May also include a review of recent disciplinary actions/what went wrong.

4. Demonstrate a knowledge of the ethical¹ and legal considerations in the practice of real estate including:
   a. Relationships with Competitors
   b. Relationships with Clients or Customers
   c. Relationships with Colleagues

**Washington Licensing Law**

Upon completion of this section, the student should be able to:

1. Demonstrate an understanding of the legal and regulatory environment affecting real estate licensees in the state.

2. Describe any specific duties imposed on licensees by the state of Washington in regards to becoming a licensee including prohibitions described in RCW 18.85.361 (Grounds for Disciplinary Actions), RCW 18.86.030 (Duties of Licensee), and RCW 18.235.130 (Uniform Regulation of Business and Professions Act).

¹The use of the terms “ethics” and “ethical” is meant in a general sense, and is not referring to any particular code of ethics.
**Agency Law**

Upon completion of this section, the student should be able to:

1. Demonstrate a familiarity with the various agency situations described under RCW 18.86, and with the disclosures necessary to avoid any potential conflicts of interest.

2. Demonstrate the ability to identify the broker’s client (e.g., Who is the client?) in various agency situations. And having done so, be able to identify the licensee’s “duties of client” in each situation and how agency law applies (e.g., creation of agency relationships, general duties of licensees, additional duties of a seller’s agent, buyers’ agent and dual agent, and termination of agency relationships).

**Contracts**

Upon completion of this section, the student should be able to:

1. Demonstrate knowledge of the conditions required for a valid contract – including but not limited to the following:
   a. Elements of a Contract (i.e., Offer and Acceptance; Consideration; Capacity of Parties; Legality of the Contract)
   b. When is a contract void or voidable (and what is the difference between these).
   c. The Statute of Frauds, valid legal description, and other requirements.

2. Show an understanding of the use of contracts in real estate, including issues related to:
   a. When is a contract required
   b. Assignment
   c. Amendments and modification
   d. Completion, rescission, and termination (discharge of contracts)
   e. Contract default
   f. When to seek assistance from an attorney

3. Specific real estate forms/contracts such as:
   a. Representation Agreement
   b. Purchase and Sales Agreement
   c. Leases-Residential and Commercial
   d. Compensation Agreements
**Torts**

Upon completion of this section, the student should be able to:

1. Demonstrate an understanding of how a tort claim can arise for each of the following:
   a. Negligence
   b. Fraud
   c. Fraudulent Concealment
   d. Intentional interference with business expectancy
   e. Consumer Protection Act

**Practices and the Law**

Upon completion of this section, the student should be able to:

1. Demonstrate an understanding of how law affects the practice of real estate, including (but not limited to) the following activities:
   a. Advertising
   b. Listing/Buyer Representation or Agency Agreements
   c. Purchase & Sale Agreements
   d. Fair Housing and RESPA
   e. Mandatory Disclosures (forms), e.g., property condition, lead paint, mold
   f. Disclosure and Property Defects
   g. Environmental Considerations
   h. Ethics and Relationships with Competitors
   i. Submitting Offers
   j. Escrow Funds, Earnest Money, and Promissory Notes including definition of Trust Monies under RCW 18.85.285(2)
   k. Closing and Post Closing Issues
   l. Condominiums and Other Co-ownership Arrangements
   m. Property Management including the unique legal requirements pertaining to the leasing of property, e.g., Landlord-Tenant Act, fiscal requirements, and fiduciary duties

**Legal Environment**

Upon completion of this section, the student should be able to:

1. Demonstrate an awareness of the unique legal considerations related to being a licensee, including the following topic areas:
   a. Licensees acting as an Independent Contractor
   b. Duties to Real Estate Firm as a representative/agent/employee of the firm
   c. Responsibilities of Licensee to Managing/Designated Broker
   d. Duties of Managing/Designated Broker and/or Firm to Licensee
   e. Washington Department of Licensing Regulations (WACs)
**Current Topics (Up to 3 hours)**

Additional topics may arise due to legislative action, market changes, etc. This objective allows education providers some flexibility to cover relevant topics that might not otherwise be covered².

²e.g., in Spring 2009, such topics might include short sales, requirement for referrals for property inspection, etc.