

Michigan Department of Labor & Economic Growth  
Bureau of Commercial Services  
Testing, Education & Program Services  
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www.michigan.gov/bcstesting

## **INSTRUCTIONS REGARDING APPLICATION FOR APPROVAL OF PRELICENSURE REAL ESTATE COURSES**

Section 2504(10) of the Occupational Code states in part, "a person who offers or conducts a course or courses of study represented to meet the education requirements of this article, first shall obtain approval from the department and shall abide by the rules of the department concerning curriculum, instructor qualification, grading system, and other related matters."

### **PRIVATE OCCUPATIONAL SCHOOLS**

Application must also be made to the Michigan Department of Labor & Economic Growth, Proprietary School Unit, P.O. Box 30714, Lansing, MI 48909 by any private entity wishing to offer real estate courses for prelicensure credit. Approval by the Proprietary School Unit is given in conjunction with Testing, Education & Program Services. Approval cannot be issued until all items are coordinated between the two units.

### **REQUIREMENTS FOR A NEW SCHOOL**

1. BCS/LRE-001 School Application for Approval of Real Estate Prelicensure Courses
2. BCS/LRE-003 Prelicensure Instructor Approval Form
3. BCS/LRE-007 Summary of Topics
4. Detailed instructor course outline, including table of contents and bibliography
5. Sample Certificate of Completion
6. Student Contract

Following is a description of items which must be included when submitting an application:

#### **SCHOOL APPLICATION FOR APPROVAL OF REAL ESTATE PRELICENSURE COURSES (BCS/LRE-001)**

PRINT OR TYPE the application and all documents. Submit one copy. The application and enclosures may be hole-punched, but please do not submit in hardcover notebooks or permanently bound.

#### **PRELICENSURE INSTRUCTOR APPROVAL FORM (BCS/LRE-003)**

##### **Instructors:**

Rule 609(1) states that every course of study shall have an instructor acceptable to the Department. An instructor is defined in Rule 101(1)(m) as an individual who assumes responsibility under these rules for instructing an approved course. Instructors shall possess at least 1 of the following minimum qualifications:

- (i) Be an instructor of real estate courses who is or has been engaged in the practice of teaching at an accredited institution of higher learning.
- (ii) Be a person properly licensed or certified by the department or other governmental agency who is engaged in the real estate aspects of appraising, financing, marketing, brokerage management, real property management, real estate counseling, real property law, or other related subjects.
- (iii) Be a person who possesses alternative qualifications approved by the department, and is qualified by experience, education, or both, to supervise and instruct a course of study.

Rule 609(2) Instructors shall be responsible for all of the following:

- (a) Compliance with all laws and rules relating to real estate education.
- (b) Providing students with current and accurate information.
- (c) Maintaining an environment conducive to learning.
- (d) Assuring and certifying attendance of students enrolled in courses.
- (e) Providing assistance to students and responding to questions relating to course materials.
- (f) Attending such workshops or instructional programs as required by the department.

## SUMMARY OF TOPICS FOR SALESPERSON FUNDAMENTALS, BROKER BASIC OR BROKER SPECIALITY COURSES (BCS/LRE-007)

This form is used to submit outlines for the salesperson prelicensure and the broker basic courses. "Hours per topic" indicates the allocated time for each topic. "Located in Session No.," indicates which session(s) or chapter(s) in the outline the topic may be found. The "sessions" indicated on the Summary of Topics must be identical to the sessions or chapters outlined in the Table of Contents. For example, on the Table of Contents, if "Civil Rights" is located in Session 5 of the outline, the number "5" must be placed in the "Located in Session No." column on the "Summary".

## COURSE OUTLINES

Each application must be accompanied by the typed or printed detailed instructor-course outline for each course. Characteristics of this outline are as follows:

1. Table of contents reflecting major subject divisions must indicate page numbers and hours of instruction allocated to each major subject. If time frames change, submit a revised table of contents reflecting the different time format (i.e. three hours per session versus four hours, etc.)
2. The course outline must be submitted with pages consecutively numbered from beginning of the entire outline to the end. (Outline revision's that expand single pages onto additional pages may be labeled with an (a), (b), (c), etc.)
3. Follow generally accepted outline format (not narrative). Double space between sessions.
4. A bibliography or textbook list should be the final outline page. Be sure to include publication name, author, publisher, and date of the version used. Include information on teaching aids.
5. All examination questions should use the license exam multiple-choice format. Provide a copy of all tests, quizzes, and examinations with an answer key. True/false questions will not be approved for final examinations but may be used on quizzes. No more than 10% of classroom hours (4 hours for a 40-hour course; 3 hours for a 30-hour course) may be utilized for administration of all quizzes and examinations.

The turn-around time is approximately 30 days for evaluation. However, it may require 90 days or longer to obtain final approval due to receiving your Proprietary School License before final approval can be made of the course, if yours is a private occupational school.

Credit toward meeting the educational portion of prelicensure requirements will not be granted to students who complete the course prior to it being approved by the department.

A "clock hour" denotes 50 minutes of "instruction in a classroom". Self-study, time for reading/studying of course materials during classroom time, self-initiated research and non-instructor-directed discussion groups do not constitute instruction in a classroom.

### Salesperson Prelicensure Course

A suggested list of topics for inclusion in a basic 40-hour fundamentals of real estate course is enclosed (BCS/LRE-014). Although not mandatory, this guide demonstrates acceptable topics and affiliated weighting of clock hours to assist you in compiling this type of course.

### Broker Basic (Fundamentals) Course

The broker “basic” course denotes advanced real estate fundamentals. Therefore, a typical 30-hour broker preparation outline shall not include more than ten (10) hours, or one-third of review and/or fundamental topics. The premise of the course is that knowledge provided, which a broker must possess, must be at a higher level of expertise. Coverage of topics must be at an advanced level. For example, title evidence may cover recording acts and include more detail about what constitutes a recordable document and why certain items are necessary for recording; discussion of liens and encumbrances may include the Lien Recovery Act or details regarding tax lien foreclosure and mortgage foreclosures. Material from a continuing education course, if brief and appropriate, may be included.

### Other Broker Courses

A “specialty” course denotes a broker course that deals with areas other than “basic” or “fundamental”, such as finance, taxation, investments, law, property management, etc.

### CERTIFICATE OF COMPLETION [Rule 604(5)(6)]

Rule 604 (5) A real estate school, sponsor, or institution shall issue a certificate of completion to a student who successfully completes an approved real estate course. The certificate shall include all of the following information:

- (a) The date of course completion.
- (b) Identification of the course attended, including the following:
  - (i) The name of the course, as approved by the department.
  - (ii) For continuing education sponsors, the course approval numbers, as assigned by the department.
- (c) The name and approval number of the school, sponsor.
- (d) The name of the student.
- (e) The number of clock hours completed by the student.
- (f) The signature of the course coordinator.

**NEW -Additionally the Certificate of Completion must contain the number of hours for civil rights if any.**

EXAMPLE          40 Hours          (4.0) Civil Rights Hours

Rule 604 (6) Each student or licensee completing a prelicensure or continuing education course shall present a state issued photo identification or acceptable alternative form of photo identification to the school or sponsor before receiving the certificate of completion. Both of the following apply:

- (a) For courses conducted in a traditional classroom setting, students or licensees shall present a state-issued photo identification or other acceptable alternative form of identification that verifies, to the satisfaction of the school or sponsor, the identification of the student or licensee.
- (b) For courses conducted through distance education, the school or sponsor shall ensure that the student or licensee whose attendance is reported to the department is the same person who completed the distance education course. The school or sponsor shall take appropriate measures to ensure accurate verification of the identity of each student or licensee before reporting course completion to the department.

Many schools have requested approval for more than the 40 hours required pursuant to Section 2504(2). Although the school may require attendance of more than 40 clock hours of instruction to complete the course (i.e., community college term course, etc.), applicants are granted only 40 hours of course credit. A certificate of completion should clearly represent the course as a 40-hour course although clarifying language may be added such as “48 hours attended.” It is incumbent upon the school to insure that the outline and schedule accurately reflect the number of hours attended.

### STUDENT CONTRACT [Rule 605]

Rule 605. A submission for course approval shall contain all of the following:

- (1) An application as approved by the department.
- (2) A student contract, if used by the school

- (3) A copy of the school's policy for the return of fees if a student fails to appear, is dismissed, or withdraws voluntarily from a real estate prelicensure or continuing education course.

#### DELIVERY SYSTEM (Online, Home study) Rule 606(3)(a)

Proof of ARELLO certification as a primary or secondary provider, including summary sheet and certificate, shall be provided with the application for course approval.

A Non-ARELLO certified course provide all items listed below:

- (a) The individual modules of instruction on a computer or other interactive program.
- (b) A list of at least 1 learning objective for each module of instruction. The learning objective shall ensure that if all the objectives are met the entire content of the course is understood.
- (c) A structured learning method to enable the student to attain each learning objective.
- (d) A method of assessment of the student's performance during each module of instruction.
- (e) A method of remediation for any student who is deficient in the method of assessment to repeat the module until the student understands the content material.

#### SCHEDULE AND GEOGRAPHIC LOCATION OF CLASSES (Form BCS/LRE-004) [Rule 604(7)]

Rule 604(7) At least 30 days before courses are held, schools and sponsor shall submit to the department a schedule of geographic location for each course.

Each prelicensure course number should have its own form filled out. All information needs to be completed. Example: all dates, times, locations (street address, city & state) and full instructor names must be completed for each course offering.

If a class is cancelled, notify the department within two (2) weeks prior to cancellation, if possible. New classes must be reported to the department at least two weeks prior to the first day of the new session. This allows the department to update records and provide information to be distributed to potential students upon request. If a class would normally fall upon a day of the week that is a holiday, provide an explanation regarding when and how the school will schedule makeup hours or an alternate date for that particular session. These are closely checked. Failure to attend to these details will require clarification to the department.

#### VERIFICATION LIST OF SALESPERSON ATTENDANCE (BCS/LRE-005) [Rule 604(8)]

Schools are required by Rule 604(8) to submit attendance lists within 5 business days after the last class day. This insures that as soon as license exam results are received by the department, they can be matched to the attendance for students who have been entered into the database. If a student must make up class time before completing the course, type the actual date of completion after the name of the student on the Verification List. If a revision to the list is required, report only those change(s)—do not send the entire original list with the change added.

The final step in issuing a license is verification of the student's Social Security Number. Due to P.A. 454 of 2004 you **cannot** request a student's social security number. However, according to Rule 604(e) you are required to maintain the last 4 digits of the student's social security number for you records.

Any questions you may have regarding your application may be directed to 517-241-9295.

**NOTE: Please ensure you are using the most updated forms we have available. They can be found on the website at [www.michigan.gov/bcstesting](http://www.michigan.gov/bcstesting) under the Forms drop down menu.**

Enclosures

## SAMPLE OF STUDENT SYLLABUS

### ESTATES

- I. Leasehold Estates
  - A. Estate for Years
  - B. Estate at Will
  - C. Estate at Sufferance
- II. Freehold Estates
  - A. Life Estates
    - 1. Conventional
    - 2. Legal
  - B. Fee Simple
    - 1. Bundle of Rights
    - 2. Tenancies
      - a. Severalty
      - b. Common
      - c. Joint
      - d. Entirety

## SAMPLE OF DETAILED INSTRUCTOR'S COURSE OUTLINE

- B. Fee Simple
  - 1. Bundle of Rights  
Rights that attach to the ownership of real property. Right to:
    - a. Sell
    - b. Lease
    - c. Encumber
    - d. Use
    - e. Enjoy
    - f. Exclude
    - g. Will
    - h. License
    - i. Devise
    - j. Dedicate
    - k. Give Away
    - l. Share
    - m. Mortgage
    - n. Trade
    - o. Exchange
  - 2. Tenancies
    - a. Severalty
      - (1) Ownership by one person, title severed from any other person
      - (2) Sole owner dies, property passes to heirs or devisees
    - b. Common
      - (1) Concurrent Ownership between two or more persons
      - (2) Undivided possession of the property
      - (3) Interests in title may be equal or unequal
      - (4) Co-tenant dies, interest passes to heirs or devisees
      - (5) Can include dower rights
    - c. Joint
      - (1) Ownership by two or more natural persons
      - (2) Rights to survivorship
      - (3) Equal shares of ownership
      - (4) Avoids probate
      - (5) Unity of title, time, interest, and possession
    - d. Entirety
      - (1) Joint tenancy between a lawfully married husband and wife
      - (2) Ownership to the martial unit
      - (3) Death of one spouse, estate succeeds to surviving spouse
      - (4) Excludes heirs and creditors
      - (5) Neither can convey or mortgage without the other