

WASHINGTON

FOR  
SALE



Real Estate  
Examination  
Program

# Candidate Handbook

October 2023







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QUESTIONS ABOUT LICENSING

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

Real Estate Licensing
PO Box 9021
Olympia, WA 98507-9021
Phone: 360-664-6488 or 360-664-6500
Fax: 360-586-0998
Web: www.dol.wa.gov/business/realestate
Email: RealEstate@dol.wa.gov

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: 855-746-8168
Fax: 913-895-4650
Web: http://schedule.psiexams.com
Email: info@goAMP.com



## INTRODUCTION

PSI Services provides a range of services to the states that use the Real Estate Examination Program (REP). This booklet provides information you will need to register for the Washington Department of 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. 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 examination 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 Brokers and Managing 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 Managing Brokers 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 Washington Real Estate Licensing Examinations (Broker and Managing Broker) are administered by PSI under a contract with the Washington State Department of Licensing (DOL). This handbook contains general information regarding the examinations and the testing process.

**BEFORE REGISTERING TO TAKE THE EXAMINATION, READ THE FOLLOWING REQUIREMENTS FOR LICENSING.**

If you do not meet one of the requirements, or if you are uncertain if you meet all requirements, **DO NOT** register for the examination. Contact the Department of Licensing at 360-664-6488 for assistance in determining licensing eligibility.

## EXAMINATION ELIGIBILITY

The Washington Real Estate Commission has established the requirements for qualification for a real estate broker or managing broker license. You should read this handbook and any other information provided by the Commission before applying for any license examination.

**Brokers:**

1. Candidates must register as a student on the Washington Student User Portal located on the PSI website.
2. A required sixty (60) clock hour Real Estate Fundamentals course and a thirty (30) clock hour Real Estate Practices course must be completed before you make an examination appointment.
3. You must complete the examination within two (2) years of completing the Real Estate Fundamentals and Real Estate Practices courses.

**Brokers licensed in another jurisdiction must:**

1. Provide to the Department of Licensing the following documents:
  - a. Letter requesting review and approval of reciprocity to include mailing and email addresses.
  - b. License history verification from the regulatory agency of the appropriate jurisdiction if the Broker is actively licensed in good standing with a Managing Broker as a Broker in another jurisdiction, or has been so licensed within the previous six (6) months. The Broker must contact the state in which he/she is licensed and request that a license history/verification be sent to the state of Washington.
2. Candidates must register as a student on the Washington Student User Portal located on the PSI website.

3. Have all qualifications reviewed and approved by the Department of Licensing before you make an examination appointment.

Applicants who meet the above requirements are permitted to take only the state portion of the examination. This portion deals with the specific real estate laws, rules, and regulations of Washington State.

#### Managing Brokers:

1. Candidates must register as a student on the Washington Student User Portal located on the PSI website.
2. If required, candidate qualifications must be met to qualify to take the real estate Managing Broker examination:
  - a. A minimum of three (3) years of actual experience as a full-time real estate Broker in Washington or in another jurisdiction having comparable requirements. This experience must be obtained within five (5) years of applying for the Managing Broker examination.

Note: As defined in WAC 308-124A-713, persons who do not possess three years of actual experience as a full-time real estate Broker may be eligible by reason of practical experience in a business allied with or related to real estate. For more information, contact the Department of Licensing at 360-664-6488.

- b. Completion of ninety (90) clock hours of instruction in real estate. Instruction must include one course in brokerage management, one course in advanced real estate law, and one course in business management. Applicants must complete ninety (90) hours of approved course work in addition to advanced real estate law, brokerage management and business management if they were used for continuing education credit. Each course must be completed within three (3) years of applying for the examination.
3. If required, submit all documentation (but NOT examination fees) to:

Department of Licensing  
Real Estate Licensing  
PO Box 9021  
Olympia, WA 98507-9021

Managing Brokers licensed in another jurisdiction must:

1. Provide to the Department of Licensing the following documents:
  - a. Letter requesting review and approval of reciprocity to include mailing and email addresses.

- b. License history verification from the regulatory agency of the appropriate jurisdiction if the Broker is actively licensed in good standing with a Managing Broker as a Broker in another jurisdiction, or has been so licensed within the previous six (6) months. The Broker must contact the state in which he/she is licensed and request that a license history/verification be sent to the state of Washington.

2. Candidates must register as a student on the Washington Student User Portal located on the PSI website.
3. Have all qualifications reviewed and approved by the Department of Licensing before you make an examination appointment.

Applicants who meet the above requirements are permitted to take only the state portion of the examination. This portion deals with the specific real estate laws, rules, and regulations of Washington State.

## REGISTERING FOR THE EXAMINATION

#### Brokers:

You must register as a Student with PSI. To register with PSI as a Student, go to <http://schedule.psiexams.com>, select the "Clients/Partners Washington Student User" link and follow the on-screen instructions. Course completion information must be received electronically from your school. Your school will only be able to provide course completion information if you are a registered Student with PSI. You will not be allowed to schedule an examination appointment until your education provider has electronically submitted your course completion to PSI.

#### Managing Brokers:

You must register as a Student with PSI. To register with PSI as a Student, go to <http://schedule.psiexams.com>, select the "Clients/Partners Washington Student User" link and follow the on-screen instructions. Please be aware that once the DOL has received and verified your eligibility, an approval email will be sent to those eligible to sit for the examination. Please wait four (4) business days before scheduling your examination to ensure that your file has been properly updated in the PSI system.

## HOW THE EXAMINATION IS ADMINISTERED

The Real Estate Licensing Examinations are administered by computer at 12 PSI Test Centers in Washington. A current listing of PSI Test Centers, including addresses and driving directions, may be viewed at <http://schedule.psiexams.com>. The examinations are administered by appointment only Monday through Saturday. Available dates will be indicated when scheduling your examination. Appointment starting times may vary by location. Candidates are scheduled on a first-come, first-served basis.

## EXAMINATION FEE

Examination Fee: \$210.00

Payment may be made by credit card (Visa, MasterCard, American Express or Discover), cashier's check, money order or personal check made payable to PSI Services Inc. Payment by cash is not acceptable.

Credit card transactions that are declined and checks that are returned due to insufficient funds 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 or returned checks.

Examination fees are valid for twelve (12) months. Candidates who submit an examination fee and fail to schedule an examination appointment within twelve (12) months will be required to submit the examination fee and reregister for the examination.

## SCHEDULING AN EXAMINATION APPOINTMENT

You may schedule an examination appointment by one of the following methods. You must receive eligibility confirmation from the PSI Portal before attempting to schedule an examination appointment.

1. Online Scheduling:
  - 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 payment of examination fees.

2. Telephone Scheduling: Call PSI toll-free at 855-746-8168 from 5:00 a.m. to 7:00 p.m. (Pacific Time) Monday through Thursday, 5:00 a.m. to 5:00 p.m. on Friday and 6:30 a.m. to 3:00 p.m. on Saturday. Please have your credit card available for payment of examination fees.

When scheduling your examination appointment by telephone, payment will be processed prior to selection of the date and time for testing. Payment is processed first so the seat can be booked immediately upon selection. If payment is processed after seat selection, the delay in processing the payment may result in the preferred seat no longer being available. If the requested date is not available, a credit of your payment will be issued prior to the end of the call.

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, money order or personal check) 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.
  - PSI will process the paper application and within approximately two (2) weeks will send a confirmation notice including a website address and toll-free telephone number to contact PSI to schedule an examination appointment.

When you contact PSI to schedule your appointment, please be prepared to confirm a date and location for testing and to provide your name and Social Security number. Your Social Security number is required for unique identification. Your Social Security number is required by the State for licensing but will not be provided to your school or any other entity for any purpose. All individuals are scheduled on a first-come, first-served basis. Refer to the following chart.

If you contact PSI by 1:00 p.m. Pacific Time on...	Depending on availability, your examination may be scheduled as early as...
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday/Saturday
Friday	Monday

You will be notified of the date and time to report to the Test Center. You will only be allowed to take the examination type for which you have applied; no changes in examination type will be made at the Test Center. **UNSCHEDULED CANDIDATES (WALK-INS) WILL NOT BE ADMITTED to the Test Center.**

## ■ Special Arrangements for Candidates with Disabilities and Out-of-State Testing Requests

PSI complies with the Americans with Disabilities Act and strives to ensure that no individual with a disability (as defined by the ADA as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment) is deprived of the opportunity to take the examination solely by reason of that disability. PSI will provide reasonable accommodations for candidates with disabilities. Candidates requesting special accommodations must call PSI at 855-746-8168 to schedule their examination.

1. Wheelchair access is available at all established Test Centers. Candidates must advise PSI at the time of scheduling that wheelchair access is necessary.
2. Candidates with visual, sensory, physical or learning disabilities that would prevent them from taking the examination under standard conditions may request special accommodations.

Verification of the disability and a statement of the specific type of assistance needed **must be made in writing to PSI** at least forty-five (45) calendar days prior to your desired examination date by completing the Request for Special Examination Accommodations and Documentation of Disability-Related Needs forms included in this handbook. PSI will contact you regarding your request for accommodations within ten (10) business days of receipt.

## EXAMINATION APPOINTMENT CHANGES

You may reschedule your examination appointment once at no charge online at <http://schedule.psiexams.com> or by calling PSI at 855-746-8168 at least one (1) business day prior to the scheduled testing session. (See following table.)

If your Examination is scheduled on...	You must contact PSI by 1:00 p.m. Pacific Time to reschedule your Examination by the previous...
Monday	Friday
Tuesday	Monday
Wednesday	Tuesday
Thursday	Wednesday
Friday/Saturday	Thursday

## MISSED APPOINTMENTS AND FORFEITURES

You will forfeit the application and all fees paid to take the examination if you:

- wish to reschedule an examination but fail to contact PSI at least one (1) business day prior to the scheduled testing session
- wish to reschedule a second time
- appear more than fifteen (15) minutes late for an examination
- fail to report for an examination appointment
- fail to provide the identification required and are denied admittance to the examination
- arrive at the Test Center without the approved CED, if required

A complete application and examination fee are required to reapply for the examination. All fees for missed appointments must be paid before you can schedule a subsequent examination appointment.

## INCLEMENT WEATHER, EMERGENCY OR POWER FAILURE

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 [www.psionline.com/openings](http://www.psionline.com/openings) 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, all scheduled candidates will receive notification following the examination regarding rescheduling or reapplication procedures.



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 be intact.

## NO REFUNDS

If you fail to arrive at the Test Center on the date and time you are scheduled for your 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.

## 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.

### ■ Broker Examination

The Washington Real Estate Broker Examination consists of two portions: State and National. The total time allowed for both portions of the examination is 3.5 hours. The multiple-choice questions on the two portions will be intermixed and will not appear as separate sections.

### ■ State Broker Portion

The State Broker portion deals with topics relating particularly to Washington real estate license law. There are 30 multiple-choice questions on the State Broker examination. In addition to the items used to compute your score, the examination may include five items 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. A detailed content outline is given at the back of the handbook.

### ■ National Broker Portion

The National Broker portion is based upon 11 major content areas. Each of the content areas is briefly described here, and an outline of the topics is included in the back of this handbook. In addition, the number of scored questions devoted to the National Broker examination is indicated for each major content area.

The National Broker examination is composed of 100 multiple-choice questions 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 this examination. These pretest questions are not identified, and your answers to them do not affect your score.

Real Estate Examination Program National Broker Examination Content Outline	
Topic	Scored Questions
1. Property Ownership	10
2. Land Use Controls	5
3. Valuation	8
4. Financing	10
5. Contracts	19
6. Agency	13
7. Property Disclosures	7
8. Property Management	3
9. Transfer of Title	6
10. Practice of Real Estate	12
11. Real Estate Calculations	7
TOTAL	100

### ■ Sample Questions

The following illustrate the type of questions used in the National Broker 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.

#### BROKER EXAMINATION SAMPLE QUESTIONS

- Baird bought two rectangular lots, each of which measures 244' x 250'. Approximately how many total acres will be in the two lots combined?
  - 2.8
  - 3.2
  - 5.6
  - 7.0
- 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?
  - escheat
  - homestead
  - eminent domain
  - 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
  
4. A broker deliberately shows a buyer homes in only one subdivision where many people of the buyer's religious faith live. Has the broker violated any law?
  - A. Yes, because a broker must show a prospective buyer homes in at least three different areas.
  - B. Yes, because a broker cannot discriminate on the basis of religion when showing property to a buyer.
  - C. No, because the broker'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.

Broker Answer Key

Item #	Key	Topic*
1.	A	XI.A
2.	D	I.C.4
3.	C	II.A.2
4.	B	X.B.2
5.	C	V.C.1

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

### National Real Estate Broker Sample Examination

The Sample National Real Estate Broker 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 Web Tests" to choose one of the National Real Estate Broker Examinations. Two versions of the web-based Sample Examination are available. The cost of the basic version is \$15. The cost of the enhanced self-assessment version that provides detailed explanations for each item 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.

### State Managing Broker Examination

The State Managing Broker Examination deals with topics relating particularly to Washington real estate license law. There are 44 multiple-choice questions, including scenario-based items, that are used to compute your score. Ninety (90) minutes or 1.5 hours are allowed to complete the exam. The scenario-based items utilize a multiple-choice format and incorporate multi-point scoring. These items are associated with scenarios presented in the form of text, graphs, or tables that represent a situation in which candidates must identify the best course of action by selecting only ONE option. Each option is weighted as zero-point, one-point, or two-points based on the completeness and accuracy of the solution.

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 this examination. These pretest questions are not identified, and your answers to them do not affect your score. A detailed content outline is given at the back of the handbook.

### National Managing Broker Examination

The National Managing Broker Examination is based upon 11 major content areas. Each of the content areas is briefly described here, and an outline of the topics is included in the back of this handbook.

The National Managing Broker Examination is composed of 90 multiple-choice questions, including scenario-based items, that are used to compute your score. The time allowed to complete the examination is 2.5 hours. The scenario-based items utilize a multiple-choice format and incorporate multi-point scoring. These items are associated with scenarios presented in the form of text, graphs, or tables that represent a situation in which candidates must identify the best course of action by selecting only ONE option. Each option is weighted as zero-point, one-point, or

two-points based on the completeness and accuracy of the solution.

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 this examination. These pretest questions are not identified, and your answers to them do not affect your score.

The number of scored questions as well as the number of points devoted to the National Managing Broker Examination is indicated below for each major content area.

Real Estate Examination Program National Managing Broker Examination Content Outline		
Topic	Scored Questions	Scored Points
1. Property Ownership	9	10
2. Land Use Controls	5	5
3. Valuation	6	7
4. Financing	8	8
5. Contracts	15	18
6. Agency	11	11
7. Property Disclosures	6	7
8. Property Management	4	5
9. Transfer of Title	7	7
10. Practice of Real Estate	11	14
11. Real Estate Calculations	8	8
TOTAL	90	100

## ■ Managing Broker Multiple-Choice Scenario-Based Questions

National and State Managing Broker multiple-choice exams include scenario-based test questions. These items contain more than four options and ONLY ONE BEST option shall be selected to answer the question. Some options are appropriate but not the BEST ANSWER. Please select the option that best answers the question in the exam. A BEST ANSWER reflects the optimal solution or most complete resolution to the scenario presented in the question. These items are associated with scenarios presented in the form of text, graphs, or tables that represent a situation in which candidates must identify the best course of action by selecting only one option. Each option is weighted as zero-point, one-point, or two-points based on the completeness and accuracy of the solution. Sample questions are provided below.

Item – An evaluation or synthesis level question with a higher cognitive level than recall or application.

Scenario – Describes the encounter, event, or task that involves the appropriate application of one or more competencies to be assessed. Includes the setting, history (if appropriate), and the issue/problem.

Option – Includes more than four options but ONLY ONE option shall be selected and considered as the BEST ANSWER

- Two-point option: full resolution with optimal and complete solution, best action to take, or required behaviors
- One-point option(s): partial resolution with appropriate but not optimal behaviors
- Zero-point option(s): neutral, irrelevant, incorrect, or harmful resolution or behaviors

## SAMPLE MANAGING 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.

1. 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.
  - A. Seek advice from your supervising broker.
  - B. Tell them to come to your office.
  - C. Ask them to bring the buyer’s agency agreement to you for your interpretation.
  - D. Tell them to be patient and continue trying to reach Mary.
  - E. Tell them to call Mary’s supervising broker or branch manager.
  - F. Tell them you are really sorry, but there is nothing you can do.

2. 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.
- Write the offer after entering into a buyer's broker agreement with them.
  - Write the offer after explaining they may owe Mary's broker a commission.
  - Write the offer after trying to contact Mary's broker yourself.
  - Refuse to write an offer and explain that doing so would be unethical.
  - Refuse to write and offer since it would be illegal.
  - Refuse to write the offer and tell the Martins to contact another Salesperson in Mary's office.

Answers (Points) to Sample Broker Questions:

- A (2 points), B (1 point), C (0 point), D (0 point), E (1 point), F (0 point)
- A (1 point), B (2 points), C (1 point), D (0 point), E (0 point), F (0 point)

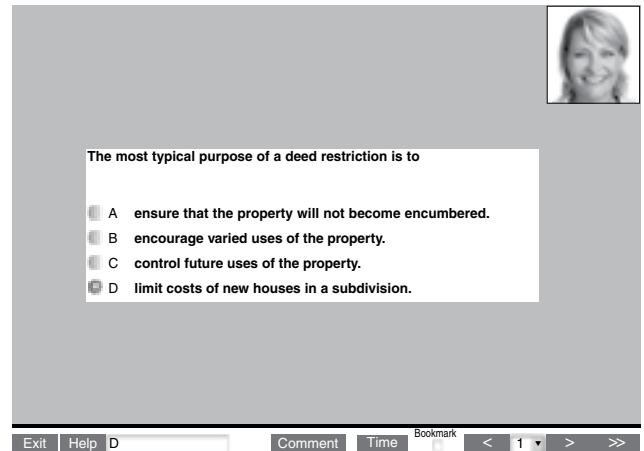
## ■ National Real Estate Managing Broker Sample Examination

The Sample National Real Estate Managing Broker Examination is available in web-based format. To register and pay for the online sample examination, please visit <http://www.psilearningacademy.com/psipracticeexams> and choose Real Estate Salesperson & Broker Practice Exams by PSI. All practice exams provide detailed score reports and a question-by-question breakdown analysis of your responses against the correct answer.

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.

Tests are available to be taken immediately or can be purchased and taken at a later date. You may take the practice examination an unlimited number of times; however, you will need to pay each time. No duplication of the sample examination is allowed.

## ■ Taking the Multiple-Choice 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 (and more than four options for the Managing Broker scenario-based questions). 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 on the option using the mouse. To change your answer, enter a different option by typing A, B, C, or D 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.

A 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 questions 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 question before ending the examination. There is no penalty for guessing.

## THE DAY OF YOUR 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 TESTING 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).

During your examination process, you will be required to provide biometric verification of your identity. Biometric identification may include photography, fingerprint scan, or other. Your examination session is also subject to video surveillance. If you do not agree to these conditions, you will not be able to test and will be excused from the Test Center. Your examination fee will NOT be refunded.

**YOU MUST HAVE PROPER IDENTIFICATION TO BEGIN THE EXAMINATION.** Failure to provide appropriate identification at the time of the examination is considered a missed appointment. There will be no refund of your examination fee.

## 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. Coats 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 everything into the soft locker, you will be asked to pull out your pockets to ensure they are empty. If all personal items will not fit in the soft locker you will not be able to test. The site will not store any personal belongings.

If any personal items are observed or heard (e.g., cellular/smart phone, alarm) 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 testing room.

- 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 Social Security number. Your photograph, taken before beginning the examination, will remain on-screen throughout your examination session. This photograph will also print on your score report.

## ■ Practice Examination

Prior to attempting the 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

timed examination. Before beginning, instructions for taking the examination will be provided on-screen. The following time limits will be in effect for each examination.

<u>Examination</u>	<u>Time Allotted</u>
Broker (national and state portion)	3 ½ hours
Broker (national portion only)	2 ½ hours
Broker (state portion only)	1 ½ hours
Managing Broker (national portion only)	2 ½ hours
Managing Broker (state portion only)	1 ½ hours

## ■ Candidate Comments

During the multiple-choice examination, you may make comments for any question by clicking on the Comment button to the left of the Time button. This opens a dialogue box where comments may be entered. Comments will be reviewed, but individual responses will not be provided.

## 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.

#### • 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.

#### • Scaled Scores

Scaled scores are reported to emphasize that although different forms of the examination may have slight differences in difficulty, the passing score for an examination is based on a consistent level of performance. Scaled scores are computed by setting the raw passing score equal to the scaled score required to pass. The scaled score is not the same as a percentage. The raw passing score may vary slightly between forms, depending on the difficulty of the items on the form; however, the scaled score required to pass (and the level of knowledge required to pass) does not change. This process is used to ensure fairness to all candidates.

## ■ Your Broker Examination Score Report

After you have completed the Broker examination, you will be instructed to report to the testing proctor to receive your score report. Your score report will show your result for your examination and will give scoring information for any portion you did not pass. To be eligible to apply for a broker license in Washington, you must pass both the national and state portions of the examination. To pass each portion of the Broker examination, you must attain a scaled score of 70.

## ■ Your Managing Broker Examination Score Report

After you have completed the Managing Broker examination, you will be instructed to report to the testing proctor to receive your score report. Your score report will show your result for your examination and will give scoring information for any portion you did not pass. To be eligible to apply for a Managing Broker license in Washington, you must pass both the national and state examinations. To pass each Managing Broker examination, you must attain a scaled score of 75.

## ■ Licensing Procedures for Passing Candidates

### • Brokers

The passing score report from PSI has two parts: one is the notification of results; the other is the application for a license. The applicant may complete the application and return it along with the proper fees to the Department of Licensing, or you may apply for a broker's license online at <https://fortress.wa.gov/dol/solar/Home/Login>. If you choose the online option, you will not be required to submit an application and payment by mail. You must wait three (3) business days for your exam results to be submitted to Real Estate Licensing.

The part of the score report retained is an interim license valid for a period of up to forty-five (45) days after the post-mark date of the application and fees to the Department, unless grounds exist to take disciplinary action against the licensee.

Based upon responses to personal data questions an applicant may receive notification indicating a need for investigation. He/she is not eligible to begin work. Depending on the information submitted to the Department, the license may be denied.

You will also be required to have a background check. E-fingerprint services are offered through MorphoTrust USA's IdentoGo centers. For more information, or to schedule fingerprint reservations at any of the available Washington state centers, please contact MorphoTrust at 888-771-5097 or online at [www.identogo.com](http://www.identogo.com).

For general questions regarding the background requirement, see [www.dol.wa.gov/business/realestate](http://www.dol.wa.gov/business/realestate).

### • Managing Brokers\*

Applicants may submit the application for licensure that will be included with the examination passing notice and appropriate fees to the Department of Licensing, or you may apply for a managing broker's license online at <https://fortress.wa.gov/dol/solar/Home/Login>. If you choose the online option, you will not be required to submit an application and payment by mail. You must wait three (3) business days for your exam results to be submitted to Real Estate Licensing.

Applicants who want to be licensed as a Designated Broker of a firm can obtain an application and instructions from the Department's website ([www.dol.wa.gov/business/realestate](http://www.dol.wa.gov/business/realestate)) or can apply online at <https://fortress.wa.gov/dol/solar/Home/Login>. Information can also be obtained by calling the Department at 360-664-6500.

Based upon responses to Personal Data Questions an applicant may receive notification indicating a need for investigation. Depending on the information submitted to the Department, the license may be denied.

\*If your approval was for Managing Broker reciprocity or Managing Broker Level C (approval based on related experience), you will also be required to have a background check. E-fingerprint services are offered through MorphoTrust USA's IdentoGo centers. For more information, or to schedule fingerprint reservations at any of the available Washington state centers, please contact MorphoTrust at 888-771-5097 or online at [www.identogo.com](http://www.identogo.com).

For general questions regarding the background requirement, see [www.dol.wa.gov/business/realestate](http://www.dol.wa.gov/business/realestate).

### • Inactive License — Broker or Managing Broker

While on inactive status, brokers and managing brokers shall not engage in any activity that requires a real estate license.



## ■ If You Fail the Examination

If you fail the examination, you will receive a score report showing your score and reapplication instructions.

To reregister for the examination, visit <http://schedule.psiexams.com> or call PSI at 855-746-8168 (if payment is made by credit card) or submit a new completed registration form (if payment is made by personal check, cashier's check or money order). If you pass one portion of the examination you will need to wait until the next day or later to be rescheduled for the failed portion. Candidates who pass only one portion must pass the other portion within six (6) months of passing the first portion. Failure to do so will result in having to take the entire examination again.

- 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](http://www.oncoursepublishing.com) ISBN 0324784554
- Principles of Real Estate Practice, 6th edition, 2019, Mettling, Stephen and Cusic, David, Performance Programs Company, [www.performanceprogramscompnay.com](http://www.performanceprogramscompnay.com)

## ■ Duplicate Score Reports

Requests for a duplicate score report must be made in writing within one (1) year of the examination date. Complete the request form enclosed in this booklet, include a check or money order for \$25 per copy (made payable to PSI Services Inc.), and mail your request to PSI. Duplicate score reports will be processed and mailed within approximately five (5) business days following receipt of the request.

## ■ References

- Modern Real Estate Practice, 21st Edition, Galaty, Allaway, Kyle, and Williams, Dearborn Real Estate Education, [www.dearborn.com](http://www.dearborn.com), ISBN: 978-1-0788-1887-2
- Mastering Real Estate Math, 9th Edition, 2022, Denise Evans [www.dearborn.com](http://www.dearborn.com) ISBN: 9781078819008
- The Language of Real Estate, 8th Edition, 2019, Reilly and Spodek, Dearborn Real Estate Education, [www.dearborn.com](http://www.dearborn.com)
- Property Management, 11th edition, 2016, Kyle, Robert C., Baird, Floyd M. and Kyle, C. Donald, Chicago: Dearborn Real Estate Education [www.dearborn.com](http://www.dearborn.com)
- Real Estate Law, 11th Edition, 2022, Elliot Klayman, Dearborn Real Estate Education [www.dearborn.com](http://www.dearborn.com)
- Real Estate Fundamentals, 10th Edition, 2019, Gaddy, Hart, Spodek, Dearborn Real Estate Education, [www.dearborn.com](http://www.dearborn.com)
- Real Estate Principles, 12th Edition, Charles Jacobus, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, [www.oncoursepublishing.com](http://www.oncoursepublishing.com) ISBN 1285420985
- Real Estate Principles, 12th Edition, 2021, Floyd and Allen, Dearborn Real Estate Education, [www.dearborn.com](http://www.dearborn.com)
- Mastering Real Estate Principles, 8th Edition, 2022, Gerald Cortesi

# WASHINGTON REAL ESTATE 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 city, state and zip code.
3. EMAIL ADDRESS: Please provide your email address.
4. TELEPHONE NUMBER: Please provide telephone numbers as indicated.
5. SOCIAL SECURITY NUMBER: Enter your Social Security number. WE CANNOT PROCESS YOUR REGISTRATION WITHOUT IT!
6. BIRTH DATE: Enter the month, day and year of your birth.
7. TEST TYPE: Choose the appropriate box and indicate if you have attempted the examination before.
8. EXAMINATION FEE: The examination fee is \$210.00. This fee must be submitted with your registration form. Payment may be made by cashier's check, money order or personal check made payable to PSI Services Inc. Visit <http://schedule.psiexams.com> or contact PSI at 855-746-8168 if payment is to be made by credit card. Payment by cash is not acceptable. Examination fees are valid for twelve (12) months.

9. CERTIFICATION OF EDUCATION:

Broker candidates must complete a sixty (60) clock hour course in Real Estate Fundamentals and a thirty (30) clock hour course in Real Estate Practices for a total of ninety (90) clock hours of instruction approved by the Department of Licensing before making an examination appointment.

You must register as a Student with PSI. To register with PSI as a Student, go to <http://schedule.psiexams.com>, select the "Clients/Partners Washington Student User" link and follow the on-screen instructions. Course completion information must be received electronically from your school. Your school will only be able to provide course completion information if you are a registered Student with PSI. You will not be allowed to schedule an examination appointment until your education provider has electronically submitted your course completion to PSI.

Managing Broker candidates must complete thirty (30) clock hour courses in advanced real estate law, broker management and business management for a total of ninety (90) clock hours of instruction approved by the Department of Licensing. Managing Broker candidates must receive approval from the Department of Licensing before making an examination appointment.

You must register as a Student with PSI. To register with PSI as a Student, go to <http://schedule.psiexams.com>, select the "Clients/Partners Washington Student User" link and follow the on-screen instructions. Course completion information must be received electronically from your school. Your school will only be able to provide course completion information if you are a registered Student with PSI. You will not be allowed to schedule an examination appointment until your education provider has electronically submitted your course completion to PSI.

10. SIGNATURE AND DATE: Read the statement and sign your name.



## WASHINGTON REAL ESTATE EXAMINATION REGISTRATION FORM

Submit this form **ONLY** if you are paying your examination fee by cashier's check, money order or personal check. If using a credit card for payment, visit <http://schedule.psiexams.com> or call PSI at 855-746-8168 to schedule your appointment and do not submit this form.

Using the instructions on the reverse side, complete this form, and mail it with the appropriate 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. EMAIL ADDRESS \_\_\_\_\_

4. TELEPHONE NUMBER (\_\_\_\_)\_\_\_\_-\_\_\_\_ and (\_\_\_\_)\_\_\_\_-\_\_\_\_  
Home Telephone Number Business Telephone Number

5. SOCIAL SECURITY NUMBER \_\_\_\_ - \_\_\_\_ - \_\_\_\_

6. BIRTH DATE \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
Month Day Year

7. TEST TYPE (check one)  Broker  Managing Broker  Managing Broker Level C  
 Broker Reciprocity  Managing Broker Reciprocity

Have you taken this examination before?  Yes  No

If yes, when did you last take this examination? \_\_\_\_\_

8. EXAMINATION FEE \$210.00  
 Your examination fee must be submitted with your registration form. Payment may be made by cashier's check, money order or personal check made payable to PSI Services Inc. Payment by cash is not acceptable. Examination fees are valid for twelve (12) months.

9. CERTIFICATION EDUCATION: By submitting this application I hereby certify that I will have completed all necessary educational requirements prior to attempting the examination.

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: \_\_\_\_\_





# REQUEST FOR SPECIAL EXAMINATION ACCOMMODATIONS And Out-of-State Testing Requests

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 it 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

Candidate ID # \_\_\_\_\_ 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 testing time (time and a half)
- Reduced distraction environment
- Please specify below if other special accommodations or Out-of-State testing requests 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 855-746-8168.





# DOCUMENTATION OF DISABILITY-RELATED NEEDS

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 reverse side.

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 855-746-8168.



## DUPLICATE SCORE REPORT REQUEST FORM FOR WASHINGTON 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 mailed within approximately five (5) business days following receipt of the request.

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Daytime Phone: \_\_\_\_\_

Test Taken:  Broker  Managing Broker Examination Date: \_\_\_\_\_

Test Center: \_\_\_\_\_

I hereby authorize PSI to send me a duplicate score report.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

PSI  
18000 W. 105th St.  
Olathe, KS 66061-7543  
855-746-8168



## DETAILED CONTENT OUTLINE

- I. Property Ownership (Broker 10%; Managing 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
    - 3. Government survey (rectangular survey) 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 (Broker 5%; Managing 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 (Broker 8%; Managing 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 (Broker 10%; Managing 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 (Broker 19%; Managing 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 (Broker 13%; Managing 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 (Broker 7%; Managing 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 (Broker 3%; Managing 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
    - 4. Property manager responsibility for maintenance, improvements, reporting and risk management (MANAGING BROKER ONLY)
    - 5. Handling landlord and tenant funds; trust accounts, reports and disbursements (MANAGING BROKER ONLY)
    - 6. Provisions of property management contracts (MANAGING BROKER ONLY)
  - B. Landlord and tenant rights and obligations
- IX. Transfer of Title (Broker 6%; Managing Broker 6%)
- A. Types 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. Practice of Real Estate (Broker 12%; Managing Broker 12%)
- A. Antidiscrimination
    - 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 (MANAGING BROKER ONLY)
    - 1. Broker's supervisory responsibilities (licensees, teams and unlicensed assistants and employees) (MANAGING BROKER ONLY)
    - 2. Broker relationship with licensees (employees or independent contractors and governing rules) (MANAGING BROKER ONLY)
- XI. Real Estate Calculations (Broker 7%; Managing Broker 6%)
- A. Calculations for transactions
    - 1. Seller's net proceeds
    - 2. Buyer funds needed at closing
    - 3. Real property tax and other prorations
    - 4. Real property transfer fees
    - 5. PITI (Principal, Interest, Taxes and Insurance) payments estimate given loan rate and term
  - B. General concepts
    - 1. Equity
    - 2. Rate of return/Capitalization rate
    - 3. Loan-to-Value ratio
    - 4. Discount points and loan origination fees



In addition, all items will be classified according to the cognitive level that is expected to be required for the entry-level candidate to appropriately respond to the item. The cognitive level classifications are defined in the following table.

Level	Definition	Broker	Managing Broker
Recall/Recognition	The ability to identify, recall or recognize terms, facts, methods, procedures, basic concepts, principles and processes.	41%	14%
Application/Analysis	The ability to apply concepts and principles to situations to identify solutions; calculate solutions to mathematical problems; interpret charts and graphic data; classify items; and interpret information.	59%	50%
Evaluation/Synthesis	The ability to integrate and evaluate complex information from a series of events or circumstances, formulate and specify a course of action, and evaluate a conclusion or outcome.	0%	36%

WASHINGTON STATE CONTENT OUTLINE FOR  
BROKER AND MANAGING BROKER EXAMINATIONS

The Washington state-specific, multiple-choice examination consists of thirty (30) questions for Broker candidates and 44 questions (48 points due to scenario-based items) for Managing Broker candidates. Each examination also has five (5) pretest questions distributed throughout the examination. These pretest questions are not identified and will not in any way affect the score.

TOPIC	NUMBER OF QUESTIONS	TOPIC	NUMBER OF QUESTIONS
1. General Rules	Broker 4-5	D. Handling of monies and trust accounts	
A. Definitions	Managing Broker 6	E. Recordkeeping, documents and audits	
B. Powers and duties of the Real Estate Commission and Director		F. Brokerage firms office requirements	
C. Investigations and sanctions		G. Property management	
1. Violations		H. Supervision of affiliated licensees	
2. Procedures (hearings and appeals)		1. General supervisory responsibilities	
3. Penalties		2. Supervision of teams	
D. Real Estate Research Center		I. Advertising rules	
2. Licensing Requirements	Broker 8	4. Real Estate Brokerage Relationships (Agency)	Broker 4-5
A. Activities requiring a license	Managing Broker 9	A. Types of Agency (Dual, Seller Agency, Buyer Agency, Other)	Managing Broker 7
B. Requirements for licensing eligibility		B. Disclosure of Real Estate Relationships	
C. Types of licenses		C. Agency duties	
D. License maintenance, renewal and fees		D. Written consent of parties	
E. License status		5. Scenarios in Real Estate Practice (MANAGING BROKER ONLY)	4 questions (8 points)
F. Education requirements		A. Property Management	
3. Washington Statutes and Rules Governing Licensee Activity	Broker 13 Managing Broker 18	B. Supervision	
A. Brokerage firm's relationship with affiliated licensees		C. Randomly selected topic (from within Statutes and Rules)	
B. Prohibited conduct/reasons for disciplinary action		D. Randomly selected topic (from within Statutes and Rules)	
C. Compensation			





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