

Real Estate, Finance 382  
Study Guide Exam 2, Spring 2010

Reading (Jacobus 11<sup>th</sup> Ed.): Chapters 5 through 8, and 19 through 21 Jacobus,  
Nebraska Buyer Agency

This study guide may not be all inclusive, there may be questions on the exam that are not covered on this study guide or that would not fully prepare you for the test. It is meant to be a supplement to your preparation for the test and not as a substitute for participating in the classroom lectures, reading the assigned material and any other study resources. Students are well advised to learn and understand (memorize helps too) the key terms and bold words in the text, study the questions at the end of the chapters, and review the presentation notes.

There will be a short review at 6:30 p.m. The test will start at 7:00 p.m. you will have 50 minutes to finish the exam. Some students may be late in arriving for the exam, please reserve the back row for them. **A CALCULATOR WILL ASSIST YOU IN COMPLETING THE EXAM**

1. Deeds:
  - a. Types of Deeds (warranty, quitclaim etc)
  - b. covenants and warranties
    - i. Seizen
    - ii. Quiet enjoyment
    - iii. Against encumbrances
    - iv. Will defend
    - v. Further assistance
  - c. Parties to deeds
  - d. Consideration
  - e. Elements of Deeds
2. Recording
  - a. Types of notice
    - i. Constructive
    - ii. Inquiry
    - iii. Actual
  - b. Who, what, where and why of recording
    - i. Effect of recording on deeds
    - ii. What documents not usually recorded
  - c. Acknowledgments
    - i. Purpose
    - ii. Who signs
    - iii. Effect on validity of deeds
  - d. Marketable title vs equitable title
  - e. Abstracts
    - i. Title Search
    - ii. Chain of Title
  - f. Title Insurance
    - i. What is it
    - ii. Premium paid, when?
    - iii. coverages available
    - iv. what things are covered
  - g. Filing fee and documentary tax
  - h. Curing Title defects and cloud on title
    - i. Quitclaim deed
    - ii. Quiet title action
    - iii. Affidavits and other documents

- i. Indexing methods (tract, grantor/grantee)
  - j. Bona Fide Purchaser for Value
  - k. Where to find various records (deeds are found at Register of Deeds)
3. Contracts
- a. Alternative names
  - b. Parties to contract
  - c. Essential elements
  - d. Acceptance, withdrawal and rescission
  - e. Validity
    - i. valid
    - ii. void
    - iii. voidable
    - iv. unenforceable
  - f. Voidable contracts
    - i. who may declare a contract void
    - ii. what circumstances (ie if minor...)
  - g. Counteroffer
    - i. effect on offer
    - ii. how to create one
  - h. Remedies for Breach of agreement
    - i. liquidated damages
    - ii. actual damages
    - iii. specific performance
  - i. Consideration
    - i. nominal
    - ii. actual
    - iii. love and affection
    - iv. forbearance
  - j. Contingencies
    - i. effect of failure of contingency
    - ii. common contingencies
  - k. Time is of the essence
  - l. Executory, executed, execute
  - m. Mutual Agreement
    - i. Fraud
    - ii. Duress
  - n. Earnest deposit
    - i. Amount
    - ii. What happens to it
    - iii. How does buyer get back
  - o. Letter of intent and Binder
    - i. What are they
    - ii. How do they work
  - p. Option Agreements & Right of First Refusal
4. Real Estate Licenses
- a. Reasons for license law
  - b. Who is required to have license?
  - c. Licenses available
  - d. Who is exempt from needing a license (in particular in Nebraska)
  - e. Licensing requirements (for example: education, age...)
  - f. How to obtain Nebr. License
    - i. Pre-license education
    - ii. Exam
    - iii. Other

- g. Maintaining license requirements
- h. Agreement between broker and agents
  - i. status of employment
  - ii. services broker provides
- i. Who issues licenses
- j. How can license be revoked
- k. Who/what is the Real Estate Commission
  - i. Duties
- l. National Association of Realtors
- m. Mistakes and Negligence of agents
  - i. Errors and omission insurance
  - ii. Recovery funds
  - iii. Bonds
- 5. Listing Agreement (what is purpose of Listing)
  - a. Parties to a Listing
  - b. Creation & termination
  - c. Essential elements of listing
  - d. Purpose of listing
  - e. Provisions required by Nebraska law
  - f. Earnest Deposit
    - i. Who sets amount
    - ii. What happens to it
  - g. Types of Listings
    - i. Exclusive right to sell
    - ii. Exclusive agency
    - iii. Open
  - h. Random terms
    - i. Procuring Cause
    - ii. Ready, willing and able
    - iii. MLS (Multiple Listing)
    - iv. AS IS
    - v. Sub agent
    - vi. Dual Agent
    - vii. Broker cooperation
  - i. Compensation methods including net listing
  - j. Compare/contrast Seller Brokerage with Buyer Brokerage
- 6. Agency
  - a. Parties
  - b. Client
  - c. Customer
  - d. Types of Agency (General, Special, implied, ostensible)
  - e. Trust Account
  - f. Commingling of Funds
  - g. Agents duties toward Client
    - i. Under Common Law
    - ii. Under Nebraska Buyer Agency
  - h. Fiduciary duties
- 7. Nebraska Buyer Agency
  - a. Buyer or Seller agency?
  - b. Disclosures
  - c. Dual Agency
  - d. Confidential information
  - e. Adverse Material Facts
  - f. Compensation