

NCRE review 2023

Clock is ticking when you pass the test - 180 days to take test

Who needs a license? LLBEANS: List, lease, buy, exchange, auction, negotiate, sells
Trigger words "for others" "for compensation"

Broker in charge, broker in charge eligible, full broker, provisional broker - sometimes they say non provisional broker INSTEAD of full broker

Who doesn't need a license - power of attorney, attorney at law, trustee, under court order

Difference between a licensed and unlicensed assistant can do for residential and property management?

Specifically pay attention to the open house and showing properties

Know breakdown NCREC

9 total members

7 appointed by the governor

2 appointed by legislative

3 with licenses, 2 lay people

Role of commission - creates rules and regulations, set guidelines, impose discipline, investigate complaints, provides information

Disciplinary actions - can revoke, reprimand, suspend, censure - NO FINE from the commission

Renew license - every year June 30th - \$45 fee, complete renewal firm, if you fail to renew your license will be EXPIRED

You need to activate your license by associating with a broker, they file paperwork and the license activates once it has mailed. The "mailbox rule"

Initial status of license - Provisional and is INACTIVE

Personal property - Chattel and personalty

Bill of Sale - document used to transfer personal property

Physical Characteristics of Real Property - Immobile, Permanent, Unique nonhomo

Economic characteristics of Real Property - Scarcity, Location, IMPROVEMENTS, Permanence

Location is MOST important

Highest and best use - One single use that provides the greatest return and maximizes the value of real estate - takes into consideration, transportation, resources, contour, elevation and zoning

Bundle of Rights - DEEPC - Disposition, Exclusion, Enjoyment, Possession, Control

Appurtenance - right or privilege that goes with the land

Mineral Oil and Gas rights

Air rights

Riparian - river - to the center of the stream

Littoral - lake - to the water line

Foreshore - the space between high and low tide that the government owns

Erosion - Occurs naturally as the land slowly falls away

Reliction - Land created by water drying up

Avulsion - Sudden and violent change of land

Accretion - Land that has been created

Personal property - transferable by Bill of Sale

Fixtures - Was once personal property but now is attached and part of real estate.

Applied methods test - IRMA - Intent Relationship Method Adaption

Four Governmental Rights

Imminent Domain

Police power

Escheat

Taxation

Difference between Freehold and Leasehold

Freehold - Ownership

Leasehold - Less than ownership

Fee Simple transfer - there is NO pulling out of the bundle of rights

Fee Simple defeasible - some type of condition on the property - it can be used AS LONG as it's used for THIS

Conventional Life Estate - There is a measuring life and reverts back to the owner

Life estate Pur Autre Vie - For the life of another means there is a 3rd party and reverts back when the 3rd party dies

Life Estate with remainder interest - there is still a life tenant and measuring life, but there is a 3rd party that receives property once terms are done.

Anytime the property goes BACK to the grantor it is called a reversion

If it goes anywhere else it is called a remainder interest or remainderman

Method of holding title -

Severalty - one owner, legal or real, entity, LLC, HOA, or individual person, at time of death it goes to heirs

Tenancy in common - MOST common in NC, it can be held in different percentages, default for unmarried, shares go to the heirs at death

Joint Tenancy - PITT - Possession Interest Time Title - ALL FOUR must be at the very same time and the same percentage of owner

Tenancy by entirety - Married - termination of this is ONLY by death, divorce or agreement of parties, SEPARATION is NOT a termination

Condos - Fee simple ownership, you own from the walls in, is shared ownership in common areas, common areas are held in Tenancy in Common (TIC)

Townhomes - Common areas owned in SEVERALTY by the HOA

Timeshare - 5 5 5

Timeshare discipline - can reprimand, suspend, or revoke. NCREC can fine developer \$500 - only person they fine

Timeshare records must be held for 3 years

Timeshare money must be held in trust account - 3 days to deposit, hold in account for 10 days, 30 days for refund from the date the contract was EXECUTED

Encumbrance - right or interest in the property by someone OTHER than the owner - it can be a lien, easement, tax or special assessment

Mortgage and Trust lien - SPECIFIC lien - Specific is limited to that property

Real Property Taxes - the NUMBER ONE lien ALWAYS unless it is a foreclosure

Special assessments - special because it is limited to specific properties or areas

Mechanics lien - Must file within 120 days, file lawsuit within 180 days

Court judgments - GENERAL lien and attached to everything you own and will own

NC Homestead Exemption - Personal residence protection against credit or judgements
- 35k or 60k if 65 or older (doubled for married couples)

4 exemptions to the pure race state - which is NC -

1 - Special Assessments

2 - Mechanics Lien

3 - Foreclosure - this gets paid FIRST

CCR's - recorded in the public records

Easement - the right to use the land of another for a particular purpose

Dominant and Servient tenements -

Easement in gross - benefits a third party or could personal or corporation

Easement by prescription - OCEAN

Open, Continuous, Exclusive, Adverse, Notorious

ENDS the claim by simply giving permission

The period of uses that make the required 20 years to acquire a title by adverse possession in NC is called TACKING

Condemnation - the exercise of right of eminent domain

Licenses are temporary

Easements are permanent

Encroachments - anything physical that encroaches on the property of another - it's offsites

Survey - professional measurement of property bounds, lines, structures and elevation

Machinery Act - must 8 year appraisal (otco), possibly 4 year (horizontally), or potentially every year

Liens are in advance for real property taxes - they become a lien on JANUARY 1

Timelines for tax proration - 360 for a year and 30 days for a month

Metes and bounds - uses markers, monuments, stakes
PRIMARY use in NC

Government rectangular survey - what are the lines called? - township, section and how to calculate

This is where you start with 640 and work right to left

Each section is 640 and townships are 6x6 miles -

Lot and Block - primary use in subdivisions and is RECORDED

Real estate formula -
Mile is 5280 ft
Acre is 43560 sq ft

Triangle shape you cut in half
Volume - cubic feet (there is ONE test question) - length x width x height

Difference between testate and intestate
WITH a WILL is testate
WITHOUT a WILL is instate

Bequest - gift of PERSONAL property with a will
Devise - gift of REAL property with a will

OR always Gives
EE always Receives

Adverse Possession - A method for one private owner to take property from another private owner

Adverse Possession - OPEN CONTINUOUS EXCLUSIVE ADVERSE NOTORIOUS
(Ocean)

Time periods in NC

Color of Title - reasonable belief of ownership - 7 years

WithOUT color of title - 20 years

Escheat - transfer of property to the government when someone dies without heirs

Eminent Domain - the RIGHT of the government to take private property for public use - pay fair and just compensation - remember the RIGHT of government is eminent domain and PROCESS is Condemnation

Requirements of a valid conveyance or transfer, deed validity - MUST be in writing, MUST be in legal capacity, MUST identification of the parties, words of conveyance, property description, MUST signed by the grantors, MUST be delivery and acceptance - you DO NOT need a notary

It does NOT need to be notarized or RECORDED to be valid

4 Deed

General Warranty - Highest type of deed - most common and has the most promises - I have the right to convey and quiet enjoyment and I warranted against all claims back to the beginning of time - the deed does NOT have to be notarized or recorded to make it VALID -

Notarization and recordation are required to make the deed enforceable against 3rd parties

Special Warranty - Limited to the term of my ownership - Special means limited, General means broad

Bargain and Sale deed - VERY limited - usually delivered by trustees, banks, foreclosures, banks, estates - it is NOT used in NC

Quitclaim deed - LOWEST form of deed - used to clear title defects - i transfer to you my rights and interest IF i have any

NC is an attorney state - they prep the deed and the closing and give closing advice

Excise Tax - Transfer tax \$1 per \$500 of value - round up to the nearest \$500 EVERY TIME

NC Marketable Title Act - Attorneys and title companies must prove a 30 year unbroken and defect free chain of title

Title insurance- a policy insuring to the buyer and lender that the title is free of defects - it is a ONE time premium paid at CLOSING

Constructive notice - also known as public notice - we record to give public notice - we record to make the document enforceable against 3rd parties

The Connor Act - requires some documents to be recorded to be enforceable - notarization and acknowledgment are usually required prior to recordation - DREAMOIL

Deeds

CCR's

Easements

Assignments (WTF)

Mortgages

Options

Land Installment Contracts (Seller financing)

Leases longer than 3 years

What DOES NOT get recorded - Sales Contracts (keyword)

Police Power - right to enact laws for the public health, safety and welfare

Extra Territorial Jurisdiction - ETJ's - in NC a city can regulate development adjacent to its city limits - just outside their limits they are allowed to work with that area

Setbacks - prescribed by zoning - it is about DISTANCE - can be from street, property line or the structure - property can have multiple setbacks

Zoning

Legal Use - Compliant with zoning

Legal Nonconforming Use aka Grandfathered Use - complied with previous use

Variance - a permit prohibited to use to avoid hardship - allows you to do something that you normally would not be allowed to

Variations do NOT resolve CCR's or encroachments

Types of Zoning

Historic

Preservation

Spot - illegal in north carolina

Regulation of subdivisions - a division of land or parcel into TWO or more lots

Requirement includes approval of FINAL plat, PLUS transportation networks, utilities/services, roads and streets, public facilities and recreation facilities

4 steps in process

Initial planning stage

Final planning stage

Disposition or start up

FINAL plat approval

Restrictions - prior to the final plat approval - you CAN write contracts, take reservations, sign contracts, hold deposits - you are NOT NOT allowed to transfer, convey or close until AFTER the final plat has been approved

Subdivision street disclosure statements - brokers ARE required to provide a disclosure - weather the streets are public or private

FEMA - Maps are controlled by FEMA and the Army Corps of Engineers
National Flood Insurance Program - NFIP - is REQUIRED on certain areas

On site septic systems - Perc test -

Permits are by NCDNR and verifies the type of system

The capacity of the system dictates the number of bedrooms that you can legally advertise

Perc test - BEDROOMS not bathrooms

Lead based paint - PRE 1978

Most at risk - children under the age of 6, pregnant women and women of child bearing age

Side effect - high fever, vomiting, flu like symptoms

REQUIRES lead based paint disclosure - sellers are NOT required to remove any paint

Asbestos - to get rid of it is encapsulation

Raddon - in EVERY county in NC - any knowledge or test results AT or ABOVE 4.0 picocuries is a MATERIAL fact

Remediation is through mitigation system that uses ventilation

Straight piping - ILLEGAL

Leaking underground storage tanks - LUST - check the chain of title to identify past owners who may have contaminated soil.

Capping - the process of closing off a landfill, topping with 3-4 feet of soil

CERCLA - The Comprehensive Environmental Response, Compensation, and Liability Act - provides a federal SUPERFUND - it's the clean up act - federal law - the liability is the owners - with superfund enforcement it goes back to previous owners

Cavet Emtor - buyer beware

NC leaky petroleum underground storage tank act - liability for clean up

CAMA - Coastal Area Management Act - protects Wetlands and Marshes

Transaction brokerage - NOT permitted in NC

Agency Classifications

Universal - power attorney

General - Broad range - property manager

Special - Limited acts - detailed instructions - usually listing or buyer agent agreement

What determines the start of an agency relationship?

Negotiate on behalf of someone else

Act on someone else's behalf

Gathering confidential information

Conducting detailed conversations about personal situations

Payment is NOT a determining factor for agency

Creation of agency relationship - mutual consent, in writing, listing contract, buyer agency contract, dual/designated contract, property management contract, independent contractor agreement with your broker

Writing requirement -

Seller and Listing - agreement MUST be in writing from the START

Buyer and Agent agreement - MUST be in writing prior to the first offer

Remember - you work FOR the client and WITH the customer

For clients we owe fiduciary duties

For customers we must be fair, honest, disclose of material fact, prompt presentation of offers

Fiduciary duties are acting in the best interest of your client in all situations - even if the decision is not in your interest - OLDCAR - Obedience, Loyalty, Disclosure, Confidential, Accounting, Reasonable skill/care

Agency disclosure - working with real estate agents disclosure - this form is NOT a contract - signing it means you only received it

You MUST explain agency when you are talking about working with a real estate agent disclosure

It must be given at first substantial contact - when the conversation goes from what to why - partial information, financial, confidential, motivation, wants, needs or desires

With Seller - it needs to be signed at the start of your listing presentation -

When the contact is not face to face - you MUST talk about the form and discuss within THREE calendar days

Agency choices -

Single Agency - Two different firms - one works with seller, one works with buyer - two separate buildings

Dual Agency - Under one roof - firm represents the seller and the buyer - it can be one agent representing both seller and buyer or it can be one agent representing the buyer and another representing the seller - representing both in the same transaction - it REQUIRES disclosure and CONSENT

Designated Dual Agency - One of the clients asked for their OWN representation - the test will specifically tell you "one of the clients requested their own representation" - that is the ONLY time you have designated dual agency

Agency Rule -

BIC and PB can NEVER NEVER NEVER work as designated agents

Subagency - an agent of an agent

Termination of Agency - your duties are complete, expiration of the term, mutual agreement, property destruction, death of the party - if it is under contract it goes to their heirs - death of property or people terminate agency

Disclosure of Material Facts - Must ALWAYS disclose material facts - everything you know and should have known - defects about property, facts relating to the property surrounding area, anything affecting the parties ability to perform that's known to be of particular importance.

Residential Property and Owners Disclosure Act - it has ? residential - is not used with land or commercial - **must** be provided to the **buyer prior to the offer** - information about the property itself - who **DOES NOT have to sign it - transfer for court order, estates, bankruptcy or foreclosure, first sale of a dwelling NOT inhabited NEW construction**

Failure to provide the RPODS **3 day right of rescission or walkway** - from receipt of the form or the date of the contract

MOG disclosure - all residential sellers - same exemptions as the RPODS
MOG is NOT required for VACANT land - Buyer gets prior to offer

Puffing - generalized statement about the property is allowed -
Stigmatized properties are NOT a material fact

Licensee in NC can NEVER represent a buyer on a property THEY own - they own it, their entity owns it or their spouse owns it

NC listing agreement - MUST be signed by all the parties, must include licensees #, must be a definite period of time from start to finish, must have the non discriminatory provisions, MUST be in writing - NO such thing as an ORAL agreement

Listing Agreements

Net listing - anything over the sales prices is the commission for the agent

Open listing - the broker who brings the buyer gets the commission

Exclusive agency - they pay if the broker finds the buyer, but if the seller finds the buyer there is no commission - example - for sale by owner

Exclusive Right to Sell - this is what you want as an agent - most common and pays regardless of who finds the buyer - you are getting paid either way

Remember the listing agreement is between the seller and the FIRM

There can be a variation of fees - it does NOT have to be a percentage of the sales price

All money MUST pass through the firm

Procuring clause (or cause) - is the involvement in an unbroken chain of events that cause the sale to happen - in NC it HAS to be a written agreement

ALL commissions are negotiable

The Exclusive Right to Sell Extender Clause - Protection period that entitles the firm to commission outside of the listing period

Termination of Listings

Complete the agreement

Expiration of the terms

Mutual agreement (aka Revocation)

Breach

Bankruptcy

Destruction of property

Death of principals

Firm Closes - it terminates ALL agency agreements

Terminates the Listing

Death of the seller

Death of the Firm

Death of the Licensee - does NOT end the agreement - the listing is between the seller and the firm

Do not call

You are allowed to call if there is a business relationship for up to 18 months

3 months after an inquiry

For Sale by owner if you have a ready, willing and able buyer

Penalties

Enforced by the Federal Trade Commission - \$11,000 per call

North Carolina penalty - \$500 for first, \$1000 for the second, \$5000 for the third and beyond

CAN SPAM act - regulates emails - you must have an opt out option

Sherman AntiTrust Act

Price fixing

Market allocation

Unfair competitive practices

Boycotting

All advertising requires BIC or Firm approval and it MUST contain the name of the Firm

All advertisement must be kept in your records for 3 years

Blind ads are NOT allowed - it MUST indicate the involvement of a brokerage firm -
Logo of the firm can NOT be smaller than your logo

Limited Commercial Brokers - MUST disclose they are Limited Commercial Brokers

Buyers Agency -

First substantial contact

Non exclusive buyer agency - work for the buyer under an oral agreement but can NOT be exclusive

Exclusive buyer agency - agreement in writing before the presentation of the first offer, definite expiration date, specific terms

Dual/Designated agency - representing both the buyer and the sell, requires disclosure and consent

Commission math

Sales price x rate = gross commission

****Seller net math

Net amount + closing + cost =

Subtract the commission rate from 100%****

Then divide

****Profit and Loss math

Original to present you multiple

Present to original you divide

Essential elements of contracts or meeting of the minds

CLAP - Consideration, Legal capacity, Mutual agreement, Competent parties

Minors and children - the age of majority in NC is 18

Contracts with children are legal - voidable by the MINOR

Consideration can be money or anything of value - can be services, time or effort

Bilateral and Unilateral contracts

Bilateral - TWO promises - both parties are promising to do something

Unilateral - ONE promise - only one party promises

Executed vs Executory

Executory - tasks remaining to be done

Executed - means it is finished

Parol evidence rule - WRITTEN takes priority over VERBAL

Statute of Frauds - Needs to be in writing DREAMOILS

Deeds, CCR's, Easements, Assignments, Mortgages, Options, Land Installment contracts, Leases longer than 3 years, Sales contracts

Two places on contract - time is of the essence - time is strictly enforced

Due diligence period

Additional earnest money

Novation - substitution of a new contract

Liquidated Damages - Earnest money acts as liquidated damages in our offer to purchase

Specific Performance - we know

4 different types of license statuses

PB

B

BIC

BIC Eligible

What must be on your pocket card?

SELLN - Signature, expiration date, license #, type of licensee, name

What it DOES NOT have on it - active/inactive, firm name or any disciplinary actions

Licensee # goes on ALL contracts and ALL disclosures

Reporting to NCREC

10 days to report name or address change

60 days to report convictions, disciplinary actions from another license

10 days for BIC to report if a provisional broker walks away

Conviction of a violent felony - will take your license

BIC - every firm and sole proprietorship MUST have a BIC at every office location and only ONE BIC per office

Shared firms - if two firms share the same location the BIC at that location CAN serve both firms - if you DON'T have to walk out of the building the BIC can be for both firms

What is an office - anywhere where records are maintained and money is received

Qualifications to become a BIC - active non provisional status, two years full time experience out of the LAST FIVE, completed 12 hour BIC course taught by the NCREC, file a designation form

BIC eligible - SAME requirements BUT you are not serving as the BIC for an office location

Brokerage MUST maintain records for THREE years - time is measured from distribution of funds, conclusion of the transaction or conclusion of the agency, whichever is later

What records do we keep? Keep them ALL

Termination of BIC Status

You failed to renew - you become in active

You failed to complete the 12 hour course

Or license is suspended, revoked or surrendered

How to regain - your license must be on active status, apply to be redesignated, complete the 12 hour course *BEFORE* being redesignated

Fixing an expired license - you did not renew by June 10th and did not pay your \$45 fee

If it's been less than 6 months - file a reinstatement, pay a \$90 reinstatement fee, disclose any convictions or disciplinary actions that have happened

If it's been longer 6 months LESS than 2 years - you will file a reinstatement application form, pay \$90, complete at LEAST 1 post license course OR you take the NC license exam

If it's been *longer* than 2 years you're *starting all over*

Post licensing education requirements - 90 hours **MUST** be completed within *18 months* - anniversary date - that is what you are going to remember your post licensing by

If you're inactive due to CE deficiency LESS than 2 years - complete the current year CE - 4 hours of update and 4 hours of elective - complete deficiency, how many hours you were missing, file a form

If it was MORE than 2 years complete the current year CE, take TWO Post licensing courses, file a form

Sole proprietorship is NOT a form of an entity

LLC - liability protection and each owner is a manager

NC Licensing Law Note - Every entity, Corporation, LLC, Partnership, OTHER than a sole proprietor - needs a real estate license - you will need a firm license - PB can not get it bc they do not have the experience

Entity means a qualifying broker - it can not be a PB

Limited Commercial Brokers License - for someone that is out of state - they do not live in NC and they want to do business in the state - **limited to commercial only**

Limited Commercial Broker - No courses, no exams, no CE in NC, they MUST associate with a NC broker, all payment go through the NC broker to the home firm and their ad MUST say Limited non residential commercial broker

Role of the commission - they do NOT create contracts, they do NOT provide forms, they create RULES regarding the provisions that contracts MUST contain
Purchase contracts do NOT reference commission in ANYWHERE - those are employment agreements, your listing and buyer agency agreement

Delivery of instrument rule - immediately but NEVER later than 3 days on ALL written agreements, contracts or offers - EXCEPT for lease delivery to owner - that is 45 days

Termination of offers

By rejection or counteroffer

By death PRIOR to acceptance - if it has NOT been accepted you can terminate the offer - after acceptance it is binding to the estate

Offer to purchase contract is between the buyer and the seller

Contingency - condition in which the contract is based, can be sale of home, appraisal or financing

In NC we have Due diligence period to safely get through all of those

Money rule -

DD goes to seller on effective day of contract - it NEVER goes into the trust account

Earnest money - goes into the trust account within 3 days unless it has not been received

Buyer will get a credit IF they close of their due diligence fee -

Earnest money - returns to the buyer if the offer is withdrawn or canceled prior to acceptance

Earnest money - has to be transferred to closing attorney NO more than 10 days prior to settlement for buyer credit

Before 5:00 pm on DD day - the seller gets to keep the DD money but the buyer gets the earnest money back - AFTER 5 on the DD day, the seller keeps ALL

Your DD period - complete all DD, finance, insurance, appraisal, repairs, any negotiations

Addendum - use of specific form to add terms to a contract

Time is of the essence - timeline that is strictly enforced - the DD at 5:00 pm

Methods of communicating acceptance - can be oral, in person, mail or electronic communication - enforceable when communicated, signed, initialed - immediately but never later than 3 days

Mailbox rule - Measures communication from when it was SENT not Received - that is for email, texts, voicemails, as well as snail mail

Installment Land Contracts aka Land contract, land sales contracts, contract for deed - not just for land - it's purchasing home on a layaway plan - also known as sell financing - specific to NC the seller MUST record within 5 days of execution and buyer MUST be given 30 days prior to forfeiture of interest

Options to purchase - MUST be in writing bc of the Connor Act - it must be recorded "I will sell if you decide to buy" it is a **unilateral contract - only ONE person**

Right of first refusal - I will buy if you decide to sell - this is also a **unilateral contract**

Amaturized loan - a loan as a portion of your payment goes to your principal and interest - payment is the same each month

Straight lined loan - interest only, usually for a flipper

Negative Amortization - Payment is insufficient to cover the interest which is added to the loan balance

Lender charges -

origination fee: usually 1%

discount points: lender charge to increase the yield an flower the interest rate - 1 point is 1%

Concept of LTV - percentage of loan relative to the homes value or price - based on the sales price or appraised value whichever is LESS

Amount OVER the LTV is the owners equity

Loan interest math -

Loan amount x rate = annual interest

Convert annual interest

Getting monthly interest you divide by 12

Getting daily interest you divide by 360

*****PITI payment math -

Remember to determine the thousands in the loan

Then **multiple** the **amortization factor**

Divide annual taxes by 12

Divide homeowners insurance by 12

Then add components together

Loan balance after payment math - you'll only have to know after one payment

Determine loan amount

Determine annual interest which is principle x rate

Determine monthly interest which is annual interest divided by 12

Determine the PI monthly, subtract the monthly interest from the payment and then subtract the remaining principal from the loan balance

Discount points and origination fee - percentage of loan amount

Each discount point decreases the interest rate by an 1/8 of a percent

Debt ratios or Qualifying ratios - based on your gross monthly income
Uses recurring expenses, you do NOT have to memorize the ratios - they give them to us

Qualifying math

Determine gross monthly amount

Your housing ratio, your total debt ratio and both ratios MUST be acceptable for them to qualify

Housing expense and divide into your gross monthly income

**Car payments, credit cards, any loans or fixed payments

**You do NOT include food, utility or other household expenses - watch out for noise they will add it in

Housing price + all other bills = will give you other ratio

Promissory notes (I owe you) - ALL about the money

Terms, amount, payment, rates and signature

The party giving something up or making the promise must sign the documents

Acceleration clause - bring all your money NOW - usually because of a default

Alienation clause - bring all your money now - **but it's bc of a sale or transfer of property**

Prepayment penalty clause - pay a penalty bc you brought money too soon

In NC it's not a loans - if it's a 150k or less, your first lien or your primary residence and there is NEVER any FHA or VA loans

Contents of a Mortgage or Deed of Trust - MUST be in writing, signature of owners, description of property, obligations of the borrow or the lender, and MUST include default process

Promissory note has everything to do with the MONEY, the terms, the amount, the rate and the payment

Mortgage or Deed of Trust - everything having to do with the **PROPERTY** - property obligations, the insurance and the foreclosure proceedings

Defeasance clause - when lender releases the lien, when the note is repaid

NC a Title Theory state - we do NOT use mortgages, we USE trustee or deed of trust

NC uses non judicial foreclosure - there is no acceleration, there is public sale and there is a 10 day upset bid period

Conventional conforming loans - MOST secure, 28/36 ratio, 80% LTV

Private mortgage insurance or PMI - is REQUIRED on conventional loans of 80% LTV

FHA insured loans - local banks, *anyone can get them*, no income limit, MUST be owner occupied with 1 - 4 units, it can NOT be a vacation home and it can NOT be a fixer upper

Conventional - Appraisal

FHA - Conditional commitment

VA - Certificate of reasonable value

VA loans are guaranteed - MUST be owner occupied, MUST be 1-4 units, 100% LTV, there are no minimum standards, certificate of eligibility called DD214, no loan limits, Veteran still must qualify

Times of service criteria -

90 days of active service for WWII, Korean War, Vietnam conflict, Persian Gulf War

Minimum of 180 active service during inner conflict periods

Two full years of service during any peace time period

6 or more years of continuous as a reservist

Usually there is only VA loan at a time, it CAN be used again

ARM (Adjustable Rate Mortgage) - the rates fluctuate

Balloon payment - the terms of the loan are shorter than the amortized period, usually used in seller financing or land installment contracts

Reverse Annuity Mortgage (RAM) - owner has property with equity and the bank is going to pay the owner and it's based on the property value

What is the role of the Federal Reserve - to regulate the flow of money

Primary mortgage market - where loans are originated, work directly with consumer

Secondary mortgage market - where loans are bought and sold - Fannie Mae, Freddy Mac, Jenni Mae and Farmer MAC
Derivative markets - investors and traders

**CFPD - to educate consumers, to enforce consumer statutes

Truth in lending act or regulation Z -
regulation, true cost of credit - ENFORCED by CFPD - for ALL finance transactions

APR - ANNUAL Percentage Rate - trigger words any mentions of Finance terms,
payment, downpayment, interest rate, monthly payment

Included all finance charges - total number and amounts of payments - total amount
financed

Loan estimate disclosure - must be given within 3 days of loan application - triggers,
aliens, address, loan amount, income, estimated value, name and social security
number

Fair Credit reporting Act - One free copy of your credit report once a year

Equal credit opportunity act - ECOA - lenders can NOT discriminate in the extension
of credit based on race, color, origin, religion, sex, age, marital status or public
assistance income - as long as you can verify you are making that income they can not,
not lend it to you

Insurance
Seller documents and Buyer documents

Good fund settlement act - No distribution until recording - must verify funds over \$5000

Title insurance is a one time cost at closing - when the policy is obtained

Business day - Monday through Saturday

Closing disclosure rule - with 3 days not negotiable

Cost and fees the seller pays

Commission

Deed prep

Mortgage payoff and recording

Excise tax (ALWAYS round up to the next \$500)

Unpaid debt taxes

Cost and fees the buyer pays

Loan origination fee/discount points

Interest on loan

Mortgage insurance

Homeowners insurance

Reserves

Deposit to lender

Closing attorney fees

Title insurance premium

Recording of mortgage fees

Survey and inspection cost

Courier fees

RESPA - designed to prohibit kickbacks and other referral fees of residential real estate transactions that tend to unnecessarily increase the cost to consumers

RESPA covers residential mortgage loans including second or subordinate loans for home equity.

It is on 1 to 4 family residential - **NOT vacant land or commercial or special purpose**

Kickbacks between providers are NOT allowed, they are illegal

Appraisers can be paid a flat fee, hourly rate - but they can NOT be paid based on percentage of value

PB can NOT charge a fee, or a broker price opinion, or cma - as a PB you get your split and that's it

**Forces that influence value -

Social forces

Economic

Political

Physical

Principle of substitution - items of similar quality are determined by the lower price

The appraisal process - there are three -

Sales approach -

Comparison approach

Cost approach - Land value + Appreciation = Value of Property, Building cost - depreciation = value of property

You do NOT average the three together to get your price

Remember that land is NEVER depreciated - the only ONE that uses depreciation is the COST approach formula

Different types of depreciation ****know the difference

Physical deterioration - can be repaired, roof, old plumbing, etc

Functional Obsolescence - floor plan is wacky or out of date - shower in kitchen -

INSIDE property lines

Economic Obsolescence - OUTSIDE property lines

Appreciation/Depreciation is different from the IRS depreciation for tax purposes

Value depreciation is subjective and case by case

Remember capitalization formula

MOI / by value = rate

Gross rent multiplier formula

Sales price / monthly rental income = gross rent multiplier

Common types of policies for insurance -

SPECIFICALLY the H0 - 3 (HOE) which is the all risk form, the most popular

H04 - renters policy

HO - 6 (hoax) condo insurance

National Flood Insurance Program - NFIP

Know some challenges of getting insurance -

Early or late possession

Unoccupied building

Concept of co insurance

Every policy requires owners to insure for at least 80% of the value of the property

NOT covered in the NC Residential Agreement Act -

Hotel, motel or transient occupancy

Landlords obligation for fit, inhabitable - comply with building codes, make repairs, keep common areas safe and maintain electric, plumbing, HVAC in good and working order

Smoke detectors - 10 year lithium batteries or wired - when the tenant moves in

Imminently dangerous conditions - landlord MUST remedy within reasonable time and they are allowed to charge to tenant for the cost IF it is their fault

Protective tenants - must give 30 days, required that they are allowed to leave property, must have a court order protection or restraining order

Other tenants in the building the lease keeps going

Military personnel - they can terminate with a 30 day notice, if the station change is more than 50 miles away, premature discharge, deployed for 90 days or more, or if there is a death on active duty

2 types of eviction -

Landlord breach aka constructive eviction - where the landlord failed to maintain the property for health and safety

Tenant breach - which is actual eviction - breach of lease or failure to pay your rent

In foreclosure tenants MUST be honored

Max amount of deposits -

Weekly you can charge up to two weeks deposit

Monthly - 1 and ½ months

For longer it can be up to two months

Security deposits MUST be returned within 30 days

Final accounting within 60 days if they can not find the tenant

Service and assistance animals - you can NOT charge a pet fee or deposit

Written agreement for a vacation rental act -

Vacation rentals less than 90 days MUST be in writing

Vacation rental expedited eviction - 4 hour notice

Travel agent referral fees - the ONLY time a non licensed individual can receive a referral amount

Estate for Years - it does **NOT** means years, there's an **automatic termination**, there is **no notice required, think of wedding venue**

Estate from period to period - *termination **required** notice, week to week you must give **2 days**, month to month you **must give 7 days**, if you have the property for a year you must give **1 months notice - this is termination NOT eviction***

Difference between leases -

Fixed rent lease - gross lease where everything is paid - it's one flat fee - the landlord pays all the taxes and insurance

Net lease - commercial properties, can be double or triple for maintenance, property taxes and insurance

Percentage or retail lease - fixed amount PLUS a percentage of the gross income

Valid lease agreements - must have mutual agreement, consideration, legal capacity and legal objection

Lease covenant of quiet enjoyment - means use free from interference of 3rd parties, plus free from the landlords excessive intrusion

Equitable title gives a lien holder or a buyer an interest in and a right to acquire legal title to a property if a certain contractual condition occurs.

Real property taxes paid by a homeowner in a specific year are deductible from federal income taxes by the homeowner.

Critical HOT Topics for the NC Licensing Exam The North Carolina Real Estate Commission (NCREC) closely monitors and tracks candidate performance on the NC broker licensing examination. While individual test scores are confidential and specific test questions are not publicized or shared in order to protect the integrity of the examination process, NCREC does share the issues that candidates have had with specific sections and content on the exam. Here are the problem areas noted by the NCREC:

License Is Required to Receive Compensation You cannot receive any referrals, fees, gifts, coupons or items of value for the referral of a real estate client if you do not have a real estate license.

A Real Estate License Is Required to Conduct an Auction Auctioneers **need both** a real estate license and an auctioneer license.

There Are Exemptions From Licensure Not everyone must have a real estate license. The following people are exempt: Selling your own property, including entities and their employees, Attorneys, Designated as an attorney-in-fact, Salaried employees of property managers, Trustees and others acting under order of court

Unlicensed Assistants Are Permitted, but **Limited** in What They Can Do Salaried, unlicensed employees MAY, if not paid per transaction: Receive and forward phone calls, Submit MLS information, Secure public records, Put up signs and install lock boxes, Order and supervise minor property repairs, Act as a courier, Communicate and coordinate appointments, Show rental properties and execute pre-printed forms, Type offers, contracts and forms, Record and deposit earnest money, rent and maintain records, Assemble documents, Compute commission checks, conduct bookkeeping

Limited Non-Resident Commercial Broker's License

Only for non-resident, Requires application and proper renewal, Limited to commercial activity

Supervised by a NC BIC/broker

All trust monies stay in NC

Post licensing Education Requirement (NOT CE) 90 hours (three 30-hour courses)

Must complete within **18 months of licensure**

Can complete earlier, if desired

Renewal, CE and Expiration

Mandatory 8 hours

Renewal deadline is **June 30**

Education deadline is June 10
Failure to renew = expiration of license

Renew, but fail to complete CE = inactive license

Existence of Dual Agency
Occurs in a single firm

Created by single firm or existence of single agent
When designated agency exists, the other agents in the firm are dual agents

Agency Agreement Requirements

Property owner agreements (listings and property management) in writing from time agreement initially made

Express oral agency with buyers permitted until the time an offer is submitted

First substantial contact requires use of Working With Agents disclosure

Seller's agent or subagent must disclose status to a prospective buyer at first substantial contact

Buyer's agent discloses status to seller or seller's agent at initial contact

Deadline for Written Consent to Dual Agency: Dual agency must be disclosed at the formation of the relationship

The written disclosure must exist prior to the submission of any offer

Broker Responsibility When Asked Protective Covenant Questions o Seller is required to provide an addendum with basic information

Inform buyer to complete due diligence and request the form
Due diligence includes name of association, services, contact person and dues

Handling Earnest Money

Provisional broker delivers earnest money to BIC immediately, cash gets deposited immediately

Earnest money goes into trust account within 3 days
BICs may count 3 days from acceptance of offer (except CASH)

Disclosure of Builder Bonus

Compensation receipt must be disclosed in writing

Must disclose receipt of bonus before making or accepting offer

Duty to Disclose Material Facts

Agents must always disclose material facts

Anything that may affect the decision to sell or to buy, sex offender location, death, serious illness not material facts

Duty to Disclose Conflicts of Interest

Must disclose interests in the property, must disclose relationships to parties

Dishonored Payment of License Fees

Results in expired license (not an inactive one)

May result in denial, suspension or revocation

Adjustment of Tax Rates

Tax rates **may** be adjusted **annually**, tax values **can be adjusted horizontally every 4 years**, property **must be reappraised every 8 years (octennial appraisal)**

Assessed Value

The **official evaluation** of a property's value is an assessment

Based on comps at 100% of market value

7-Day Settlements Delay in Purchase Contract

Settlement date is not a "time is of the essence" provision, **good faith effort creates a 7-day extension**

Flood Certifications: **Flood certifications are required by lenders, not necessary on cash transactions**

Flood certifications come from FEMA based on Army Corp of Engineers maps

Closing Disclosure Accuracy

Agent has obligation for accuracy and delivery of Closing Disclosure

Borrower has **right under RESPA to see Closing Disclosure 3 days prior to closing**

Final Closing Disclosure must be delivered immediately, never later than 3 days after closing

Disbursement of Funds by Settlement Agents

Can't disburse funds prior to recordation, we don't disperse funds at settlement or closing

Statute of Frauds Related to Leases

Leases **longer than 3 years must** be in writing

NC Residential Property Disclosure Act
Seller required to complete the property disclosure

Agents inform clients of their rights and obligations

Agent responsible for explaining and assisting

Seller may check “no representation” and choose not to disclose

Agent must still disclose all they knew and should have known

Failure to provide form creates 3-day right to cancel

Home Construction: Definition of a Sill - Floor framing sill or mud sill is the lowest horizontal wooden part of the framing

The window sill is the lowest horizontal frame of the window

Definition of Basis

Cost basis is the owner’s original acquisition cost (price + closing costs)

Adjusted basis is the owner’s cost basis + the cost of any capital improvements

Effect of Death in Joint Tenancy, Tenancy in Common

Joint tenancy has right of survivorship and transfers automatically and immediately at time of death to remaining joint tenants

Tenancy in common interests go to heirs, different percentages

Features of a PUD

Mixed use and cluster zoning

Creates open space - green spaces: “live, eat, play”

Types of Easements and Examples

Prescriptive easement is one obtained by adverse possession

Easement appurtenant benefits an adjacent parcel - example: the driveway that crosses property

Easement in gross benefits third party - utilities, corporation or someone

Easements are permanent, licenses are temporary

Government can get easement by condemnation (eminent domain)

Requirements for Adverse Possession

OCEAN: Open, Continuous, Exclusive, Adverse, Notorious

Benefits and Disadvantages of Business Entities

Sole proprietorship is most risky with least protection

General partnerships do not protect from liability

Most protection is a corporation or S Corp

Elements of a Contract

All contracts require mutual consent, competency of parties, consideration, legal purpose - CLAP

Those subject to statute of frauds must be in writing - DREAMOILS

Mutual Consent, Reality of Consent in Contracts

Contracts require a meeting of the minds

Free from duress or undue influence

Remedies for Breach of Contracts

Compensatory damages – for compensation

Punitive damages – to deter future conduct

Liquidated damages – to receive a specified amount (aka escrow money)

Types of Listing Contracts

Open listing – paid only if you find the buyer 😞

Exclusive agency – paid if you or any other agent finds the buyer 😞

Exclusive right to sell – paid under all circumstances 😊

Characteristics of Listing Contracts

Be signed by all parties - Sellers from the start, buyers from the offer (or 3 houses AJ)

Include licensee's license number

Contain definite termination date

Be in writing

Employment Contracts

Independent contractor agreement exists between brokers and firms

Only place you find the fee splits between brokers and their firms

Options

Options are contracts and must be in writing - Options are CONTRACTS - a contract by which the owner of property agrees with another that they shall have the right to purchase the same at a fixed price within a certain amount of time.

3 days to deliver an option

Enforceable by the optionee

Enforceable on the optionor

Contracts for Deeds

Vendor retains legal title to the property

Vendee has an equitable interest in the property

Deed and transfer occur with last payment

Offers and Contracts

Offerors give and offerees receive

All offers must be communicated

Counteroffer voids the original offer

Mortgage and Trust Deed Timeframes and Terminology

Who is the mortgagor and mortgagee?

Who are the trustor, beneficiary and trustee? What are the payoff documents called?

Who holds a legal and equitable title?

How long are the time periods?

How does each process begin and end?

Truth in Lending Act (TILA) Reg Z

Regulates the disclosure of costs consumer will pay after they have the loan

Must disclose amount of payment, terms of payment, length of loan, rate of interest and the APR

Advertisements with any "trigger term" must disclose the APR

Enforced by CFPB • RESPA (Real Estate Settlement & Procedures Act)

Both disclosure and anti-kickback statute

Requires LE and booklet within 3 days of loan application

Requires use of Closing Disclosure at closing/settlement

Settlement service providers cannot receive anything of value for the referral of business

Sale of Property With a Lease

Sale of a property does not terminate a lease, may also require transfer of security deposits

Types of Leases

Gross leases are all inclusive (owner pays expenses)

Net leases the tenant pays the expenses plus fixed amount

Retail businesses use percentage leases

Sale leasebacks free up capital

Constructive vs. Actual Eviction

Landlord's breach (habitability and repairs) is constructive eviction

Tenant's breach (usually failure to pay) is actual eviction

Operating Budget Terminology

Effective gross income – operating expenses = net operating income

Operating expenses does not include debt service

Fair Housing & ADA in Property Management

ADA applies to commercial/public accommodations

Multi-family must comply with accessibility requirements

More than 15 employees must make accommodations

Residential properties require reasonable modifications paid for by the tenant, no deposits on service animal

Scope of BIC Responsibility

Supervise all provisional brokers

Responsible for all agency, monetary, legal and disclosure compliance

Keep firm pocket card

Display firm license and BIC certification

Maintain the trust account

Independent Broker Who Is Not a BIC Restrictions

Advertising or promoting services

Handling money of another, employs one or more licensees

What's on a Pocket Card/What's Not

Contains name, license number, type and expiration date - SELLN

Does not contain firm, status (active or inactive) or discipline

Duty of Licensee to Report to Commission

10 days any change of address

60 days of any conviction/adverse judgments

10 days BIC notification of severance

Delivery of Documents Rule (106b for leases)

Immediately, never more than 3 days

45 days to provide owner with leases

Compensation Disclosure (A109) When Not Disclosed

Licensee can share compensation with principal – not engaging in real estate

Must disclose all compensation to principal

Don't need to disclose commission splits

Disclosure of Offers

Can't disclose terms of offers without consent of the offerors

Not the seller's consent, it's the buyer's consent

Payment of Referral Fees 93A-6(a)(9)

Payment of referral fees to unlicensed person is prohibited

License Status to Receive a Referral

License must be active to receive a referral fee

Active at the time commission earned, not received

Date Ad Valorem Taxes Attach

Ad valorem taxes attach as a lien on January 1 for the coming year

Factors for Amount of Earnest Money & Due Diligence

Market, demand, desire of client all affect amounts

Refunds of Earnest Money Deposits & Due Diligence Fees

Both earnest money deposit and due diligence fee are credits to buyer at closing

Earnest money does not appear on the seller's side of the Closing Disclosure

Due diligence fee appears on the seller's side of the Closing Disclosure as a debit

Earnest money only gets released with mutual agreement or court order

Earnest money refunded if contract canceled during due diligence period

Due diligence fees do not get refunded

Buyer controls due diligence fee until broker delivers to seller

Due diligence fee goes to seller

Earnest money goes to the trust account

Landlords & Smoke Detectors

Operational with fresh batteries at time of lease (10 year lithium battery or hard wired)

Replacement of batteries responsibility of tenant

Rules for Return of Security Deposits

30 days for initial accounting (document amounts held)

60 days to final accounting

Below-Grade Living Area

Basement with adjacent earth and full flight of stairs

Stairway Measurement Rules

Include with the square footage of floor from which it descends

Include space beneath with lower level regardless of ceiling height

Whose Square Footage Can an Agent Rely on

Rely on other professionals, other agents (i.e., current MLS)

Cannot rely on the owner or measurements from past transaction

Subdivision Street Disclosure Law

Must disclose whether streets are public or private

Must disclose who maintains the streets

Who Regulates Residential Subdivisions

Local municipalities or authorities

Drafting Legal Documents

Cannot draft contracts, deeds, legal documents

Can fill in the blanks on preprinted forms

Active & Inactive Status

Active = current (fees and education are current)

Inactive

Provisional broker not supervised by BIC

Failed to complete education by June 10 - inactive

Failed to complete post licensing - inactive

Chose to be on inactive status

To Activate a License (Move from Inactive Status)

Correct educational deficiency

Re Affiliate with a BIC
File activation form with NCREC

To Reinstatement a License (Expired, Revoked or Surrendered)

Pay \$90 reinstatement fee

Correct educational deficit

Less than 6 months – no application necessary

More than 6 months – reapply, reestablish character, reestablish knowledge (may require testing)

North Carolina Specific Statutes & Laws

A. Statute of Intestate Succession

- Governs the distribution of estates out of probate
- Utilized when someone dies intestate (without a will)

Intestate - dies withOUT will - states looks for heirs, no heirs, the property goes to state

Testate - dies WITH a will

B. Condominiums Act

- Requires public offering statement prior to sale - NEW condos ONLY
- Public offering statement contains disclosures to be made to consumers
- Consumers have a 7-day right of rescission

C. NC TimeShare Act

- Applies to 5 or more time periods over period longer than 5 years
- Must get certificate of registration for the project
- Requires a real estate license
- Developer must register purchase within 6 to 45 days (purchaser may register)

- Must have an independent escrow agent with bank located in this state
- Borrower gets a public offering statement

Obligations of the purchaser: Dates of availability of amenities, specific terms of agreement, notice of right to cancel

- Purchaser has 5-day right to cancel (cannot be waived)
- Must refund all money within 30 days
- Commission may fine developer \$500 - the ONLY people the commission fines
- Additional securities license required

D. Mechanic's Lien Statute

- Grants priority to contractors, subcontractors, suppliers
- Must record within 120 days of work completion
- Must file lawsuit to foreclose within 180 days of work completion
- Effective date of the lien is the date work started

E. Machinery Act

- Governs real estate taxes
- Sets an octennial appraisal requirement (eight years)
- Horizontal adjustments can occur every four years
- Rates may adjust every year

F. Homestead Exemption

- Protects home equity from general judgment creditors
- Requires 2 years of residency
- Doesn't apply to mortgages or taxes (judgment creditors)
- Protects \$35,000 per person/over 65 protects \$60,000

G. North Carolina Subdivision Statute

- Governs a division of land into parcels of two or more
- Exempts lots of 10 acres or more

- Exempts a single owner when dividing a lot of up to 2 acres into 3 lots

H. Mandatory Street Disclosure Law

- Must disclose whether streets are public or private
- Must disclose who maintains the streets

I. Excise Tax Statute

- Transfer tax on real estate transfers
- Round up to the nearest \$500
- Tax is \$1 for each \$500 of value

J. Conner Act

- Requires recording of certain documents
- DREAMOIL: deeds, restrictive covenants, easements, assignments, mortgages, options, installment land contracts, leases longer than 3 years

K. Statute of Frauds

- Requires contracts for the exchange of real estate to be in writing
- DREAMOILS: deeds, restrictive covenants, easements, mortgages, options, installment land contracts, leases for longer than 3 years, sales contracts

L. Enabling Act

- Confers zoning power on municipalities and local authorities

M. North Carolina Land Installment Contracts

- Seller must record within 5 days of execution
- Buyer has 3-day cancellation period
- Buyer must be given 30 days to cure default prior to foreclosure

N. NC Landlord Tenant Act & Property Management

- Fresh batteries at start of tenancy/tenant replaces during the lease
- Maximum security deposits

Week to week—2 weeks, Monthly – 1 1/2 months, Annual – 2 months

Return deposit (30 days interim account/60 days for final)

- No deposits on assistive animals
- No self-help – landlord's breach is constructive eviction

O. NC Vacation Rental Act of 2000

- Property utilized for vacation purposes
- Anything less than 90 days must:

Be in writing o Applies to all landlords, not just licensees

- Travel agent fee allowed

P. Good Funds Act

- Attorney may not distribute any funds until recording
- Recording is not the same as settlement
- All monies in excess of \$5,000 must be verified
- Brokers responsible for accuracy of Closing Disclosure
- Brokers must deliver Closing Disclosure within 3 days of closing

Q. Residential Square Footage Guidelines

- Living area is heated with a conventional source and finished
- Measure exterior walls or measure interior and add 6" for each wall
- For dwellings sharing a wall – measure interior and add 6" for shared wall
- May reasonably rely (absent red flags) on the measurements of:

Listing agents

Other professionals, including an appraiser

Don't rely on owner, tax records, documents from earlier transaction

- Don't include external chimney space
- Count stairs as part of square footage for both floors
- One-half of the room must have at least 7' ceiling to count the room
- In sloped ceiling rooms, start counting at the 5' height

- Pipes and ductwork must provide height of at least 6'4" to count area
- Include "bonus" rooms if accessible through living area
- Include furnace room if accessible through living area
- Include storage if accessible through living area and heated
- Condominiums do not include wall thickness of common wall

General - Broad

Special - Limited

BIC - Broker in Charge

TIC - Tenancy in Common

LBP - Lead Based Paint

ETJ's - Extra-Territorial Jurisdiction

PITI - Principle, interest, taxes, insurance QB - Qualifying Broker

Freehold - Ownership

Leasehold - Less than ownership

Who needs a license

LLBEANS - List, lease, buys, exchange, auction, negotiates, sells "For others, For compensation" Trigger words

Fiduciary Duties

OLDCAR - obedience, loyalty, disclosure, confidentiality, accounting, reasonable skill and care

Fixture - Total Circumstance Test

IRMA - Intent, relationship, method, adaption

Items in the Bundle of Rights

DEEPC - Disposition, enjoyment, exclusive, possession, control

Info for Pocket Card

SELLN - Signature, expiration, license #, type, name

Economic Characteristics

SLIP - Scarcity, location, improvement, permanence

Adverse Possession

OCEAN - open, continuous, exclusive, adverse, notorious

Statute of Frauds - What must be in writing

DREAMOILS - Deeds, restrictive covenants (CCR), easement, assignments, mortgages, options, installment land contracts, leases (longer than 3 years), sales contract

Conner Act - What must be recorded

DREAMOIL - Deeds, restrictive covenants (CCR), easements, assignments, mortgages, options, installment land contracts, leases (longer than 3 years)

Essential Elements of Contract

CLAP - Consideration, legal capacity, mutual agreement, competent parties

Enforceable Contract

SIC - Signed, initialed, communicated

Loan Estimate

ALIENS - Address, loan amount, income, name, social security # **Elements of Value**

DUST - Demand, utility, scarcity, transferability

Fair Housing

FRESHCORN - familial status, race, sex (gender), handicap, religion, color, E&O (equal opportunity), nationality

