

LEGAL UPDATE AND ETHICS MCE

INSTRUCTOR SUPPLEMENT

EDITION 6.0



January 2014

Note to Instructors

Texas real estate licensees face a changing marketplace in which quick decisions can make the difference in closing a transaction. Maintaining competence in this increasingly competitive profession demands that licensees receive up-to-date information on ethics and legal issues. The goal of the 6th editions of *Legal Update MCE and Ethics MCE* is to increase licensees' knowledge of legal issues and to update them on recent changes. New TREC and legal cases replace cases presented in earlier editions. Instructors are encouraged to use additional materials, such as presentation software or other visual aids to enhance their presentations.

Textbooks are available for download on the TREC website:

<http://www.trec.texas.gov/education/main-providers.asp>

Ethics MCE Objectives

Chapter	Objectives
The Five Canons	<ul style="list-style-type: none">» Recall the five canons» Compare procedures for TREC complaints and association complaints
Agency Relationships	<ul style="list-style-type: none">» Give examples of customers and clients» Describe real estate fiduciary duties» Explain how an agent can work both sides of on transaction» Evaluate current intermediary practices
Contract Issues	<ul style="list-style-type: none">» Give example of correctly determining effective date» Demonstrate items that can be included in the special provisions section» Describe the as-is clause» Outline electronic signatures rules provisions» Describe a poorly drafted clause» Devise a method of dealing with multiple offers» Produce a social networking strategy
Defect Disclosure	<ul style="list-style-type: none">» Define a property defect» Describe a correctly completed property condition disclosure» Describe exceptions to seller's disclosure form
Advertising	<ul style="list-style-type: none">» Define advertising» Identify misleading advertising» Recall items to be included in advertisements
Intellectual Property	<ul style="list-style-type: none">» Describe copyright laws» Recall proper usage of private industry association forms» Demonstrate knowledge of allowed usage of copyrighted materials
Dispute Resolution	<ul style="list-style-type: none">» Differentiate between mediation and arbitration» Summarize use of dispute resolution
Unlicensed Assistants	<ul style="list-style-type: none">» Distinguish activities which require a license» Explain direct and indirect brokerage activities
TREC Cases	<ul style="list-style-type: none">» Summarize issues in each case» Evaluate current practice in light of TREC decisions

Legal Update MCE Objectives

Chapter	Objectives
Legislative Changes	<ul style="list-style-type: none">» Describe changes to the License Act» Explain impact of legislative changes and their effects on real estate practice
Regulatory Changes	<ul style="list-style-type: none">» Explain broker license requirements» Compare broker price opinion to comparative market analyses» Recall final mortgage rules and CFPB changes» Describe new appraisal requirements, capitals gains tax changes, rules for appraisal management companies, and rules for business entities» Interpret justice court rule changes for evictions
Hot Topics	<ul style="list-style-type: none">» Explain TREC form 36-7» Analyze mutual termination of contract form» Illustrate correct usage of e-mails in negotiations» Recall how to handle trust and property management funds» Describe steps to take when an agent changes broker» Summarize current leasing scams» Demonstrate knowledge of forms changes
Case Studies	<ul style="list-style-type: none">» Summarize pertinent case facts» Explain court findings» Evaluate cases for application to ongoing real estate transactions