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QUESTIONS ABOUT LICENSING
Questions regarding license application or information concerning licensure requirements should be directed to:

North Dakota Real Estate Commission
1120 College Drive, Suite 204
Bismarck, ND 58501-1225
Phone: 701-328-9749
Email: mailto:ndrec@nd.gov
Website: www.realestatend.org

HOW TO CONTACT PSI
For inquiries and general registration information write or call:

PSI Candidate Services
18000 W. 105th St.
Olathe, KS 66061-7543
Phone: 855-834-8747
Fax: 913-895-4651
Website: http://schedule.psiexams.com

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Rev. 10/1/2023
INTRODUCTION

PSI provides a range of services to the states that use the Real Estate Examination Program (REP). This booklet provides information that you will need to register for the North Dakota real estate licensing examinations. Be sure to keep the booklet after you have registered for the examination; you may wish to refer to it later.

The real estate examinations are developed through a combined effort of real estate experts and testing professionals. Real estate practitioners and educators write the questions. Experts in the fields of both real estate and testing review the questions to ensure that they are accurate in their content and representative of good question-writing procedures. Representatives from states participating in the PSI Real Estate Examination Program review the questions to make certain that the content of the questions is accurate and relevant to real estate practices in their own states. Finally, all questions are revised and updated on a continual basis to reflect the current laws and practices in the changing real estate field.

The content outline used to develop the examination is based on a job analysis and expert judgment. It reflects areas of knowledge required to perform those tasks that practicing real estate salespersons and brokers judged to be important. Real estate experts who write questions for PSI use this content outline as a guide. Thus, examinees are tested only on subjects judged by real estate brokers and salespersons as most important for beginning licensees to know.

The content outline does not include topics, such as promotional skills, that may be helpful to success in the industry. Since the purpose of licensure testing is to protect the consumer rather than to guarantee success in practice, the examinations focus on the knowledge you must have to protect the consumer and your ability to apply that knowledge to a consumer’s particular situation. Similarly, the examinations include some technical language not used in your everyday conversations. You must learn that language to become a part of the profession and be able to explain its meaning to customers and clients.

STATEMENT OF NONDISCRIMINATION

PSI does not discriminate among candidates on the basis of age, gender, race, religion, national origin, disability, marital status, sexual orientation or gender identity.

EXAMINATION INFORMATION

The North Dakota Real Estate Licensing Examinations (Salesperson and Broker) are administered by PSI under a contract with the North Dakota Real Estate Commission. This booklet contains general information regarding the examinations and the examination process.

HOW THE EXAMINATION IS ADMINISTERED

The North Dakota Real Estate Licensing Examinations are administered by computer at several PSI Test Centers in North Dakota. Test Center locations in surrounding states may be made available if requested. Please visit http://schedule.psiexams.com for a complete listing of PSI Test Center locations and directions. The examinations are administered by appointment only Monday through Saturday. Appointment starting times may vary by location.
EXAMINATION FEE

Examination Fee: $131
Re-examination Fee: $131

Payment may be made by credit card (VISA, MasterCard, American Express or Discover), cashier’s check or money order made payable to PSI Services Inc. Company checks, personal checks and cash are not accepted.

Credit card transactions that are declined will be subject to a $25 handling fee. You must send a cashier’s check or money order for the amount due, including the handling fee, to PSI to cover declined credit card transactions.

APPLYING FOR THE EXAMINATION

AFTER YOU HAVE RECEIVED NOTIFICATION OF YOUR ELIGIBILITY FROM THE NORTH DAKOTA REAL ESTATE COMMISSION, you may register for the examinations by submitting an examination application and fees to PSI. Eligibility for the examination does not imply eligibility for real estate licensure.

SCHEDULING AN EXAMINATION APPOINTMENT

You may register for an examination by one of the following methods. Please note: You must schedule and attempt the examination within four months of eligibility confirmation.

1. Online Scheduling: You may schedule an examination appointment online at http://schedule.psiexams.com. To use this service on our website, follow these easy steps:
   - Go to http://schedule.psiexams.com and select “Begin Scheduling.”
   - Follow the simple, step-by-step instructions to choose your examination program and register for the examination. Please have your credit card available for online payment of examination fees.
   OR
2. Telephone Scheduling: Call PSI at 855-834-8747 to schedule an examination appointment. This toll-free number is answered from 7:00 a.m. to 9:00 p.m. (Central Time) Monday through Thursday, 7:00 a.m. to 7:00 p.m. on Friday, and 8:30 a.m. to 5:00 p.m. on Saturday. Please have your credit card available for payment of examination fees.
   OR

3. Mail your registration form. This is a two-step process:
   Complete the registration form included in this handbook and mail it to PSI with the examination fee (paid by cashier’s check or money order) to the address indicated on the form. All sections of this form must be completed. This form will be returned if it is incomplete, illegible or submitted with an incorrect fee.
   Call PSI at 855-834-8747 approximately 7 to 10 business days after mailing the registration form and fee to schedule an examination appointment. Registration forms mailed by express mail are not considered express registrations.

When you call PSI to schedule your appointment, please be prepared to confirm a date and location for testing and provide PSI your name and Examination ID number. Note: The Examination ID number is required for unique identification. All individuals are scheduled on a first-come, first-served basis. Refer to the following chart.

<table>
<thead>
<tr>
<th>If you contact PSI by 3:00 p.m. Central Time on...</th>
<th>Depending on availability, your examination may be scheduled beginning...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Tuesday</td>
<td>Thursday</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Friday/Saturday</td>
</tr>
<tr>
<td>Thursday</td>
<td>Monday</td>
</tr>
<tr>
<td>Friday</td>
<td>Tuesday</td>
</tr>
</tbody>
</table>

After the appointment is made, you will be given a time to report to the Test Center. You will be admitted to take only the examination type for which the appointment has been made. No changes in examination type will be allowed at the Test Center. Unscheduled candidates (walk-ins) will not be admitted to the Test Center.

Special Arrangements for Candidates with Disabilities

PSI is interested in ensuring that no individual with a disability is deprived of the opportunity to take the examination solely by reason of that disability. PSI will provide reasonable accommodations for candidates with disabilities.

1. Wheelchair access is available at all established Test Centers. Candidates must advise PSI at the time of registration that wheelchair access is necessary.
2. Candidates with visual, sensory or physical disabilities that would prevent them from taking the examination under standard conditions may request special accommodations and arrangements.
If special accommodations are being requested, please submit the Request for Special Examination Accommodations form included on pages 19-20 prior to contacting PSI at 855-834-8747 to schedule your examination.

EXAMINATION APPOINTMENT CHANGES

You may reschedule your examination appointment at no charge once online at http://schedule.psiexams.com or by calling PSI at 855-834-8747 at least two business days prior to your scheduled appointment. (See table below.)

<table>
<thead>
<tr>
<th>If your examination is scheduled on...</th>
<th>You must contact PSI by 3:00 p.m. Central Time to reschedule the examination by the previous...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Tuesday</td>
<td>Thursday</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Friday</td>
</tr>
<tr>
<td>Thursday</td>
<td>Monday</td>
</tr>
<tr>
<td>Friday/Saturday</td>
<td>Tuesday</td>
</tr>
</tbody>
</table>

MISSED APPOINTMENTS AND FORFEITURES

You will forfeit the application and all fees paid to take the examination under the following circumstances.

- You wish to reschedule an examination but fail to contact PSI at least two business days prior to the scheduled testing session.
- You wish to reschedule a second time.
- You appear more than 15 minutes late for an examination.
- You fail to report for an examination appointment.

A complete application and examination fee are required to reapply for the examination.

INCLEMENT WEATHER, POWER FAILURE OR EMERGENCY

In the event of inclement weather or unforeseen emergencies on the day of an examination, PSI will determine whether circumstances warrant the cancellation, and subsequent rescheduling, of an examination. The examination will usually not be rescheduled if the Test Center personnel are able to open the Test Center.

You may visit the www.psionline.com/openings website prior to the examination to determine if PSI has been advised that any Test Centers are closed. Every attempt is made to administer the examination as scheduled; however, should an examination be canceled at a Test Center, you will receive notification regarding rescheduling or reapplication following the cancellation of your scheduled examination.

If power to a Test Center is temporarily interrupted during an administration, your examination will be restarted. The responses provided up to the point of interruption will remain intact, but for security reasons the questions will be scrambled.

NO REFUNDS

If you fail to arrive at the Test Center on the date and time you are scheduled for examination, you will not be refunded any portion of your examination fee and must reregister by contacting PSI; examination fees may NOT be transferred to another appointment.

If you arrive more than 15 minutes late for an appointment, you will not be admitted, will forfeit your examination fee, and must reregister for the examination by contacting PSI.

PREPARING FOR THE EXAMINATION

The study and test-taking advice described here may be helpful as you prepare for the examination. Try to be objective about your individual learning needs when deciding how best to study. Plan your study schedule well in advance. Use learning techniques, such as reading or audiovisual aids. Be sure you find a quiet place to study where you will not be interrupted. We suggest you concentrate your study efforts on a few carefully chosen textbooks.

Test-taking Advice

The examination will be timed and the computer will indicate the time remaining on the screen. If you find it distracting, the time feature may be turned off during the examination. If you choose to turn off the time feature, you should pace yourself by periodically checking your progress. This will allow you to make any necessary adjustments. Remember, the more questions you answer, the better your chances of achieving a passing score. The time limit is intended to allow you to complete the entire examination by working quickly and efficiently.

Be sure to answer each question, even the ones for which you are uncertain. Avoid leaving any questions unanswered; this will maximize your chances of passing. It is better to guess than to leave a question unanswered; there is no penalty for guessing.
EXAMINATION CONTENT
To begin your preparation in an informed and organized manner, you should know what to expect from the actual examination in terms of the content. Information regarding the content of the examination you will be taking is presented in the following sections. A complete content outline is provided in the back of this handbook.

Salesperson Examination
The North Dakota Real Estate Salesperson Examination consists of two parts:

1. National Salesperson Examination (national portion)
2. State Salesperson Examination (state portion)

The total time allowed for both portions of the examination is 3.5 hours. When taking both portions, the questions on the two portions will be intermixed and will not appear as separate sections.

The questions on these examinations are designed to measure your ability to understand and apply the fundamental principles of real estate. There are two general types of questions. The first is based on general information about real estate; the second on the ability to apply fundamental real estate laws, principles and methods to familiar problems. Both types of questions require knowledge of real estate laws, principles and methods. Comprehension of basic real estate mathematical computations is necessary for each examination.

NATIONAL SALESPERSON PORTION
The National Salesperson Examination is based upon seven major content areas. Each of the content areas is briefly described below. The National Salesperson Examination is composed of 100 questions that are used to compute your score. In addition to the questions used to compute your score, the examination may include five questions that are being “pretested” for use in future versions of these examinations. These pretest questions are not identified, and your answers to them do not affect your score.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agency Relationships and Contracts</td>
<td>28</td>
</tr>
<tr>
<td>2. Real Property Ownership/Interest</td>
<td>13</td>
</tr>
<tr>
<td>3. Finance</td>
<td>14</td>
</tr>
<tr>
<td>4. Real Property</td>
<td>14</td>
</tr>
<tr>
<td>5. Marketing Regulations (purchase and rental)</td>
<td>10</td>
</tr>
<tr>
<td>6. Property Management</td>
<td>8</td>
</tr>
<tr>
<td>7. Real Estate Calculations</td>
<td>13</td>
</tr>
</tbody>
</table>

STATE SALESPERSON PORTION
The examination content outline for the state portion of the examination has been approved by the North Dakota Real Estate Commission. This portion tests knowledge areas that are required specifically for the North Dakota real estate professional, as described by the current version of the North Dakota Real Estate Commission Real Estate License Law and Rules and Regulations booklet. There are 40 questions in this portion of the examination that are used to compute your score. In addition to the questions used to compute your score, the examination may include five questions that are being “pretested” for use in future versions of these examinations. These pretest questions are not identified, and your answers to them do not affect your score.

<table>
<thead>
<tr>
<th>State Salesperson Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Duties and Powers of the Real Estate Commission</td>
</tr>
<tr>
<td>A. General Powers</td>
</tr>
<tr>
<td>B. Investigations, Hearings, and Appeals</td>
</tr>
<tr>
<td>C. Sanctions; License Suspension and Revocation, Misdemeanor</td>
</tr>
<tr>
<td>D. Examination of Records</td>
</tr>
<tr>
<td>II. Licensing Requirements</td>
</tr>
<tr>
<td>A. Types of Licensing: Real Estate Salesperson, Real Estate Broker, Broker Associate</td>
</tr>
<tr>
<td>B. Activities, License; Reciprocity</td>
</tr>
<tr>
<td>C. License Renewal</td>
</tr>
<tr>
<td>D. Change in License</td>
</tr>
<tr>
<td>E. Education, Continuing Education, Broker Prelicensing, Salesperson Prelicensing</td>
</tr>
<tr>
<td>III. Statutory Requirements Governing the Activities of Licensees</td>
</tr>
<tr>
<td>A. Advertising</td>
</tr>
<tr>
<td>B. Broker/Salesperson Relationship; Broker Supervision of Salespersons</td>
</tr>
<tr>
<td>C. Commissions</td>
</tr>
<tr>
<td>D. Disclosure/Conflict of Interest</td>
</tr>
<tr>
<td>E. Preparation and Handling of Offers and Other Documents</td>
</tr>
<tr>
<td>F. Listings</td>
</tr>
<tr>
<td>G. Licensee/Public Responsibility</td>
</tr>
<tr>
<td>H. Cooperative Transactions</td>
</tr>
<tr>
<td>I. Code of Ethics</td>
</tr>
<tr>
<td>IV. Additional Topics</td>
</tr>
<tr>
<td>A. Statutory Requirements Governing Subdivided or Out-of-State Land Sales (Registration Requirements, Disclosure Requirements)</td>
</tr>
<tr>
<td>B. Real Estate Education, Research, and Recovery Fund</td>
</tr>
</tbody>
</table>
Taking the Salesperson Examination

The computer monitors the time you spend on the examination. The examination will terminate if you exceed the time allowed. You may click on the Time box in the lower right portion of the screen to monitor your time. A digital clock indicates the time remaining for you to complete the examination. The Time feature may be turned off during the examination.

Only one examination question is presented at a time. The question number appears in the lower right portion of the screen. Choices of answers to the examination questions are identified as A, B, C or D. You must indicate your choice by either typing in the letter in the response box in the lower left portion of the computer screen or clicking in the option using the mouse. To change your answer, enter a different option by typing in the letter in the box or by clicking on the option using the mouse. You may change your answer as many times as you wish during the examination time limit.

To move to the next question, click on the forward arrow (>) in the lower right portion of the screen. This action will move you forward through the examination question by question. If you wish to review any question, click the backward arrow (<) or use the left arrow key to move backward through the examination.

An examination question may be left unanswered for return later in the examination session. Questions may also be bookmarked for later review by clicking in the blank square to the right of the Time button. Click on the double arrows (>>) to advance to the next unanswered or bookmarked question on the examination. To identify all unanswered and bookmarked questions, repeatedly click on the double arrows (>>). When the examination is completed, the number of examination items answered is reported. If not all questions have been answered and there is time remaining, return to the examination and answer those questions. Be sure to provide an answer for each examination question before ending the examination. There is no penalty for guessing.

Sample Questions

The following questions illustrate the type of questions used in the National Salesperson examination. These sample questions do not represent the full range of content or difficulty levels contained in the examinations. They are intended to help you become familiar with the types and formats of questions on the examination. Read each question and decide which answer is best. You may then check your answers with the answer key that follows. The answer key also shows the topic being tested; the topic refers to the content outline included in the back of this handbook.

SALESPERSON EXAMINATION SAMPLE QUESTIONS

1. Baird bought two rectangular lots, each of which measures 244' x 250'. Approximately how many total acres will be in the two lots combined?
   A. 2.8
   B. 3.2
   C. 5.6
   D. 7.0

2. A person has been using a property for a long time. That person’s rights have been determined to supersede those of the fee simple owner. This is called which of the following?
   A. escheat
   B. homestead
   C. eminent domain
   D. adverse possession

3. A property has been condemned by the city so that the land can be used to build a better approach to the municipal hospital’s emergency entrance. Which of the following powers is the city exercising?
   A. power of attorney
   B. police power
   C. eminent domain
   D. escheat

The most typical purpose of a deed restriction is to

A. ensure that the property will not become encumbered.
B. encourage varied uses of the property.
C. control future uses of the property.
D. limit costs of new houses in a subdivision.
4. A salesperson deliberately shows a buyer homes in only one subdivision where many people of the buyer's religious faith live. Has the salesperson violated any law?
   A. Yes, because a salesperson must show a prospective buyer homes in at least three different areas.
   B. Yes, because a salesperson cannot discriminate on the basis of religion when showing property to a buyer.
   C. No, because the salesperson's broker is responsible for any violations of law.
   D. No, because there was no intent to discriminate on the basis of race or national origin.

5. A licensee who works for ABC Realty obtains a listing. Two days later, the licensee begins working for XYZ Realty. Which of the following is true regarding this listing?
   A. The listing is transferred to XYZ Realty.
   B. The licensee is entitled to compensation when she begins working for XYZ Realty.
   C. The listing remains with ABC Realty.
   D. The listing is automatically terminated.

Salesperson Answer Key

<table>
<thead>
<tr>
<th>Item #</th>
<th>Key</th>
<th>Topic*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A</td>
<td>7I</td>
</tr>
<tr>
<td>2.</td>
<td>D</td>
<td>4E8</td>
</tr>
<tr>
<td>3.</td>
<td>C</td>
<td>2F4</td>
</tr>
<tr>
<td>4.</td>
<td>B</td>
<td>5B4</td>
</tr>
<tr>
<td>5.</td>
<td>C</td>
<td>1D1</td>
</tr>
</tbody>
</table>

* Refer to detailed content outline in the back of this handbook.

Broker Examination

The National Broker Examination is presented in simulation problem format and consists of 11 simulation problems. Nine of these problems will be used to compute your score. The other two problems are not scored and are being pre-tested for future examinations.

Each simulation problem will have a designated primary issue and property type. Each section within a problem will carry a secondary topic for that section. The primary issue and property type will remain consistent throughout the simulation problem, but the secondary topic can change with each section of the problem. The distribution of issues and property types is given in the Broker Simulation Examination Content Outline.

Broker Simulation Examination Content Outline

<table>
<thead>
<tr>
<th>Primary Issues</th>
<th># of Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agency Relationships and Property Representations</td>
<td>3</td>
</tr>
<tr>
<td>2. Fair Housing and Other Governmental Regulations</td>
<td>2</td>
</tr>
<tr>
<td>3. Handling Money</td>
<td>2</td>
</tr>
<tr>
<td>4. Training and Supervision of Licensees</td>
<td>1</td>
</tr>
<tr>
<td>Plus one primary issue varying by examination form</td>
<td>1</td>
</tr>
</tbody>
</table>

Section Topics:

A. Agency
B. Contracts
C. Freehold and Leasehold
D. Property Management
E. Finance
F. Government Regulations and Private Restrictions
G. Description and Measurement
H. Valuation
I. Conveyance
J. Calculations
K. Ethical Behavior (must be incorporated in at least 4 problems)

Property Types | # of Problems |
---------------|---------------|
1. Residential | 4 |
2. Commercial | 2 |
3. Property Management | 1 |
Plus two property types varying by examination form | 2 |

National Real Estate Salesperson Sample Examination

The Sample National Real Estate Salesperson Examination is available in web-based format. To order the online sample examination, please visit http://schedule.psiexams.com and click on “Begin Preparing” and “Real Estate” in the list of Web Tests. Two versions of the web-based Sample Examination are available. The cost of the basic version is $15. The cost of the enhanced version that provides detailed explanations of the answers is $25. Both are available with payment by credit card through the online store. No duplication of the sample examination is allowed. The examination is copyrighted by PSI Services.
Each problem will consist of three components: Scenario, Information Gathering (IG) sections and Decision Making (DM) sections. Each problem begins with a scenario. The scenario provides the setting and introductory client information (e.g., age, gender, presenting problem(s)).

In Information Gathering (IG) sections you are to gather all relevant information for answering the question. Read all responses before selecting the responses that you consider necessary for responding to the question. You should select all options that are appropriate at the time. If you select more or fewer answer options than are appropriate, this will adversely impact your information gathering score.

Decision Making (DM) sections provide opportunities for making judgments or decisions. These sections may be formatted in one of two ways:

1. Single Best Option – There may be more than one acceptable option, but one option is generally regarded most acceptable.
2. Multiple Options – Several options are considered appropriate. These sections address decisions in which a combination of actions is required.

In the decision making section described in 1 above, the instructions will be to “CHOOSE ONLY ONE” option. You should not assume that your response is incorrect if you are directed to make another selection. The simulation examination format sometimes uses this direction. The multiple option type of decision making described in 2 will have instructions to “SELECT AS MANY” options as are appropriate in the situation.

Taking the Broker Simulation Examination

Three windows appear on the screen at all times during a simulation examination (see Figure 1). The Scenario Window section is displayed across the top of the screen; your picture is displayed in the upper right portion of this window. Each simulation begins with a brief paragraph in this window that provides preliminary information about the situation; subsequent sections contain information about the changing situation. A scroll bar is available when necessary to view all text. Each Scenario Window will also provide you with specific instructions about whether to “CHOOSE ONLY ONE” response in the section or to “SELECT AS MANY” responses as appropriate to gather information.

The Options Window is displayed as the lower left portion of the screen and contains all options (choices or possible responses) from which to choose in the current section. A scroll bar is also available when necessary to view all options.

The Simulation History Window is displayed as the lower right portion of the screen. This window can be displayed in two formats using the button labeled “Current Section/Simulation History” located at the top of this window. When in the “Current Section” mode, the options chosen in the current section and the results for each choice are displayed in this window.

When in the “Simulation History” mode, the scenarios from all previous sections as well as the options chosen and their results are displayed in the window. A scroll bar is available on the right side of this window to review previous scenarios and/or options and results.

Once you have read the scenario for each section and determined which option(s) are appropriate for selection, you can simply click the box to the left of the option to “choose” it. Immediately, the option selected and the results for that option appear in the right-hand Simulation History Window. After you select or “choose” an option, you cannot reconsider and “unselect” it, since the information from that option has been revealed.
In sections where you are instructed to “SELECTION AS MANY as you consider indicated,” you should select all of the options believed appropriate at the time and then click the “Go To Next Section” button at the bottom left of the screen to continue to the next section. A dialog box will appear requesting that you confirm your wish to continue to the next section and warn that returning to this section to make additional choices will not be possible. By selecting “Yes,” the software automatically takes you to the next section of the simulation.

In sections where you are instructed to “CHOOSE ONLY ONE unless directed to make another selection,” you should carefully review each option and then choose the one best option. A dialog box will then appear to present the results for the choice or request that you select another response in the section.

A “Help Screen” will be accessible to you throughout the simulation examination to explain how to navigate through the examination.

**National Real Estate Broker Simulation Sample Examination**

The National Real Estate Broker Simulation Sample Examination is now available in web-based format. The sample examination includes four problems that are similar to those found on the real estate broker licensing examination for those states using this testing format. The sample examination is purchased and taken online at the convenience of the purchaser. To order the online sample examination, please visit [http://schedule.psiexams.com](http://schedule.psiexams.com) and click on “Begin Preparing” and “Real Estate” in the list of Web Tests. The cost of the sample examination is $25. The sample examination is available with payment by credit card through the online store. No duplication of the sample examination is allowed. The sample examination is copyrighted by PSI Services.

**Examination for Non-resident License**

A non-resident licensee applying for a North Dakota real estate license will be required to complete a state specific 40 question multiple-choice examination addressing state laws and rules, management, and closings and calculations.

### State Examination Content Outline

I. Duties and Powers of the Real Estate Commission
   A. General Powers
   B. Investigations, Hearings, and Appeals
   C. Sanctions, License Suspension and Revocation, Misdemeanor
   D. Examination of Records

II. Licensing Requirements
   A. Types of Licensing (Salesperson, Broker, Broker Associate)
   B. Activities Requiring a License; Reciprocity
   C. License Renewal
   D. Change in License
   E. Education
      1. Continuing Education
      2. Broker Pre-Licensing
      3. Salesperson Pre-Licensing

III. Statutory Requirements Governing the Activities of Licensees
   A. Advertising
   B. Broker/Salesperson Relationship; Broker Supervision of Salespersons
   C. Commissions
   D. Disclosure/Conflict of Interest
   E. Preparation and Handling of Offers and Other Documents
   F. Listings
   G. Branch Office/License Display
   H. Licensee/Public Responsibility
   I. Cooperative Transactions
   J. Code of Ethics
   K. Trust Accounts
   L. Record Keeping

IV. Additional Topics
   A. Statutory Requirements Governing Subdivided or Out-of-State Land Sales (Registration Requirement, Disclosure Requirement)
   B. Closing Statements
   C. Real Estate Education, Research, and Recovery Fund
THE DAY OF THE EXAMINATION

Your examination will be given by computer at a PSI Test Center. You do not need any computer experience or typing skills to take your examination. On the day of your examination appointment, report to the Test Center no later than your scheduled testing time. Look for signs indicating PSI Test Center Check-in. IF YOU ARRIVE MORE THAN 15 MINUTES AFTER THE SCHEDULED EXAMINATION TIME, YOU WILL NOT BE ADMITTED.

Identification

To gain admission to the Test Center, you must present two forms of identification. The primary form must be government issued, current and include your name, signature and photograph. No form of temporary identification will be accepted. You will also be required to sign a roster for verification of identity.

- Examples of valid primary forms of identification are: driver’s license with photograph; state identification card with photograph; passport; military identification card with photograph.
- The secondary form of identification must display your name and signature for signature verification (e.g., credit card with signature, social security card with signature, employment/student ID card with signature).
- If your name on your registration is different than it appears on your identification, you must bring proof of your name change (e.g., marriage license, divorce decree or court order).

RULES FOR THE EXAMINATION

Security

PSI administration and security standards are designed to ensure all candidates are provided the same opportunity to demonstrate their abilities. The Test Center is continuously monitored by audio and video surveillance equipment for security purposes.

The following security procedures apply during the examination:

- Examinations are proprietary. No cameras, notes, tape recorders, pagers or cellular/smart phones are allowed in the testing room. Possession of a cellular/smart phone or other electronic devices is strictly prohibited and will result in dismissal from the examination.
- Only silent, non-programmable calculators without alpha keys or printing capabilities are allowed in the testing room.
- No guests, visitors or family members are allowed in the testing room or reception areas.

Personal Belongings

No personal items, valuables or weapons should be brought to the Test Center. Only wallets and keys are permitted. Large coats and jackets must be left outside the testing room. You will be provided a soft locker to store your wallet and/or keys with you in the testing room. The proctor will lock the soft locker prior to you entering the testing room. You will not have access to these items until after the examination is completed. Please note the following items will not be allowed in the testing room except securely locked in the soft locker.

- watches
- hats
- wallets
- keys

Once you have placed your personal belongings into the soft locker, you will be asked to pull out your pockets to ensure they are empty. If you bring personal items that will not fit in the soft locker, you will not be able to test. The site will not store or be responsible for your personal belongings.

If any personal items are observed or heard (i.e., cellular/smart phones, alarms) in the testing room after the examination is started, you will be dismissed and the administration will be forfeited.

Examination Restrictions

- Pencils will be provided during check-in.
- You will be provided with one piece of scratch paper at a time to use during the examination, unless noted on the sign-in roster for a particular candidate. You must return the scratch paper to the supervisor at the completion of testing, or you will not receive your score report.
- No documents or notes of any kind may be removed from the Test Center.
- No questions concerning the content of the examination may be asked during the examination.
- Eating, drinking or smoking will not be permitted in the Test Center.
- You may take a break whenever you wish, but you will not be allowed additional time to make up for time lost during breaks.
Misconduct

If you engage in any of the following conduct during the examination you may be dismissed, your scores will not be reported and examination fees will not be refunded. Examples of misconduct are when you:

- create a disturbance, are abusive or otherwise uncooperative;
- display and/or use electronic communications equipment such as pagers, cellular/smart phones;
- talk or participate in conversation with other examination candidates;
- give or receive help or are suspected of doing so;
- leave the Test Center during the administration;
- attempt to record examination questions or make notes;
- attempt to take the examination for someone else;
- are observed with personal belongings, or
- are observed with notes, books or other aids without it being noted on the roster.

Copyrighted Examination Questions

All examination questions are the copyrighted property of PSI Services. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these examination questions by any means, in whole or in part. Doing so may subject you to severe civil and criminal penalties.

Computer Login

After your identification has been confirmed, you will be directed to a testing carrel. You will be instructed on-screen to enter your Examination ID number. You will take your photograph which will remain on-screen throughout your testing session. This photograph will also print on your score report.

Practice Examination

Prior to attempting the timed examination, you will be given the opportunity to practice taking an examination on the computer. The time you use for this practice examination is NOT counted as part of your examination time or score. When you are comfortable with the computer testing process, you may quit the practice session and begin the timed examination.

Timed Examination

Following the practice examination, you will begin the actual examination. Before beginning, instructions for taking the examination will be provided on-screen. The following time limits will be in effect for each examination.

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<td>Salesperson (state portion)</td>
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<td>1½ hours</td>
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<tr>
<td>Broker (national simulation)</td>
<td>3 hours</td>
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FOLLOWING THE EXAMINATION

How Passing Scores are Determined

- Multiple-Choice Examination
  
  The minimum score required to pass the multiple-choice portions is determined by using a process known as the Angoff method, in which subject-matter experts estimate the difficulty of each item on the examination for the “minimally competent practitioner” (MCP). These judgments are averaged to determine the minimum passing score, which represents the amount of knowledge an MCP would likely demonstrate on the examination.

- Simulation Examination
  
  The passing score for the simulation examination is determined using a method similar to that described for multiple-choice portions. Each section in a simulation was evaluated by content experts when the problem was developed. A minimum passing level (MPL) was established for the section using the scoring weights assigned to the options in that section and represents the level of performance expected of a “minimally competent practitioner.” The overall examination has an Information Gathering (IG) MPL and a Decision Making (DM) MPL, which represent the sums of the MPLs of all IG and DM sections on the examination.

- Equating
  
  A statistical process called equating is used to ensure consistency in the meaning of the score required to pass an examination. If the raw passing score varies slightly between different versions (or “forms”), the level of knowledge required to achieve the passing score remains the same, thus assuring that all candidates are treated fairly.
Your Salesperson Examination Score Report

After you have completed the Salesperson examination, you will be instructed to report to the testing supervisor to receive your score report. Your score report will show your result for your examination and will give diagnostic scoring information for any portion you did not pass. To be eligible to apply for a salesperson license in North Dakota, you must pass both the National and State portions of the examination.

The passing score for the examination is determined using a criterion-referenced process in which subject-matter experts estimate the difficulty of each question on the examination for the minimally competent candidate. These judgments are averaged to determine the minimum passing score that represents the amount of knowledge a “minimally competent practitioner” would likely demonstrate on the examination. Statistical equating procedures are used to ensure that each examination form that is developed will be of a consistent level of difficulty.

The passing score for the national portion of the examination is 70 items correct, and the passing score for the state portion is 30 items correct.

Your Broker Examination Score Report

After you have completed the Broker examination, you will be instructed to report to the testing supervisor to receive your score report. Your score report will show your result for your examination and will give diagnostic scoring information for any portion you did not pass.

To pass the National Simulation Examination, you must meet or exceed the overall minimum passing level (MPL) for Information Gathering (IG) sections and meet or exceed the overall MPL for Decision Making (DM) sections. Each section, IG or DM, in a simulation was evaluated by content experts when the problem was developed. The MPL was established for the section using the scoring weights assigned to the options in that section and represents the level of performance expected of a “minimally competent practitioner.”

The overall IG MPL is the sum of the MPL for all IG sections on the examination, and the overall DM MPL is the sum of the MPL for all DM sections on the examination. The sum of your scores on all IG sections is reported as your IG total raw score, and the sum of your scores on all DM sections is reported as your DM total raw score. Your total raw scores must meet or exceed the MPL in both IG and DM to pass this examination.

If You Pass the Examination

It is your responsibility to upload the passing score report(s) to your record from North Dakota Real Estate Commission’s Online Services along with the appropriate forms to have your license issued or placed on inactive status.

If You Fail the Examination

Salespersons: You must take both portions of the salesperson examination on your first attempt. If you do not pass both portions of the examination, your score report will indicate your scores and reapplication instructions. You will only be required to repeat the portion(s) that you failed.

Upon completion of your first examination, it is your responsibility to upload the score report to your record from North Dakota Real Estate Commission’s Online Services. Keep your passing score reports as you will be required to upload them once you pass both portions to have your license issued or placed on inactive status.

If the remaining portion is not passed within 12 months of the first attempt, you will be required to submit a new application and fees to the North Dakota Real Estate Commission.

Brokers: If you do not meet or exceed the minimum passing level in both IG and DM on the broker simulation exam, your score report will indicate your scores and reapplication instructions. You will be required to repeat the entire broker simulation exam.

Upon completion of your first examination, it is your responsibility to upload the score report to your record from North Dakota Real Estate Commission’s Online Services. Once you pass, you will be required to upload the passing score report to have your license issued or placed on inactive status.

If you do not pass within 12 months of your first attempt, you will be required to submit a new application and fees to the North Dakota Real Estate Commission.

Duplicate Score Report

You may purchase additional copies of your score report at a cost of $25 per copy. Requests must be submitted to PSI, in writing, within 12 months after the examination. Complete the request form on page 17 of this handbook and submit it with the required fee payable to PSI Services Inc. Duplicate score reports will be processed and mailed within approximately five business days following receipt of the request.
NORTH DAKOTA REAL ESTATE EXAMINATIONS
EXAMINATION REGISTRATION FORM

Instructions for Completing the Examination Registration Form

The numbered items correspond to the numbered blanks on the registration form (next page). PLEASE TYPE OR PRINT IN INK ALL INFORMATION.

1. NAME: Enter your last name, first name and middle initial exactly as they appear on your driver's license. Do not use nicknames.

2. MAILING ADDRESS: Abbreviate words like street, drive or road, and enter your zip code.

3. TELEPHONE NUMBER: Please provide a telephone number at which you may be reached during normal business hours Monday through Friday. This number will be used by PSI only in the event you have failed to complete your registration form correctly or if there should be a last minute change in the Test Center location.

4. EXAMINATION ID NUMBER: Enter your Examination ID number. YOUR EXAMINATION ID NUMBER WILL BE USED AS YOUR IDENTIFICATION NUMBER FOR THIS EXAMINATION. WE CANNOT PROCESS YOUR REGISTRATION WITHOUT IT!

5. BIRTH DATE: Enter the month, day and year of your birth.

6. EXAMINATION TYPE: Choose the appropriate box and indicate if you have attempted the examination before.

7. EXAMINATION PORTION: Choose the appropriate box.

8. EXAMINATION FEE: The examination fee is $131. This fee must be submitted with your registration form. Payment may be made by cashier's check or money order payable to PSI Services Inc., or by credit card. Contact PSI at 1-855-834-8747 if payment is to be made by credit card. Payment by company check, personal check or cash is not acceptable.

9. RELEASE: Indicate yes or no.

10. SIGNATURE AND DATE: Read the statement and sign your name as you would on a check or business letter.
NORTH DAKOTA REAL ESTATE
EXAMINATION REGISTRATION FORM

You cannot schedule an appointment with PSI until you have received confirmation of eligibility from the North Dakota Real Estate Commission. Submit this form ONLY if you are paying your examination fee by cashier’s check or money order. If payment is to be made by credit card, visit http://schedule.psiexams.com or call PSI at 855-834-8747 to schedule your appointment and do not submit this form.

Using the instructions on the previous page, complete this form and mail the registration form with the $131 examination fee to:

PSI, 18000 W. 105th St., Olathe, KS 66061-7543

1. NAME
   Last Name ___________________________ First Name ___________________________ M.I. ___________________________

2. MAILING ADDRESS
   Number, Street and Apartment Number ________________________________________________________________
   City ___________________________ State ___________________________ Zip Code ___________________________

3. TELEPHONE NUMBER
   (_______) _______ – ___________ Daytime Telephone

4. EXAMINATION ID NUMBER ________________________________

5. BIRTH DATE
   Month – _______ – Year

6. EXAMINATION TYPE (check one)
   Broker – Salesperson
   Have you attempted this examination before? Yes □ No □
   If yes, when did you last attempt this examination? ______________________________

7. EXAMINATION PORTION (check one)
   Salesperson Both portions – Salesperson State portion only – Salesperson National portion only
   Broker Examination – Non-resident State portion only

8. EXAMINATION FEE $131
   Your examination fee must be submitted with your registration form. Payment may be made by cashier’s check or money order payable to PSI Services Inc. Payment by company check, personal check or cash is not acceptable.

9. RELEASE: I give PSI my permission to release my name and address to real estate schools, brokers or other interested parties who request them.
   Yes □ No □

10. SIGNATURE AND DATE
    I have read and understand the information provided in the Candidate Handbook, and the information I have provided on this registration form is true and complete to the best of my knowledge.

    Signature: ___________________________ Date: ___________________________

Mail this form with cashier’s check or money order to:

PSI
North Dakota Real Estate Examination
18000 W. 105th St.
Olathe, KS 66061-7543
DUPLICATE SCORE REPORT REQUEST FORM
FOR NORTH DAKOTA REAL ESTATE

DIRECTIONS: Use this form to request a duplicate score report. Complete all requested information. This form must be received within one year of the examination date and include a check or money order payable to PSI Services Inc. for $25 per copy. Duplicate score reports will be processed and mailed within approximately five business days following receipt of the request.

Name:__________________________________________________________ Examination ID #: ________________________________

Address: ___________________________________________________________________________________________________________
________________________________________________________ Daytime Phone: ____________________________________

Examination Taken: □ Salesperson □ Broker Examination Date: ______________ Test Center: __________________________

I hereby authorize PSI to send me a duplicate of my examination results.

Signature:________________________________________________________ Date: ______________________________________

Please submit this form along with your check or money order to:
PSI
18000 W. 105th St.
Olathe, KS 66061
855-834-8747
REQUEST FOR SPECIAL EXAMINATION ACCOMMODATIONS

If you have a disability covered by the Americans with Disabilities Act, please complete this form and provide the Documentation of Disability-Related Needs on the next page and submit both pages with your application at least 45 days prior to your requested examination date. The information you provide and any documentation regarding your disability and your need for accommodation in testing will be treated with strict confidentiality.

Candidate Information
Examination ID Number ____________________________ Requested Test Center: __________________________

Name (Last, First, Middle Initial, Former Name)

Mailing Address

City State Zip Code

Daytime Telephone Number Email Address

Special Accommodations
I request special accommodations for the ___________________________________________ examination.

Please provide (check all that apply):

______ Reader
______ Extended examination time (time and a half)
______ Reduced distraction environment
______ Please specify below if other special accommodations are needed.

____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Comments: __________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

PLEASE READ AND SIGN:
I give my permission for my diagnosing professional to discuss with PSI staff my records and history as they relate to the requested accommodation.

Signature: ____________________________ Date: __________________________

Return this form to:
PSI, 18000 W. 105th St., Olathe, KS 66061-7543, Fax 913-895-4650.
If you have questions, call Candidate Services at 855-834-8747.

Rev. 10/5/2020
Please have this section completed by an appropriate professional (education professional, physician, psychologist, psychiatrist) to ensure that PSI is able to provide the required accommodations.

**Professional Documentation**

I have known __________________________________________________ since _____ / _____ / _____ in my capacity as a

Candidate Name                                        Date

________________________________________________________________________.

My Professional Title

The candidate discussed with me the nature of the examination to be administered. It is my opinion that, because of this candidate's disability described below, he/she should be accommodated by providing the special arrangements listed on the Request for Special Examination Accommodations form.

Description of Disability: _________________________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Signed: _________________________________________________________  Title: ________________________________________

Printed Name: __________________________________________________________________________________________________

Address: ______________________________________________________________________________________________________

______________________________________________________________________________________________________________

Telephone Number: _________________________________  Email Address: ______________________________________________

Date: _____________________________________________  License # (if applicable): ______________________________________

Return this form to:

PSI, 18000 W. 105th St., Olathe, KS 66061-7543, Fax 913-895-4650.
If you have questions, call Candidate Services at 855-834-8747.

Rev. 4/28/2022
I. Property Ownership (Sales 10%, Broker 10%)
   A. Real and personal property; conveyances
   B. Land characteristics and legal descriptions
      1. Metes and bounds method of legal property description
      2. Lot and block (recorded plat) method of legal property description
      4. Measuring structures (linear and square footage)
      5. Land measurement
   C. Encumbrances and effects on property ownership
      1. Types of liens and their effect on the title and value of real property
      2. Easements, rights of way and licenses, including their effect on the title, value and use of real property
      3. Encroachments and their effect on the title, value and use of real property
      4. Potential encumbrances on title, such as probate, leases, or adverse possession
      5. Property rights that may be conveyed separately from use of the land surface, such as mineral and other subsurface rights, air rights, or water rights
   D. Types of ownership
      1. Ownership in severalty/sole ownership
      2. Implications of ownership as tenants in common
      3. Implications of ownership in joint tenancy
      4. Forms of common-interest ownership, such as Timeshares, Condominiums and Co-ops
      5. Property ownership held in a trust or by an estate
      6. Ownership by business entities
      7. Life Estate ownership

II. Land use Controls (Sales 5%, Broker 5%)
   A. Government rights in land
      1. Government rights to impose property taxes and special assessments
      2. Government rights to acquire land through eminent domain, condemnation and escheat
   B. Government controls on land use
   C. Private controls
      1. Deed conditions or restrictions on property use
      2. Subdivision covenants, conditions and restrictions (CC&Rs) on property use
      3. Condominium and owners’ associations regulations or bylaws on property use

III. Valuation (Sales 8%, Broker 8%)
   A. Appraisals
      1. Appraisals for valuation of real property
      2. Situations which require appraisal by a licensed or certified appraiser and brokerage-related actions that constitute unauthorized appraisal practice
      3. General steps in appraisal process
   B. Estimating Value
      1. Economic principles and property characteristics that affect value of real property
      2. Sales or market comparison approach to property valuation and appropriate uses
      3. Cost approach to property valuation and appropriate uses
      4. Income analysis approach to property valuation and appropriate uses
   C. Comparative Market Analysis (CMA)
      1. Competitive/Comparative Market Analysis (CMA), BPO or equivalent
      2. Automated Valuation Method (AVM), appraisal valuation and Comparative Market Analysis (CMA)

IV. Financing (Sales 10%, Broker 9%)
   A. Basic Concepts and Terminology
      1. Loan financing (for example, points, LTV, PMI, interest, PITI)
      2. General underwriting process (e.g., debt ratios, credit scoring and history)
      3. Standard mortgage/deed of trust clauses and conditions
      4. Essential elements of a promissory note
   B. Types of Loans
      1. Conventional loans
      2. Amortized loans, partially amortized (balloon) loans, interest-only loans
      3. Adjustable-rate mortgage (ARM) loans
      4. Government Loans
         a. FHA insured loans
         b. VA guaranteed loans
         c. USDA/Rural Development loan programs
      5. Owner financing (for example, installment or land contract/contract for deed)
      6. Reverse-mortgage loans
      7. Home equity loans and lines of credit
      8. Construction loans
      9. Rehab loans
      10. Bridge loans
   C. Financing and lending
      1. Real Estate Settlement Procedures Act (RESPA), including kickbacks
      2. Truth-in-Lending Act (Regulation Z), including advertising
      3. Requirements and time frames of TRID (TILA-RESPA Integrated Disclosures)
      4. Equal Credit Opportunity Act
      5. Lending Process (application through loan closing)
      6. Risky loan features, such as prepayment penalties and balloon payments

V. Contracts (Sales 19%, Broker 19%)
   A. General Contract Law
      1. General principles of contract law
      2. Elements necessary for a contract to be valid
      3. Effect of the Statute of Frauds
4. Offer and a contract
5. Enforceability of contracts
6. Void, voidable and unenforceable contracts
7. Bilateral and unilateral contracts
8. Nature and use of option agreements
9. Notice, delivery, acceptance and execution of contracts
10. Appropriate use, risks, and advantages of electronic signatures and paperless transactions
11. Rights and obligations of the parties to a contract
12. Possible remedies for breach or non-performance of contract
13. Termination, rescission and cancellation of contracts

B. Purchase and Lease Contracts
1. Addenda and amendments to contracts
2. Purchase agreements
3. Contract contingencies and methods for satisfying them
4. Leases and rental agreements
5. Lease-purchase agreements
6. Types of leases

C. Proper handling of multiple offers and counteroffers

VI. Agency (Sales 13%, Broker 13%)
A. Agency and non-agency relationships
1. Agency relationships and how they are established
2. Types of listing contracts
3. Buyer brokerage/tenant representation contracts
4. Other brokerage relationships, including transaction brokers and facilitators
5. Powers of attorney and other assignments of authority
6. Conditions for termination of agency or brokerage service agreements

B. Agent Duties
1. Fiduciary duties of agents
2. Agent’s duties to customers/non-clients, including honesty and good faith

C. Agency Disclosures
1. Disclosure of agency/representation
2. Disclosure of possible conflict of interest or self-interest

VII. Property Disclosures (Sales 7%, Broker 7%)
A. Property Condition
1. Seller’s property condition disclosure requirements
2. Property conditions that may warrant inspections or a survey
3. Red flags that warrant investigation of public or private land use controls

B. Environmental and Government Disclosures
1. Environmental issues requiring disclosure
2. Federal, state, or local disclosure requirements regarding the property

C. Disclosure of material facts and material defects

VIII. Property Management (Sales 3%, Broker 5%)
A. Duties and Responsibilities
1. Procurement and qualification of prospective tenants
2. Fair housing and ADA compliance specific to property management
3. How to complete a market analysis to identify factors in setting rents or lease rates

IX. Transfer of Title (Sales 6%, Broker 6%)
A. Type of deeds

B. Title Insurance and searches
1. Title insurance policies and title searches
2. Potential title problems and resolutions
3. Marketable and insurable title

C. Closing process
1. When transfer of ownership becomes effective
2. Process and importance of recordation
3. Settlement procedures (closing) and parties involved
4. Home and new construction warranties

D. Special Processes
1. Special issues in transferring foreclosed properties
2. Special issues in short sale transactions
3. Special issues in probate transactions

X. Practic of Real Estate (Sales 12%, Broker 12%)
A. Antidiscriminations
1. Federal Fair Housing Act general principles and exemptions
2. Protected classes under Federal Fair Housing Act
3. Protections against discrimination based on gender identity and sexual orientation
4. Prohibited conduct under Federal Fair Housing Act (Redlining, Blockbusting, Steering, Disparate Treatment)
5. Fair housing advertising rules
6. Americans with Disabilities Act (ADA) obligations pertaining to accessibility and reasonable accommodations

B. Legislation and Regulations
1. Licensees’ status as employees or independent contractors
2. Antitrust laws and types of violations, fines and penalties
3. Do-Not-Call List rule compliance
4. Proper use of Social Media and Internet communication and advertising

C. Duties and Responsibilities
1. Protection of confidential personal information (written, verbal or electronic)
2. Duties when handling funds of others in transactions
3. Licensee responsibility for due diligence in real estate transactions

D. Supervisory Responsibilities (BROKER ONLY)
1. Broker’s supervisory responsibilities (licensees, teams and unlicensed assistants and employees) (BROKER ONLY)
2. Broker relationship with licensees (employees or independent contractors and governing rules) (BROKER ONLY)

XI. Real Estate Calculations (Sales 7%, Broker 6%)
A. Calculations for Transactions
1. Seller’s net proceeds
2. Buyer funds needed at closing
Specifications based on 2015 Job Analysis

Subcategory targets and cognitive level targets (i.e., the numbers appearing in parentheses) are guidelines, and the actual number of items on test forms may vary slightly from these targets. Five unscored pretest items will be included on each test form. Examinations are designed to be administered in a 2.5 hour testing session. When combined with a state-specific portion, sufficient additional testing time will be allocated.
REAL ESTATE REFERENCES

- Mastering Real Estate Principles, 8th Edition, 2022, Gerald Cortesi
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<td>Candidate Comments 6</td>
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<td>National Real Estate Salesperson Sample Examination 7</td>
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