Law of Agency  (RELE 2301)

Credit:  3 semester credit hours (3 hours lecture)

Prerequisite/Co-requisite:  None

Course Description
Law of agency including principal-agent and master-servant relationships, the authority of an agent, the termination of an agent’s authority, the fiduciary and other duties of an agent, employment law, deceptive trade practices, listing or buying representation procedures, and the disclosure of an agency.

Required Textbook and Materials
1. Texas Real Estate Agency by Donna K. Peeples, PhD and Minor Peeples, III, PhD, Seventh Edition, Dearborn Real Estate Education
   a. ISBN number is: 978-1-4277-3825-7 / 1-4277-3825-4

Course Objectives
Upon completion of this course, the student will be able to:
1. Identify reasons for suspension or revocation of a Texas Real Estate license
2. Illustrate ways in which agency relationships can be created and terminated.
3. Describe the fiduciary relationship that exists between an agent and his principal.
4. Explain the Deceptive Trade Practices Act (DTPA) as it affects the real estate agent
5. Distinguish between dual agency and intermediary relationships

Course Outline
A. Agency concepts
   1. What is Agency
   2. Roles people play
   3. Why study agency
B. Basic agency relationships, disclosure, and duties to the client
   1. Agency defined
   2. Classifications of agency
   3. Fiduciary duties
C. Disclosure and duties to third parties
   1. Avoiding disclosure
   2. Material facts
   3. Liability for misrepresentation
D. Creation and termination of agency
   1. How and when agency is created
   2. How agency is terminated
   3. Duties of agency that continue
E. Seller agency
   1. Express and implied agreements
   2. Listing agreements
   3. Benefits of seller agency
F. Buyer Agency
   1. Deciding to represent the buyer
   2. The Creation of Buyer Agency
   3. Fee Arrangements
G. Representing More Than One Party in a Transaction: Intermediary Brokerage
   1. The Path to Intermediary Brokerage
   2. Representing More than One Party in a Transaction
   3. Intermediary Brokerage
H. Nonexclusive Single Agency
   1. Practicing Nonexclusive Single Agency

Approved 12/2013
RELE 2301  
Course Syllabus

2. Counseling Sessions  
3. Advantages and Disadvantages  
I. Clarifying Agency Relationships  
1. Disclosure Policy  
2. Developing a Company Policy  
3. Summary  
J. Employment Issues  
1. Employment Relationships between Brokers and Principals  
2. Employment and Compensation of Personal Assistants  
3. Employment Relationships between Brokers and Subagents  
K. Agency, Ethics, and the Law  
1. Current Environment  
2. Distinctions between Law, Ethics, and Morals  
L. Deceptive Trade Practices and Consumer Protection Act  
1. Applicability: Real Estate Broker and Salesperson Exemption from the DPTA: SB 1353  
2. Fraud Versus Misrepresentation  
3. Deceptive Trade Practices and Consumer Protection Act  
M. Putting it all together  
1. Preventive brokerage  
2. First Contact: The Broker Working for/with the Seller  
3. First Contact: The Broker Working for/with the Buyer  

Grade Scale

90 – 100  A  
80 – 89  B  
70 – 79  C  
60 – 69  D  
0 – 59  F  

Course Evaluation  
Final grades will be calculated according to the following criteria:  
1. Class attendance, class participation and pop quiz’s 20%  
2. Four (4) Unit Tests 20% each  80%  
Total  100%  

Course Requirements  
1. Satisfactory exam grades  
2. Satisfactory attendance  

Course Policies  
1. No food, drinks, or use of tobacco products in class.  
2. Beepers, telephones, headphones, and any other electronic devices must be turned off while in class.  
3. Do not bring children to class.  
4. Tests. Students that miss a test are not allowed to make up the test. Students that miss a test will receive a grade of ‘0’.  

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5. If you wish to drop a course, the student is responsible for initiating and completing the drop process. If you stop coming to class and fail to drop the course, you will earn an ‘F’ in the course.

6. Additional class policies as defined by the individual course instructor.

Disabilities Statement
The Americans with Disabilities Act of 1992 and Section 504 of the Rehabilitation Act of 1973 are federal anti-discrimination statutes that provide comprehensive civil rights for persons with disabilities. Among other things, these statutes require that all students with documented disabilities be guaranteed a learning environment that provides for reasonable accommodations for their disabilities. If you believe you have a disability requiring an accommodation, please contact the Special Populations Coordinator at (409) 880-1737 or visit the office in Student Services, Cecil Beeson Building.

Course Schedule

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<th>Week of</th>
<th>Topic</th>
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<td>Week 1</td>
<td>Course Introduction&lt;br&gt;Chapter 1: Agency concepts</td>
<td>pp. 1 - 12</td>
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<td>Week 2</td>
<td>Chapter 1: Agency Concepts - Continued</td>
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<td>Week 3</td>
<td>Chapter 2: Basic Agency Relationships</td>
<td>pp. 13 - 34</td>
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<td>Week 4</td>
<td>Chapter 3: Disclosure and Duties to Third Parties&lt;br&gt;TEST #1: Chapters 1 - 3</td>
<td>pp. 35 - 57</td>
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<td>Week 5</td>
<td>Chapter 4: Creation &amp; Termination of Agency</td>
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<td>Week 6</td>
<td>Chapter 4: Continued&lt;br&gt;Chapter 5: Seller agency</td>
<td>pp. 58 - 77&lt;br&gt;pp. 78 - 111</td>
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<td>Week 7</td>
<td>Chapter 5: Seller Agency – Cont’d&lt;br&gt;Chapter 6: Buyer Agency</td>
<td>pp. 78 - 111&lt;br&gt;pp. 112 - 148</td>
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<td>Week 8</td>
<td>Chapter 6: Buyer Agency – Cont’d&lt;br&gt;TEST #2: Chapters 4 – 6</td>
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<td>Week 9</td>
<td>Chapter 7: Representing More Than One Party in a Transaction: Intermediary Brokerage</td>
<td>pp. 149 - 182</td>
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<td>Week 10</td>
<td>Chapter 8: Nonexclusive Single Agency&lt;br&gt;Chapter 9: Clarifying Agency Relationships</td>
<td>pp. 183 - 191&lt;br&gt;pp. 192 - 208</td>
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<td>Week 11</td>
<td>Chapter 9: Clarifying Agency Relationships – Cont’d&lt;br&gt;TEST #3: Chapters 7 - 9</td>
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<td>Week 12</td>
<td>Chapter 10: Employment Issues</td>
<td>pp. 209 - 221</td>
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<td>Week 14</td>
<td>Chapter 12: Deceptive Trades Practices and Consumer Protection Act</td>
<td>pp. 251 - 273</td>
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<td>Week 15</td>
<td>Chapter 13: Putting it all together</td>
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RELE 2301
Course Syllabus

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<td>Week 16</td>
<td>TEST #4: Final Exam</td>
<td>(Chapters 10 – 13)</td>
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Contact Information:

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