

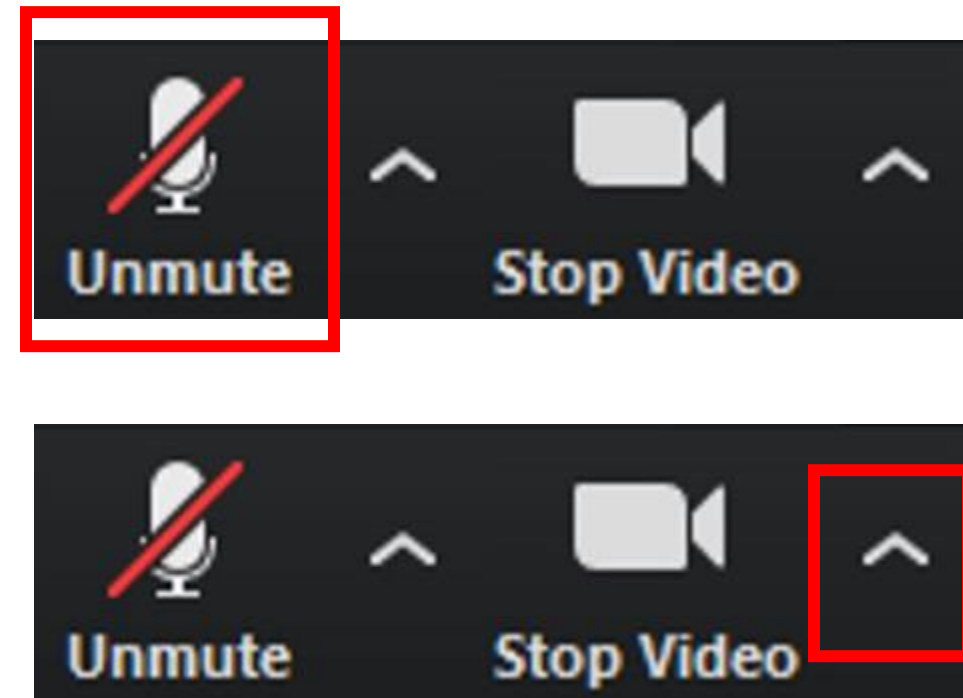
# APC Component Four



# Requirements for participation

- Ensure you are in a quiet surrounding where you can fully participate in today's session or hang a "class in session" sign to help others know you're in a session;
- Your camera is required to be ON with your face visible throughout the session;
- Full attention and active participation is expected;
- Disruptions such as walking away from the computer while the course is in session, having discussions with individuals off screen, driving, or being in transit is not allowed;
- Always be on MUTE, unless you're participating in class discussions; and
- Use the ^ symbol beside the speaker and video icon to select a different speaker or camera.
- Turn on Captions if you like (look under the "More" menu)

**Have your Component Two Learner Activity Book ready for today's session.**



## Housekeeping

Class will begin at 9:00 am Pacific Time – while you wait, please familiarize yourself with the Zoom features we will be using today.

# Land Acknowledgment

We come together virtually today, with participants joining us from indigenous territories in many parts of BC. We acknowledge that we are grateful guests on these lands.



# Disclaimer

The materials in this course and the class discussions are for educational purposes and are general in nature. The content and the discussions do not constitute legal or other professional advice. Licensees are responsible for exercising their own professional judgement in applying comments to particular situations.

Be mindful of confidentiality requirements and keep situations generic as needed.

Contact the British Columbia Financial Services Authority (BCFSA) Practice Standards Advisors for further guidance.

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# Disclaimer

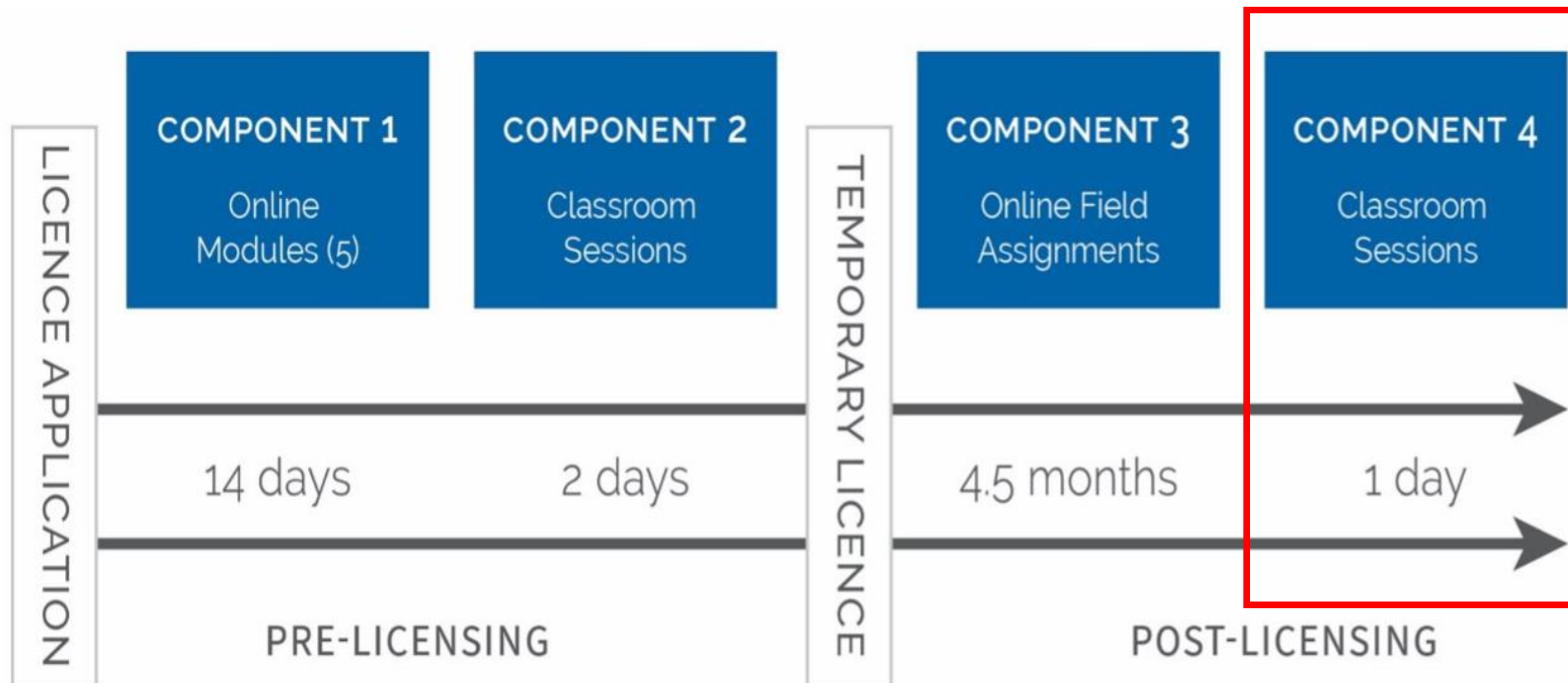
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It is strongly recommended for you to keep current on all changes by regularly visiting our website at [www.bcfesa.ca](http://www.bcfesa.ca) for up-to-date real estate professional resources or by consulting either their managing broker or our Practice Standards Advisor at [advisor@bcfesa.ca](mailto:advisor@bcfesa.ca).

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# Course Framework



# Agenda

1. Welcome
2. Results from Component Three student reflection
  - Review discussion topics
3. Scenarios and Discussion
  - Class discussion on selected 6 scenarios
4. Self-assessment rubric



# Discussion

## THE AGENDA:

1. **Read** the scenario in your Learner Activity Book.
2. **Explore** background knowledge and character information.
3. **Review** discussion points.
4. **Use** the space provided in your Learner Activity Book to take notes.
5. **Discuss** as a class.



# Scenario 1

The Land Owner Transparency Act



# Scenario 1

The Land Owner  
Transparency Act

*Rajesh Rampal is a licensee with Buyer Paradise Realty in the city of Lakeview BC. Lakeview is a popular spot for new families to relocate to because of its booming IT sector, young population, proximity to great ski hills, and fantastic school system. All these things mean home prices are rising quickly as demand for homes outpaces the number of properties on the market.*

*For the rest of the scenario, refer to your Learner Workbook.*

# Scenario 1

## DISCUSSION POINTS:

- Discuss the steps that Rajesh should take including:
  - asking his clients about what he discovered;
  - speaking with his managing broker about how to proceed; and
  - determining with his managing broker whether a suspicious transaction report should be sent to FINTRAC after the transaction complete.
- Discuss what would happen if, when asked, Andrew indicates that the business is a real estate investment firm owned by his family but he has never personally be involved in any of the transactions, and therefore believed he was still a first time home buyer.
- Would this information change your answer to the first question, why or why not?





# Scenario 2

Conflict of Interest

## Scenario 2

### Conflict of Interest

*Dennis Deenay is a licensee with Familial Real Estate in Dolphin Cove BC. In his spare time, Dennis loves to study history and is in the process of building out his family tree.*

*He recently submitted a cheek swab AncestorDNA in the hopes of finding other family members to add to the tree through their services*

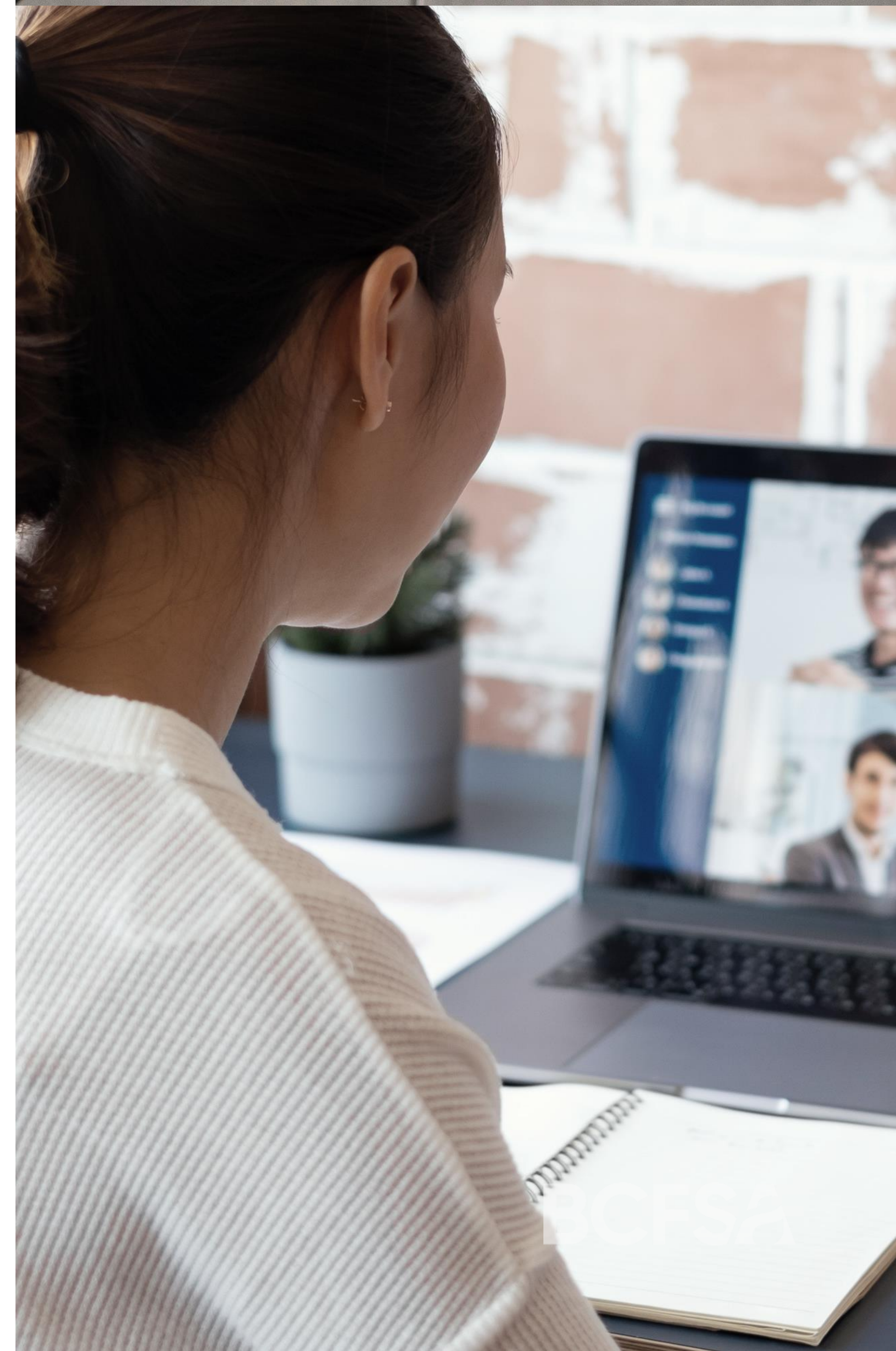
*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 2

## DISCUSSION POINT

- What steps should Dennis take to address this conflict of interest?
  - Discuss the need to avoid conflicts and notify the client of conflicts immediately if they cannot be avoided.
  - Discuss whether Dennis can continue on representing Michael, or if he would need to recuse himself.
  - Discuss whether Dennis has an obligation to notify Christina of their relationship.



# Scenario 3

Vulnerable Sector



# Scenario 3

Vulnerable Sector

*Prudence Alexander is an 89-year-old woman who had decided that it was finally time to sell the family home. Knowing her children Hunter and Radley might be upset or try to interfere in the sale, Prudence kept her plans to herself.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 3

## DISCUSSION POINTS:

- Devon could tell that something was not right with the way Ms. Alexander was acting. Should he allow her to sign the listing agreement?
  - Discuss the concept of mental capacity and the requirement for clients to make an informed decision.





# Scenario 3

## DISCUSSION POINTS:

- What questions could Devon have asked Prudence when he began suspecting she may have memory issues? Who could he have attempted to call?
  - Discuss how a power of attorney may impact a client's ability to enter into a service agreement.
  - Discuss how Devon should have contacted his managing broker to explain what was happening.
  - Discuss that Devon could have attempted to contact Prudence's children to determine if there was a POA in effect.
  - Discuss what an enduring POA is.
  - Discuss that sometimes a licensee should simply not take a listing if there are indications that the client is a member of a vulnerable sector and are unable to make an informed decision because it is clear they are not able to understand what you are explaining to them.





# Scenario 3

## DISCUSSION POINTS:

- Other than memory issues, or dealing with the elderly, who else might be considered vulnerable or when might you find clients who are not able to provide informed consent.
  - Discuss dealing with language barriers between the licensee and client.
  - Discuss situations where someone might be under duress, or feel so pressured to sell that they really are not providing consent.





# Scenario 4

Human Rights

# Scene 4

## Property Disclosure Statement

*Jerome Jaimeson is a licensee with Equality Home Sales Realty. Jerome has a buyer client, Miranda Matheson who is visually impaired and uses a service guide dog that is certified as a guide dog through the BC Guide and Service Dog Act.*

*Miranda wants to buy a strata unit in a building that is less than ten years old, is turn-key move in ready, and is located on the main floor with a small yard for her dog Dug.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 4

## DISCUSSION POINTS

- Did Blair have to recuse himself from working with Soren?
- Could Blair have advised Jerome that Soren was refusing to respond to Miranda's offer because she was blind?
- What rights would Miranda have if she discovered that Soren was discriminating against her based on a protected characteristic?





# Scenario 5

Privacy

# Scene 5

## An Enforceable Contract

*Pamela I. and Selena K. were licensees in the small suburban town of New Gotham. They were both licensed to Ivy Cat Realty. Pamela and Selena had known each other for years, lived together as roommates, and even moonlighted together on several projects involving a wealthy business tycoon, Bruce W., in the nearby city of Gotham.*

*Ivy Cat Realty operated under the designated agency brokerage model. There was a total of 74 licensees licensed to the brokerage.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 5

## DISCUSSION POINTS

- Discuss the FINTRAC obligation to know your client (KYC).
- Discuss the differences in brokerage agency and designated agency.
- Discuss privacy and confidential information.
  - Ask what information Selena and Pamela shared that they shouldn't have.
- Discuss what obligation Selena had, if any, to disclose to Alfred that she lived with Pamela.
  - Explain the requirement to disclose all known material information to the client.



# Scenario 6

Dual Agency



# Scenario 6

Dual Agency

*Jermaine and Catherine Williams live on a 2-acre property in the small hamlet of White Pines BC. White Pines has 900 permanent residents, but in the winter the population increases to about 5,000 thanks to the local ski resort and mountain. Because the winters are getting busier and busier with tourists and seasonal residents, Jermaine and Catherine decide that they want to move to a smaller town on northern Vancouver Island.*

*With enough money to carry two mortgages, Jermaine and Catherine purchase their new home before listing their current property for sale.*

*For the rest of the scenario, refer to your Learner Workbook.*

# Scenario 6

## DISCUSSION POINTS:

- Discuss that since Belinda knew that Jennifer was interested in her property **before** Jennifer became a client, she had a duty to avoid that conflict of interest at the outset.
- Belinda could have explained to Jennifer that while she could represent her in the purchase of another property, if Jennifer wanted to view Belinda's listing, she would not be able to represent her.
- Discuss the potential option of using the Agreement Regarding Conflict of Interest Between Clients form to comply with Real Estate Services Rules.





# Scenario 6

## DISCUSSION POINTS:

- Discuss what would have happened if James had never advised Belinda that Jennifer was interested in her listing.
- Discuss what would have happened if James had never advised Belinda that Jennifer was interested in her listing.



# Scenario 7

Licensee Obligation to Report Misconduct



*Darren Dogood was a licensee with Regulation Realty Inc. Darren's new listing was a 3 bedroom, 1,700 square foot detached home in a desirable neighbourhood in downtown New Haven, BC and was listed at 1.2 million dollars. Regulation Realty Inc. operated under the designated agency brokerage model. This meant that each licensee acted as a designated agent for their respective clients.*

*Each licensee was assigned a private file cabinet with locks to secure their client files and brokerage policies were in place reminding all licensees at the brokerage to ensure they keep their client's personal information confidential and to mitigate any risks that other licensees at the brokerage gain access to the information.*

*For the rest of the scenario, refer to your Learner Workbook.*

## Scenario 7

Licensee Obligation to Report  
Misconduct

# Scenario 7

## DISCUSSION POINTS:

- Discuss the obligation under the Real Estate Services Rules to report misconduct to your managing broker.
- Discuss that while the Real Estate Services Rules speak only to misconduct of other licensees at the same brokerage, there is an ethical obligation to report any licensee's misconduct to the managing broker.
- Discuss the managing broker obligations under the Real Estate Services Rules to "take reasonable steps to deal with the matter".
- Can Darren still present Randy's client's offer to his seller?
  - What information does Darren need to provide to his seller?





# Scenario 8

Checklist Real Estate

# Scenario 8

## Checklist Real Estate

*Arnold is a licensee with Best Realty Real Estate Brokerage in Downtown BC. Arnold recently completed his applied practice course and is ready to work with his first buyer.*

*Because Arnold is new, he asked his managing broker to help him create a checklist of everything he would need to do with his buyer including:*

- *what disclosures needed to be made, and when;*
- *what steps he had to take if he encountered a conflict of interest;*
- *what to do with a deposit that must be held by his brokerage in trust; and*
- *a general list of subject conditions to include on an offer to best protect his buyer.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 8

## DISCUSSION POINTS:

- Discuss some of the issues with relying solely on “checklist real estate”.
- How was the property evaluated? Should a CMA have been done?



# Scenario 9

## 9-4 Exemptions



# Scenario 9

## 9-4 Exemption

*Salima Singh is licensed as a strata property manager. She has been licensed with Savvy Strata Property Management Services for the past eight years and manages 7 strata corporations. Salima used to be licensed in trading services as well but gave up that license four years ago to focus full time on strata management.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 9

## DISCUSSION POINTS:

- Discuss what errors Salima made throughout the course of events in the scenario.
  - Should she have offered to provide real estate services to Sam? Why or why not?
  - What should she have advised Lilly or Bentley with respect to her being a licensee, prior to the offer being accepted?





# Scenario 10

Stigma

# Scenario 10

Stigma

*Vince Value was a buyer living in the big city of Windy Rivers, BC. Recently engaged, Vince was looking to purchase a detached or semi-detached home with two bedrooms and at least two and half bathrooms for no more than 1.25 million dollars.*

*To help him find the perfect property, Vince engaged the services of Donald Disclose of New Era Real Estate. Donald has been licensed for six years and specializes in working with buyers.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 10

## DISCUSSION POINTS:

- Outline the duties owed to all clients under Real Estate Services Rules.
- Discuss the importance of explaining what defects must be disclosed voluntarily by a seller versus which ones don't at the outset of the relationship.
- Discuss why every licensee should determine whether there are any stigmas that might impact their client's interest in purchasing a property.





# Scenario 11

Suspicious Transaction Report - AML



*Harry Homestead is a licensee licensed to Real Estate Realty in Corruption Valley, BC. Harry received a call from a buyer named Lenny Launderer. Lenny was looking for a new home. Harry, asked when he would be able to meet Lenny in person to complete the required disclosure paperwork so they could begin their agency relationship. Lenny advised him that he was out of the country but could complete the paperwork if Harry emailed it to him which Harry did.*

*The paperwork was returned and signed within an hour. All the required paperwork was now complete including the FINTRAC identity verification which was done according to the FINTRAC guidelines.*

*For the rest of the scenario, refer to your Learner Workbook.*

# Scenario 11

Suspicious Transaction Report  
- AML



# Scenario 11

## DISCUSSION POINTS:

- Discuss the STR requirements.
- Discuss what red flags Harry should have noticed during the transaction.
- Discuss what options Harry had if he felt uncomfortable representing Lenny.





# Scenario 12

Ethics

# Scenario 12

## Ethics

*Simon Slick is licensed with Best Bet Real Estate in Victoriana, BC. Despite Simon enjoying a good reputation among clients, he is known by other licensees for his questionable ethics. While Simon will follow all rules and legislation, if there is a way to work around them to make things easier, he will do it.*

*For the rest of the scenario, refer to your Learner Workbook.*



# Scenario 12

## DISCUSSION POINTS:

- Discuss the importance of providing a client all pros and cons to any marketing strategy being recommended.
- Discuss why it is so important that a client understand the remuneration structure and if and when they will have to pay a licensee for their services.
- Discuss how acting in a client's best interest may impact marketing strategies.



# Scenario 13

Tenanted Property



# Scenario 13

Tenanted Property

*Rebecca Rental is a licensee with All Service Realty. Rebecca specializes in helping buyers find investment properties, and sellers with tenanted properties. Rebecca was the designated agent in the listing of a two-bedroom tenanted strata unit owned by Sandy and Steven Seller. Sandy and Steven had rented their property out to Tim and Tammy Tenant five years ago.*

*The original lease was for a 12-month term and then continued on as a month-to-month tenancy. Tim and Tammy were excellent tenants and were sad at the thought of potentially having to move when the property sold.*

*That is why Sandy and Steven wanted to work with Rebecca, in the hopes of finding another investor who wanted to keep the property tenanted.*

*For the rest of the scenario, refer to your Learner Workbook.*

# Scenario 13

## DISCUSSION POINTS:

- Discuss section 29 of the *RTA* which outlines the requirements that must be met before a landlord may enter (or the landlord's agent per the government of BC).
- Discuss the implications of representing a property that is tenanted, or writing an offer on a tenanted property.





# Licence Renewal Reminders

BCFSA requires you to take the following courses during your two-year licensing cycle to renew your license:

- Legal Update
- Ethics

BCFSA strongly advises completing these courses as soon as possible. If you wait till the end of your licensing cycle and are unable to complete your courses on time, **BCFSA cannot accommodate individuals by scheduling them into earlier courses.**

BCFSA course requirements are different than your Real Estate Board Education Requirements.





# Licence Renewal Reminders

For individuals who are no longer licensed under the *Real Estate Services Act*, you must immediately cease to act as a real estate licensee.

Individuals may not re-commence any licensed real estate activity until confirmation is received from BCFSA that they are re-licensed and/or the license status has been updated on the BCFSA website at [www.bcfsa.ca](http://www.bcfsa.ca).





# Questions?

**If you want to know more about any of the topics we have discussed today:**

- Consult the BCFSA Knowledge Base;
- Get in touch with BCFSA Practice Standards Advisors; and
- Speak with your managing broker.

# Thank you.

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