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NEBRASKA REAL ESTATE COMMISSION LICENSE EXAMINATIONS CANDIDATE INFORMATION BULLETIN

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EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Bulletin provides you with information about the examination process for becoming licensed as a Real Estate Salesperson or Broker in the State of Nebraska.

The Nebraska Real Estate Commission has contracted with PSI Services LLC (PSI) to conduct the examination program. PSI works closely with the Commission to make certain that these examinations meet the State's as well as nationally established technical and professional standards for examination development and administration. PSI provides these examinations through a network of computer examination centers in Nebraska and various locations throughout the United States.

ELIGIBILITY REQUIREMENTS

Applicants must be at least 19 years of age to be issued a Nebraska real estate license. Completed applications, fees, and all required documentation must be submitted to the Commission. The staff of the Real Estate Commission will process the application materials, prequalify applicants, and notify applicants of approval to sit for the examination. You will find the application and instructions at:

<http://www.nrec.ne.gov/licensing-forms/applicationprocess.html>

Nebraska Real Estate Commission
P.O. Box 94667
Lincoln, NE 68509-4667
Phone: 402-471-2004
<http://www.nrec.ne.gov/>

EXAMINATION SCHEDULING PROCEDURES

Once the Commission approves you to test, you will receive an email confirmation from PSI. Your examination registration remains valid for 12 months after it has been processed by the Commission. If you have allowed your examination registration to expire, you need to reapply through the Nebraska Real Estate Commission.

Appointments for the four-hour examination can be made for either a morning or afternoon session.

You may schedule an examination by one of the following methods:

INTERNET SCHEDULING

For the fastest and most convenient examination scheduling process, PSI recommends that you register for your examinations using the Internet. You register online by accessing PSI's registration website at www.psiexams.com. Internet registration is available 24 hours a day.

- Log onto PSI's website and create an account. Please enter your email address and first and last name. This information must match exactly with the information the Commission has on file. Be sure to **check the box next to "Check here to attempt to locate existing records for you in the system"**

- You will be asked to select the examination and enter your social security number. Once your record is found, you will be ready to schedule your examination. Enter your zip code and a list of the testing sites closest to you will appear. Once you select the desired test site, available dates will appear. If you have problems, contact PSI at (800) 733-9267 for help.

TELEPHONE

For telephone scheduling, call (800) 733-9267 and speak to a PSI registrar available Monday through Friday between 7:30 am and 10:00 pm, and Saturday-Sunday between 9:00 am and 5:30 pm, Eastern Time.

EXAMINATION ACCOMMODATIONS

All PSI examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodations will be made in meeting a candidate's needs. A candidate with a disability or a candidate who would otherwise have difficulty taking the examination must follow the instructions on the Exam Accommodations Request Form on page 10

EXAMINATION CANCELLATION PROCEDURES

CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your cancellation notice is received a minimum of 2 calendar days before the scheduled examination date. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. **NOTE: Please use the PSI Website or call PSI and speak directly to a Customer Service Representative. A voice mail message is not an acceptable form of cancellation.** You may reschedule online at www.psiexams.com or call PSI at (800) 733-9267.

MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 calendar days before the schedule examination date;
- Do not appear for your examination appointment;
- Arrive after the examination start time;
- Do not present proper identification when you arrive for the examination. See page 5 for specific requirements.

EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by going to our website, www.psiexams.com or by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible.

HOLIDAYS

Examinations will not be offered on major holidays.



SATURDAY EXAMINATIONS

May be available upon request. Check with the PSI Registrar.

PRACTICE EXAMINATION

Now you can take the practice examination online at www.psiexams.com to prepare for your Real Estate Examination.

Please note that practice examinations are intended only to help testing candidates become familiar with the general types of questions that will appear on a licensing examination. They ARE NOT a substitute for proper education and study. Furthermore, scoring well on the practice exam does not guarantee a positive outcome on an actual licensing examination.

Note: You may take the practice examination an unlimited number of times; however, you will need to pay each time. See the practice examination site for prices and payment located on our website at:

<http://www.psilearningacademy.com/psipracticeexams/>

EXAMINATION SITE LOCATIONS

Lincoln, Nebraska
Located in the H&R Block Tax Office
2637 "O" St.
Lincoln, NE 68510

North Platte, Nebraska
Located in the H&R Block office
519 S Dewey
North Platte, NE 69101

Omaha, Nebraska
Located in the H&R Block office
4843 L St.
Omaha, NE 68117

Scottsbluff, Nebraska
PSI Test Center
Harms Advanced Technology Building
2620 College Park
Scottsbluff, NE 69361

Additionally, PSI has examination centers in many other regions across the United States. You may request to take the examination at any of these locations by [Clicking Here](#).

REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive at least 30 minutes before your appointment time. This extra time is for sign-in, identification, and familiarizing yourself with the examination process using the tutorial. *If you arrive late, you will not be admitted to the examination site and you will forfeit your examination registration fee.*

REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide 2 forms of identification. One must be a VALID form of government issued, which bears your signature and has your photograph. In addition, it must be current and unexpired. The second ID must have your signature and preprinted legal name.

PRIMARY IDENTIFICATION (with photo) – Choose One

- ➔ State issued driver's license
- ➔ State issued identification card
- ➔ US Government Issued Passport
- ➔ US Government Issued Military Identification Card
- ➔ US Government Issued Alien Registration Card
- ➔ NOTE: ID must contain candidate's photo, be valid and unexpired.

SECONDARY IDENTIFICATION – Choose One

- ➔ Credit Card (must be signed)
- ➔ Debit Card (must be signed)
- ➔ Wholesale store card (COSTCO, Sam's, etc.) (must be signed)

If you cannot provide the required identification, you must call (800) 733-9267 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement. *Failure to provide all of the required identification at the time of the examination without notifying PSI is considered a missed appointment, and you will not be permitted to take the examination.*

SECURITY PROCEDURES

The following security procedures will apply during the examination:

- A calculator will be provided within the examination program. Or you may bring a silent non-programmable calculator without alpha keys.
- A piece of scratch paper and a pencil will be provided to you at check-in. You will return this to the proctor at the end of the examination.
- Candidates may take only approved items into the examination room.
- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings include, but are not limited to, the following items:
 - Electronic devices of any type, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
 - Bulky or loose clothing or coats that could be used to conceal recording devices or notes, including coats, shawls, hooded clothing, heavy jackets, or overcoats.
 - Hats or headgear not worn for religious reasons or as religious apparel, including hats, baseball caps, or visors.
 - Other personal items, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.



- No smoking, eating, or drinking is allowed in the examination center.
- During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.
- Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the Commission of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the Commission.
- Copying or communicating examination content is a violation of the candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidate will not receive extra time to complete the examination.

PREPARATION TIPS FOR THE EXAMINATION

The following suggestions will help you prepare for the examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as your starting point.
- Take notes on what you study. Putting information in writing helps you commit it to memory and it is also an excellent business practice. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

EXAMINATION STUDY MATERIALS

The following is a list of possible study materials for the real estate examinations. The list is given to identify resources and does not constitute an endorsement by PSI or by the Commission. Use the latest edition available.

NATIONAL PORTION OF THE EXAMINATION

- *Real Estate Fundamentals*, 9th Edition, 2015, Gaddy and Hart, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Modern Real Estate Practice*, 19th Edition, Galaty, Allaway, and Kyle, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Law*, 9th Edition, 2016, Elliot Klayman, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *The Language of Real Estate*, 7th Edition, 2013, John Reilly, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Principles & Practices*, 9th Edition, 2014, Arlyne Geschwender, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, www.oncoursepublishing.com ISBN0324784554
- *Real Estate Principles*, 12th Edition, Charles Jacobus, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, www.oncoursepublishing.com ISBN 1285420985
- *Real Estate Math*, 7th Edition, 2014, Linda L. Crawford, Dearborn Real Estate Education, (800)972-2220, www.dearborn.com
- *Property Management*, 10th edition, 2016, Kyle, Robert C., Baird, Floyd M. and Kyle, C. Donald, Chicago: Dearborn Real Estate Education
Principles of Real Estate Practice, 5th edition, 2017, Mettling, Stephen and Cusic, David, Performance Programs Company, www.performanceprogramscompnay.com

STATE PORTION OF THE EXAMINATION

- License Application Packet, which includes the License Act, Rules and Regulations and the Nebraska Fair Housing Act.

TAKING THE EXAMINATION

The examination will be administered via computer. You will be using a mouse and computer keyboard.

IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered. A photograph will be taken before the examination and printed on your score report.

TUTORIAL

Before you start your examination, an introductory tutorial is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included following the tutorial so that you may practice answering questions, and reviewing your answers.

TEST QUESTION SCREEN

The “Function Bar” at the top of the test question provides mouse-click access to the features available while taking the examination.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

The screenshot shows a test interface with a function bar at the top containing icons for Mark, Comments, Goto, Help, and End. Below the function bar, a status bar displays: Question: 3 of 40, Answered: 2, Unanswered: 1, Marked: 0, View: All, Time Left(Min): 3:59. The main question area contains the text: "3. What do the stars on the United States of America's flag represent?". Below the question, it says "(Choose from the following options)". There are four radio button options: "1. Presidents", "2. Colonies", "3. States", and "4. Wars". At the bottom of the question area, there are two buttons: "<<Back" and "Next>>".

IMPORTANT: After you have entered your responses, you will later be able to return to any questions(s) and change your response, provided the examination time has not run out.

EXAMINATION REVIEW

PSI, in cooperation with the Nebraska Real Estate Commission, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Comments may be entered by clicking the Comments link on the function bar of the test question screen. Your comments regarding the questions and the examinations are welcomed.

Comments will be analyzed by PSI examination development staff. While PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. If an error affecting examination scores is discovered as a result, which occurs very rarely, the examination scores of all affected candidates will be automatically adjusted. **This is the only review of the examination available to candidates.**

SCORE REPORTING

Your score will be given to you immediately following completion of the examination.

The following summary describes the score reporting process:

- If you **pass**, you will receive a successful score report.
- If you **do not pass**, you will receive a diagnostic report indicating your strengths and weaknesses by examination type on the score report.

LICENSE ISSUANCE

Keep your score reports for any portion of the examination you passed. You will be required to submit original score reports verifying you have passed both the state and national portions of the examination with your license issuance materials. Eligibility for the examination does not imply eligibility for real estate licensure. Examination results are used as one of the criteria for determining eligibility for licensure. Please refer to the Commission’s website at <http://www.nrec.ne.gov/licensing-forms/licenseissuechecklist.html> for licensing information.

FAILING THE EXAMINATION

If you fail, you will need to reapply through the Nebraska Real Estate Commission. You will find the retake application at <http://www.nrec.ne.gov/licensing-forms/retakeexaminfo.html>.

Keep your score reports for any portion of the examination you passed. You will be required to submit original score reports verifying you have passed both the state and national portions of the examination with your application for licensure. Salesperson applicants may retain credit for passing scores on either portion for three (3) subsequent examination attempts or six (6) months, whichever comes first. If you do not pass both portions within the next three attempts or six months, you must take the full examination until you pass all or one part of it, in which case the retention schedule starts over.

DUPLICATE SCORE REPORTS

You may request a duplicate score report after your examination by emailing scorereport@psionline.com or by calling 800-733-9267.

EXAMINATION CONTENT OUTLINES

EXAMINATION SUMMARY TABLE

Examination	Portion	# of Scored Items	Time Allowed	Passing Score
Salesperson	National	80 items (80 points)	150 Minutes	60 points
	State	50 items (50 points)	90 Minutes	38 points
	Combo (both portions)	130 items (130 points)	240 Minutes	98 points
Broker*	National	75 items (80 points)	150 Minutes	60 points
	State	50 items (50 points)	90 Minutes	38 points
	Combo (both portions)	125 items (130 points)	240 Minutes	98 points

*Note: National broker examinations include questions that are scored up to two points.

EXPERIMENTAL QUESTIONS

A small number of “experimental” questions (i.e., 5 to 10) may be administered to candidates during the examinations. These questions will not be scored and the time taken to answer them will not count against testing time. The administration of such unscored, experimental questions is an essential step in developing future licensing exams.

CONTENT OUTLINES

Use the outline as a guide for pre-examination review course material. The outlines list the topics that are on the examination and the percent of questions for each topic. Do not schedule your examination until you are familiar with the topics in the outline.

GENERAL PORTION CONTENT OUTLINE FOR SALESPERSONS AND BROKERS

I. Property ownership (Salesperson 8%; Broker 10%)

- A. Real versus personal property; conveyances
- B. Land characteristics and legal descriptions
 - 1. Types of legal descriptions; Metes and bounds, Lot and block, government survey
 - 2. Measuring structures
 - 3. Livable, rentable, and usable area
 - 4. Land Measurement
 - 5. Mineral, air, and water rights
- C. Encumbrances and effects on property ownership
 - 1. Liens
 - 2. Easements and licenses
 - 3. Encroachments
 - 4. Other potential encumbrances of title
- D. Types of ownership
 - 1. Tenants in common
 - 2. Joint tenancy
 - 3. Common- interest ownership
 - a) Timeshares
 - b) Condominiums
 - c) Co-ops
 - 4. Ownership in severalty/sole ownership
 - 5. Life Estate ownership
 - 6. Property ownership held in trust
(BROKER ONLY)

II. Land use controls and regulations (Salesperson 5%; Broker 5%)

- A. Government rights in land
 - 1. Property taxes and special assessments
 - 2. Eminent domain, condemnation, escheat
- B. Government controls
 - 1. Zoning and master plans
 - 2. Building codes
 - 3. Regulation of special land types
 - a) Flood zones
 - b) Wet lands
 - 4. Regulation of environmental hazards

- a) Types of hazards
- b) Abatement and mitigation
- c) Restrictions on contaminated property
- C. Private controls
 - 1. Deed conditions or restrictions
 - 2. Covenants, conditions, and restrictions (CC&Rs)
 - 3. Homeowners association regulations

III. Valuation and market analysis (Salesperson 7%; Broker 7%)

- A. Appraisals
 - 1. Purpose and use of appraisals for valuation
 - 2. General steps in appraisal process
 - 3. Situations requiring appraisal by certified appraiser
- B. Estimating Value
 - 1. Effect of economic principles and property characteristics
 - 2. Sales or market comparison approach
 - 3. Cost approach
 - 4. Income analysis approach
- C. Competitive/Comparative Market Analysis
 - 1. Selecting comparables
 - 2. Adjusting comparables

IV. Financing (Salesperson 10%; Broker 8%)

- A. Basic concepts and terminology
 - 1. Points
 - 2. LTV
 - 3. PMI
 - 4. Interest
 - 5. PITI
 - 6. Financing instruments (mortgage, promissory note, etc.)
- B. Types of loans
 - 1. Conventional loans
 - 2. FHA Insured loans
 - 3. VA guaranteed loans
 - 4. USDA/rural loan programs
 - 5. Amortized loans
 - 6. Adjustable-rate mortgage loans
 - 7. Bridge loan
 - 8. Owner financing (installment and land contract/contract for deed)
- C. Financing and lending
 - 1. Lending process application through closing
 - 2. Financing and credit laws and rules
 - a) Truth in lending
 - b) RESPA
 - c) Equal Credit Opportunity
 - d) CFPB/TRID rules on financing and risky loan features
 - 3. Underwriting
 - a) Debt ratios
 - b) Credit scoring
 - c) Credit history

V. General principles of agency (Salesperson 13%; Broker 11%)

- A. Agency and non-agency relationships
 - 1. Types of agents and agencies

- 2. Other brokerage relationships (non- agents)
 - a) Transactional
 - b) Facilitators
- B. Agent's duties to clients
 - 1. Fiduciary responsibilities
 - 2. Traditional agency duties (COALD)
 - 3. Powers of attorney and other delegation of authority
- C. Creation of agency and non-agency agreements; disclosure of conflict of interest
 - 1. Agency and agency agreements
 - a) Key elements of different types of listing contracts
 - b) Key elements of buyer brokerage/tenant representation contracts
 - 2. Disclosure when acting as principal or other conflict of interest
- D. Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money
- E. Termination of agency
 - 1. Expiration
 - 2. Completion/performance
 - 3. Termination by force of law
 - 4. Destruction of property/death of principal
 - 5. Mutual agreement

VI. Property disclosures (Salesperson 6%; Broker 7%)

- A. Property condition
 - 1. Property condition that may warrant inspections and surveys
 - 2. Proposed uses or changes in uses that should trigger inquiry about public or private land use controls
- B. Environmental issues requiring disclosure
- C. Government disclosure requirements (LEAD)
- D. Material facts and defect disclosure

VII. Contracts (Salesperson 17%; Broker 18%)

- A. General knowledge of contract law
 - 1. Requirements for validity
 - 2. Factors affecting enforceability of contracts
 - 3. Void, voidable, unenforceable contracts
 - 4. Rights and obligations of parties to a contract
 - 5. Executory and executed contracts
 - 6. Notice, delivery and acceptance of contracts
 - 7. Breach of contract and remedies for breach
 - 8. Termination, rescission and cancellation of contracts
 - 9. Electronic signature and paperless transactions
 - 10. Bilateral vs. unilateral contracts (option agreements)

- B. Contract Clauses, including amendments and addenda
- C. Offers/purchase agreements
 - 1. General requirements
 - 2. When offer becomes binding
 - 3. Contingencies
 - 4. Time is of the essence
- D. Counteroffers/multiple offers
 - 1. Counteroffers
 - 2. Multiple offers

VIII. Leasing and Property Management (Salesperson 3%; Broker 5%)

- A. Basic concepts/duties of property management
- B. Lease Agreements
 - 1. Types of leases, e.g., percentage, gross, net, ground
 - 2. Key elements and provisions of lease agreements
- C. Landlord and tenant rights and obligations
- D. Property manager's fiduciary responsibilities
- E. ADA and Fair Housing compliance in property management
- F. Setting rents and lease rates (*BROKER ONLY*)

IX. Transfer of Title (Salesperson 8%; Broker 7%)

- A. Title Insurance
 - 1. What is insured against
 - 2. Title searches, title abstracts, chain of title
 - 3. Marketable vs insurable title
 - 4. Potential title problems and resolution
 - 5. Cloud on title, suit to quiet title (*BROKER ONLY*)
- B. Deeds
 - 1. Purpose of deed, when title passes
 - 2. Types of deeds and when used
 - 3. Essential elements of deeds
 - 4. Importance of recording
- C. Escrow or closing; tax aspects of transferring title to real property
 - 1. Responsibilities of escrow agent
 - 2. Prorated items
 - 3. Closing statements/TRID disclosures
 - 4. Estimating closing costs
 - 5. Property and income taxes
- D. Special processes
 - 1. Foreclosure
 - 2. Short sale
- E. Warranties
 - 1. Purpose of home or construction warranty programs
 - 2. Scope of home or construction warranty programs

X. Practice of real estate (Salesperson 13%; Broker 14%)

- A. Trust/escrow accounts
 - 1. Purpose and definition of trust accounts, including monies held in trust accounts
 - 2. Responsibility for trust monies, including commingling/conversion
- B. Federal fair housing laws and the ADA
 - 1. Protected classes

2. Prohibited conduct (red-lining, blockbusting, steering)
3. Americans with Disabilities (ADA)
4. Exemptions
- C. Advertising and technology
 1. Advertising practices
 - a) Truth in advertising
 - b) Fair housing issues in advertising
 2. Use of technology
 - a) Requirements for confidential information
 - b) Do-Not-Call List
- D. Licensee and responsibilities
 1. Employee
 2. Independent Contractor
 3. Due diligence for real estate transactions
 4. Supervisory responsibilities (BROKER ONLY)
 - a) Licensees
 - b) Unlicensed personnel
- E. Antitrust laws
 1. Antitrust laws and purpose
 2. Antitrust violations in real estate

XI. Real estate calculations (Salesperson 10%; Broker 8%)

- A. Basic math concepts
 1. Loan-to-value ratios
 2. Discount points
 3. Equity
 4. Down payment/amount to be financed
- B. Calculations for transactions
 1. Property tax calculations
 2. Prorations
 3. Commission and commission splits
 4. Seller's proceeds of sale
 5. Buyer funds needed at closing
 6. Transfer fee/conveyance tax/revenue stamps
 7. PITI (Principal, Interest, Taxes and Insurance) payments
- C. Calculations for valuation, rate of return (BROKER ONLY)
 1. Net operating income
 2. Depreciation
 3. Capitalization rate
 4. Gross Rent and gross income multipliers

STATE PORTION CONTENT OUTLINE FOR SALESPERSONS AND BROKERS

- I. Duties and Powers of the Real Estate Commission
 - A. General Powers; Real Estate Commission Membership
 - B. Investigations, Complaints and Hearings
 - C. Sanctions, License suspension and revocation, Misdemeanor
- II. Licensing Requirements
 - A. Activities Requiring a License
 1. Auctioning
 2. Property Management
 3. Exemptions
 4. License Required to Appraise
 - B. Nonresident License Reciprocal Agreements
 - C. License Renewal
 - D. Handling of Licenses
- 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. Funds of Others/72-Hour Rule
 - G. Listings
 - H. Closings
 - I. Branch Office, License Transfer
 - J. Offering Inducements
 - K. Unauthorized Practice of Law
 - L. Licensee/Public Responsibility
 - M. Cooperative Transactions
 - N. Illegal Acts
 - O. Trust Accounts
 - P. Record Keeping
- IV. Additional Requirements
 - A. Statutory Requirements Governing Subdivided or Out-of-State Land Sales
 - B. Securities
 - C. Fair Housing Laws
 - D. Closing Statements

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the National real estate salesperson and broker examinations. They are intended primarily to familiarize you with the style and format of questions you can expect to find in the examinations. The examples do NOT represent the full range of content or difficulty levels found in the actual examinations.

SAMPLE SALESPERSON QUESTIONS

- A. Which of the following interests in property is held by a person who is granted a lifetime use of a property that will be transferred to a third party upon the death of the lifetime user?
1. A life estate.
 2. A remainder estate.
 3. An estate for years.
 4. A reversionary estate.
- B. Which of the following statements BEST identifies the meaning of the term, "rescission of a contract"?
1. A ratification of a contract by all parties.
 2. A return of all parties to their condition before the contract was executed.
 3. A transfer or assignment of a particular responsibility from one of the parties to another.
 4. A review of the contract by the legal counsel of either party that may result in a cancellation without penalty or further obligation.
- C. Which of the following clauses in a mortgage allows the lender to demand loan repayment if a borrower sells the property?
1. Defeasance
 2. Prepayment
 3. Acceleration
 4. Alienation
- D. How much cash MUST a buyer furnish in addition to a \$2,500 deposit if the lending institution grants a 90% loan on an \$80,000 property?
1. \$5,500.
 2. \$6,975.
 3. \$7,450.
 4. None of the above.
- E. Which of the following single-family residences would get the MOST accurate appraisal by applying the reproduction cost approach to value?
1. A rental property.
 2. A vacant property.
 3. A new property.
 4. An historic property.

Answers to Sample Salesperson Questions:

A: 1; B: 2; C: 4; D: 1; E: 4

SAMPLE BROKER QUESTIONS (SCENARIO-BASED)

Scenario:

You are hosting an open house. Mr. and Mrs. Charles Martin come into the house. You greet them and show them the house. The Martins tell you the house is exactly what they are looking for and they are very interested in purchasing it. You then give them information showing the various types of financing available with down payment options and projected payments.

Mr. Martin tells you they have been working with Mary Hempstead of XX Realty, a competing real estate company. Before leaving, you thank them for coming and give them your business card.

- A. The first thing on Monday morning, Mrs. Martin calls and indicates they have tried to reach Mary and cannot. They indicate they have a written buyer's agent agreement with Mary's broker. They are afraid someone else is going to buy the house. Which of the following should you do? Select the best answer.
1. Seek advice from your supervising broker.
 2. Tell them to come to your office.
 3. Ask them to bring the buyer's agency agreement to you for your interpretation.
 4. Tell them to be patient and continue trying to reach Mary
 5. Tell them to call Mary's supervising broker or branch manager.
 6. Tell them you are really sorry, but there is nothing you can do.
- B. The Martins come to your office and explain that neither Mary nor her supervising broker are available. They insist you immediately write an offer for the house. How should you proceed? Select the best answer.
1. Write the offer after entering into a buyer's broker agreement with them.
 2. Write the offer after explaining they may owe Mary's broker a commission.
 3. Write the offer after trying to contact Mary's broker yourself.
 4. Refuse to write an offer and explain that doing so would be unethical.
 5. Refuse to write an offer since it would be illegal.
 6. Refuse to write the offer and tell the Martins to contact another Salesperson in Mary's office.

Answers (Points) to Sample Broker Questions:

- A. 1 (2 points), 2 (1 point), 3 (0 point), 4 (0 point), 5 (1 point), 6 (0 point);
B. 1 (1 point), 2 (2 points), 3 (1 point), 4 (0 point), 5 (0 point), 6 (0 point);



EXAM ACCOMMODATIONS OR OUT-OF-STATE TESTING REQUEST INSTRUCTIONS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990.

Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by [Clicking Here](#). Also those requesting out-of-state testing.

Requirements for exam accommodation requests:

You are required to submit documentation from the medical authority or learning institution that rendered a diagnosis. Verification must be uploaded to PSI on the letterhead stationery of the authority or specialist and include the following:

- Description of the disability and limitations related to testing
- Recommended accommodation/modification
- Name, title and telephone number of the medical authority or specialist
- Original signature of the medical authority or specialist

**MAKE SURE YOU ARE REGISTERED FOR THE EXAMINATION BEFORE
REQUESTING EXAMINATION ACCOMMODATIONS**

