



# Illinois Department of Financial and Professional Regulation

## Division of Real Estate

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### **BROKER 75-HOUR PRE-LICENSE CURRICULUM**

#### **Course Goal**

To provide prospective licensees with the knowledge necessary to prepare for the Illinois Real Estate Broker examination.

#### **Overview**

Section 5-27(a)(5) of the Real Estate License Act of 2000 requires an applicant for licensure as a broker to provide satisfactory evidence of having completed 75 hours of instruction in real estate courses approved by the Department, 15 hours of which must consist of situational and case studies presented in the classroom or by live, interactive webinar or online distance education.

The 75-hour pre-license curriculum consists of 3 parts contained within two courses: (i) 60 hours of Real Estate Topics (parts 1 and 2); and (ii) 15 hours of Applied Real Estate Principles (part 3). The 60-hour broker pre-license real estate topics course may be provided in any format. The 15-hour broker pre-license applied real estate principles courses must be provided only in the classroom or through a live, interactive webinar, or online distance education format. A student is not required to take an examination to receive credit for courses completed in a classroom or through a live, interactive webinar, or online distance education format. To receive credit for courses provided through correspondence, or by home study, a student must pass an in-person, proctored examination.

A licensed education provider may apply for the 60-hour broker pre-license real estate topics course license and the 15-hour broker pre-license applied real estate principles course license based on this 75-hour broker pre-license curriculum by submitting a signed application, applicable fees and any other documents required on the application.

## **30 Hours - Introduction to Real Estate (Part 1)**

### **License Law - 30 Minutes.**

1. History and Purpose
2. Licensure Requirements
3. Real Estate License Act, Rules and Regulations

### **Real Property - 4.5 Hours**

1. Land Characteristics
  - a. Land Measurement
  - b. Mineral, Air, and Water Rights
  - c. Measuring Structures and Room Count
2. Legal Descriptions
  - a. Metes and Bound / Lots and Block / Governmental Surveys
3. Encumbrances
  - a. Liens
  - b. Easements
  - c. Encroachments
  - d. Title Encumbrances
4. Ownership Types
  - a. Severalty
  - b. Types of Co-Ownership
  - c. Common-Interest Ownership
  - d. Life Estate Ownership
5. Land Use Controls
  - a. Government Controls
    - i. Zoning
    - ii. Special Land Types
    - iii. Environmental Hazard Regulations and Disclosures
  - b. Private Controls
    - i. Deed Conditions or Restrictions
    - ii. Covenants, Conditions and Restrictions
    - iii. Homeowners Association Regulations
6. Material Defects and Disclosures
7. Personal Property / Fixtures

### **Federal Laws - 3 Hours**

1. Fair Housing and Americans with Disabilities Act (ADA)
2. Antitrust
3. Disclosures

## **Structure of Agency - 6 Hours**

1. Agency Relationships
  - a. Designated Agency
  - b. Single Agency
  - c. Dual Agency
  - d. No Agency
2. Client vs Customer
  - a. Statutory Responsibilities
  - b. Confidentiality Requirements
  - c. Required Disclosures
  - d. Latent Defects / Stigmatized Properties
  - e. Disclosure of Ownership Interest or Conflicts of Interest

## **Seller Relationships and Counseling - 9 Hours**

1. Agency Disclosure
2. Duties to Seller Clients
3. Dual Agency Consent/Denied
4. Listing Appointment
  1. Gathering data
  2. Proof of Title
  3. Qualifying Seller
  4. Determining Seller Equity
  5. Property Condition
  6. Short Sale/Foreclosure
  7. Compensation
  8. Listing Agreement/Issues
  9. Disclosure Forms
5. Ongoing Communications
  - a. Oral
  - b. Email
  - c. Text
  - d. Social Media
6. Termination of Agency

## **Buyer Relationships and Counseling - 7 Hours**

1. Agency Disclosure
2. Buyer Representation
3. Dual Agency Consent/Denied
4. Buyer Representation
5. Qualifying
  - a. Motive
  - b. Urgency
  - c. Financial Qualifications

6. Duties to Buyer Clients
  - a. Statutory & Ethical
  - b. Material Facts Disclosures
  - c. The Buying Process
  - d. Offers of Compensation
7. Showing Property Conduct
8. Ongoing Communications
  - a. Oral
  - b. Email
  - c. Text
  - d. Social Media
9. Termination of Agency

## **30 Hours - State Laws/Transactions (Part 2)**

### **Illinois Law - 3 Hours**

1. Obtaining a Real Estate License in Illinois
2. Administration of the License Law
3. State and Local Disclosures
4. Illinois Human Rights Act
5. Unauthorized Practice of Law (Quinlan & Tyson)
6. Licensed Activities vs. Unlicensed Activities
7. Disciplinary Actions

### **Advertising and Technology - 2 Hours**

1. Advertising and Marketing Practices
  - a. Truth in Advertising
  - b. Fair Housing Issues in Advertising
  - c. Print / Electronic / Social Media Requirements
2. Use of Technology
  - a. Do Not Call Registry / Can-Spam Act / Phishing
  - b. Requirements for Confidential Information

### **Appraisal and Comparative Market Analysis - 3 Hours**

1. Appraisal Process
  - a. Purpose and General Steps in the Appraisal Process
  - b. Estimating Value
2. Comparative Market Analysis
  - a. Selecting and Adjusting Comparable Properties
  - b. Historical Sales and Expired
  - c. Market Conditions and Value
  - d. Understanding and Communicating Statistics

## **Financing - 6 Hours**

1. Finance Concepts and Terminology
  - a. Points, Interest, LTV, PMI, PITI
  - b. Financing Instruments
2. Types of Loans
3. Lending Process
4. Financing and Credit Laws and Rules
  - a. Truth in Lending
  - b. Equal Credit Opportunity
  - c. CFPB / TRID Rules on Financing
  - d. Predatory Lending and Mortgage Fraud
  - e. RESPA
5. Foreclosure/Redemption/Bankruptcy
6. Credit Scores (FICO) / Credit History / Debt Ratios

## **Real Estate Calculations - 3 Hours**

1. Area Calculations
2. Financing Calculations
3. Calculations for Transactions
  - a. Property Tax
  - b. Prorations
  - c. Commissions and Commission Splits
  - d. Seller's Sale Proceeds
  - e. Buyer's Down Payment and Closing Costs
  - f. PITI (Principal, Interest, Taxes, and Insurance)
  - g. Transfer Fee/Revenue Stamps/Conveyance Tax

## **Contracts in Real Estate - 8 Hours**

1. Basics in Contract Law
2. Listing Agreements
3. Purchase Agreements
4. Addendums, Contingencies and Effects
5. Electronic Signatures and Paperless Transactions
6. Letters of Intent
7. Earnest Money and Escrow Rules
8. Presenting and Negotiating Offers
9. Multiple Offers
10. Contemporaneous Offers
11. Terminating a Contract
12. Closing Transactions
13. Leases and Security Deposits
14. Employee and Independent Contractor Agreements

## **Transfer of Title - 3 Hours**

1. Title Insurance
  - a. Purpose of Title Insurance
  - b. Title Searches / Title Abstracts / Chain of Title
  - c. Marketable vs Insurable Title
  - d. Potential Title Issues and Remedies
2. Deeds
  - a. Purpose of Deeds
  - b. Types of Deeds
  - c. Elements of Deeds
  - d. Recording of Deeds
3. Closing
  - a. Responsibilities of Title Company / Escrow Agent
  - b. Prorated Items
  - c. Closing Statements / TRID Disclosures
  - d. Estimated Closing Costs
  - e. Property Taxes
4. Special Process
  - a. Foreclosure
  - b. Short Sale
5. Warranties
  - a. Purpose and Scope of Home and Construction Warranties

## **Leasing and Property Management - 2 Hours**

1. Basic Duties of Property Management
2. Lease Agreements
  - a. Types of Leases
  - b. Key Elements of Lease Agreements
3. Landlord and Tenant Rights and Obligations
4. Property Manager's Fiduciary Responsibilities
5. Fair Housing and ADA Compliance

## **15 Hours - Applied Real Estate Principles (Part 3)**

### **Interactive Course**

#### **Practicum - Review All Learning Objectives**

#### **Role Play/Situational/Case Study Examples**

1. Listing Presentation, Agreement, Disclosures
2. Buyer Representation, Agency, Disclosures
3. Designated Agency Disclosure / Dual Agency
4. Request Writing Purchase Agreements / Offers
5. Presenting, Negotiating, Countering Offers
6. Handling Multiple Offers and Counter Offers
7. Managing Assistants

## **Demonstration Examples**

1. Market Analysis
2. Seller Net Sheet
3. Buyer Closing Costs

## **"What If" Situation Examples**

1. Confronting Fair Housing Violations / Seller or Buyer Proper Handling of Failing Contracts
2. Proper Handling / Disbursing Escrow Money
3. Distressed Property Issues
4. Fair Housing Questions
5. Antitrust Scenarios
6. Inspection / Repairs Issues