

REAL ESTATE BROKER

SYLLABUS

NYS Real Estate Broker Curriculum

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| Chapter 1 | Agency Law, License Law and Operating a Real Estate Office | 26 hours |
| Chapter 2 | Real Estate Finance | 7 hours |
| Chapter 3 | Real Property Investment | 4 hours |
| Chapter 4 | General Business Law | 3 hours |
| Chapter 5 | Construction and Development | 3 hours |
| Chapter 6 | Conveyance of Real Property | 4 hours |
| Chapter 7 | Real Property Management | 4 hours |
| Chapter 8 | Taxes and Assessments | 3 hours |
| Chapter 9 | Advanced Fair Housing and Fair Lending | 13 hours |
| Chapter 10 | Achieving Transactional Agreements through Transaction Analysis | 6 hours |
| Chapter 11 | Local Issues and Concerns | 2 hours |

75 hours

Preface:

Approved schools have discretion over the time allotment for any subject where the hours are not already predetermined.

The role of the broker is to operate a brokerage in such a manner that all the principles taught in the 77-Hour Salesperson's Course are implemented either through real estate services performed directly by the broker or by the broker's sponsored licensees. To accomplish this role, the broker must:

- Remember the principles,
- Understand them,
- Apply them to specific situations,
- Analyze situations in light of the principles,
- Evaluate the possible beneficial results in situations where the principles are applied,
- Create situations in which the principles are applied for the protection and benefit of the client (public).

It is the objective of the licensing process to require brokers to be lifelong learners and critical thinkers, always discovering new ideas and methods to foster the delivery of quality service to consumers.

Included in the 26 hours of instruction, two hours must pertain to Broker Supervision & Use of Office Managers; two hours must pertain to Onboarding/Continued Training; two hours must pertain to Agent Safety and Supervision; one hour must pertain to Lawful Application of Teams; one hour must pertain to Standard Operating Procedures; and two hours must pertain to Financial Management (e.g., budgets, record keeping)

The broker must be able to:

- Explain how the Law of Agency will enable the brokerage to function as a fiduciary entrepreneurship. This requires understanding:
 - How Agency Law protects the public by demanding competence and trustworthiness from the agent.
 - How Agency Law compliance promotes business success while ennobling the profession through the performance of real estate services that consumers want need and can trust.
 - How each of the following agency concepts protects the public while advancing the real estate profession:
 - Obedience, loyalty, disclosure, confidentiality, accounting, and reasonable care.
 - Vicarious liability as it relates to buyers, sub, and broker's agencies.
 - Informed consent and advanced informed consent to dual agency.
 - Representation legally defined and implemented.
 - Disclosure, first substantive contact, and the effect of disclosure on protecting commission rights (i.e., licensed, employed and procuring cause).
 - Conflict of interest and the in-house sale and ways to resolve conflict of interest especially through dual agency with designated sales associates.
 - Repercussions from violations of Agency Law and fiduciary duties.
- Explain how the application of Article 12A and the Rules and Regulations(R&Rs) found in 19NYCRR, Parts 175 to 179 advances competence and trustworthiness. This requires understanding:
 - How and to what extent the broker is liable for the real estate actions of the sponsored licensees as well as the extent of liability of the licensees.
 - How the NYS DOS interprets Article 12A and the R&Rs and enforces same to protect the public.
 - The reasoning for NYS DOS rulings concerning the actions of licensees.
 - How the Law and R&Rs command the broker to train and supervise the sponsored licensees. Furthermore, this requires understanding:
 - Principles for screening and selecting capable and trustworthy prospective licensees, to include:
 - Selecting a personality profile test and critical thinking test.
 - Developing a template from the behavior tests of successful real estate licensees.
 - Perfecting interview competencies to elect behavior traits of licensee prospects.
 - How to design initial and ongoing training programs/procedures so that principles from the pre-licensing course are fully incorporated into the sponsored licensee's real estate service delivery system.
 - What the independent contractor law prescribes.
 - How to effectively supervise sponsored licensees to insure competence and trustworthiness while in compliance with the independent contractor (IC) guidelines.
 - How to guide sponsored licensees to be compliant ICs.
 - How to terminate a sponsored licensee.

- How to assure that unlicensed assistants do not perform tasks requiring a license.
 - How ADA laws may impact brokerage.
- Explain how to design onboarding/Continued training programs to: 2 hours
 - Create good habits and work ethic
 - Maintain compliance with independent contractor law
 - Keep current in the real estate industry
- Explain best business practices for Broker supervision & Use of office managers 2 hours
 - Definition of office manager
 - Duties of an office manager
 - Establishing policies, rules and procedures
 - Issues that arise with a lack of oversight
- Explain the legal relationship between the sponsored licensee and the broker including:
 - How the License Law and pertinent Rules and Regulations impose rights and obligations on both licensees in the performance of their business relationship and functions.
 - How Agency Law restricts and protects both licensees as they work together to provide quality service to consumers.
- Explain how the licensee earns a commission when the licensee negotiates a “meeting of the minds” of the contract parties. This requires understanding:
 - The meaning of “ready, willing and able.”
 - That “ready, willing and able” parties are essential for a “meeting of the minds.”
 - That preserving “ready, willing and able” parties from contract to closing is the responsibility of the licensee.
 - TRID, the TILA/RESPA Integrated Disclosure (aka Know before You Owe), Loan Estimate and Closing Disclosure, the responsibilities of each closing participant and sensitive time dates in the closing process.
 - The important and value-added role that the licensee must play to orchestrate the closing for the client and, as a result, to secure both the transaction and the commission.
- Explain why licensees must exhibit critical thinking skills to insure competence in the performance of real estate services for the public. This requires understanding:
 - What the following skills are and how they are acquired and sustained:
 - Market value expertise.
 - How the four value characteristics influence market value.
 - The value principles and their influences on market value.
 - How to apply paired-sales analysis to recognize and understand why specific factors are contributing to market value
 - Methodology of the sales comparison approach to value and its relationship to the comparative market analysis.
 - When to select and apply some of the procedures of the cost approach to market value.
 - The principles and critical thinking skills for securing the best, possible transaction for the client.
 - How these client-beneficial transaction skills are distinguished from selling skills and are required by Agency Law when representing the interests of the client.
- Explain which legal business formation will enable the broker to operate a successful fiduciary entrepreneurship. This requires understanding:

- The different types of legal structures, i.e. Corporation, Limited Liability Company/ partnership, partnership, limited partnership, sole partnership.
- The advantages and disadvantages of each.
- Explain best business practices that will secure a successful fiduciary entrepreneurship. This requires understanding:
 - Lawful application of teams 1 hour
 - Advertising Requirements
 - Emails/Logos/Web-Based
 - Unlicensed & Licensed Assistants
 - Broker oversight
 - Prohibitions
 - Maintenance of documents
 - Proper insurance coverage (i.e., liability, worker's compensation, professional liability (Errors and Omissions) Premises liability, commercial crime bond, (fidelity policy) for property management brokerages.
 - The importance of having a written policy and procedures manual.
 - The various and sundry special disclosures, i.e., lead paint, agricultural districts, truth in heating, bedbug, etc...
 - Anti-trust laws and penalties for violations.
 - How to properly (i.e., timely) accept deposit, record, and subsequently disperse escrow monies.
 - Obligations to avoid complicit or direct misrepresentations and fraud.
 - How to permit, conduct and oversee broker price opinions (BPO's)
 - Strategies that create a safe environment for clients, customers, and agents.
 - How to educate about and to enforce compliance with advertising regulations.
 - How to participate responsibly with an MLS, and third party and for-profit listing services.
 - How to design a consistent and profitable strategy for interaction with other brokerage firms.
 - How to use the NYS DOS database to make changes and to ensure continuing education compliance.
- Explain how to create guidelines for maintaining agent safety and supervision 2 hours
 - How to identify potential threats
 - Safety tactics
 - Cyber security
- Explain how to budget and implement a financial management plan. 2 hours
 - Creating a budget
 - How to implement an effective record-keeping system and data security
- Explain the importance of establishing standard operating procedures that all prospective homebuyers must meet prior to receiving any services, and making them publicly available: 1 hour
 - Standard requirements – identification /Exclusive broker agreement/Mortgage pre-approval
 - Posting of SOP's in office/websites and mobile applications
 - Maintain records of alterations or updates
- Explain how to develop and regularly revise a business plan to assure legal, ethical, and competent service as well as business viability and client satisfaction. This requires understanding:
 - How to build a plan with long-term and short-term goals and strategies to manage business effectiveness in the marketplace.

- Explain the required and complimentary roles of the ancillary service providers, i.e., mortgage brokers, home inspectors and appraisers. This requires understanding:
 - The laws and regulations which govern the performances of each of these service providers.
 - How each service provider delivers services and how the laws and regulations affect that delivery.
 - The repercussions for both the service providers and the broker for violations of the laws and standards of practice required of the providers.
 - The value-added benefits from the work performed by these service providers.

- Explain the basic principles of economics and discuss what forces, presently in the marketplace, may positively or negatively affect real property values and to know how to mobilize resources to generate and participate in community debates about the effectiveness of such forces (LO). This requires understanding (SC):
 - The factors that contribute to the viability of a market area including supply and demand, employment, growth initiatives, municipal services, transportation, and taxes, among others.
 - The avenues within which to assert influence within the community, such as:
 - planning boards
 - local legislative boards, i.e., legislatures, boards, and councils
 - zoning board of appeal
 - school boards
 - local community groups
 - How to educate people about these forces.
 - How to motivate people to participate in understanding the impact of these forces.

Included in the seven hours of instruction, one hour must pertain to loan products – investment monies; two hours must pertain to risk management (e.g., inflation, assessment, leverage, tax shelters, etc.); and two hours must pertain to financial analysis for commercial transactions.

The broker must be able to:

- Explain how the security interest of a mortgage lien has served to encourage lenders (i.e., thrifts, investment banks, mortgage bankers and private investors), through direct (aka retail) or wholesale lending, to aggressively participate in the real property market of the U.S. This requires understanding:
 - The nature of the mortgage document as a legal instrument.
 - The difference between lien theory and title theory mortgaging.
 - The bond and the importance of its novation.
 - The advantages and disadvantages of each of the following mortgaged loans:
 - fixed rate, conventional
 - adjustable rate, margins, indexes
 - variable rate, margins, indexes
 - prime, subprime, predatory
 - graduated payment
 - FHA insured
 - VA guaranteed
 - purchase money
 - gap
 - miniperm
 - wraparound
 - blanket
 - subordinate
 - lease as a means of financing
 - The difference between licensed mortgage banker and licensed mortgage broker:
 - liquidity asset requirements
 - line of credit requirements
 - surety bond limits
 - initial and continuing educational requisites
 - character check
 - examination requisites
 - how each is compensated
 - mortgage broker as agent/fiduciary of the borrower

- Explain how to measure a financial analysis for commercial transactions 2 hours
 - Property value
 - Vacancy rate
 - Percentage of operating expenses

- Explain risk management provisions as applied to both the borrower and the property appraised value process; 2 hours
 - Inflation
 - Assessment
 - Leverage
 - Tax shelters
 - Debt to income ratios

- Loan-to-value ratios
 - Full, low, no documentation loans
 - Residential/commercial loans
 - Foreclosures
 - Mortgage value
 - Equity stripping
- Explain the sources of loan products - investment monies 1 hour
 - Regulation of these sources
 - Guarantees for these invested monies (i.e., FDIC, FHA/VA, PMI and maybe FNMA, GNMA, FHLMC)
- Explain how mortgaged money is made available through different loan products, why it is stronger, weaker or steady at times and how the money supply impacts demand for properties. This requires understanding:
 - US government deficit spending and subsequent borrowing.
 - The strength or weakness of foreign investor demand for US Treasury bills.
 - The employment rate, wages, debt obligations of American consumers.
 - How alluring are other investment instruments, i.e., stocks, bonds, CDs, and foreign business opportunities.
 - The Federal Reserve interventions with the money supply, i.e., discount rates, liquidity asset requirements and/or the purchase/sale of US Treasuries.
- Explain how the Secondary Market works, when and why it began, and when and why the Primary Market participation in the Secondary Market seriously began. This requires understanding:
 - The financial and political climate in the 1930s that precipitated the creation of Federal National Mortgage Association (FNMA) in 1938.
 - How the Secondary Market is the conduit to bring investor monies from locations of excess to areas of need in the Primary Market.
 - How the Secondary Market manages risk surrounding Primary Market mortgages that it purchases.
 - How financial liability for defaulting mortgaged loans is distributed.
 - How Secondary Market executives are compensated.
 - How the Secondary Market participated in the Subprime Mortgage crisis.
 - How the Secondary Market plays a role in the viability of the US economy.
- Explain how the US economic system functions in relation to the real estate market. This requires understanding:
 - Employment rates and wages.
 - Stock market.
 - Valuation (realism).
 - Affordability (buyer's purchasing power).
 - Recession, depression, inflation.
 - Predatory lending; legal or illegal?

The broker must be able to:

- Explain why investing in real estate has become a customary way for wealth accumulation in the U.S. economy. This requires understanding:
 - Inflation hedge.
 - Risk assessment.
 - Leverage.
 - Tax shelters.
 - Limited disadvantages when lengthening holding period.
 - Necessity for implementing a well thought out investment strategy before investing.

- Explain how correctly performed income approaches to value will help licensees assess the strengths and weaknesses of investment properties and, thereby, provide competent and trustworthy guidance to their investor clients.

- Explain how to measure and evaluate the financial viability of a particular investment property. This requires understanding:
 - How the income approaches to value (both income capitalization and gross rent/income multipliers) are performed.
 - How to develop a relevant capitalization rate:
 - Overall cap rate (OAR).
 - Built-up rate.
 - How to create a reconstructed income statement for a property:
 - potential gross income
 - vacancy and collection loss
 - other income
 - effective gross income
 - operating expenses
 - fixed
 - variable
 - reserves
 - net operating income
 - annual debt service
 - before tax cash flow
 - federal/state income tax
 - after tax cash flow
 - How to calculate a property's depreciable basis (aka book value) and its annual depreciation:
 - Land/building allocation ratios.
 - Yearly depreciation allowances (27.5 /39yrs); straight-line.
 - How to calculate a property's taxable income:
 - taxable income formula:
 - Net operating income plus reserves, minus loan interest, minus depreciation, minus amortized loan costs equals taxable income.
 - How to calculate and utilize the following "multiplier" formulas:
 - potential gross income multiplier (PGIM)
 - effective gross income multiplier (EGIM)
 - net operating income multiplier (NOIM)
 - gross rent and gross income multipliers (GRM & GIM)

- How to calculate and utilize the following investment property “ratios” to assess the financial health of an investment property:
 - Equity dividend ratio.
 - Loan to value ratio.
 - Debt coverage ratio.
 - Operating expense ratio.
 - Cash-break-even ratio.

The broker must be able to:

- Explain how laws are promulgated at different government levels, namely, federal, state and local and how these laws are enforced and with what priority. This requires understanding:
 - The rationale for, scope and enforcement of federal laws affecting real property transactions:
 - Fair Housing and ADA requirements.
 - Lead paint disclosure.
 - Certain transaction-monies withheld from real estate sales of properties owned by foreigners.
 - Truth-in-lending disclosures.
 - Do-not-call lists and CAN SPAM laws.
 - The rationale for, scope and enforcement of NYS laws affecting real property transactions:
 - Agency disclosures.
 - Exclusive agency and right listing disclosures.
 - Truth in heating law.
 - Agricultural districts disclosure.
 - Interest bearing escrow accounts for certain residential security deposits.
 - Time frame for returning residential security deposits.
 - The rationale for, scope and enforcement of local laws affecting real property transactions:
 - References to local markets.
 - How to access these specific decisions and understand:
 - Rationales for these decisions.
 - Application of these rationales to specific situations.
- Explain the nature of and intent for the Uniform Commercial Code (UCC). This requires understanding:
 - The basic difference between real and personal property.
 - When, where, and to what extent property is involved in real estate transfers:
 - Personal property sold as part of real property transaction.
 - Personal property as the real estate transaction, i.e. stock purchase and proprietary lease with co-op transfers.
- Explain how negotiable instruments are made negotiable. This requires understanding:
 - What are negotiable instruments:
 - notes
 - drafts
 - checks
 - Certificates of deposit.
 - What is required to make instruments negotiable:
 - writing
 - signed
 - promise
 - specific sum
 - on demand and at a time specific
 - endorsement
 - holder in due course
 - defenses.

- Explain how and why different means of dispute resolution may be used. This requires understanding:
 - What are the means of dispute resolution:
 - mediation
 - arbitration
 - Litigation
 - How does each of these means operate.
 - Which means of dispute resolution is advantageous for which situation.

- Explain how federal bankruptcy laws and NYS exemptions may affect the sale of real property. This requires understanding:
 - The three different bankruptcy chapters (i.e. 7, 11, 13).
 - The amounts of exemptions as applied in NYS.
 - The difference, position, and rights of secured and unsecured creditors.
 - How the assets of the bankrupt party are determined and distributed.

- Explain how estate and gift taxes may affect real property transfers. This requires understanding:
 - The nature of estates and how they are formed.
 - How estates are administered.
 - What the federal and state estate and gift taxes are.

- Explain how marital property and subsequent litigations affect real property value and transfers.
- Explain how the various NYS Statutes of Limitation affect real property value and transfers. This requires understanding:
 - The specific statutes:
 - Misrepresentation/fraud in contracts.
 - Mechanics lien enforcement.
 - Judgment lien enforcement.
 - Against restriction violations.
 - The process in NYS by which deed restrictions come back into force after deed restriction violations are removed.

The broker must be able to:

- Explain how agencies at various government levels regulate and oversee construction standards in order to protect and benefit the public. This requires understanding:
 - The federal construction standards as created and enforced by the Federal Housing Administration (FHA).
 - The NYS minimum building codes.
 - The construction standards for counties, cities, towns and/or villages as they comply with or go beyond the NYS minimum building codes.
 - How zoning laws impact new construction and development.
- Explain how these construction standards affect pre-contract building and real property transactions. This requires understanding:
 - Where to find the construction standards.
 - How to recognize both compliance and non-compliance with the standards.
 - How to read and interpret building plans and specifications as they comply or not with the standards.
- Explain how building science advances have affected the utility of real property and how, at times, the market will prefer character and historical significance over utility. This requires understanding:
 - Buyer preferences as markets change.
 - Financial limitations and practicalities.
- Explain how the “modified” role of licensed home inspectors can be a practical means of ensuring and initiating the application of the new home warranty from the builder. This requires understanding:
 - How home inspectors and new-built property inspections are different according to definitions in the NYS Home Inspector licensing law.
 - How the visual acuity of skilled and well-trained home inspectors can assist the buyer of a new-built home to understand the quality of the construction and the homeowner’s diligence and concern for maintaining that quality.
- Explain how the NYS constitutional provision for “home rule” affects subdivisions and developments. This requires understanding:
 - the number of agencies and departments that have oversight and “sign-off” authority to approve or disapprove projects in accordance with land use planning, restrictions, zoning and other considerations.
 - The time periods necessary for project approvals.
 - The financial demands for project viability during protracted approval period.
- Explain how to determine project absorption rates in specific markets. This requires understanding:
 - The formula for calculating absorption rates.
 - How to gather and interpret market data in the absorption-rate formula to draw meaningful conclusions.
- Explain the requirements for the development and subsequent offering of newly constructed or newly-converted condominiums and/or cooperatives. This requires understanding:
 - The filing process for project approval by the NYS Attorney General’s office.
 - The relevance of the Cooperative Policy Statement #1.
 - The tenant notification period in a conversion.

- The initial and subsequent unit/stock pricing.
- The relevance of temporary certificates of occupancy (TCOs).
- The applicability of the new home warranty for newly constructed high-rise condominiums or cooperatives.

Chapter 6 Conveyance of Real Property

4 hours

Included in the four hours of instruction, two hours must pertain to commercial leasing terms and one hour must pertain to residential leasing terms.

The broker must be able to:

- Explain typical commercial lease terms 2 hours
 - Triple Net
 - Full-Service Gross
 - Modified Gross
 - Sublease Clause
 - Exclusive Right
 - Rent escalation

- Explain standard residential leasing terms 1 hour
 - Length of lease agreement
 - Rights of the landlord
 - Rights of the tenant

- Explain how legal procedures that effect voluntary and involuntary transfers can impact real property values. This requires understanding:
 - How transferability, as one of the four characteristics of value, contributes to the value of real property.

- Explain how real property is conveyed during the grantor's life, at and after the grantor's death. This requires understanding:
 - The various voluntary means of transferring real property:
 - Sale
 - Gift
 - Dedication
 - Grant
 - The various involuntary means of transferring real property:
 - Legal processes:
 - Condemnation
 - Foreclosure
 - Partition
 - Adverse possession
 - Natural processes:
 - Accretion
 - Avulsion
 - Erosion

The broker must be able to:

- Explain the functions and responsibilities of the property manager.
- Explain the primary responsibilities of real estate management positions including site manager, property manager, portfolio manager and asset manager.
- Explain how licensees will provide competent and trustworthy property management services by improving and/or preserving the physical property, (i.e., it's envelop and mechanicals), while improving the property's net operating income. This requires understanding the:
 - Relationship between property condition and risk.
 - Relationship between risk and capitalization (CAP) rate.
 - Relationship between cap rate and value.
 - Necessary steps to increase net operating income (NOI).
 - Increasing potential gross income (P&I)
 - Selecting valuable tenants to reduce vacancy and collection loss (V&CL)
 - Producing initial or additional other income (OI)
 - Reducing operating expenses (OE)
 - Fixed
 - Variable
- Explain rent types and lease clauses. This requires understanding:
 - Gross rent
 - Modified gross rent
 - NNN Rent
 - Concessions
 - Tenant options
 - Standard clauses
 - Rentable vs. usable SF
- Explain how a comprehensive understanding of a property's income and expense statement provides a template for delivering competent and trustworthy property management services. This requires understanding:
 - How to collect, analyze and evaluate the supply of and demand for tenant-occupancy space.
 - How to structure and create various landlord-protective leases
 - Residential
 - Commercial
 - Industrial
 - Medical office buildings
 - Hotels
 - How to create effective strategies to capture and retain reliable and valuable tenants for managed space.
 - How to create effective programs for ongoing, deferred, preventive and corrective maintenance.
 - How to challenge excessive assessed property value.
 - The differences between and among operating, capitalized and stabilized budgets.
 - The Fair Housing and ADA laws and their many complex exceptions.
 - the functioning and energy consumption of the mechanical systems:
 - Plumbing
 - Electrical

- Heating and cooling
- The various building codes.
- The manager's obligations to the owner:
 - Goals
 - Maintenance
 - Criteria
 - Future of the project
 - Reporting
- How to apply environmental laws for the safe and compliant management of property.
- How to develop and implement various emergency plans, i.e., evacuation, etc.

Two hours of instruction must pertain to assessment exemptions & taxes (e.g., STAR, seniors, veterans, PLOT).

The broker must be able to:

- Explain why there are assessment exemptions, whether full or partial, to what tax they apply and how to determine the true tax. This requires understanding assessment exemptions & taxes 2 hours
 - Personal exemptions:
 - Senior citizen
 - Veteran
 - Disability
 - STAR
 - Governmental
 - Organizational
 - PLOT
- Explain how governmental “forces” (i.e., one of the four “forces” that impact value), especially property taxes, impacts market value of real property. This requires understanding:
 - How excessive property taxes, when calculated within the home indebtedness qualifying ratios (i.e., PITI) can lessen the purchasing power of potential buyers.
- Explain why frequently there is a difference between market and assessed values. This requires understanding:
 - When the assessed value is determined.
 - What market data are used to determine the property’s assessed value.
 - The relationship between assessed and market values.
- Explain why there is an equalization rate and how it is derived and applied. This requires understanding:
 - How the NYS constitutional provision for “home rule” creates a need for an equalization rate.
 - What government agency/department establishes the equalization rate for a specific taxing municipality.
 - To what taxes personal exemptions apply.
 - The procedures to use to calculate the actual taxes (true tax) when the exemptions are removed.
 - What tax-collecting action a municipality takes to recoup exempt taxes when a non-exempt purchaser buys a property from an exempt seller and takes possession during the exempt period.
- Explain how PILOT programs and special property tax abatements or incentives affect market value of properties. This requires understanding:
 - How to gather and interpret market data to determine the percentage of positive/ negative impact on market values.
- Explain the need for research and discussion concerning the feasibility of consolidation of government services. This requires understanding:
 - Whether consolidation of government services will or will not reduce property taxes.

Included in the 13 hours of instruction, one hour must pertain to the historical overview of fair housing; two hours must pertain to cultural competency; two hours must pertain to diversity, equity, & inclusion training/history; two hours must pertain to implicit bias training; one hour must pertain to assistance animals and service animals; and two hours must pertain to source of income and subsidy programs.

Broker must be able to:

- Explain how an integrated society sustains and advances real property values. This requires understanding:
 - The protected classes in NYS.
 - The extent of and exemptions to the fair housing, fair lending and ADA laws.
 - Federal, State, and Local Fair Housing Laws
 - How these laws apply to specific situations.
 - How particular discriminatory situations are to be recognized, analyzed and evaluated.
 - Unequal access to opportunity in housing
 - How these situations are to be resolved by practices created from the guiding principles of the fair housing/lending and ADA laws.
 - How government interventions have prevented or lessened the impact of gentrification.
 - Blockbusting, steering and redlining.
 - The legacy of segregation, unequal treatment, and historic lack of access to opportunity in housing.
 - Some locally established protected classes.

- Explain how institutionalized discrimination, especially within lending sources, continues to underwrite and sustain segregated communities. This requires understanding:
 - Disparate impact resulting from formalized lending policies.
 - Unequal access to amenities and resources on the basis of race, disability and other protected characteristic.
 - How the belief systems of individuals make it difficult to achieve the intent of fair housing, fair lending, and ADA laws.

- Explain the historical overview of fair housing. This requires understanding: 1 hour
 - Roadblocks to fair housing/fair lending
 - The Civil Rights Act of 1964 Fair Housing Act of 1968

- Explain how diversity, equity and inclusion align with fair housing. 2 hours
 - The difference between equity and equality
 - Importance of diversity and the impact on communities
 - The need for inclusion

- Explain how the effectiveness of implicit bias training creates inclusive leadership. 2 hours
 - History of fair housing & implicit bias
 - Identify implicit biases that plague agents/clients
 - Identify interventions to mitigate implicit bias

- Cultural Competency Training 2 hours
 Explain how an awareness and understanding of cultural norms, preferences, and challenges creates diverse communities. This requires understanding:

- Cross cultural communication skills
 - Social benefits of integration
 - Strategies for cultural responsiveness
 - Tailoring services provided to meet the needs of all
 - Cultural responsiveness to ensure inclusion
 - Inclusive multicultural marketing
 - Effective negotiating techniques
 - Inclusive business plan strategies

- Explain how the ADA and the Fair Housing Act relate to assistance animals and service animals 1 hour
 - Types of assistance animals
 - Complying with fair housing laws

- Source of Income and Subsidy Programs 2 hours
 - Explain what subsidized housing is and how it works. This requires understanding:
 - Requirements for subsidized housing
 - Vouchers and tax breaks

The broker must be able to:

- Explain importance of a user-friendly confidentiality agreement that will facilitate an open discussion and exchange among clients and their brokers in order to structure the best possible transactional agreement that is mutually beneficial to the parties. This requires understanding:
 - How the inclusion of the fiduciary duty of confidentiality opens the way for the necessary incorporation of the other agency duties, especially reasonable care, and loyalty.
 - What must be included in the confidentiality agreement to make it user-friendly.

Transaction Analysis

The purpose of transaction analysis is to design and achieve a transactional agreement that is mutually beneficial to the parties (i.e., seller, buyer, landlord or tenant).

- Principles of Application

The broker must be able to identify and explain that:

- Not all transaction analyses end in transactional agreements.
- Wants must be differentiated from needs. This requires understanding:
 - That wants are the un-tempered desires of a transaction party.
 - That needs of a transaction party are the essential ingredients of a transactional agreement.
 - That the un-tempered wants (desires) of one party must be evaluated and asserted only in consideration of the realistic prospects of the other party's acceptance of those wants (desires).
 - Awareness of potentially adverse objectives of one party must be molded into an understanding of the other party's needs.
 - Once this molded understanding is realized, both parties will thereby have formed a mutual interest that should culminate in a transactional agreement.

Individual considerations**The broker must be able to identify and explain:**

- How the considerations of the client and the customer (other party) are the primary driving forces in the formation of a transactional agreement. This requires understanding of multiple factors including:
 - The why, when, and how of the sale, purchase or lease that motivates the parties.
 - How the market value and legal circumstances of the property establish the parameters within which a transactional agreement is formulated. This requires understanding:
 - That, since estimating market value is not an exact science, estimating a range of value is necessary.
- How the nature of financing and the financial resources of the parties are subject to change. This requires understanding:
 - The fluidity of financial market conditions.
 - The limitations based on the financial latitudes of each party.

Dual Objectives**The broker must be able to identify and explain:**

- That the overall objective is to reach a transactional agreement on fair terms within a reasonable period of time.

- That a sense must be created that the other party understands and tries to address the concerns of the broker's client.
- That the broker must always represent the best interests of the client.
- That the primary objective of the broker must be to reach a transactional agreement without sacrificing the interests of the client simply to achieve an agreement.
- That, if the dual objectives of both parties are prudently addressed by their brokers, the prospects of the individual considerations of each party being folded into a mutual interest of achieving a transactional agreement are considerably enhanced.

Transaction Agreement

- When completing the transaction analysis that should produce a transactional agreement, **the broker must be able to identify and explain** the many viable factors including:
- How each of the following could play a part in designing and achieving a transactional agreement:
 - First and foremost, the price (usually most important to the parties)
 - Occupancy
 - Appraised versus market value
 - Timing considerations
 - Financial positions of each party
 - Stacking of contingent sales
 - Multiple offers
 - Interest rate deadlines
 - Lawyer's unconditional approval
 - Home inspection corrections (i.e., maintenance v. structural)
 - Seller concessions
 - Others

As the analysis proceeds on a positive note, the formation of the transactional agreement should begin to "take shape." **The broker must be able to identify and explain:**

- How important are discussion, dialogue, and conferencing between and among the parties and their representatives. This requires understanding the:
 - Importance of listening skills.
 - Importance of communicating an "agreement attitude"; and
 - Value of molding an agreement that is bilaterally beneficial, i.e., a win-win agreement.

Samples of local concern must be provided

Broker must be able to:

- Explain how local issues and concerns impact property values. This requires understanding:
 - How property values play an important role in the viability of the U.S. economy.
 - How government systems and services can advance or undermine property values.
 - How real estate professionals can contribute to community discussions and debates about these issues and concerns.