



# Illinois Department of Financial and Professional Regulation

## Division of Real Estate

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Governor

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Division of Real Estate

### 45-HOUR BROKER POST-LICENSE CURRICULUM

#### Course Goal

To provide new broker licensees with enhanced knowledge of a broad range of topics applicable to the real estate profession. The courses will assist the broker in developing the skills necessary to protect consumers and enhance the professionalism of the real estate industry.

#### Overview

Section 5-50(b) of the Real Estate License Act of 2000 requires that an individual whose first license is that of a broker received on or after August 9, 2019, must provide evidence of having completed 45 hours of post-license education presented in a classroom or through a live, interactive webinar, or online distance education course. The 45 hours of post-license education consists of three 15-hour post-license courses, one each that covers applied brokerage principles, risk management/discipline, and transactional issues. Each of the courses shall require its own 50-question final examination, which shall be administered by the education provider delivering the course.

Sexual harassment prevention training is now required of all persons who hold a license issued by the Division of Real Estate. The new law requires licensees to complete a one-hour course in sexual harassment prevention training and is effective for all renewals on or after January 1, 2020. The courses must be taken from an approved education provider and may be included in the required continuing education hours. **This curriculum includes the one-hour sexual harassment prevention training.**

A licensed education provider may apply for a 45-hour post-license course license based on this curriculum by submitting a signed application, applicable fees and any other documents required on the application.

## **APPLIED BROKERAGE PRINCIPLES COURSE (15 HOURS)**

*The instructor should spend approximately 25% of the course hours covering conceptual topics in the outline. To assist in student understanding and application, the remaining time should be spent on Case Studies, Exercises, Role Play, or Discussions that involve fact-based situations which incorporate concepts presented.*

### **Brokerage Review, Legal Requirements**

#### **I. Real Estate License Act**

##### **A. Purpose/Intent**

- a. Requirements of and Restrictions on Licensees and Licensed Activities**
- b. Scope of Practice**
  - 1. Residential Leasing Agent**
  - 2. Broker**
  - 3. Managing Broker**

##### **B. Continuing and Post-License Education Requirements**

##### **C. Real Estate Brokerage and Business Practices**

- a. Sponsoring Broker Responsibility**
  - 1. Designated Managing Broker Responsibilities for Brokers that have not completed the 45-hour Post License Education**
- b. Areas of Practice**
  - 1. Residential**
  - 2. Commercial/Industrial**
  - 3. Property Management/Leasing**
- c. Brokerage Office Policy and Procedures**
- d. Brokerage Agreements**
  - 1. Listing Agreements**
  - 2. Buyer Representation Agreements**
  - 3. Leasing/Tenant Brokerage Agreements**
  - 4. Property Management Agreements**
- e. Written Employment Agreement/Compensation**

##### **D. Real Estate Agency**

- a. Designated Agency**
  - 1. Duties of Licensee when Representing Clients**
  - 2. Disclosure of Agency Relationship**
- b. Dual Agency**
  - 1. Duties and Restrictions in Dual Agency**
  - 2. Disclosure and Consent**
  - 3. Licensee Principal-No Dual Agency**
- c. No Agency Relationship**
  - 1. Disclosure of No Agency**
  - 2. Relationship with Customers**

- d. **Contemporaneous Offers/Disclosure of Contemporaneous Offers**
  - e. **Exclusive Brokerage Agreements/Minimum Services**
  - f. **Confidential Information**
    - 1. **Protection of Confidential Information**
    - 2. **Disclosure of Confidential Information (when permitted)**
    - 3. **Physical Defects-Not Considered Confidential Information**
- E. Escrow**
- a. **Earnest Money and Security Deposits**
  - b. **Responsibilities/Accounting**
  - c. **Deposit/Disbursement**
  - d. **Disputes**
- F. Advertising**
- a. **General Advertising Requirements**
  - b. **Electronic Media Advertising**
    - 1. **Email**
    - 2. **Websites**
    - 3. **Social Media**
    - 4. **Other Electronic Platforms**
  - c. **False and Misleading Advertising**
  - d. **Team Advertising**
  - e. **Disclosure of Licensee Status**
  - f. **CAN-SPAM Act of 2003**
  - g. **Do Not Call Act**
  - h. **Telephone Consumer Protection Act of 1991**
- G. Teams**
- a. **Team Structure**
  - b. **Agency in Teams**
    - 1. **Dual Agency**
    - 2. **Designated Agency**
    - 3. **Office Policy**
  - c. **Compensation of Teams**

## **II. Types of Real Property**

- A. Residential**
- a. **Single Family**
  - b. **Multi-Family**
    - 1. **2-4 Units vs 5+ Units**
  - c. **Condominiums**
  - d. **Co-ops**
  - e. **Lot/Land**
  - f. **New Construction**
  - g. **Parking Spaces**
  - h. **Manufactured/Mobile Homes (Real vs. Personal Property)**

- B. Commercial**
  - a. Office
  - b. Retail
  
- C. Industrial**
  - a. Manufacturing Facilities
  - b. Warehouses/Logistics
  
- D. Agricultural**
  - a. Farmland
  - b. Forestry
  - c. Ranches
  - d. Orchards
  
- E. Special Purpose**
  - a. Churches
  - b. Schools
  - c. Public Use
  - d. Cemeteries

### **III. Types of Real Estate Brokerage**

- A. Listing/Selling**
- B. Leasing**
- C. Property Management**
  - a. E&O Coverage
- D. Development**
- E. Areas of Competency**

### **IV. Taxes Effecting Real Estate**

- A. Illinois Real Estate Taxes**
  - a. Explanation of the Real Estate Tax Cycle
  - b. Effect on Property Ownership/Values
  
- B. Transfer Taxes**
  - a. State
  - b. County
  - c. Municipal
  
- C. Capital Gains**
  - a. Residential Property
    - 1. Owner Occupied Exemption
    - 2. Other Exemptions
  - b. Commercial Property
    - 1. Section 1031 Exchanges

## **Practical Brokerage Application**

### **I. Business Skills**

#### **A. Business Planning**

- a. Setting Goals**
- b. Financial Planning**
- c. Overview of Income Tax Consideration**
  - 1. Separation of Personal and Business**
  - 2. Professional Advisors**
- d. Budgeting**
- e. Time Management**
- f. Software Packages (Word Processing, Spreadsheets, Accounting, etc.)**
- g. Property Access Technology**
  - 1. Security Codes**
  - 2. Best Practices**
- h. Consent to Communicate via Technology**
  - 1. CAN-SPAM Act of 2003**
  - 2. Do Not Call**
  - 3. Telephone Consumer Protection Act of 1991 (texting)**

#### **B. Use of Technology**

- a. Online Listing Websites**
- b. Multiple Listing Services**
- c. Customer Relationship Management Systems**
- d. Social Media and Electronic Platforms/Channels**

### **II. Broker Practice**

#### **A. Prospecting**

- a. Marketing**
- b. Networking**
- c. Initial Client Meetings**
- d. Advertising**
- e. Open Houses**

#### **B. Professionalism**

- a. Response to Inquiries**
- b. Showing Listed Property**
- c. Client/Customers/Public Respect**
- d. Professional Treatment of Other Licensees**
- e. Negotiations**
- f. Advertising**
  - 1. Quality Listing Pictures**
  - 2. Professional Website**
- g. Value of a Real Estate Agent to the Client**

- C. **Responsibility to Client – Scenarios/Exercises**
  - b. **Designated Agency**
  - c. **Dual Agency**
  - d. **Confidential Information**
  - e. **Seller**
  - f. **Landlord**
  - g. **Buyer**
  - h. **Tenant**
  
- D. **Market Knowledge**
  - a. **Local Ordinances**
  - b. **Broker Price Opinion/Comparative Market Analysis**
  - c. **Financing Options and Home Buying Programs**
  - d. **Inspectors (Home, Roof, Septic, Etc.)**
  - e. **Appraisal Standards**
  - f. **Zoning**
  - g. **Using Publicly Available Information**
    - 1. **Assessor’s Office, Recorder of Deeds, FEMA, Etc.**

**Topics Recommended for Case Studies, Exercises, Role Playing, or Discussion:**

- **Showing licensee owned property**
  - **Cannot be Dual Agent, No Agency, etc.**
  - **Open House**
  
- **“Water Cooler Talk” (discussing confidential information about a listing while in the office, at a business meeting, or with other brokers.)**
  
- **Open Houses**
  - **Your Listing**
  - **Team Listing**
  - **Another Agent from your Office Listing**
  - **Hosting Open Houses for another Company’s Listing for Compensation - prohibition**
  
- **Disclosures**
  - **Residential Real Property Disclosure Form**
  - **Radon Awareness Disclosure and FEMA Flyer**
  - **Lead Based Paint Disclosure and US EPA Booklet**
  
- **Rent with Option to Buy**
  
- **Short Sales/Foreclosures**
  
- **Real Estate Auction/Estate Sale**

- **Relocation Situations**
- **Business Brokerage vs. Real Estate Brokerage**
- **Buyer’s Agent on For Sale By Owners (FSBO’s)**
- **Surveillance/Eavesdropping Issues for Seller/Landlords and Buyer/Tenants**

**RISK MANAGEMENT/DISCIPLINE COURSE (15 HOURS)**

*The instructor should spend approximately 25% of the course hours covering conceptual topics in the outline. To assist in student understanding and application, the remaining time should be spent on Case Studies, Exercises, Role Play, or Discussions that involve fact-based situations which incorporate concepts presented.*

**I. Risk Management**

**A. Fair Housing**

- a. **Title VIII**
- b. **Illinois Human Rights Act**
- c. **Local Fair Housing Ordinances**
- d. **Advertising Guidelines and Fair Housing**
- e. **Background Checks/Criminal History Considerations**
- f. **Service, Emotional Support, and Therapy Animals**

**B. Antitrust**

- a. **Sherman Antitrust Act**
- b. **Antitrust Violations in Real Estate Brokerage**
  1. **Price Fixing**
  2. **Boycotting**
  3. **Affiliated Business/Tying**
  4. **Market Division**
  5. **Discussion Regarding Class Action Lawsuits filed by Home Sellers Against NAR and Others**

**C. Escrow Issues**

- a. **Sponsoring Broker Responsibility**
- b. **Sponsored Licensee Responsibility**
- c. **Recordkeeping Requirements**
- d. **Deposit/Disbursement Requirements**
- e. **Returning Escrow Funds when a Transaction Falls Through**
- f. **Next Business Day Requirement and Certain Exemptions**

- D. Insurance**
  - a. Errors and Omissions Insurance**
    - 1. Requirement vs. Best Practice**
    - 2. Coverages**
    - 3. Typical Coverage when Principal to a Transaction**
  - b. General Commercial Liability Insurance**
  - c. Cyber Coverage**
  
- E. Compliance with Office Policies and Procedures**
  - a. Agency**
  - b. Brokerage Services**
  - c. Areas of Competency**
  - d. Training and Practice/Supervision**
  - e. Advertising**
    - 1. Truth in Advertising**
    - 2. Using Non-Owned Photos**
  - f. Team Structure/Operation**
  - g. Written Employment/Independent Contractor Agreements**
  
- F. Disclosures**
  - a. Illinois Residential Real Property Disclosure Act**
  - b. Radon Awareness Act**
  - c. Lead Based Paint Disclosure**
  - d. Disclosure of Licensee Status**
  - e. Compensation**
  - f. Known Physical Defects/Readily Observable/Actual Knowledge**
  
- G. Sexual Harassment and Harassment in General**
  - a. Required Training**
  
- H. Real Estate Settlement Procedures Act (RESPA)/Truth in Lending Act**
  - a. TRID Disclosures**
    - 1. Loan Disclosure**
    - 2. Closing Disclosure**
  
- I. Real Estate Purchase Contracts**
  - a. Quinlan/Tyson Case-Unlicensed Practice of Law and Role of Broker in Transaction**
  
- J. Safety**
  - a. Open House**
  - b. First Meeting**
    - 1. Buyer**
    - 2. Seller**
  - c. Listed Property – Owner Safety**
    - 1. Post Open House**
    - 2. Showings**
    - 3. Answering the Door**
  - d. Safety in the Office or Workplace**



**K. Wire Fraud, Cyber Crime, and Related Issues**

**II. Discipline**

**A. Disciplinary Actions**

- a. Real Estate License Act of 2000 Sections 20-10 and 20-20 Grounds for Discipline
- b. IDFPR Procedures
  1. Complaints
  2. Investigation of Complaints - Compliance with Investigation
  3. Prosecutions
    - i. Informal Conference
    - ii. Formal Conference
  4. Real Estate Administrative and Disciplinary Board (READ)
  5. Disciplinary Sanctions-IDFPR

**B. Case Studies**

- a. Disciplinary Case Studies from Filing to Completion (Minimum of 3 Case Studies)

**Topics Recommended for Case Studies, Exercises, Role Playing, or Discussion:**

- Fair Housing (Rental)
  - “I decided not to rent at this time but want to keep the listing open”
- Using Personal vs Company Email
  - Sending Confidential/Private Information (SSN) via unsecure email/Facebook message/etc.
  - Hacking Scenario

**TRANSACTIONAL ISSUES COURSE (15 HOURS)**

*The instructor should spend approximately 25% of the course hours covering conceptual topics in the outline. To assist in student understanding and application, the remaining time should be spent on Case Studies, Exercises, Role Play, or Discussions that involve fact-based situations which incorporate concepts presented.*

**I. Seller Issues**

**A. Listing Agreements**

- a. Exclusive Right to Sell
- b. Exclusive Agency
- c. Open Listing
- d. Net Listing
- e. Pricing/Comparative Market Analysis/Broker Price Opinion
- f. Compensation
- g. Listing Expiration Options
- h. Soliciting Other Agent’s Exclusive Listings
- i. Guaranteed Sales Plans

- B. Complying with the Listing Agreement**
  - a. **Dual Agency Allowed?**
  - b. **No Consent for Dual Agency**
  - c. **Agency Disclosure Requirements**
  - d. **Notice of No Agency Requirements**
  
- C. Property Disclosures by Sellers for Buyers**
  - a. **Illinois Real Property Disclosure Report**
    - 1. **Requirements**
    - 2. **Some Exemptions**
    - 3. **Disclosure Form**
  - b. **Illinois Radon Awareness Disclosure**
    - 1. **Requirements**
    - 2. **Exemptions**
    - 3. **IEMA Disclosure/Pamphlet**
  - c. **Lead Based Paint Disclosures**
    - 1. **Requirements**
    - 2. **Exemptions**
    - 3. **EPA Disclosure/Pamphlet**
  - d. **Mold – Issues - No Disclosure Form**
  - e. **Flood Plain Issues and Map**
  - f. **Licensee’s Role Regarding Property Disclosures**
  
- D. Marketing**
  - a. **Multiple Listing Service**
    - 1. **Cooperation and Offers of Compensation to Participants**
    - 2. **“Coming Soon” Listing**
  - b. **Electronic Media**
  - c. **Print Media**
  - d. **Disclosure of Licensee Status/Licensee Interest (Direct or Indirect)**
  
- E. Showing Licensee Listed Property**
  - a. **Dual Agency**
  - b. **When Dual Agency is Prohibited**
  - c. **Showing Licensee Listed Property**
  
- F. Offer/Contract Issues**
  - a. **Presentation of Offers – Direction of Client**
    - 1. **Electronic Signatures**
    - 2. **Electronic and Cloud Document Storage**
    - 3. **Different Types of Offers (i.e. Commercial Letters of Intent)**
  - b. **Counter Offers**
  - c. **Multiple Offers**
  - d. **“As-Is” or Inspection Contingencies**
    - 1. **Negotiating Repair Addendums**

- e. **Financing Contingencies**
    - 1. **Types of Financing**
    - 2. **Appraisal Process**
  - f. **Contingent Contracts**
  - g. **Back Up Offers or Contracts**
  - h. **Attorney Review/Modification/Approval Issues**
  - i. **Survey Issues**
  - j. **Seller Concessions**
  - k. **Final Walk Through**
  - l. **Settlement**
  - m. **Terminated Purchase Agreements or Transactions**
- G. Evaluating and Advising Client on Offers/Counter Offers**
- a. **Seller Net Equity Worksheet**
  - b. **Understanding Seller Closing Costs**
  - c. **Managing Client Expectations**
  - d. **Escalation Offers and Potential Problems**

## **II. Buyer Issues**

- A. First Meeting**
- a. **Agency Disclosure**
  - b. **Designated Agency**
    - 1. **Disclosure of Compensation Policy**
    - 2. **How Does Buyer Brokerage get Paid**
  - c. **Dual Agency**
- d. No Agency Relationship**
- e. Lender Approval**
- f. Safety**
- B. Buyer Brokerage Agreements**
- a. **Oral Agreement**
  - b. **Non-Exclusive Buyer Representation**
  - c. **Exclusive Right to Acquire**
  - d. **Buyer Broker Compensation Options with FSBO's**
- C. Showing Property**
- a. **Licensee Listed Property-Consent to Dual Agency**
  - b. **Other Licensee Listed-Property**
- D. Offer/Contract Issues for Buyers**
- a. **Presentation of Offers**
  - b. **Responding to Counter Offers**
  - c. **Multiple Offers**
  - d. **“As-Is” or Inspection Contingencies and Negotiating Repair Addendums**
  - e. **Financing Contingencies**
    - 1. **Types of Financing**
    - 2. **Appraisal Process**

- f. Contingent Contracts
  - g. Back Up Offers or Contracts
  - h. Attorney Review/Modification or Approval
  - i. Appraisal
  - j. Survey
  - k. Seller Concessions
  - l. Final Walk Through
  - m. Settlement
  - n. Terminated Purchase Agreements or Transactions
- E. Evaluating/Advising Buyer on Offers/Counter Offers
    - a. Buyer Comparative Market Analysis
    - b. Understanding Buyer Closing Costs
    - c. Managing Client Expectations

### **III. Commercial/Industrial Property Management Agreement**

- A. Property Management Agreement
  - a. Term of Agreement
  - b. Terms of Services
    - 1. Maintenance
    - 2. Expenses
    - 3. Janitorial
    - 4. Finding/Evaluating Tenants
    - 5. Negotiating Leases
      - i. Types of Leases
        - a. Gross Lease
        - b. Net Lease
        - c. Percentage Lease
        - d. Variable Lease
        - e. Ground Lease
        - f. Lease with Option to Purchase
        - g. Letter of Intent
        - h. Quinlan/Tyson Case and Unauthorized Practice of Law Issues
  - c. Agency Relationships/Disclosure
    - 1. Owner
    - 2. Tenant

#### **Topics Recommended for Case Studies, Exercises, Role Playing, or Discussion:**

- Listing Agent from Listing to Closing or Termination
- Buyer Agent from First Contact to Closing or Termination
- Dual Agent from Listing to Closing or Termination
- Rental Property Management from Finding Tenant to Negotiating Lease to Lease Termination/Expiration