

Modern Real Estate Practice Textbook Updates

Key Realty School works with Dearborn publishing to create reference textbooks designed to better understand the principles and practices of real estate. The Modern Real Estate Practice is the textbook used for federal / national reference. The 20th Edition of this textbook was released in late 2018/early 2019 wherein Key Realty School has phased out the 19th edition in its entirety **as of January 1st 2020**.

NOTE: Though the 20th edition has been modified to reflect and consider changes within federal / national real estate principles, no changes have been made that would hinder a student's ability to understand the information needed to pass the national portion of the licensing exam. The student is provided with all information to pass the licensing exam in both the 19th and the 20th editions.

SUMMARY OF CHANGES – Changes from 19th to 20th Edition of the Modern Real Estate Practice

The 20th edition of *Modern Real Estate Practice* reflects the realities of the real estate industry, including legislative updates, new case law, and economic concerns that impact the real estate professional. In addition, this edition has been reorganized to bring together the concepts that contribute to understanding the real estate marketplace, how real estate is defined, the type of real estate transactions that are the most frequently encountered by consumers, and how real estate professionals help consumers in carrying out those transactions.

Throughout the text, discussions, examples, exercises, and quizzes have been refined to make them as broadly-applicable as possible. More "In Practice" examples have been included to clarify topics.

Added the following key terms which appear on licensing exams:

Vicarious liability
General liability
Wetlands protection
Predatory lending
Mortgage fraud

The text begins with an overview of the real estate business, including the many professionals who contribute to various aspects of that business.

Unit 1: The first unit now touches on ways in which federal tax law benefits the homeowner and investor.

Unit 2: The unit on real estate and the law now includes discussion of coastal waters and how they are defined.

Unit 3: The discussion of interests in real estate includes a report on the outcome of the *Kelo* decision.

Unit 4: In the unit on forms of real estate ownership, the states that recognize community property rights are identified.

Unit 8: The role of professional organizations for real estate licensees, and the codes of ethics and standards of conduct that they promote, are now included in the unit on real estate brokerage. Discussion of the broker's vicarious liability for the actions of sales associates has been expanded.

Unit 9: The unit on agency clarifies the concepts of subagency and the in-house transaction. Discussion of client representation agreements includes references and web addresses to documents demonstrating real estate practices in a variety of states.

Units 12 and 13: Real estate financing issues have been updated to reflect the current marketplace as well as recent legal changes.

Unit 16: The appraisal chapter now includes the property inspection waiver, and more details of the broker's price opinion.

Unit 18: The unit on fair housing has been moved so that it is studied after leases are defined, and before the role of the property manager is discussed.

Unit on Real Estate Investment (Unit 22 from 19E) was eliminated and content from it was moved to Unit 1.

Course Workbook Updates

Summary of curriculum changes (decade 2010-2020) – Though federal and state specific changes may occur approximately every two years within specific legislative session, the fundamental vocabulary and intent of the curriculum, as it relates to the licensing exam, rarely changes. This worksheet is designed to provide minor updates to the curriculum to bring all files to date.

It is important to remember that the majority of real estate vocabulary is based on old English terms wherein the first recorded use of real estate is noted in court proceedings of the 16th century. Real Estate vocabulary seldom, if ever, changes.

The National/State Content as it pertains to video curriculum and workbooks

Workbooks: Key Realty School releases a new workbook approximately every 6 months. (July 1 and January 1 of every calendar year)

The following changes have been made to national real estate pre licensing workbook **as of January 1 2020:**

*Some changes may not be reflected in print or digital versions of the workbooks until editorial review is completed

1. An expanded over 500 word glossary has been added to the national workbook. Print at home flash cards are now available online through the student course portal at www.KeyRealtySchool.net
2. Math questions previously noted within the Agency section of the workbook have been removed from the Agency section and are now available at the end of the workbook.
3. Additional real estate math practice questions have been added to the math review section of the workbook.
4. Several true and false explanations have been expanded. The answer has not changed but further clarification has been added.
5. New course videos have been added to the student online course portal wherein the student can now select from different instructors based on the presentation / learning style.
6. Agency matching number 2-4 has been modified. Items 20-26 have been removed.
7. Realty course work test question 70 answer has been changed to C as real property vs personal property derived question
8. Finance Quiz 3, # 10. VA loan max has been removed as it changes from period to period and this max limit is not a tested item. This question has been replaced.
9. Finance course work text question 97 has been replaced with a more defined question and answer sequence.

National content changes – National real estate vocabulary and terms as they pertain to agency and real estate, are rarely if ever affected by legislative change. As an example, the principles of fiduciary responsibility were further defined in English law during the mid-1700s. Many real estate terms are Latin based on some pre date 6 century BC. In summary, little to no changes occur within real estate principles. Federal Regulations such as Fair Housing was most recently modified in a method that would directly affect curriculum delivery in 1988. Though additional interpretation of existing federal laws have taken place, no major changes have occurred in the last 10 years that would directly affect any of the course curriculums as it relates to a student who enrolled after January 1 2010. That said, the financial crisis of 2008 did cause modifications to RESPA that could be seen on exams. On December 31, 2013, the CFPB published final rules implementing provisions of the Dodd-Frank Act, which direct the CFPB to publish a single, integrated disclosure for mortgage transactions, which included mortgage disclosure requirements under the Truth in Lending Act (TILA) and sections 4 and 5 of RESPA. As a result, Regulation Z now houses the integrated forms, timing, and related disclosure requirements for most closed-end consumer mortgage loans.

State law and state law workbook content changes –Excluding off sessions and emergency legislative action, regulation and statute that directly relate to academics and licensing exam content are only drafted in odd year legislative sessions. The following lists items that have been changed since 2010 and are specifically deemed relative to curriculum and may be exam related:

- The gaming overlay map must be disclosed in the sale of real estate in counties with a population over 700,000
- Licensing fees change frequently. See the Nevada Real Estate Division website for current license fee schedule: <http://red.nv.gov>
- The renewal period is 2 years. Though is rarely a tested item, the legislator passed addition changes in the 2019 session to change the renewal requirements once again. The commission will adopt regulation to adhere to said changes and thus division enforcement should take place in late 2020. Visit the Nevada Real Estate Division site for current details if needed.
- Nevada law seldom changes as it relates directly to the state licensing exam. The state licensing exam is based on practical real estate law and situational type questions as it relates to Nevada law.
- Though several real estate related bills were passed in the 80th legislative session (2019 session), no bills passed have forced a change to the course curriculum or exam preparation. Additional information pertaining to current senate and assembly bills related to real estate can be found online: <http://www.keyrealtyschool.com/pending-nevada-legislation/>
- Question 28 in Nevada Law Practice Exam found on page 152 – answer A has been amended to “A policy in contradiction to federal or state law”
- Question 42 in Nevada Law Practice Exam found on page 154 – answers A and B, the term post is changed to disclosed.