

WASHINGTON REAL ESTATE LAW

REQUIRED CURRICULUM AND LEARNING OBJECTIVES

30 CLOCK HOURS

Introduction

Upon completion of this course, the student should be able to:

1. Demonstrate an awareness of legal duties and obligations to the client and other parties involved.
2. Show an understanding of Real Estate contracts, the use of contracts, and specific Real Estate forms.
3. Demonstrate an awareness of legal and unfair practices relating to complaints and torts.
4. Demonstrate a knowledge of legal and unfair practices, such as:
 - a. Advertising
 - b. Listing/Buyer Representation or Agency Agreements
 - c. Redlining
 - d. Blockbusting
5. Demonstrate an awareness of the legal considerations for being a Real Estate licensee.
6. Discuss Fair Housing and Consumer Protection as it relates to legal framework:
 - a. Review authorizing federal and state legislation and applicable local ordinances; discuss nuances in who is protected and what transactions are covered
 - b. Review groups identified as protected classes
 - c. Court cases for potential discussion

Legal Framework Relating to Washington Laws and Agency Responsibilities

Upon completion of this section, the student should be able to:

1. Demonstrate an understanding of the legal and regulatory environment affecting real estate licensees in the state.
2. Describe any specific duties imposed on licensees by the state of Washington regarding becoming a licensee including prohibitions described in RCW 18.85.361 (Grounds for Disciplinary Actions), RCW 18.86.030 (Duties of Licensee), and RCW 18.235.130 (Uniform Regulation of Business and Professions Act).
3. Demonstrate a familiarity with the various Real Estate agency situations described under RCW 18.86, and with the disclosures necessary to avoid any potential conflicts of interest.
4. Demonstrate the ability to identify the broker's client (e.g., Who is the client?) in various agency situations. And having done so, be able to identify the licensee's "duties of client" in each situation and how agency law applies (e.g., creation of agency relationships, general duties of licensees, additional duties of a seller's agent, buyers' agent and dual agent, and termination of agency relationships).

Contracts

Upon completion of this section, the student should be able to:

1. Demonstrate knowledge of the conditions required for a valid contract – including but not limited to the following:

- a. Elements of a Contract (i.e., Offer and Acceptance; Consideration; Capacity of Parties; Legality of the Contract)
 - b. When is a contract void or voidable (explain the difference).
 - c. The Statute of Frauds, valid legal description, and other requirements.
2. Show an understanding of the use of contracts in real estate, including issues related to:
 - a. When a contract is required
 - b. Assignment
 - c. Amendments and modification
 - d. Completion, rescission, and termination (discharge of contracts)
 - e. Contract default
 - f. When to seek assistance from an attorney
3. Specific real estate forms/contracts such as:
 - a. Representation Agreement
 - b. Purchase and Sales Agreement
 - c. Leases-Residential and Commercial
 - d. Compensation Agreements

Complaints and Torts

Upon completion of this section, the student should be able to:

1. Navigating complaints
 - a. Discuss who can file complaints and those who can have reports filed against them, such as
 - i. Client/customer, brokers, lender, etc.
 - ii. Property owners, property managers, developers, real estate agents, mortgage lenders, homeowner's associations, insurance providers, and others who affect housing opportunities
 - b. Identify key federal and state agencies and discuss where to file complaints including: (note: may include additional and local entities)
 - i. **U.S. Department of Housing and Urban Development (HUD)** will accept complaints relating to discrimination under the Fair Housing Act, which includes private property.
 - ii. The **Washington State Human Rights Commission (WSHRC)** will accept complaints relating to rental housing, real estate housing, rentals, and property management. A discrimination charge in housing must be filed with the WSHRC within one year from the date of the alleged violation.
 - iii. **Department of Financial Institution (DFI)** accepts complaints against mortgage lenders and services, and others they regulate. They oversee banks, credit unions, mortgage lenders, escrow companies, consumer loan lenders, payday lenders, and security brokers/dealers.

Legal and Unfair Practices

Upon completion of this section, the student should be able to:

1. Demonstrate an understanding of the legal practice of real estate, including (but not limited to) the following activities:
 - a. Advertising

- b. Listing/Buyer Representation or Agency Agreements
 - c. Purchase & Sale Agreements
 - d. Mandatory Disclosures (forms), e.g., property condition, lead paint, mold
 - e. Disclosure and Property Defects
 - f. Environmental Considerations
 - g. Ethics and Relationships with Competitors
 - h. Submitting Offers
 - i. Escrow Funds, Earnest Money, and Promissory Notes including definition of Trust Monies under RCW 18.85.285(2)
 - j. Closing and Post Closing Issues
 - k. Condominiums and Other Co-ownership Arrangements
 - l. Property Management including the unique legal requirements pertaining to the leasing of property, e.g., Landlord-Tenant Act, fiscal requirements, and fiduciary duties
2. Unfair practices such as:
- a. Staging for specific demographics
 - b. Blockbusting
 - c. Redlining
 - d. Advertising
 - e. Steering
 - f. Property and community descriptions

Legal Considerations for Licensees

Upon completion of this section, the student should be able to:

1. Demonstrate an awareness of the unique legal considerations related to being a licensee, including the following topic areas:
 - a. Licensees acting as an Independent Contractor
 - b. Duties to Real Estate Firm as a representative/agent/employee of the firm
 - c. Responsibilities of Licensee to Managing/Designated Broker
 - d. Duties of Managing/Designated Broker and/or Firm to Licensee
 - e. Washington Department of Licensing Regulations (WACs)

Fair Housing Issues and Consumer Protection

Upon completion of this section, the student should be able to:

1. Review and understand the federal Fair Housing Act (42 U.S.C. 3601 et seq.) and the Washington Law Against Discrimination (ch 49.60 RCW) (note: may include specific local ordinances/laws); discuss nuances in who is protected and what transactions are covered.
2. Review groups identified as protected classes – federal and state (note: may include specific localities)
 - a. Federal: race or color, religion, sex, national origin, familial status, or disability (Source: [Fair Housing Act](#), 42 U.S.C. 3601 et seq.)
 - b. State: Sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, families with children status, honorably discharged veteran or military status, the

presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability (Source: [RCW 49.60.222](#) – Unfair practices with respect to real estate transactions, facilities or services.)

3. Court cases for potential discussion

- a. Landmark cases - <https://www.justice.gov/crt/housing-cases-summary-page>
- b. Other federal housing cases from around the nation
- c. Washington area cases

Below are sample federal and state court cases related to fair housing; the list is not mandatory or exhaustive, rather sample resources for instructors.

- a. *Jones v. Alfred H. Mayer Co. (1968)* U.S. Supreme Court
Topic: Discriminatory practice/policy based on race.
Location: State of Missouri
Link: <https://caselaw.findlaw.com/us-supreme-court/392/409.html>
- b. *Village of Arlington Heights v. Metropolitan Housing Development Corporation (1977)* U.S. Supreme Court
Topic: Discriminatory practice/policy barring families of various socio-economic and ethno-racial backgrounds from residing in a neighborhood
Location: State of Illinois
Link: <https://caselaw.findlaw.com/us-supreme-court/429/252.html>
- c. *Bank of America Corp v. City of Miami (2017)* U.S. District Court for the Southern District of Florida and U.S. Supreme Court
Topic: Discriminatory practice/policy targeting minorities for higher-risk loans, which resulted in high rates of default and caused financial harm to the city.
Location: State of Florida
Link: <https://www.oyez.org/cases/2016/15-1111> and [Bank of America Corp. v. City of Miami - SCOTUSblog](#)
- d. *Loveland v. Leslie (1979)* Washington State Court of Appeals, District 1
Topic: Discriminatory practice/policy based on marital status
Location: State of Washington
Link: <https://kingcounty.gov/~media/exec/civilrights/documents/marital.ashx?la=en#:~:text=In%20McFadden%20v.,or%20protect%2C%20co%2Dhabitation.&text=A%20housing%20provider%20has%20state,d,%20couples%20who%20are%20cohabitating>
- e. *State v. Celski & Associates, Inc. (2010)* Benton County Superior Court
Topic: Discriminatory practice/policy around refusal use of rental assistance provided by U.S. Department of Veterans Affairs and U.S. Department of Housing and Urban Development to veterans with disabilities
Location: Kennewick, Washington
Link: <https://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/Executed%20AOD.pdf>
- f. *State v. Dobler Management Company, Inc. (2016)* Pierce County Superior Court
Topic: Discriminatory practice/policy rejecting rental applicants with a felony conviction
Location: Tacoma, Washington

Link: <https://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/6%20-%20Consent%20Decree.pdf>

- g. *State v. Realty Mart Property Management, LLC* (2017) Spokane County Superior Court
Topic: Discriminatory practice/policy against tenants receiving disability income because of a disability
Location: Spokane, Washington
Link: https://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Another/News/Press_Releases/Consent%20Decree%20-%20Filed.pdf

- h. *State v. Marble Community Landowners Association, et. al.* (2020) Stevens County Superior Court
Topic: Discriminatory practice/policy restrictive covenants against expressed religious preference
Location: Marble, Washington
Link: https://agportal-s3bucket.s3.amazonaws.com/uploadedfiles/Home/About_the_Office/Open_Government/Sunshine_Committee/Materials/2020/AOD-Signed_10.5.20.pdf