

**Rules of  
Department of Economic  
Development  
Division 250—Missouri Real Estate Commission  
Chapter 6—Educational Requirements**

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## Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

### Division 250—Missouri Real Estate Commission

#### Chapter 6—Educational Requirements

#### 4 CSR 250-6.010 Course of Study Required

*PURPOSE: This rule requires certification from an accredited school for examination eligibility. It requires application for license within six months of completion of course of study.*

(1) To meet the educational requirements prescribed in the license law, all persons who apply to take the examination for a salesperson or broker license shall present with their application a certificate from a school accredited by the commission evidencing satisfactory completion of a course of study in real estate subjects as set out in 4 CSR 250-6.020.

(2) Applicants will have six (6) months after satisfactory completion of the required course of study within which to pass the required examination and apply for license. After six (6) months, credit for that course and examination will expire, and satisfactory completion of the required course and examination must be repeated before applying for license.

(3) In lieu of twelve (12) months of experience as an actively licensed salesperson during the eighteen (18) months immediately preceding application for the examination, the required course of study for the broker license examination shall consist of a minimum of forty-eight (48) hours of classroom instruction in subjects set out under 4 CSR 250-6.020.

(4) No person shall receive credit for satisfactory completion of the prescribed forty-eight (48)-hour broker course without first having passed the salesperson license examination.

(5) The required course of study for the salesperson license examination shall consist of a minimum of sixty (60) hours of classroom instruction in subjects set out under 4 CSR 250-6.020.

(6) Separate courses are to be held in salesperson and broker courses of study. A student enrolled in a salesperson course shall not receive credit for attending any portion or all of a broker course. A student enrolled in a broker course shall not receive credit for attending any portion or all of a salesperson course.

*Auth: section 339.120, RSMo (Cum. Supp. 1993).\* Original rule filed Feb. 7, 1979, effective May 11, 1979. Amended: Filed Oct. 2, 1985, effective Dec. 26, 1985. Amended: Filed Feb. 2, 1994, effective Aug. 28, 1994.*

*\*Original authority 1941, amended 1963, 1967, 1981, 1988, 1993.*

#### 4 CSR 250-6.020 Content of Prelicense Courses

*PURPOSE: This rule prescribes a more detailed course content outline for the guidance of accredited salesperson and broker schools and license applicants.*

(1) The following topics must constitute the curriculum of accredited salespersons and broker prelicense courses. Topics to be taught only in the broker prelicense course are followed by "B":

(A) Missouri License Law and Rules and Regulations;

(B) Listing Property.

1. Listing.

A. Hidden defects.

B. Listing agreement signatures by all parties.

C. Tax assessment and tax rate.

D. Deed restrictions and covenants.

E. Legal description.

F. Lot size.

G. Physical dimensions of structure.

H. Appurtenances (for example, easements, water rights).

I. Utilities.

J. Type of construction.

K. Encumbrances (for example, liens, restrictions).

L. Compliance with health and safety building codes.

M. Ownership of record.

N. Homeowner's association bylaws and fees.

O. Brokerage fee.

2. Assessment of property value.

A. Location.

B. Anticipated changes (for example, in zoning or use).

C. Depreciation.

D. Deterioration.

E. Obsolescence.

F. Improvements.

G. Economic trends.

3. Property valuation.

A. Sales comparison approach.

B. Income approach.

C. Replacement cost estimate.

D. Gross rent multiplier approach.

E. Appropriate listing price recommendations for seller.

F. Need for independent appraisal.

4. Nature of real property.

A. Property subdivision and selling of parcels.

B. Real and personal property included in, or excluded from, the sale (for example, land, minerals, water, crops, fixtures).

C. Differences between personal and real property.

D. Forms of ownership interests in real estate and issues related to conveyance of real property (for example, tenancy and partnership).

E. Methods of land description (for example, government survey, recorded maps, recorded instruments, metes and bounds, and lot division).

F. Interests in real property (for example, freehold and nonfreehold).

G. Planning and zoning (variance and zoning changes), including special study zones (for example, flood, geological hazards).

5. Services provided in the agency relationship with the seller.

A. Agency, responsibility of an agency, and services the agency will provide.

B. Net proceeds estimation.

C. Listing agreements, documents provided to seller.

D. Safeguarding property (for example, mailbox).

E. Methods of improving marketability of property (for example, landscaping).

F. Property marketing (advertise and show), keeping seller informed.

G. Property files (for example, surveys and maps).

H. Civil rights and fair housing policy;

(C) Selling Property.

1. Contracts and offers.

A. Sales contract forms and provisions (including options).

B. Offers and counteroffers.

2. Characteristics of real property.

A. Rights of ownership.

B. Characteristics of residential property.

C. Characteristics of commercial property.

D. Characteristics of industrial property.

E. Right of property subdivision.

F. Planning and zoning (variance and zoning changes), including special study zones (for example, flood, geological hazards).

3. Agency.

A. Agency relationship to buyers (for example, buyer brokerage).

B. Material facts (for example, taxes, zoning, building codes or other land use restrictions).

C. Physical condition of property (for example, defects and environmental hazards).

D. Psychological impact related to property (for example, disclosure of murder, suicide).

4. Advising buyers of outside services.

A. Income tax implications of home ownership.

B. Income tax implications for real estate investments.

C. Need for buyer to seek legal counsel.

D. Home protection plans (warranty).

E. Insurance (for example, fire, hazard, liability).

F. Inspection reports (for example, structural, pest, well, septic, soil).

G. Surveys.

H. Appraisals.

5. Services provided to the buyer.

A. Information needed to assess prospective buyer's price range and eligibility for financing.

B. Qualify prospective buyers.

C. Preview and choose property to show buyer.

D. Current market conditions.

E. Show properties and note amenities.

F. Affirmative marketing to assure equal opportunity.

G. Civil rights and fair housing laws;

(D) Property Management.

1. Services to landlords.

A. Advertising property.

B. Evaluating rental market.

C. Obtaining tenants.

D. Screening applicants according to appropriate laws and regulations.

E. Tenant complaints and conflicts among tenants.

F. Maintaining fiduciary responsibilities to owners.

G. Income, expenses and rate of return for property.

H. Federal reporting requirements.

I. Federal fair housing laws.

J. Maintenance.

K. Fees, security deposits and rent collection.

L. Negotiating property management agreements. "B"

M. Operating budgets. "B"

N. Trust accounts. "B"

O. Owners' financial statements. "B"

P. Environmental hazards. "B"

Q. Eviction proceedings. "B"

2. Services to tenants.

A. Lease agreements used in property management.

B. Rental and lease agreements (including options).

C. Material facts.

D. Show property to prospective tenants.

E. Occupancy terms.

F. Proration of rents and leases;

(E) Settlement/Transfer of Ownership.

1. Tax issues.

A. Tax implications of interest expenses.

B. Real property taxes.

C. One (1)-time lifetime exemption from capital gains tax for persons age fifty-five (55) or older.

D. Refinancing.

E. Property taxation (for example, *ad valorem* and special assessments).

F. Capital improvements (effect on tax basis). "B"

2. Titles.

A. Title search.

B. Title insurance (owner's and mortgage's).

C. Title problems.

D. Legal proceedings (for example, quiet title, foreclosure, bankruptcy, declaratory judgment).

E. Title abstracts.

F. Liens (for example, mortgages, trust deeds, construction/mechanic's liens, judgments by court) and order of priority.

G. Legal proceedings against property (for example, attachments, notice of pending legal action).

H. Methods of recording.

3. Settlement procedures.

A. Purposes and procedures of settlement.

B. Federal statutory requirements.

C. Real Estate Settlement Procedures Act (RESPA).

D. Closing statements (for example, calculate amount owed by buyer, net to seller).

E. Rescission clauses.

F. Obligations of settlement agent.

G. Calculations regarding proration/prepayment.

H. Warranties associated with deeds (for example, grant, warranty and quitclaim deeds).

I. Settlement statement (HUD-1).

J. Other settlement documents (for example, deed, bill of sale, note, deed of trust).

K. Transfer tax.

4. Characteristics of real property.

A. Ways of holding and conveying title, and characteristics of the different approaches to tenancy (for example, joint tenancy, tenancy in common, tenancy by entirety, severalty).

B. Rights of home ownership (for example, homestead).

C. Rights of others related to property (for example, adverse possession, adjoining owners, encroachments).

D. Nature and types of common interest ownership (for example, condominiums, planned unit development, cooperatives, townhouses, time-share).

E. Eminent domain proceedings (for example, condemnation).

5. Additional services.

A. Negotiations between buyers and sellers leading to agreement.

B. Contract requirements and fulfillment of contingencies leading to closing.

C. Fair housing laws.

D. Securities laws, providing appropriate referrals.

E. Other situations where experts are required (for example, financial and legal);

(F) Financing.

1. Sources of financing.

A. Institutional (for example, savings & loans, banks, mortgage brokers).

B. Seller financing (for example, land contract, purchase money mortgage).

C. Assumption of existing financing.

D. Other sources of financing.

2. Types of loans.

A. Security for loans (for example, trust deeds, land contracts, mortgages).

B. Repayment methods (for example, adjustable rate mortgage, fully/partially/nonamortized/renewed/renegotiated rate).

C. Forms of financing (for example, FHA, VA, FmHA, conventional).

D. Secondary mortgage markets (for example, FNMA, FHLMC, GNMA).

E. Other types of mortgage loans (for example, wraparound, blanket and package).

3. Terms and conditions.

A. Loan application requirements.

B. Loan origination costs (for example, appraisal fee, credit reports, points).

C. Lender requirements (for example, property insurance, escrow deposits, underwriting criteria).

D. Conditional approval.

E. Provisions of federal regulations (for example, Truth-in-Lending Act, Equal Credit Opportunity Act).

4. Common clauses and terms in mortgage instruments.

A. Prepayment.

B. Interest rates (for example, fixed and adjustable rates).

C. Release.

D. Due-on-sale.

E. Subordination.

F. Escalation.

G. Acceleration.

H. Default.

I. Foreclosure and redemption rights.

J. Nonrecourse provision; and

(G) Professional Responsibilities/Fair Housing Practice.

1. Professional responsibilities and fair practice.

A. Legal responsibilities of a salesperson under the law of agency (for example, single agency, consensual dual agency, limited agency).

B. Laws, rules and regulations pertaining to real estate practice, including fair housing and civil rights (for example, ADA).

C. Market trends, availability of financing, rates and conditions of obtaining credit.

D. Resolving misunderstanding among parties to real estate transactions.

2. Administration.

A. Terms of contract between salesperson(s) and broker (for example, employee or independent contractor).

B. Complete and accurate records of all business transactions.

C. Required notifications and reports of the real estate agency.

D. Company policies, procedures and standards.

E. Determining commissions for brokerage agreements and closing statements.

F. Trust accounts. "B"

G. Recruiting and training sales force. "B"

H. Personnel records. "B"

I. Commission distribution. "B"

J. Profit and loss statements. "B"

K. Accounting procedures for the office. "B"

L. General insurance for the office. "B"

*Auth: section 339.120, RSMo (Cum. Supp. 1993). \* Original rule filed Nov. 14, 1978, effective March 11, 1979. Amended: Filed March 12, 1982, effective June 11, 1982. Amended: Filed Oct. 2, 1985, effective Dec. 26, 1985. Rescinded and readopted: Filed Feb. 2, 1994, effective Aug. 28, 1994.*

*\*Original authority 1941, amended 1963, 1967, 1981, 1988, 1993.*

**4 CSR 250-6.030 Broker Course**  
(Rescinded August 28, 1994)

**4 CSR 250-6.040 General**

*PURPOSE: This rule defines hour, commission approval of suggested courses and hours, and attendance required.*

(1) For the purpose of the course offerings listed in 4 CSR 250-6.020 an hour means sixty (60) minutes, at least fifty (50) minutes of which shall be devoted to actual classroom

instruction and no more than ten (10) minutes of which shall be devoted to a recess. Times allotted for supervised examinations may be regarded as hours of instruction. In any given calendar day, no course(s) shall exceed eight (8) hours in length, and a half hour break or more, must be given to students after four (4) hours for any course(s) exceeding four (4) hours in a given day.

(2) A certificate of satisfactory completion shall not be issued to any student who fails to attend one hundred percent (100%) of the required classroom hours of study. A school, at its discretion, may allow a student to be absent up to ten percent (10%) of the required hours, but only for reasons of personal illness, illness or death in the student's immediate family or hazardous road conditions.

*Auth: section 339.120, RSMo (Cum. Supp. 1993). \* Original rule filed Nov. 14, 1978, effective March 11, 1979. Amended: Filed March 14, 1984, effective June 11, 1984. Amended: Filed Oct. 2, 1985, effective Dec. 26, 1985. Amended: Filed March 17, 1986, effective June 28, 1986. Amended: Filed June 16, 1989, effective Sept. 28, 1989. Amended: Filed Sept. 1, 1989, effective Dec. 28, 1989. Amended: Filed Feb. 2, 1994, effective Aug. 28, 1994.*

*\*Original authority 1941, amended 1963, 1967, 1981, 1988, 1993.*

**4 CSR 250-6.050 Correspondence Courses**

*PURPOSE: This rule validates correspondence courses and proclaims attendance requirements.*

(1) Correspondence courses meeting the subject matter requirements and offered by schools accredited by the commission may be taken by any person who, by reason of hardship, cannot attend a school for classroom instruction. Hardship shall be deemed to exist in the case of any individual who does not live within a radius of fifty (50) miles of an accredited school currently offering the required course, or who cannot attend a school because of physical disability or by reason of other circumstances approved by the commission.

(2) Any person desiring to complete the required course of study by correspondence shall make a written request to the commission setting forth an explanation and verification of the hardship. The commission may require a request for correspondence study to be

supported by affidavits of doctors or other persons having knowledge of the applicant's circumstances.

*Auth: section 339.120, RSMo (Cum. Supp. 1993). \* Original rule filed Nov. 14, 1978, effective March 11, 1979. Amended: Filed Feb. 2, 1994, effective Aug. 28, 1994.*

*\*Original authority 1941, amended 1963, 1967, 1981, 1988, 1993.*