
Professional Certificate in Real Estate Law

Professional Conduct and Ethics in Real Estate Law

Agency: A relationship between a real estate professional and a client, in which the professional represents the client in a real estate transaction. The agent must be loyal to the client's interests and follow their instructions.

Appraisal: An assessment of a property's value, performed by a licensed appraiser. Appraisals are used to determine the sales price of a property, as well as for mortgage lending and other purposes.

Broker: A real estate professional who has completed additional education and training beyond that required for a salesperson license. Brokers can manage their own real estate offices and supervise other agents.

Client: A person or entity who has engaged a real estate professional to represent them in a real estate transaction.

Confidentiality: The obligation of a real estate professional to keep certain information about a client or transaction private. Real estate professionals must protect their clients' confidential information and not disclose it without the client's consent.

Contract: A legally binding agreement between two or more parties, outlining the terms and conditions of a real estate transaction.

Disclosure: The obligation of a real estate professional to inform clients and other parties about material facts related to a real estate transaction. Real estate professionals must disclose any information that could affect a client's decision to buy or sell a property.

Dual Agency: A situation in which a real estate professional represents both the buyer and the seller in the same transaction. Dual agency is legal in some states, but it can create conflicts of interest and is generally discouraged.

Earnest Money Deposit: A deposit made by a buyer to show their serious intent to purchase a property. The earnest money deposit is typically held in escrow until the transaction is complete.

Easement: A legal right to use someone else's property for a specific purpose, such as access to a road or utility line.

Escrow: A third-party holding of funds or documents related to a real estate transaction, typically held by a title company or attorney.

Fiduciary Duty: The obligation of a real estate professional to act in the best interests of their client. This includes loyalty, confidentiality, and disclosure.

Fraud: A deliberate act of deception or misrepresentation, with the intention of causing harm or financial loss. Real estate professionals must avoid engaging in fraudulent activities and report any suspected fraud to the appropriate authorities.

Home Inspection: An examination of a property's condition, typically performed by a licensed inspector. Home inspections are used to identify any potential issues or defects with the property.

Listing Agreement: A contract between a property owner and a real estate professional, outlining the terms and conditions of the property's sale.

Multiple Listing Service (MLS): A database of properties for sale, used by real estate professionals to share and promote listings.

Real Estate Settlement Procedures Act (RESPA): A federal law that prohibits kickbacks and requires real estate professionals to provide certain disclosures to clients.

Title Insurance: Insurance that protects a property owner or lender from financial losses due to defects in the property's title.

Zoning: Local regulations that govern land use and development. Zoning laws can affect the size, location, and use of buildings on a property.

Advertising: The promotion of real estate services or properties, typically through print, digital, or broadcast media. Real estate professionals must ensure that their advertising is truthful, accurate, and compliant with all relevant laws and regulations.

Agent: A real estate professional who represents a client in a real estate transaction.

Buyer's Agent: A real estate professional who represents the buyer in a real estate transaction.

Commission: The fee paid to a real estate professional for their services, typically a percentage of the property's sales price.

Conflict of Interest: A situation in which a real estate professional's personal or financial interests conflict with their duty to act in the best interests of their client.

Discrimination: The unfair treatment of individuals based on their race, color, religion, sex, national origin, familial status, or disability. Real estate professionals must avoid engaging in discriminatory practices and follow all fair housing laws and regulations.

Dual Agency Disclosure: A disclosure required by some states when a real estate professional represents both the buyer and the seller in the same transaction.

Escrow Account: An account held by a third party, typically a title company or attorney, to hold funds or documents related to a real estate transaction.

Exclusive Listing: A listing agreement in which the property owner grants the real estate professional the

exclusive right to sell the property.

Fair Housing Act: A federal law that prohibits discrimination in housing and real estate transactions.

Home Warranty: A warranty that covers the repair or replacement of certain appliances or systems in a property, typically for a period of one year.

Kickbacks: The illegal practice of offering or accepting payment or other compensation in exchange for referrals or other business.

License: The authorization granted by a state to a real estate professional to practice real estate.

Listing Contract: A contract between a property owner and a real estate professional, outlining the terms and conditions of the property's sale.

Mortgage: A loan used to finance the purchase of real estate, typically secured by the property itself.

Negotiation: The process of bargaining and communicating with the other party in a real estate transaction to reach a mutually agreeable outcome.

Open House: A public event in which a real estate professional shows a property to potential buyers.

Power of Attorney: A legal document that authorizes someone else to act on behalf of a property owner or buyer.

Property Management: The management and maintenance of a rental property, typically performed by a real estate professional.

Real Estate License Laws: The laws and regulations governing the practice of real estate, including licensing, education, and ethical requirements.

Seller's Agent: A real estate professional who represents the seller in a real estate transaction.

Title: The legal ownership of a property, as recorded in public records.

Truth in Lending Act (TILA): A federal law that requires lenders to disclose certain information about mortgage loans, including the interest rate and any fees or charges.

Underwriting: The process of evaluating the risk and determining the terms of a mortgage loan.

Waiver: A written document in which a party voluntarily gives up a legal right or claim. Real estate professionals must ensure that any waivers are voluntary and informed.

Arbitration: A dispute resolution process in which a neutral third party, called an arbitrator, hears evidence and makes a binding decision.

Brokerage: The business of buying and selling real estate, typically conducted by a real estate broker or agent.

Code of Ethics: A set of principles and standards that govern the conduct of real estate professionals.

Contingency: A condition in a real estate contract that must be met before the contract becomes binding.

Counteroffer: A response to an offer that changes the terms of the offer.

Disclosure Statement: A document that discloses certain information about a property, such as its condition, history, or environmental issues.

Eminent Domain: The power of a government to take private property for public use, typically with just compensation to the property owner.

Encumbrance: A claim or liability on a property, such as a mortgage or lien.

Equity: The difference between the value of a property and the amount of any mortgages or liens on the property.

Estoppel Certificate: A document that confirms the amount of any outstanding rent or other charges owed by a tenant.

Fiduciary Relationship: A relationship in which one party, the fiduciary,