



# Texas Real Estate Candidate Handbook

July 2024

# QUICK REFERENCE

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## RESERVATIONS

### Before making an exam reservation

Candidates should thoroughly review this handbook, which contains examination content outlines and important information regarding eligibility and the examination and licensing application process.

### Making an exam reservation

Candidates may make a reservation by either visiting [www.pearsonvue.com](http://www.pearsonvue.com) or calling Pearson VUE.

Candidates should make a reservation online at least twenty-four (24) hours before the desired examination date. **Walk-in examinations are not available.**

## SCHEDULES & FEES

### Test centers

A list of test centers appears on the back cover of this handbook. Candidates should contact Pearson VUE to confirm specific locations and schedules.

### Exam fees

The fee of \$43 for a Sales examination or of \$39 for a Brokers examination must be paid at the time of reservation by credit card, debit card, or voucher. **Payment will not be accepted at the test center. Examination fees are non-refundable and non-transferable.**

### Fingerprinting Services

Fingerprinting services are available at IDEMIA as detailed on pages 3. See page 2 for fingerprinting and criminal history requirements.

## EXAM DAY

### What to bring to the exam

Candidates should bring to the examination proper identification and other materials as dictated by the state licensing agency. A complete list appears in *What to Bring* (page 6).

### Exam procedures

Candidates should report to the test center at least thirty (30) minutes before the examination begins. Each candidate will be given 240 minutes or 4 hours (total includes State and National portion) to complete the examination, and will leave the test center with an official score report in hand.

## STATE LICENSING INFORMATION

Candidates may contact the Texas Real Estate Commission with questions about obtaining or maintaining a license after the examination has been passed.

### Texas Real Estate Commission

*Stephen F. Austin Building*

1700 N. Congress Ave., Ste. 400

Austin, TX 78701

#### Phone

(512) 936-3000

#### Website

[www.trec.texas.gov](http://www.trec.texas.gov)

## EXAMINATION INFORMATION

Candidates may contact Pearson VUE with questions about this handbook or about an upcoming examination.

### Pearson VUE Texas Real Estate

5601 Green Valley Drive

Bloomington, MN 55437

#### Phone

(800) 997-1248

#### Email

[pearsonvuecustomerservice@pearson.com](mailto:pearsonvuecustomerservice@pearson.com)

#### Website

[www.pearsonvue.com](http://www.pearsonvue.com)

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# OVERVIEW

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## **The candidate handbook is a useful tool in preparing for an examination.**

It is highly recommended that the Texas Real Estate Candidate Handbook be reviewed, with special attention given to the content outlines, before taking the examination. (*Content outlines begin on Content Outlines page 01 of this handbook.*)

## **Individuals who wish to obtain a real estate license in the state of Texas must:**

### **1. Apply for a license.**

Before taking an examination, candidates must complete all prelicensing education and file a real estate salesperson or broker application with the Texas Real Estate Commission (TREC). When the application requirements are met, TREC will send candidates an eligibility letter which includes an ID number that candidates will need to register to take the examination. (*See page 2 for additional details.*)

### **2. Make a reservation and pay the examination fee.**

Make a reservation either by phone or online with Pearson VUE for the examination. (*See page 3.*)

### **3. Go to the test center.**

Go to the test center on the day of the examination, bringing all required materials. (*See page 6.*)

### **4. Get fingerprinted.**

Go to the designated fingerprint site at the appointed day/time, bringing all required materials. (*See page 3 of handbook.*)

# INTRODUCTION

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## CONTACT INFORMATION

Candidates may contact Pearson VUE with questions about this handbook or an examination.

<b>Pearson VUE/Texas Real Estate</b> 5601 Green Valley Dr., Bloomington, MN 55437		
<b>Phone:</b> (800) 997-1248	<b>Website:</b> <a href="http://www.pearsonvue.com">www.pearsonvue.com</a>	<b>Email:</b> <a href="mailto:pearsonvuecustomerservice@pearson.com">pearsonvuecustomerservice@pearson.com</a>

Live Chat is available to address your support inquiries and is the quickest way to reach a customer service agent. It's available from 8:00 AM through 5:00 PM Central Time, Monday through Friday, subject to change during locally designated holidays.

Please visit [www.pearsonvue.com/tx/realestate/contact](http://www.pearsonvue.com/tx/realestate/contact) for further information.

Candidates may contact the Texas Real Estate Commission with questions about obtaining or maintaining a license.

<b>Texas Real Estate Commission</b> <i>Stephen F. Austin Building</i> 1700 N. Congress Ave. Ste. 400, Austin, TX 78701	
<b>Phone:</b> (512) 936-3000	<b>Website:</b> <a href="http://www.trec.texas.gov">www.trec.texas.gov</a>

<b>For Digital Fingerprints contact IDEMIA for verification.</b>		
<b>hours:</b> Monday – Friday, 8 AM – 5 PM Central Time	<b>Phone:</b> (888) 467-2080	<b>TDD/TTY:</b> (877) 219-0199

## THE LICENSURE PROCESS

Licensure is the process by which an agency of state government or other jurisdiction grants permission to individuals to engage in the practice of, and prohibits all others from legally practicing, a particular profession, vocation, or occupation. By ensuring a minimum level of competence, the licensure process protects the general public. The state regulatory agency is responsible for establishing the acceptable level of safe practice and for determining whether an individual meets that standard.

The Texas Real Estate Commission (TREC) has retained the services of Pearson VUE to develop and administer its real estate examination program. Pearson VUE is a leading provider of assessment services to regulatory agencies and national associations.

## PRACTICE TESTS – NATIONAL PORTION ONLY

National-portion practice tests are offered exclusively online at [www.pearsonvue.com](http://www.pearsonvue.com), giving candidates even more opportunity to succeed on real estate examinations. The national-portion practice tests will not only help prepare candidates for the types of questions they will see on the national portion of the licensure examination but also familiarize them with taking computer-based examinations.

Pearson VUE offers a practice test for real estate that contains questions developed by subject matter experts using concepts found in the national portion of the licensure examination. The test closely reflects the format of the national portion of the licensure examination, can be scored instantly, and provides immediate feedback to help candidates identify correct and incorrect answers. Candidates can purchase national-portion practice tests anytime by visiting [www.pearsonvue.com/practicetests/realestate](http://www.pearsonvue.com/practicetests/realestate)

# STATE LICENSING REQUIREMENTS

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The Texas Real Estate Commission has established the requirements for qualification for a salesperson or broker license. Applicants should read this candidate handbook, and any other information provided by the Texas Real Estate Commission before making a reservation for any licensing examination. Applicants must meet all education and experience requirements if applicable and receive an eligibility letter from TREC before they make an examination reservation.

## **APPLYING FOR A REAL ESTATE SALESPERSON'S OR REAL ESTATE BROKER'S LICENSE**

The Texas Real Estate Commission has established the requirements for qualification for a real estate salesperson or broker license. If you have filed an application and met TREC's qualifications, you have one year from the date the application was filed to pass your examination.

### **Texas Residents**

You must pass both the state and national portions of the Texas real estate exam. However, if you currently hold an active license in another state and passed the national portion of an exam that is ARELLO approved, the national portion of the exam may be waived.

## **FINGERPRINT AND CRIMINAL HISTORY REQUIREMENTS**

Pursuant to §1101.3521 of the Texas Real Estate License Act, any person applying for a broker or salesperson license must be fingerprinted specifically for TREC and pass a background history check before a license will issue.

**When you pass the examination, your license will not issue until TREC receives your criminal history report from the DPS and the FBI and clears your background history check. TREC encourages applicants to use the electronic fingerprinting process. Electronic fingerprinting is fast and accurate, and in most cases will avoid potential delays in the processing of applications.**

All fingerprints taken for **TREC** at IDEMIA locations are electronically transmitted to the DPS and the FBI for criminal history background checks. A fingerprint processing fee must be paid to Identogo by IDEMIA to cover the cost of the criminal history reports.

### **Electronic fingerprinting**

When you have received your exam eligibility letter from TREC you may schedule a fingerprint appointment through IDEMIA. You will need the TREC ID number from the eligibility letter when making your appointment.

The exam reservation must be made by following the instructions on page 3.

Candidates may call (888) 467-2080 (hours – Monday – Friday, 8 AM – 5 PM Central Time) to make a fingerprint reservation or by going online to TREC's website at <http://www.trec.texas.gov>.

### **Fingerprinting for Texas non-residents**

Applicants who reside outside of Texas may have an option to be fingerprinted in a location near them during the registration process through IDEMIA. If this option is unavailable, applicants must print the waiver at the end of the online registration and contact TREC to request a TREC-specific Hard Card. This Hard Card contains coding that the DPS and FBI require. Fingerprints submitted on a generic card will be rejected because the generic card does not include TREC-specific information. The TREC-specific card is available at the TREC offices in Austin and through the mail upon request at [information@trec.texas.gov](mailto:information@trec.texas.gov).

# RESERVATIONS

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## MAKING AN EXAMINATION RESERVATION

**Walk-in examinations are not available.** Online reservations are the most efficient way for candidates to schedule their examination. Candidates **must** go to [www.pearsonvue.com/tx/realestate](http://www.pearsonvue.com/tx/realestate) to make an online reservation for an examination. First-time users are required to create an account. The candidate will need to fill in all required fields, which are preceded by an asterisk (\*), on the online form in order to create an ID and be assigned a password. Step-by-step instructions will lead the candidate through the rest of the examination reservation process.

Candidates **must** make an online reservation at least twenty-four (24) hours before the desired examination date. Candidates who wish to make a phone reservation at (800) 997-1248 must do so at least twenty-four (24) hours before the desired examination date.

**Before making a reservation, candidates should have the following:**

- Legal name
- Physical mailing address, email address, and daytime telephone number
- TREC-ID# as provided on the eligibility letter received from TREC
- The name of the examination(s)
- The preferred examination date and test center location (a list appears on the back cover of this handbook)

## TEST CENTER LOCATIONS

A list of test centers appears on the back cover of this handbook. In addition, candidates may review the test center locations by going to <http://www.pearsonvue.com/vtclocator/>. If the candidate has questions regarding the confirmation of specific locations and/or examination schedules, please contact Pearson VUE.

Texas Real Estate examinations are now available at select Pearson VUE test centers on military installations across the globe. Service members, dependents, and contractors with authorized base access who want to gain Texas Real Estate licensure from their duty station or assignment in another state and foreign deployment will have the option to take their exams without having to leave their base. In addition to Pearson VUE's standard ID policy, candidates must have valid government ID and authorization to gain access to military testing sites. Civilians without valid government ID will be turned away by the test center and/or military entrance gate security. To locate a Pearson VUE authorized testing center, visit <http://www.pearsonvue.com/tx/realestate/> and select the "Find an on-base test center" link on the lower right-hand side of the page.

## MAKING A FINGERPRINTING RESERVATION

Candidates may schedule fingerprint appointments at any IDEMIA location throughout Texas. Candidates can only print in TX. Candidates outside of TX need to refer to the TREC instructions for fingerprint submission. **Appointments are required and candidates are encouraged to make their reservation at least twenty-four (24) hours in advance. Same day fingerprint service without an appointment is not available.**

Candidates must contact IDEMIA to schedule their reservation at (888) 467-2080 (hours are Monday-Friday 8am-5pm Central Time) or visit TREC's website.

### Electronic Fingerprinting

1. You will need the TREC ID number from your eligibility letter to make your electronic fingerprint appointment.
2. All electronic fingerprint appointments must be made by DPS' vendor, Identogo by IDEMIA. The vendor has many Texas fingerprint locations. **Schedule an appointment for electronic fingerprinting.** You must schedule a fingerprint appointment by calling 1-888-467-2080 or by visiting TREC's website at <http://www.trec.texas.gov>. Pursuant to DPS requirements, you will be photographed as part of the fingerprint process. You must pay a fingerprinting fee to the vendor in a manner that is acceptable to the vendor.

3. **Arrive at your scheduled appointment with your TREC exam eligibility letter.** Pursuant to TX Department of Public Safety (DPS) requirements, you will also be photographed as part of the background check requirement. After your fingerprints and photograph are taken, the technician will give you a receipt stating that you were fingerprinted. Do not throw away the receipt. You will not get a printed fingerprint card. Your fingerprints will be sent electronically to DPS and the FBI.
4. Upon completion of your appointment, the Identogo by IDEMIA Enrollment Agent will furnish a receipt of services. Please save the receipt. Fingerprints and photos are transmitted electronically to the DPS and the FBI.

## EXAM FEES

The fee of \$43 for a Sales examination or of \$39 for a Brokers examination must be paid at the time of reservation by credit card, debit card, or voucher. **Payment will not be accepted at the test center, nor will a single payment that covers more than one candidate be accepted.**

Candidates are responsible for knowing all regulations regarding fees and examination scheduling as presented here. Examination fees are non-refundable and non-transferable, except as detailed in *Change/Cancel Policy*.

## Vouchers

Vouchers offer another convenient way to pay for tests. Vouchers can be purchased online at [www.pearsonvue.com/vouchers/pricelist](http://www.pearsonvue.com/vouchers/pricelist) by credit card either singly or in volume. To redeem a voucher as payment when scheduling a test, simply indicate voucher as the payment method and provide the voucher number. **All vouchers are pre-paid. Vouchers are non-refundable and non-returnable.**

Vouchers expire twelve (12) months from the date they are issued. Voucher expiration dates cannot be extended. The exam must be taken by the expiration date printed on the voucher.

## CHANGE/CANCEL POLICY

Candidates should call Pearson VUE at (800) 997-1248 at least forty-eight (48) hours before the examination to change or cancel a reservation. Candidates who change or cancel a reservation with proper notice may either transfer their fees to a new reservation or request a refund. **Candidates who change or cancel their reservations without proper notice will forfeit the examination fee.** Refunds for credit/debit cards are immediate, while refunds for vouchers will be processed in two to three (2-3) weeks.

Candidates are individually liable for the full amount of the examination fee once a reservation has been made, whether individually or by a third party.

## ABSENCE/LATENESS POLICY

Candidates who are late or absent from an exam may call Pearson VUE within 14 days of the exam date to request an excused absence for the following reasons:

- Illness of the candidate or of the candidate's immediate family member
- Death in their immediate family
- Disabling traffic accident
- Court appearance or jury duty
- Military duty
- Weather emergency

A case number will be assigned and instructions provided for emailing supporting documentation. **Candidates absent from or late to an exam who have not changed or canceled the reservation according to the *Change/Cancel Policy* will not be admitted to the exam and will forfeit the exam fee.**

## WEATHER DELAYS AND CANCELLATIONS

If severe weather or a natural disaster makes the test center inaccessible or unsafe, the examination may be delayed or canceled. Pearson VUE will notify and reschedule candidates in the case of severe weather.



## **ACCOMMODATIONS**

Pearson VUE complies with the provisions of the Americans with Disabilities Act as amended. The purpose of accommodations is to provide candidates with full access to the test. Accommodations are not a guarantee of improved performance or test completion. Pearson VUE provides reasonable and appropriate accommodations to individuals with documented disabilities who demonstrate a need for accommodations.

Test accommodations may include things such as:

- A separate testing room
- Extra testing time
- A Reader or Recorder, for individuals with mobility or vision impairments and cannot read or write on their own

Test accommodations are individualized and considered on a case-by-case basis. All candidates who are requesting accommodations because of a disability must provide appropriate documentation of their condition and how it is expected to affect their ability to take the test under standard conditions. This may include:

- Supporting documentation from the professional who diagnosed the condition, including the credentials that qualify the professional to make this diagnosis
- A description of past accommodations the candidate has received

The steps to follow when requesting test accommodations vary, depending on your test program sponsor. To begin, go to <http://pearsonvue.com/accommodations>, and then select your test program sponsor from the alphabetized list. Candidates who have additional questions concerning test accommodations may contact the ADA Coordinator at [accommodationspearsonvue@pearson.com](mailto:accommodationspearsonvue@pearson.com).

# EXAM DAY

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## WHAT TO BRING

### Required Materials

#### REQUIRED ITEMS

Candidates who do not present the required items will be denied admission to the examination, will be considered absent, and will forfeit the examination fee.

#### Acceptable Forms of Candidate Identification

Candidates must present two (2) forms of current signature identification. The name on the identification must exactly match the name on the registration. The primary identification must be government issued and photo-bearing with a signature, and the secondary identification must contain a valid signature. Identification must be in English.

#### Primary ID (photograph and signature, not expired)

- Government-issued Driver's License
- U.S. Department of State Driver's License
- U.S. Learner's Permit (plastic card only with photo and signature)
- National/State/Country Identification Card
- Passport
- Passport card
- Military ID
- Military ID for spouses and dependents
- Alien Registration Card (Green Card, Permanent Resident Visa)

#### Secondary ID (signature, not expired)

- U.S. Social Security Card
- Debit (ATM) or Credit Card
- Any form of ID on the Primary ID list

If the ID presented has an embedded signature that is not visible (microchip), or is difficult or impossible to read, the candidate must present another form of identification from the Primary ID or Secondary ID list that contains a visible signature.

Pearson VUE does not recognize grace periods. For example, if a candidate's driver's license expired yesterday and the state allows a 30-day grace period for renewing the ID, the ID is considered to be expired.

## EXAM PROCEDURES

Candidates should report to the test center thirty (30) minutes before the examination and check in with the test center administrator. The candidate's identification and other documentation will be reviewed and he or she will be photographed for the score report.

Candidates are required to review and sign a **Candidate Rules Agreement** form. If the **Candidate Rules Agreement** is not followed and/or cheating or tampering with the examination is suspected, the incident will be reported as such and the appropriate action will be taken. The examination fee will not be refunded, the exam may be determined invalid, and/or the state may not issue the license.

Candidates must take a tutorial on the computer on which the examination will be administered. The time spent on this tutorial will not reduce the examination time. The examination administrators will answer questions regarding use of the computer, but candidates should be aware that the administrators are not familiar with the content of the examinations or with the state's licensing requirements.

Candidates may begin the examination once they are familiar with the computer. The examination begins the moment a candidate looks at the first examination question. Candidates will be given 240 minutes or 4 hours

(total includes State and National portion) to complete the examination. The examination will end automatically after the examination time has expired, and candidates will leave the test center with their official scores in hand. For security purposes, Pearson VUE will capture each candidate’s digital signature and photograph upon check-in.

### PRETEST QUESTIONS

Many of the examinations will contain “pretest” questions. Pretest questions are questions on which statistical information is being collected for use in constructing future examinations. Responses to pretest questions do not affect a candidate’s score. Pretest questions are mixed in with the scored questions and are not identified.

**The number of pretest questions are listed in the content outline heading of each examination for which they are available. If a number is not present then there are no pretest questions for that particular examination.**

### AVAILABLE EXAMS AND TIME ALLOTTED

EXAM	PORTION	# ITEMS (scored and pretest)	TIME (in minutes)	FEE
Sales	National	85	150	\$43
	State	40	90	\$43
	Both	125	240	\$43
Broker	National	85	150	\$39
	State	60	90	\$39
	Both	145	240	\$39

### SCORE REPORTING

When candidates complete the examination, they will receive a score report marked “pass” or “fail.” Candidates who pass the examination and who have cleared their background check will receive a license document from TREC by email within 5-10 business days.

### RETAKE THE EXAM

Candidates who fail the examination will receive a score report that includes a numeric score and diagnostic information relating to the failed portion of the examination, as well as information about re-examination. Candidates who fail need to retake only the portion of the examination they failed, as long as they do so within one year from the date the application was filed with TREC.

**Reservations for re-examination cannot be made at the test center, and candidates must wait twenty-four (24) hours before scheduling.** The fee of \$43 for a Sales examination or of \$39 for a Brokers examination must be paid at the time of reservation by credit card, debit card, or voucher. **Payment will not be accepted at the test center, nor will a single payment that covers more than one candidate be accepted.**

Candidates have three attempts to pass both portions of the examination prior to the application expiration date. If the examination is failed three times, the candidate is unable to retest or submit a new application until additional qualifying real estate education is completed as follows: Thirty (30) hours for an applicant who fails either the national or state part of the examination; and sixty (60) hours for an applicant who fails both parts of the examination. After completion of the additional education, the course completion document(s) and a copy of the third failed score report must be submitted to TREC at [documents@trec.texas.gov](mailto:documents@trec.texas.gov). Allow 5-7 business days for the education to be processed and authorization submitted to Pearson VUE to allow rescheduling. If the application expires, candidates may reapply for licensure and meet current requirements.

## REVIEW OF EXAMS

For security reasons, examination questions are not available to candidates for review.

## SCORE EXPLANATION

### Percent Score

There are multiple versions of each of the licensing examinations. These versions are known as forms. All forms of an examination are developed based on the content outlines. To ensure that no candidate is put at an unfair advantage or disadvantage due to the particular form of an examination that he or she is given, a statistical procedure known as equating is used to attain comparable form difficulty.

The passing score of an examination was set by the Texas Real Estate Commission (in conjunction with Pearson VUE) after a comprehensive study was completed for each examination. The examination score is reported as a raw score. It is the number of questions answered correctly on the examination. For salespersons, you need to answer 56 questions correctly on the National examination and 21 questions correctly on the State examination in order to pass the examination. For brokers, you need to answer 60 questions correctly on the National examination and 38 questions correctly on the State examination in order to pass the examination.

The diagnostic information provides the number of questions in each content area that you answered correctly. The content area information provided is meant only as a general guide for study purposes.

**Please note that you should review all content areas before retaking the exam.**

## DUPLICATE SCORE REPORTS

For test center exams prior to May 28, 2023, contact customer service at (800) 274-7488, to request a copy of your score report. After June 1, candidate score reports will be available within the individual candidate profiles as found on [www.pearsonvue.com](http://www.pearsonvue.com).

## PEARSON VUE TEST CENTER POLICIES

The following policies are observed at each test center. **Candidates who violate any of these policies will not be permitted to finish the examination and will be dismissed from the test center, forfeiting the examination fee.**

- **No personal items are allowed in the testing room.** Personal items include but are not limited to cellular phones, hand-held computers or other electronic devices, pagers, watches, wallets, purses, firearms or other weapons, hats, bags, coats, books, and/or notes, pens, or pencils.
- You will be asked to empty your pockets for the purpose of allowing the TA to verify that nothing is in them. If you have hair that covers your ears, you may be asked to show them for the purpose of allowing the TA to verify that no electronic devices are present. The TA may also ask you to roll up your sleeves to verify that you have no writings on your arms. Before you enter the testing room, you will be asked to pat yourself down (for example: arms, legs, waistline) to show there is nothing hidden on your body.
- Calculators are not required; however, they are recommended. Acceptable calculators include hand-held, battery, or solar-powered financial calculators used in real estate, finance, accounting, and business. The acceptable financial calculator may have storage capabilities but **must not** contain alpha characters. Alpha characters are considered to be ABC, DEF similar to a cell phone. Exceptions are mathematical symbols such as "cos" or "sin." Calculator malfunctions are not grounds for challenging examination results or requesting additional examination time. **NOTE: Calculators are NOT provided by the test center staff.**
- Candidates must store all personal items in a secure area as indicated by the administrator, or return items to their vehicles. All electronic devices must be turned off before storing them in a locker. **The test center is not responsible for lost, stolen, or misplaced personal items.**
- Studying **is not** allowed in the test center. Visitors, children, family, or friends **are not** allowed in the test center.
- Dictionaries, books, papers (including scratch paper), and reference materials are not permitted in the examination room and candidates are strongly urged not to bring such materials to the test center. When the candidate enters and is seated in the testing room, the test administrator will provide the candidate with materials to make notes and any other items specified by the exam sponsor. **The candidate may**

**not write on these items before the exam begins or remove these items from the testing room.**

- Eating, drinking, chewing gum, smoking, and/or making noise that creates a disturbance for other candidates is prohibited during the exam.
- Break policies are established by the exam sponsor. Most sponsors allow unscheduled breaks. To request an unscheduled break, the candidate **must** raise his or her hand to get the administrator's attention. **The exam clock will not stop while the candidate is taking a break.**
- Candidates must leave the testing room for all breaks. However, candidates **are not permitted to leave the floor or building for any reason during this time, unless specified by the administrator and the exam sponsor.** If a candidate is discovered to have left the floor or building, he or she will not be permitted to proceed with the examination and may forfeit the exam fees.
- While taking a break, candidates are permitted to access personal items that are being stored during the exam only if necessary—for example, personal medication that must be taken at a specific time. **However, a candidate must receive permission from the administrator prior to accessing personal items that have been stored.** Candidates are **not** allowed access to other items, including but not limited to cellular phones, exam notes, and study guides, unless the exam sponsor specifically permits this.
- Any candidate discovered causing a disturbance of any kind or engaging in any kind of misconduct—giving or receiving help; using notes, books, or other aids; taking part in an act of impersonation; or removing examination materials or notes from the examination room—will be summarily dismissed from the examination and will be reported to the state licensing agency. Decisions regarding disciplinary measures are the responsibility of the state licensing agency.

# PREPARING FOR THE EXAM

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## EXAM CONTENT

The content of the national portion of the examination is based upon information obtained from a job analysis performed by Pearson VUE. Responses from real estate professionals were analyzed to determine the nature and scope of tasks they perform, and the knowledge and skills needed to perform them. This information is the basis upon which examination questions are written and ensures that the examination reflects the actual practice of real estate. Questions on the national portion are also reviewed and approved by nationally recognized real estate professionals.

The state portion of the examination has been developed to reflect the laws, regulations, and practice of real estate in Texas, and has been reviewed and approved by Texas real estate professionals.

## MATH CALCULATIONS

**The information below is NOT available at the test center and should be memorized.**

Candidates may use the following information in making mathematical calculations on the national portion of the real estate examinations unless otherwise stated in the text of the question:

- 43,560 square feet/acre
- 5,280 feet/mile
- Round off calculations (where applicable)

**The information below, if needed, will be contained within the test itself:**

*If a question requires the calculation of prorated amounts, the question will specify: a) whether the calculation should be made on the basis of 360 or 365 days a year; and b) whether the day of closing belongs to the buyer or seller.*

## STUDY MATERIALS

Neither the Texas Real Estate Commission (TREC) nor Pearson VUE specifically endorses any particular study materials for the real estate examinations; however, there are some suggested materials listed below for each type of real estate examination. When obtaining study materials, please obtain the latest edition of the listed textbooks as they should cover the topics referenced within the content outlines.

### NATIONAL

- Mastering Real Estate Principles, Gerald R. Cortesi, 6th Edition, Dearborn
- Modern Real Estate Practice, Fillmore Galaty, 19th Edition, Dearborn
- Principles of Real Estate Practice, Stephen Mettling 5th Edition, Performance Programs Company
- Property Management, Robert C. Kyle, 10th Edition, Dearborn
- Real Estate Finance, J. Keith Baker and John P Wiedemer, 10th Edition, OnCourse Learning Publishing
- Real Estate Fundamentals, Wade E. Gaddy, 9th Edition Dearborn
- Real Estate Law, Charles J. Jacobus, 3rd Edition, OnCourse Learning Publishing
- Real Estate Law, Elliot Klayman, 9th Edition, Dearborn
- The Language of Real Estate, John W. Reilly, 7th Edition, Dearborn

### STATE

- Provisions of the Real Estate License Act, Texas Occupational Code, Chapter 1101 (Commission Duties and Powers, Licensing, Standards of Conduct, Agency Disclosure and Intermediary Practice, Enforcing Compensation Agreements, Liability for Another's Acts).
- Rules of the Texas Real Estate Commission, 22 Texas Administrative Code, Chapters 531-543 (Commission Duties and Powers, Licensing, Standards of Conduct).
- Texas Real Estate, Charles Jacobus, OnCourse Learning Publishing

- Texas Real Estate Law, Charles Jacobus, OnCourse Learning Publishing.
- Modern Real Estate Practice in Texas, Nance, Cheryl Peat, Dearborn Real Estate Education, 332 Front Street South, Suite 501, LaCrosse, WI 54601, (800) 972-2220.
- Texas Real Estate Agency, Peebles, Donna K. and Minor Peebles III, Dearborn Real Estate Education, 332 Front Street South, Suite 501, LaCrosse, WI 54601, (800) 972-2220.
- Texas Real Estate Contracts, Tamper, Ralph, Dearborn Real Estate Education, 332 Front Street South, Suite 501, LaCrosse, WI 54601, (800) 972-2220.
- Texas Real Estate Contracts, Wiedemer, James, I., Ivy Publishing, Bellaire, TX. (713) 664-5008
- Texas Agency Law Contracts, Wiedemer, James, I., Ivy Publishing, Bellaire, TX. (713) 664-5008

## **OTHER**

- Texas Constitution, Article 16, Section 15, Sections 50-51, Section 52 (Community Property, Homestead)
- Family Code, Section 3.001 et seq. & 3.101 et seq. ,Section 5.001 et seq. (Community Property, Sale of Homestead Community Property)
- Tax Code, Sections 11.13, 11.41, 11.43, 34.21 (Homestead, Right of Redemption)
- Business and Commerce Code, Section 26.01-26.02, Section 71 et seq., Sections 17.42-17.50 (Statute of Frauds, Assumed Names, Deceptive Trade Practices)
- Estates Code, Section 201 (Descent and Distribution, Intestate Succession)
- Property Code, Sections 41.001-41.005, 5.008, 54.041 et seq., 92.001, 51.002 et seq. 13.001 et seq., (Homestead, Seller's Disclosure Requirements, Residential Landlord Lien, Landlord-Tenant Issues, Foreclosures, Recording Statutes)
- Natural Resources Code, Sections 33.135, 61.025 (Seller Disclosure Requirements)
- Water Code, Section 49.452 (Seller Disclosure Requirements)
- Texas Occupations Code, Chapter 53 (Consequences of Criminal Conviction)
- Texas Occupational Code, Chapter 1103 (Appraiser Licensing and Certification)

# SAMPLE TEST QUESTIONS

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- 1. In order for a tenant to claim relief for constructive eviction:**
  - a. the landlord must have intentionally withheld required repairs or maintenance
  - b. any defects must be deemed to present a health hazard to the tenants
  - c. the tenant must prove continuous residence in the premises
  - d. the defect must be related to either heating or water systems
  
- 2. A buyer purchases a furnished condominium apartment as an investment. The document that evidences the buyer's ownership of the furniture is a:**
  - a. special warranty deed
  - b. homeowner's insurance policy
  - c. bill of sale
  - d. buyer's inventory
  
- 3. A broker who enters into a property management contract is considered a:**
  - a. fiduciary
  - b. principal
  - c. trustee
  - d. trustor
  
- 4. A buyer's interest in real property, acquired at the moment the seller and the buyer enter into a sales contract, is known as:**
  - a. legal title
  - b. equitable interest
  - c. fee simple determinable
  - d. an option to purchase
  
- 5. The appropriate time for a selling broker to explain the agency relationship to a prospective buyer is:**
  - a. at their initial meeting
  - b. after the buyer has viewed a number of properties
  - c. when the buyer is prepared to sign a purchase agreement
  - d. at closing
  
- 6. A broker is asked to lease 1,200 square feet of warehouse space at \$6 per square foot per year. If the broker's commission will be 8 percent of the first year's rental income, the MAXIMUM amount payable is:**
  - a. \$576
  - b. \$691
  - c. \$720
  - d. \$960
  
- 7. A geographic region in which similar properties compete with the subject property for potential buyers is called a:**
  - a. municipality
  - b. political district
  - c. market area
  - d. demand unit
  
- 8. In the absence of a formal appraisal report, which of the following choices is the MOST appropriate for setting a listing price in a new, rapidly selling neighborhood?**
  - a. The price that willing buyers have recently paid for similar structures
  - b. The cost of reproducing the structure plus the original lot value
  - c. The price that is an average of the cost of reproducing the structure and the recent sales prices
  - d. The price that is an average of the listed prices of the most recently sold similar properties
  
- 9. Which of the following factors would be included in the description of replacement cost?**
  - a. Similar utility and current material
  - b. Similar utility and replica of material
  - c. Different utility and current material
  - d. Different utility and replica of material



- 10. Under an exclusive right-to-sell listing, a broker has the authority to take which of the following actions on behalf of a seller?**
- Accept any bona fide offer.
  - Accept only those offers that meet the seller's list price.
  - Pay for any needed repairs to the property and submit the bills to the seller for reimbursement.
  - Advertise the property for sale.
- 11. Under a lease for a commercial property, a tenant agrees to pay \$4,000 per month plus 3% of the gross monthly sales. This type of lease is called a:**
- net
  - triple net
  - percentage
  - ground
- 12. The agency that is charged with enforcing the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) in the case of an owner who allows the dumping of wastes on a property is the:**
- Housing and Urban Development
  - Federal Emergency Management Agency
  - Environmental Protection Agency
  - Occupational Safety and Health Administration
- 13. A percentage lease would MOST often be used for tenants in:**
- an apartment complex
  - a shopping center
  - industrial warehouses
  - doctors' offices
- 14. A license holder is showing a home built in 1972 to buyers who notice paint flaking on the woodwork. How should the license holder proceed?**
- Advise the prospective buyers to get a lead-based paint inspection.
  - Contact the listing agent for direction before taking the next step.
  - Talk with the broker about how to repair the damage.
  - Suggest that the prospective buyers speak to the sellers about reducing the price.
- 15. A lot was purchased as an investment for \$10,500 and sold a year later at a loss of 20%. If the owner paid a 10% commission, what was the owner's net loss on the sale?**
- \$2,820
  - \$2,920
  - \$2,940
  - \$3,150
- 16. A broker lists a property. A potential buyer tells the broker that he has heard that the crime rate in the neighborhood is increasing. Which of the following is the broker's BEST response to the buyer?**
- The crime rate in the neighborhood is no higher than in any other area.
  - Check with local law enforcement authorities about the crime rate.
  - Any information about the crime rate must come directly from the sellers.
  - The crime rate is not a defective property condition and need not be disclosed.
- 17. Which of the following statements about the law of agency is CORRECT?**
- It refers specifically to insurance.
  - It establishes a fiduciary relationship.
  - It does not require a high degree of loyalty and fidelity from an agent.
  - There is no employment relationship.
- 18. A lender's title policy will protect the:**
- lender against default in loan payments
  - borrower against default in loan payments
  - lender against existing, undiscovered title defects
  - borrower against unrecorded liens
- 19. The provision in a mortgage or deed of trust that gives the lender the rights to call the entire balance due upon a default in any payment is called a(n):**
- acceleration clause
  - prepayment penalty clause
  - prepayment privilege clause
  - right of redemption clause

- 20. In order for a property manager to determine net operating income on a property, which of the following fees is subtracted from the effective gross income?**
- Debt service
  - Advances to owners
  - Operating expenses
  - Reserve for replacements
- 21. The value placed on land and buildings by a governmental unit for use in levying annual real estate taxes is called the:**
- assessed value
  - market value
  - appraised value
  - economic value
- 22. If a buyer makes a 20% down payment and obtains a \$75,000 mortgage, what is the sales price of the property?**
- \$82,500
  - \$90,000
  - \$93,750
  - \$97,500
- 23. A special warranty deed provides:**
- maximum title protection for a buyer
  - covenants of quiet enjoyment to the grantee
  - protection against foreclosure by a lender
  - protection against defects that occurred while the grantor held title
- 24. Which of the following acts is illegal under Federal Fair Housing law?**
- Advertising property for sale only to military people
  - Providing special loan programs for low-income people
  - Refusing to sell a home to a person with a poor credit history
  - Advertising property for sale only to members of a specific national origin
- 25. A loan that provides for increases and decreases in the interest rate during its term is known as a(n):**
- equity sharing mortgage
  - graduated-payment mortgage
  - reverse mortgage
  - adjustable-rate mortgage
- 26. The right of local government officials to acquire title to real estate for public purposes by condemnation is based on the power of:**
- taxation
  - escheat
  - eminent domain
  - land-use planning
- 27. The price for which a property will sell if offered openly under normal conditions is known as:**
- cash value
  - mortgage loan value
  - market value
  - assessed value
- 28. The condition which allows a property owner to convey a right to another party while retaining full legal title is a(n):**
- covenant
  - easement
  - encroachment
  - ordinance
- 29. The acquisition of another's title to real property by means of open, notorious, and continuous use is known as an:**
- easement by prescription
  - easement in gross
  - adverse possession
  - eminent domain
- 30. The commission earned by a listing broker on a sale of property is established by:**
- The local Multiple Listing Service (MLS)
  - Local custom
  - Agreement between the buyer and the broker
  - Agreement between the seller and the broker
- 31. If a free-standing appliance is sold separately from a real estate transaction, the seller should furnish the buyer with a:**
- trust deed
  - bill of sale
  - transfer of equity
  - quitclaim deed

- 32. In order for a brokerage to be able to represent both the buyer and seller in a real estate transaction, the brokerage needs to have the permission of:**
- both parties
  - the lender
  - the buyer only
  - the property owner only
- 33. G borrowed \$15,000 to buy a business. The interest rate was 11%. If G paid all the interest and the amount borrowed with a single payment at the end of 16 months, what is the amount of this payment?**
- \$16,650
  - \$16,925
  - \$17,200
  - \$17,475
- 34. Which of the following types of developments allows fee ownership of individual units with joint ownership of common areas?**
- Planned unit development (PUDs)
  - Cooperatives
  - Condominiums
  - Subdivisions
- 35. An unimproved lot is located in the service area of a water supply corporation. The seller is subject to the notice requirements relating to a service provider. What is the buyer's statutory remedy if the seller fails to give the written notice REQUIRED by law?**
- Sue for specific performance of the notice requirement.
  - Terminate the purchase contract with the seller.
  - Seek an award of damages in court not to exceed \$10,000 plus attorney fees.
  - Sue the seller and title company for punitive damages.
- 36. To be eligible for a real estate license, an individual MUST:**
- be at least 21 years of age
  - prove competence by completing a number of core courses
  - satisfy the Commission as to the individual's integrity
  - be a resident of Texas for at least 60 days
- 37. Who can pay money to a licensed salesperson to perform sales activities for a house a broker has listed for sale?**
- The seller under the listing.
  - Any licensed broker involved in the transaction.
  - The salesperson's sponsoring broker and no one else.
  - The related entities in the sale, the title company, or the mortgage company.
- 38. According to The Real Estate License Act of Texas, which one of the following actions is a fair and impartial act for an intermediary?**
- Appointing associated licensees to work with the parties.
  - Appointing subagents to work with the parties.
  - Agreeing to represent an owner.
  - Agreeing to represent a buyer.
- 39. As a marketing promotion, a real estate salesperson offers property for sale by lottery. This practice is:**
- lawful since the adoption of the Texas State Lottery
  - prohibited unless authorized by the owner in writing
  - grounds for suspension or revocation of license
  - lawful if a real estate lottery license has been issued
- 40. When the association of a salesperson with the sponsoring broker is terminated, the broker MUST:**
- immediately return the salesperson's license to the Commission
  - return the salesperson's license to the Commission within 10 days
  - return the salesperson's license to the Commission within 30 days
  - have the salesperson apply for an inactive license

- 41. When negotiating contracts binding the sale or lease of property, a real estate licensee MUST use an appropriate Texas Real Estate Commission-promulgated form unless another contract form has been prepared and is REQUIRED by the:**
- lender's appraiser
  - owner of the property
  - property surveyor
  - title company's attorney
- 42. An individual is exempt from real estate licensure in Texas when performing which one of the following activities?**
- Selling real estate for another person.
  - Offering an employer's property for rent.
  - Procuring prospects for the purpose of renting particular properties.
  - Locating apartment units for a tenant.
- 43. Absent an agreement, spouse's rental income from separate property is:**
- community property
  - the individual spouse's separate property
  - not subject to reimbursement by the other spouse on divorce
  - not income to the community
- 44. Who is responsible to the Texas Real Estate Commission, the public, and the clients for the acts of a salesperson?**
- Only the salesperson
  - Salesperson's sponsoring broker
  - Texas Association of Realtors
  - Attorney general
- 45. A buyer contracts to purchase a previously occupied single-family residence. The buyer did NOT receive a copy of the Seller's Disclosure Notice before signing the contract. According to the Texas Property Code, the buyer has the right to:**
- sue for three times the amount of the earnest money
  - file a complaint with the TREC
  - terminate the contract within 7 days after receiving notice
  - reduce the sales price by the necessary repair costs
- 46. Combining a principal's funds with the licensee's personal funds is:**
- considered to be commingling
  - establishing an escrow account
  - necessary in real estate speculation
  - standard practice to ensure a commission
- 47. When MUST an existing agency relationship be disclosed to another party to a proposed transaction?**
- During a substantive discussion.
  - Before submitting an offer.
  - At no time during negotiations.
  - At the time of licensee's first contact.
- 48. A standard contract form has been developed for:**
- sale of single-family residences
  - sale of multi-family (five or more) residences
  - commercial conventional sales, leases, and options
  - industrial conventional sales, leases, and options
- 49. What information is in the written statutory statement that a licensee MUST provide for a consumer at their first face-to-face meeting?**
- Duties of the broker representing one of the parties or acting as an intermediary.
  - Disclosure by the seller of defects in the property.
  - Rights of the consumer filing a complaint with the Texas Real Estate Commission.
  - Rights of the consumer filing a suit to be paid out of the recovery fund.
- 50. A single woman dies intestate. In regards to her surviving heirs, her property will:**
- escheat to the State of Texas
  - be distributed according to her will
  - go to her parents, if they have survived her
  - be distributed according to the law of descent and distribution

# SAMPLE TEST ANSWER SHEET

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- |     |   |     |   |
|-----|---|-----|---|
| 1.  | a | 26. | c |
| 2.  | c | 27. | c |
| 3.  | a | 28. | b |
| 4.  | b | 29. | c |
| 5.  | a | 30. | d |
| 6.  | a | 31. | b |
| 7.  | c | 32. | a |
| 8.  | a | 33. | c |
| 9.  | a | 34. | c |
| 10. | d | 35. | b |
| 11. | c | 36. | c |
| 12. | c | 37. | c |
| 13. | b | 38. | a |
| 14. | a | 39. | c |
| 15. | c | 40. | a |
| 16. | b | 41. | b |
| 17. | b | 42. | b |
| 18. | c | 43. | a |
| 19. | a | 44. | b |
| 20. | c | 45. | c |
| 21. | a | 46. | a |
| 22. | c | 47. | d |
| 23. | d | 48. | a |
| 24. | d | 49. | a |
| 25. | d | 50. | d |

## **REAL ESTATE**

# National/General Content Outlines

Content Outline for Salespersons and Broker Examinations:  
June 2020 – August 2024

Content Outline for Salespersons Examinations:  
Effective September 1, 2024

Content Outline for Broker Examinations:  
Effective September 1, 2024

## **TEXAS**

# Real Estate State Content Outlines

Content Outline for Texas Sales Agent Law Examinations

Content Outline for Texas Broker Law Examinations

# National Exam Content Outline for Salespersons and Brokers

Effective: June 01, 2020

The national portion of the real estate exam is made up of eighty (80) scored items, which are distributed as noted in the following content outline. The national examination also contains five (5) pretest items that are not counted toward the score. These items are used to gather statistics on performance and to help assess appropriateness for use on future examinations. Because pretest items look exactly like items that are scored, candidates should answer all the items on the examination.

## **I. REAL PROPERTY CHARACTERISTICS, LEGAL DESCRIPTIONS, AND PROPERTY USE (SALES 9; BROKER 9)**

- A. Real property vs. personal property**
  - 1. Fixtures, trade fixtures, emblements
  - 2. Attachment, severance, and bill of sale
- B. Characteristics of real property**
  - 1. Economic characteristics
  - 2. Physical characteristics
- C. Legal descriptions**
  - 1. Methods used to describe real property
  - 2. Survey
- D. Public and private land use controls – encumbrances**
  - 1. Public controls – governmental powers
    - a. Police power, eminent domain, taxation, escheat
    - b. Zoning ordinances
  - 2. Private controls, restrictions, and encroachments
    - a. Covenants, conditions, and restrictions (CC&Rs), HOAs
    - b. Easements
    - c. Licenses and encroachments

## **II. FORMS OF OWNERSHIP, TRANSFER, AND RECORDING OF TITLE (SALES 8; BROKER 8)**

- A. Ownership, estates, rights, and interests**
  - 1. Forms of ownership
  - 2. Freehold estate
    - a. Fee simple absolute
    - b. Fee simple defeasible, determinable, and condition subsequent
    - c. Life estate
    - d. Bundle of rights
  - 3. Leasehold estates and types of leases
    - a. Estate for years and from period to period (periodic estate)
    - b. Estate at will and estate at sufferance
    - c. Gross, net, and percentage leases
  - 4. Liens and lien priority
  - 5. Surface and sub-surface rights

## **B. Deed, title, transfer of title, and recording of title**

- 1. Elements of a valid deed
- 2. Types of deeds
- 3. Title transfer
  - a. Voluntary alienation
  - b. Involuntary alienation
- 4. Recording the title
  - a. Constructive and actual notice
  - b. Title abstract and chain of title
  - c. Marketable title and cloud on title
  - d. Attorney title opinion, quiet title lawsuit, and title insurance

## **III. PROPERTY VALUE AND APPRAISAL (SALES 11; BROKER 10)**

- A. Concept of value**
  - 1. Market value vs. market price
  - 2. Characteristics of value
  - 3. Principles of value
- B. Appraisal process**
  - 1. Purpose and steps to an appraisal
  - 2. Federal oversight of the appraisal process
- C. Methods of estimating value and Broker Price Opinions (BPO)**
  - 1. Sales comparison approach (market data)
  - 2. Cost approach
    - a. Improvements and depreciation
    - b. Physical deterioration, functional, and economic obsolescence
    - c. Reproduction or replacement costs
  - 3. Income approach
  - 4. Gross rent and gross income multipliers
  - 5. Comparative Market Analysis (CMA)
  - 6. Broker Price Opinion (BPO)
  - 7. Assessed value and tax implications

## **IV. REAL ESTATE CONTRACTS AND AGENCY (SALES 16; BROKER 17)**

- A. Types of contracts**
  - 1. Express vs. implied
  - 2. Unilateral vs. bilateral

**B. Required elements of a valid contract**

**C. Contract performance**

1. Executed vs. executory
2. Valid vs. void
3. Voidable vs. unenforceable
4. Breach of contract, rescission, and termination
5. Liquidated, punitive, or compensatory damages
6. Statute of Frauds
7. Time is of the essence

**D. Sales contract**

1. Offer and counteroffer
2. Earnest money and liquidated damages
3. Equitable title
4. Contingencies
5. Disputes and breach of contract
6. Option contract and installment sales contract

**E. Types of agency and licensee-client relationships**

**F. Creation and termination of agency**

**G. Licensee obligations to parties of a transaction**

**V. REAL ESTATE PRACTICE (SALES 14; BROKER 13)**

**A. Responsibilities of broker**

1. Practicing within scope of expertise
2. Unauthorized practice of law

**B. Brokerage agreements between the broker and principal (seller, buyer, landlord, or tenant)**

1. Seller representation – Types of listing agreements
  - a. Exclusive right-to-sell and exclusive agency listing
  - b. Non-exclusive or open listing
  - c. Net listing (conflict of interest)
  - d. Multiple listing service (MLS)
2. Buyer representation
3. Property management agreement
  - a. Accounting for funds
  - b. Property maintenance
  - c. Leasing property
  - d. Collecting rents and security deposits
4. Termination of agreements
5. Services, fees, and compensation

**C. Fair Housing**

1. Equal opportunity in housing
2. Protected classes
3. Fair housing laws
4. Illegal practices, enforcement, and penalties
5. Prohibited advertising
6. Housing and Urban Development (HUD)
7. Americans with Disabilities Act (ADA)

**D. Risk management**

1. Supervision
2. Compliance with federal regulations; including Privacy and Do Not Contact
3. Vicarious liability
4. Antitrust laws
5. Fraud and misrepresentation
6. Types of insurance
  - a. Errors and Omissions
  - b. General Liability

**VI. PROPERTY DISCLOSURES AND ENVIRONMENTAL ISSUES (SALES 8; BROKER 8)**

**A. Property conditions and environmental issues**

1. Hazardous substances
  - a. Lead-based paint
  - b. Asbestos, radon, and mold
  - c. Groundwater contamination and underground storage tanks
  - d. Waste disposal sites and brownfields
  - e. Flood plains, flood zones, and flood insurance
2. Clean Air and Water Acts
3. Environmental Protection Agency (EPA)
  - a. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
  - b. Superfund Amendment and Reauthorization Act (SARA)
  - c. Environmental site assessments (including Phase I and II studies) and impact statements
  - d. Wetlands protection

**B. Disclosure obligations and liability**

**VII. FINANCING AND SETTLEMENT (SALES 7; BROKER 7)**

**A. Financing concepts and components**

1. Methods of financing
  - a. Mortgage financing – conventional and non-conventional loans
  - b. Seller financing – land contract/contract for deed
2. Lien theory vs. title theory and deed of trust
3. Sources of financing (primary and secondary mortgage markets, and seller financing)
4. Types of loans and loan programs
5. Mortgage clauses

**B. Lender Requirements**

1. FHA requirements
2. VA requirements
3. Buyer qualification and Loan to Value (LTV)
4. Hazard and flood insurance
5. Private mortgage insurance (PMI) and mortgage insurance premium (MIP)



### C. Federal Financing Regulations and Regulatory Bodies

1. Truth-in-Lending and Regulation Z
2. TILA-RESPA Integrated Disclosures (TRID)
  - a. Consumer Financial Protection Bureau (CFPB)
  - b. Loan Estimate (LE)
  - c. Closing Disclosure (CD)
3. Real Estate Settlement Procedures Act (RESPA)
  - a. Referrals
  - b. Rebates
4. Equal Credit Opportunity Act (ECOA)
5. Mortgage fraud and predatory lending

### D. Settlement and closing the transaction

## VIII. REAL ESTATE MATH CALCULATIONS (SALES 7; BROKER 8)

### A. Property area calculations

1. Square footage
2. Acreage total

### B. Property valuation

1. Comparative Market Analysis (CMA)
2. Net Operating Income (NOI)
3. Capitalization rate
4. Gross rent multiplier- **Broker Only**
5. Gross income multiplier- **Broker Only**
6. Equity in property
7. Establishing a listing price
8. Assessed value and property taxes

### C. Commission/compensation

### D. Loan financing costs

1. Interest
2. Loan to Value (LTV)
3. Fees
4. Amortization, discount points, and prepayment penalties

### E. Settlement and closing costs

1. Purchase price and down payment
2. Monthly mortgage calculations- principal, interest, taxes, and insurance (PITI)
3. Net to the seller
4. Cost to the buyer
5. Prorated items
6. Debits and credits
7. Transfer tax and recording fee

### F. Investment

1. Return on investment
2. Appreciation
3. Depreciation
4. Tax implications on investment

### G. Property management calculations

1. Property management and budget calculations
2. Tenancy and rental calculations

## Real Estate General/National Resources

- Mastering Real Estate Principles, Gerald R. Cortesi, 7th Edition, Dearborn
- Modern Real Estate Practice, Fillmore W. Galaty, Wellington J. Allaway, Robert C. Kyle, etc., 20th edition, Dearborn
- Principles of Real Estate Practice, Stephen Mettling, 6th Edition, Performance Programs Company
- Property Management, Robert C. Kyle, 10th Edition, Dearborn
- Real Estate Finance, J. Keith Baker and John P Wiedemer, 10th Edition, OnCourse Learning Publishing
- Real Estate Fundamentals, Wade E. Gaddy, 10th Edition Dearborn
- Real Estate Law, Charles J. Jacobus, 3rd Edition, OnCourse Learning Publishing
- Real Estate Law, Elliot Klayman, 10th Edition, Dearborn
- The Language of Real Estate, John W. Reilly, 8th Edition, Dearborn

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# National/General Exam Content Outline for Salespersons

Effective: September 1, 2024

The national/general portion of the real estate exam is made up of eighty (80) scored items, which are distributed as noted in the following content outline. Each section contains an overall item count and subtotals from each subsection. For example, if a major topic area has three (3) subtopics and ten (10) items, the subtopics will contain the number of items necessary to bring the total to ten (10) items.

In addition to building our real estate national/general exams to content specifications, Pearson VUE also builds our general exams to cognitive level specifications. These cognitive level specifications confirm that candidates have a comprehensive understanding of real estate general knowledge and federal regulation topics. They measure whether candidates have the knowledge, but more importantly, the skills and abilities to protect the public from day one as a real estate licensee. Every test item is classified into one of three categories: knowledge, application, or analysis. A knowledge item requires candidates to recall specific facts or definitions. An application item requires candidates to use their knowledge and apply it to a situation. An analysis item requires candidates to use their knowledge and examine a fact pattern in order to draw a conclusion or make a decision. Cognitive level breakdowns are included after the item count for major topic areas. For example, if a major topic area has ten (10) items, the cognitive level item counts will total to ten (10) items.

The national/general examination also contains five (5) pretest items that are not counted toward the score. These items are used to gather statistics on performance and to help assess appropriateness or use on future examinations. Because pretest items look exactly like items that are scored, candidates should answer all the items on the examination.

## **I. REAL PROPERTY CHARACTERISTICS, LEGAL DESCRIPTIONS, AND PROPERTY USE (SALES 11; 6 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)**

### **A. Real property vs. personal property (3 items)**

1. Fixtures, trade fixtures, emblements
2. Attachment, severance, and bill of sale

### **B. Characteristics of real property (2 items)**

1. Economic characteristics
  - a. Scarcity
  - b. Modification / Improvement
  - c. Permanence of Investment / Fixity
  - d. Area Preference / Situs
2. Physical characteristics
  - a. Immobility
  - b. Indestructibility
  - c. Non-homogeneity / Uniqueness

### **C. Legal descriptions (2 items)**

1. Methods used to describe real property
2. Survey

### **D. Public and private land use controls – encumbrances (2 items)**

1. Public controls – governmental powers
  - a. Police power, eminent domain, taxation, escheat
  - b. Zoning ordinances

2. Private controls, restrictions, and encroachments
  - a. Covenants, conditions, and restrictions (CC&Rs), HOAs
  - b. Easements
  - c. Licenses and encroachments

## **II. FORMS OF OWNERSHIP, TRANSFER, AND RECORDING OF TITLE (SALES 9; 5 KNOWLEDGE, 2 APPLICATION, 2 ANALYSIS)**

### **A. Ownership, estates, rights, and interests (5 items)**

1. Forms of ownership
2. Freehold estate
  - a. Fee simple absolute
  - b. Fee simple defeasible, determinable, and condition subsequent
  - c. Life estate
  - d. Bundle of rights
3. Leasehold estates and types of leases
  - a. Estate for years and from period to period (periodic estate)
  - b. Estate at will and estate at sufferance
  - c. Gross, net, percentage leases, etc.
4. Liens and lien priority
5. Air, surface and sub-surface rights

**B. Deed, title, transfer of title, and recording of title (4 items)**

1. Elements of a valid deed
2. Types of deeds
3. Title transfer
  - a. Voluntary alienation
  - b. Involuntary alienation
4. Recording the title
  - a. Constructive and actual notice
  - b. Title abstract and chain of title
  - c. Marketable title and cloud on title
  - d. Attorney title opinion, quiet title lawsuit, and title insurance

**III. PROPERTY VALUE AND APPRAISAL (SALES 11; 6 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)**

**A. Concept of value (4 items)**

1. Market value vs. market price
2. Characteristics of value
3. Principles of value

**B. Appraisal process (2 items)**

1. Purpose and steps to an appraisal
2. Federal oversight of the appraisal process

**C. Methods of estimating value and Broker Price Opinions (BPO) (5 items)**

1. Sales comparison approach (market data)
2. Cost approach
  - a. Improvements and depreciation
  - b. Physical deterioration, functional, and economic obsolescence
  - c. Reproduction or replacement costs
3. Income approach
4. Gross rent and gross income multipliers
5. Comparative Market Analysis (CMA)
6. Broker Price Opinion (BPO)
7. Assessed value and tax implications

**IV. REAL ESTATE CONTRACTS AND AGENCY (SALES 16; 7 KNOWLEDGE, 6 APPLICATION, 3 ANALYSIS)**

**A. Types of contracts (1 item)**

1. Express vs. implied
2. Unilateral vs. bilateral

**B. Required elements of a valid contract (3 items)**

1. Voluntary
2. Agreement / Promise
3. Legally competent parties
4. Lawful consideration
5. Legal act / Purpose

**C. Contract performance (3 items)**

1. Executed vs. executory
2. Valid vs. void
3. Voidable vs. unenforceable
4. Breach of contract, rescission, and termination
5. Liquidated, punitive, or compensatory damages
6. Statute of Frauds

7. Electronic contracts and digital signatures
8. Time is of the essence

**D. Sales contract (2 items)**

1. Offer and counteroffer
2. Earnest money and liquidated damages
3. Equitable title
4. Contingencies
5. Disputes and breach of contract
6. Option contract and installment sales contract

**E. Types of agency and licensee-client relationships (2 items)**

**F. Creation and termination of agency (2 items)**

**G. Licensee obligations to parties of a transaction (3 items)**

**V. REAL ESTATE PRACTICE (SALES 10; 5 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)**

**A. Responsibilities of broker (2 items)**

1. Practicing within scope of expertise
2. Unauthorized practice of law

**B. Brokerage agreements between the broker and principal (seller, buyer, landlord, or tenant) (3 items)**

1. Seller representation – Types of listing agreements
  - a. Exclusive right-to-sell and exclusive agency listing
  - b. Non-exclusive or open listing
  - c. Net listing (conflict of interest)
  - d. Multiple listing service (MLS)
2. Buyer representation
3. Property management agreement
  - a. Accounting for funds
  - b. Property maintenance
  - c. Leasing property
  - d. Collecting rents and security deposits
4. Termination of agreements
5. Services, fees, and compensation

**C. Fair Housing (3 items)**

1. Equal opportunity in housing
2. Protected classes
3. Fair housing laws
4. Illegal practices, enforcement, and penalties
5. Prohibited advertising
6. Housing and Urban Development (HUD)
7. Americans with Disabilities Act (ADA)

**D. Risk management (2 items)**

1. Supervision
2. Compliance with federal regulations; including Privacy and Do Not Contact
3. Vicarious liability
4. Antitrust laws
5. Fraud and misrepresentation
6. Types of insurance
  - a. Errors and Omissions
  - b. General Liability

**VI. PROPERTY DISCLOSURES AND ENVIRONMENTAL ISSUES (SALES 9; 5 KNOWLEDGE, 3 APPLICATION, 1 ANALYSIS)**

**A. Property conditions and environmental issues (5 items)**

1. Hazardous substances
  - a. Lead-based paint
  - b. Asbestos, radon, and mold
  - c. Groundwater contamination and underground storage tanks
  - d. Waste disposal sites and brownfields
  - e. Flood plains, flood zones, and flood insurance
2. Clean Air and Water Acts
3. Environmental Protection Agency (EPA)
  - a. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
  - b. Superfund Amendment and Reauthorization Act (SARA)
  - c. Environmental site assessments (including Phase I and II studies) and impact statements
  - d. Wetlands protection

**B. Environmental and property disclosure obligations and liability (4 items)**

**VII. FINANCING AND SETTLEMENT (SALES 7; 4 KNOWLEDGE, 2 APPLICATION, 1 ANALYSIS)**

**A. Financing concepts and components (2 items)**

1. Methods of financing
  - a. Mortgage financing – conventional and non-conventional loans
  - b. Seller financing – land contract/contract for deed
2. Lien theory vs. title theory and deed of trust
3. Sources of financing (primary and secondary mortgage markets, and seller financing)
4. Types of loans and loan programs
5. Mortgage clauses

**B. Lender Requirements (1 item)**

1. FHA requirements
2. VA requirements
3. USDA Loan requirements and rural development financing
4. Conventional requirements
5. Buyer qualification and Loan to Value (LTV)
6. Hazard and flood insurance
7. Private mortgage insurance (PMI) and mortgage insurance premium (MIP)

**C. Federal Financing Regulations and Regulatory Bodies (2 items)**

1. Truth-in-Lending and Regulation Z
2. TILA-RESPA Integrated Disclosures (TRID)
  - a. Consumer Financial Protection Bureau (CFPB)
  - b. Loan Estimate (LE)
  - c. Closing Disclosure (CD)
3. Real Estate Settlement Procedures Act (RESPA)
  - a. Referrals
  - b. Rebates
4. Equal Credit Opportunity Act (ECOA)
5. Mortgage fraud and predatory lending

**D. Settlement and closing the transaction (2 items)**

**VIII. REAL ESTATE MATH CALCULATIONS (SALES 7; 4 APPLICATION, 3 ANALYSIS)**

**A. Property area calculations (1 item)**

1. Square footage
2. Acreage total

**B. Property valuation (1 item)**

1. Comparative Market Analysis (CMA)
2. Net Operating Income (NOI)
3. Capitalization rate
4. Equity in property
5. Establishing a listing price
6. Assessed value and property taxes

**C. Commission/compensation (1 item)**

**D. Loan financing costs (1 item)**

1. Interest
2. Loan to Value (LTV)
3. Fees
4. Amortization, discount points, and prepayment penalties

**E. Settlement and closing costs (1 item)**

1. Purchase price and down payment
2. Monthly mortgage calculations- principal, interest, taxes, and insurance (PITI)
3. Net to the seller
4. Cost to the buyer
5. Prorated items
6. Debits and credits
7. Transfer tax and recording fee

**F. Investment (1 item)**

1. Return on investment
2. Appreciation
3. Depreciation
4. Tax implications on investment

**G. Property management calculations (1 item)**

1. Property management and budget calculations
2. Tenancy and rental calculations

## Notes on Math Calculations

The following information is **NOT** available at the test center and **SHOULD** be memorized:

- 43,560 square feet/acre
- 5,280 feet/mile

If a question requires the calculation of prorated amounts, the question will specify:

- whether the calculation should be made on the basis of 360 or 365 days a year; and/or
- whether the day of closing belongs to the buyer or the seller for purposes of prorations

Where applicable, round off calculations using standard rounding rules.

Please note the content on the exam reflects the real estate industry as a whole and may not reflect any ongoing litigation or settlements.

## Real Estate General/National Resources

- Mastering Real Estate Principles, Gerald R. Cortesi, Dearborn
- Modern Real Estate Practice, Fillmore W. Galaty, Wellington J. Allaway, Robert C. Kyle, etc., Dearborn
- Principles of Real Estate Practice, Stephen Mettling, Performance Programs Company
- Property Management, Robert C. Kyle, Dearborn
- Real Estate Finance, J. Keith Baker and John P. Wiedemer, OnCourse Learning Publishing
- Real Estate Fundamentals, Wade E. Gaddy, Dearborn
- Real Estate Law, Charles J. Jacobus, OnCourse Learning Publishing
- Real Estate Principal, Charles J. Jacobus, OnCourse Learning Publishing
- Real Estate Law, Elliot Klayman, Dearborn
- The Language of Real Estate, John E. Reilly, Dearborn

Please refer to the publishers for the most recent editions.

Pearson VUE does not endorse any particular pre-licensing provider or study materials.

# National/General Exam Content Outline for Brokers

Effective: September 1, 2024

The national/general portion of the real estate exam is made up of eighty (80) scored items, which are distributed as noted in the following content outline. Each section contains an overall item count and subtotals from each subsection. For example, if a major topic area has three (3) subtopics and ten (10) items, the subtopics will contain the number of items necessary to bring the total to ten (10) items.

In addition to building our real estate national/general exams to content specifications, Pearson VUE also builds our general exams to cognitive level specifications. These cognitive level specifications confirm that candidates have a comprehensive understanding of real estate general knowledge and federal regulation topics. They measure whether candidates have the knowledge, but more importantly, the skills and abilities to protect the public from day one as a real estate licensee. Every test item is classified into one of three categories: knowledge, application, or analysis. A **knowledge** item requires candidates to recall specific acts or definitions. An **application** item requires candidates to use their knowledge and apply it to a situation. An **analysis** item requires candidates to use their knowledge and examine a fact pattern in order to draw a conclusion or make a decision. Cognitive level breakdowns are included after the item count for major topic areas. For example, if a major topic area has ten (10) items, the cognitive level item counts will total to ten (10) items.

The national/general examination also contains five (5) pretest items that are not counted toward the score. These items are used to gather statistics on performance and to help assess appropriateness or use on future examinations. Because pretest items look exactly like items that are scored, candidates should answer all the items on the examination.

## **I. REAL PROPERTY CHARACTERISTICS, LEGAL DESCRIPTIONS, AND PROPERTY USE (BROKER 10; 2 KNOWLEDGE, 5 APPLICATION, 3 ANALYSIS)**

### **A. Real property vs. personal property (3 Items)**

1. Fixtures, trade fixtures, emblements
2. Attachment, severance, and bill of sale

### **B. Characteristics of real property (2 Items)**

1. Economic characteristics
  - a. Scarcity
  - b. Modification / Improvement
  - c. Permanence of Investment / Fixity
  - d. Area Preference / Situs
2. Physical characteristics
  - a. Immobility
  - b. Indestructibility
  - c. Non-homogeneity / Uniqueness

### **C. Legal descriptions (2 Items)**

1. Methods used to describe real property
2. Survey

### **D. Public and private land use controls – encumbrances (3 Items)**

1. Public controls – governmental powers
  - a. Police power, eminent domain, taxation, escheat
  - b. Zoning ordinances

2. Private controls, restrictions, and encroachments
  - a. Covenants, conditions, and restrictions (CC&Rs), HOAs
  - b. Easements
  - c. Licenses and encroachments

## **II. FORMS OF OWNERSHIP, TRANSFER, AND RECORDING OF TITLE (BROKER 8; 2 KNOWLEDGE, 3 APPLICATION, 3 ANALYSIS)**

### **A. Ownership, estates, rights, and interests (4 Items)**

1. Forms of ownership
2. Freehold estate
  - a. Fee simple absolute
  - b. Fee simple defeasible, determinable, and condition subsequent
  - c. Life estate
  - d. Bundle of rights
3. Leasehold estates and types of leases
  - a. Estate for years and from period to period (periodic estate)
  - b. Estate at will and estate at sufferance
  - c. Gross, net, percentage leases, and etc.
4. Liens and lien priority
5. Air surface and sub-surface rights

**B. Deed, title, transfer of title, and recording of title (4 Items)**

1. Elements of a valid deed
2. Types of deeds
3. Title transfer
  - a. Voluntary alienation
  - b. Involuntary alienation
4. Recording the title
  - a. Constructive and actual notice
  - b. Title abstract and chain of title
  - c. Marketable title and cloud on title
  - d. Attorney title opinion, quiet title lawsuit, and title insurance

**III. PROPERTY VALUE AND APPRAISAL (BROKER 10; 2 KNOWLEDGE, 4 APPLICATION, 4 ANALYSIS)**

**A. Concept of value (3 Items)**

1. Market value vs. market price
2. Characteristics of value
3. Principles of value

**B. Appraisal process (3 Items)**

1. Purpose and steps to an appraisal
2. Federal oversight of the appraisal process

**C. Methods of estimating value and Broker Price Opinions (BPO) (4 Items)**

1. Sales comparison approach (market data)
2. Cost approach
  - a. Improvements and depreciation
  - b. Physical deterioration, functional, and economic obsolescence
  - c. Reproduction or replacement costs
3. Income approach
4. Gross rent and gross income multipliers
5. Comparative Market Analysis (CMA)
6. Broker Price Opinion (BPO)
7. Assessed value and tax implications

**IV. REAL ESTATE CONTRACTS AND AGENCY (BROKER 15; 3 KNOWLEDGE, 6 APPLICATION, 6 ANALYSIS)**

**A. Types of contracts (2 Items)**

1. Express vs. implied
2. Unilateral vs. bilateral

**B. Required elements of a valid contract (3 Items)**

1. Voluntary
2. Agreement / Promise
3. Legally competent parties
4. Lawful consideration
5. Legal act / Purpose

**C. Contract performance (2 Items)**

1. Executed vs. executory
2. Valid vs. void
3. Voidable vs. unenforceable
4. Breach of contract, rescission, and termination
5. Liquidated, punitive, or compensatory damages
6. Electronic contracts and digital signatures

7. Statute of Frauds
8. Time is of the essence

**D. Sales contract (2 Items)**

1. Offer and counteroffer
2. Earnest money and liquidated damages
3. Equitable title
4. Contingencies
5. Disputes and breach of contract
6. Option contract and installment sales contract

**E. Types of agency and licensee-client relationships (2 Items)**

**F. Creation and termination of agency (2 Items)**

**G. Licensee obligations to parties of a transaction (2 Items)**

**V. REAL ESTATE PRACTICE (BROKER 12; 5 KNOWLEDGE, 5 APPLICATION, 2 ANALYSIS)**

**A. Responsibilities of broker (3 Items)**

1. Practicing within scope of expertise
2. Unauthorized practice of law

**B. Brokerage agreements between the broker and principal (seller, buyer, landlord, or tenant) (3 Items)**

1. Seller representation – Types of listing agreements
  - a. Exclusive right-to-sell and exclusive agency listing
  - b. Non-exclusive or open listing
  - c. Net listing (conflict of interest)
  - d. Multiple listing service (MLS)
2. Buyer representation
3. Property management agreement
  - a. Accounting for funds
  - b. Property maintenance
  - c. Leasing property
  - d. Collecting rents and security deposits
4. Termination of agreements
5. Services, fees, and compensation

**C. Fair Housing (3 Items)**

1. Equal opportunity in housing
2. Protected classes
3. Fair housing laws
4. Illegal practices, enforcement, and penalties
5. Prohibited advertising
6. Housing and Urban Development (HUD)
7. Americans with Disabilities Act (ADA)

**D. Risk management (3 Items)**

1. Supervision
2. Compliance with federal regulations; including Privacy and Do Not Contact
3. Vicarious liability
4. Antitrust laws
5. Fraud and misrepresentation
6. Types of insurance
  - a. Errors and Omissions
  - b. General Liability

**VI. PROPERTY DISCLOSURES AND ENVIRONMENTAL ISSUES (BROKER 9; 4 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)**

**A. Property conditions and environmental issues (5 Items)**

1. Hazardous substances
  - a. Lead-based paint
  - b. Asbestos, radon, and mold
  - c. Groundwater contamination and underground storage tanks
  - d. Waste disposal sites and brownfields
  - e. Flood plains, flood zones, and flood insurance
2. Clean Air and Water Acts
3. Environmental Protection Agency (EPA)
  - a. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
  - b. Superfund Amendment and Reauthorization Act (SARA)
  - c. Environmental site assessments (including Phase I and II studies) and impact statements
  - d. Wetlands protection

**B. Environmental and property disclosure obligations and liability (4 Items)**

**VII. FINANCING AND SETTLEMENT (BROKER 8; 3 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)**

**A. Financing concepts and components (2 Items)**

1. Methods of financing
  - a. Mortgage financing – conventional and non-conventional loans
  - b. Seller financing – land contract/contract for deed
2. Lien theory vs. title theory and deed of trust
3. Sources of financing (primary and secondary mortgage markets, and seller financing)
4. Types of loans and loan programs
5. Mortgage clauses

**B. Lender Requirements (2 Items)**

1. FHA requirements
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3. USDA loan requirements and rural development financing
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1. Truth-in-Lending and Regulation Z
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  - c. Closing Disclosure (CD)
3. Real Estate Settlement Procedures Act (RESPA)
  - a. Referrals
  - b. Rebates
4. Equal Credit Opportunity Act (ECOA)
5. Mortgage fraud and predatory lending

**D. Settlement and closing the transaction (2 Items)**

**VIII. REAL ESTATE MATH CALCULATIONS (BROKER 8; 3 APPLICATION, 5 ANALYSIS)**

**A. Property area calculations (1 Item)**

1. Square footage
2. Acreage total

**B. Property valuation (2 Items)**

1. Comparative Market Analysis (CMA)
2. Net Operating Income (NOI)
3. Capitalization rate
4. Gross rent multiplier
5. Gross income multiplier
6. Equity in property
7. Establishing a listing price
8. Assessed value and property taxes

**C. Commission/compensation (1 Item)**

**D. Loan financing costs (1 Item)**

1. Interest
2. Loan to Value (LTV)
3. Fees
4. Amortization, discount points, and prepayment penalties

**E. Settlement and closing costs (1 item)**

1. Purchase price and down payment
2. Monthly mortgage calculations- principal, interest, taxes, and insurance (PITI)
3. Net to the seller
4. Cost to the buyer
5. Prorated items
6. Debits and credits
7. Transfer tax and recording fee

**F. Investment (1 Item)**

1. Return on investment
2. Appreciation
3. Depreciation
4. Tax implications on investment

**G. Property management calculations (1 Item)**

1. Property management and budget calculations
2. Tenancy and rental calculations



## Notes on Math Calculations

The following information is **NOT** available at the test center and **SHOULD** be memorized:

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Where applicable, round off calculations using standard rounding rules.

## Real Estate General/National Resources

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- Property Management, Robert C. Kyle, Dearborn
- Real Estate Finance, J. Keith Baker and John P Wiedemer, OnCourse Learning Publishing
- Real Estate Fundamentals, Wade E. Gaddy, Dearborn
- Real Estate Law, Charles J. Jacobus, OnCourse Learning Publishing
- Real Estate Law, Elliot Klayman, Dearborn
- The Language of Real Estate, John W. Reilly, Dearborn

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Please note the content on the exam reflects the real estate industry as a whole and may not reflect any ongoing litigation or settlements.

# Texas Sales Agent State Law Content Outline Examinations

Effective Date: April 15, 2020

The state law portion of the Texas Sales Agent Real Estate Examination consists of thirty (30) scored items. The examination also contains 5-10 pretest items. Pretest items are not identified and will not affect a candidate's score in any way. Because pretest items look exactly like scored items, candidates should answer all the items on the examination.

## I. COMMISSION DUTIES AND POWERS (2 ITEMS)

### A. General Powers

1. Composition, Duties, and Powers
2. Real Estate Advisory Committees

### B. Handling of Complaints

1. Investigations
2. Hearings and Appeals

### C. Penalties for Violation

1. Unlicensed Activity
2. Authority for Disciplinary Actions
3. Recovery Trust Account

## II. LICENSING (2 ITEMS)

### A. Activities Requiring License

1. Scope of Practice
2. Exemptions
3. Business Entities
4. Inspectors and Appraisers

### B. Licensing Process

1. General Requirements (fitness sponsor, etc.)
2. Education
3. Examination
4. Grounds to Deny an Application
5. Appeals of Denial

### C. License Maintenance and Renewal

1. Continuing Education
2. Change of Sales Agent Sponsorship
3. Inactive Status
4. Assumed Names

## III. STANDARDS OF CONDUCT (7 ITEMS)

### A. Professional Ethics and Conduct

### B. Grounds for Discipline

### C. Unauthorized Practice of Law

### D. Trust Accounts

### E. Splitting Fees

### F. Rebates

### G. Advertising

## IV. AGENCY/BROKERAGE (8 ITEMS)

### A. Disclosure

### B. Intermediary Practice

### C. Duties to Client (including Minimum Services)

### D. Broker-Sales Agent Relationships

### E. Broker's Responsibility for Acts of Sales Agent

### F. Appropriate Use of Unlicensed Assistants

## V. CONTRACTS (7 ITEMS)

### A. Promulgated Contracts, Forms, and Addenda

### B. Statute of Frauds

### C. Seller Disclosure Requirements

## VI. SPECIAL TOPICS (4 ITEMS)

### A. Community Property

### B. Homestead Protections and Tax Exemptions

### C. Deceptive Trade Practices Act

### D. Wills and Estates

### E. Landlord-Tenant Issues

### F. Foreclosure and Short Sales

### G. Recording Statutes

### H. Mechanic's and Materialman's Liens

### I. Veterans Land Board

### J. Home Owners Associations

### K. Equitable Interest

**On the exam, all references to The Act refer to The Real Estate License Act in Texas. Additionally, references TREC Rules refer to the rules promulgated by the Texas Real Estate Commission.**

# Texas Broker State Law Content Outline Examination

Effective Date: April 15, 2020

The state law portion of the Texas Broker Real Estate Examination consists of fifty (50) scored items. The examination also contains 5-10 pretest items. Pretest items are not identified and will not affect a candidate's score in any way. Because pretest items look exactly like scored items, candidates should answer all the items on the examination. This exam includes 10 case studies. These items include both narrative cases and contract cases. Narrative cases require candidates to read a case study and respond to multiple associated items. Contract cases require candidates to respond to items based on use of TREC-promulgated contracts.

## **I. COMMISSION DUTIES & POWERS (3 ITEMS)**

### **A. General Powers**

1. Composition, Duties, and Powers
2. Real Estate Advisory Committees

### **B. Handling of Complaints:**

1. Investigations
2. Hearings and Appeals

### **C. Penalties for Violation**

1. Unlicensed Activity
2. Authority for Disciplinary Actions
3. Recovery Trust Account

## **II. LICENSING (4 ITEMS)**

### **A. Activities Requiring License**

1. Scope of Practice
2. Exemptions
3. Business Entities
4. Inspectors and Appraisers

### **B. Licensing Process**

1. General Requirements (fitness, sponsor, etc.)
2. Education
3. Examination
4. Grounds to Deny an Application
5. Appeals to Application Denial
6. Background Check

### **C. License Maintenance and Renewal**

1. Continuing Education
2. Place of Business
3. Change of Sales Agent Sponsorship
4. Inactive Status
5. Assumed Names

## **III. STANDARDS OF CONDUCT (9 ITEMS)**

### **A. Professional Ethics and Conduct**

### **B. Grounds for Discipline**

### **C. Unauthorized Practice of Law**

### **D. Trust Accounts**

### **E. Splitting Fees**

### **F. Rebates**

### **G. Advertising**

## **IV. AGENCY & BROKERAGE (10 ITEMS)**

### **A. Disclosure**

### **B. Intermediary Practice**

### **C. Duties to Client (including Minimum Services)**

### **D. Enforcing Compensation Agreements**

### **E. Broker-Sales Agent Relationships**

### **F. Broker's Responsibility for Acts of Sales Agent**

### **G. Appropriate Use of Unlicensed Assistants**

## **V. CONTRACTS (8 ITEMS)**

### **A. Promulgated Contracts, Forms, and Addenda**

### **B. Statute of Frauds**

### **C. Seller Disclosure Requirements**

## **VI. SPECIAL TOPICS (6 ITEMS)**

### **A. Community Property**

### **B. Homestead Protections and Tax Exemptions**

### **C. Deceptive Trade Practices Act**

### **D. Wills and Estates**

### **E. Landlord-Tenant Issues**

### **F. Foreclosure and Short Sales**

### **G. Recording Statutes**

### **H. Mechanic's and Materialman's Liens**

### **I. Veterans Land Board**

### **J. Home Owners Associations**

### **K. Equitable Interest**

## **VII. CASE STUDIES (10 ITEMS)**

### **A. Narrative Cases**

### **B. Contract Forms and Addenda**

**On the exam, all references to The Act refer to The Real Estate License Act in Texas. Additionally, references TREC Rules refer to the rules promulgated by the Texas Real Estate Commission.**

# GENERAL INFORMATION

**Candidates may call (800) 997-1248 to make an exam reservation.  
Candidates may test at any of our US test centers.**

TEST CENTERS		
LOCATION	ADDRESS	SCHEDULE
Abilene area	3444 N 1st St, Ste. 102, Abilene TX 79603	1-2 days per week, average 8 hours per day
Amarillo area	1616 S Kentucky, Ste. C305, Amarillo, TX 79102	1-2 days per week, average 8 hours per day
Austin area (3 sites)	5100 W US 290 Hwy Service Road Ste. 320 Building 2, Austin, TX 78735	3-4 days per week, average 8 hours per day
	505 East Huntland Drive, 3rd Floor, Ste. 330 Centennial Towers Austin, TX 78752	1-2 days per week, average 8 hours per day
	12345 North Lamar Boulevard, Ste. 270, Austin, TX 78753	3-4 days per week, average 8 hours per day
Bellaire	6800 West Loop S, Prosperity Bank Bldg, Ste. 405, Bellaire, TX 77401	3-4 days per week, average 8 hours per day
Bryan	3121 University Drive E, Ste. 225, Bryan, TX 77802	2-3 days per week, average 8 hours per day
Corpus Christi area	5350 South Staples St, Ste. 327, Corpus Christi TX 78411	1-2 days per week, average 8 hours per day
Dallas area	12801 North Central Expressway, Ste. 820, Dallas, TX 75243	3-4 days per week, average 8 hours per day
	5801 Marvin D Love Freeway, Ste. 200, Dallas, TX 75237	2-3 days per week, average 8 hours per day
	2201 East Lamar Boulevard, Ste. 125, Arbors at Brookhollow, Arlington, TX 76006	2-3 days per week, average 8 hours per day
	4100 Midway Road Ste. 1000, International Business Park Carrollton, TX 75007	3-4 days per week, average 8 hours per day
El Paso area	1155 Westmoreland Dr, Ste. 135, El Paso, TX 79925	1-2 days per week, average 8 hours per day
Harlingen area	222 East Van Buren, Ste. 610, Bank of America Bldg, Harlingen, TX 78550	1-2 days per week, average 8 hours per day
Houston area (5 sites)	14425 Torrey Chase Blvd., Ste. 240, Houston, TX 77014	3-4 days per week, average 8 hours per day
	8876 Gulf Freeway, 8876 Gulf Freeway Bldg., Ste. 220 Houston, TX 77017	3-4 days per week, average 8 hours per day
	10740 North Gessner Road Ste. 450, Houston, TX 77064	3-4 days per week, average 8 hours per day
	1333 West Loop South, Ste. 1475, Houston, TX 77027	2-3 days per week, average 8 hours per day
	2424 Wilcrest, Ste. 104, Houston, TX 77042	5-6 days per week, average 8 hours per day
Hurst	500 Grapevine Hwy. Ste. 401, Hurst, TX 76054-2707	3-4 days per week, average 8 hours per day
Lubbock area	2574 74th Street, Ste. 201, Lubbock, TX 79423	1-2 days per week, average 8 hours per day
McAllen	1100 East Jasmine Ave, Ste. 106, McAllen, TX 78501	2-3 days per week, average 8 hours per day
Midland area	3300 North A Street, Bldg. 4, Ste. 228, Midland, TX 79705-5457	1-2 days per week, average 8 hours per day
San Antonio area (3 sites)	6100 Bandera Road, Stonewater Tower West, Ste. 407 San Antonio, TX 78238	3-4 days per week, average 8 hours per day
	10000 San Pedro Ave, Ste. 175, San Antonio, TX 78216	1-2 days per week, average 8 hours per day
	3619 Paesanos Parkway, Ste. 301, Shavano Center III, Shavano Park, TX 78231	1-2 days per week, average 8 hours per day
Sugar Land	2245 Texas Drive, Ste. 190, Sugar Land Towne Center Sugar Land, Texas 77478	1-2 days per week, average 8 hours per day
Tyler area	110 N College Ave, Ste. 1001, Tyler, TX 75702	1-2 days per week, average 8 hours per day
Waco area	1105 Wooded Acres Dr, Wells Fargo Bank Bldg., Ste. 560 Waco, TX 76710	1-2 days per week, average 8 hours per day

*Locations and schedules are subject to change.*

**For more test centers in Texas, please visit <https://home.pearsonvue.com/tx/realestate>.**

## PEARSON VUE HOLIDAY SCHEDULE

No exams on the following holidays or holiday weekends:

New Year's  
Day

Martin Luther  
King, Jr. Day

Memorial Day

Independence  
Day

Labor Day

Thanksgiving  
Day

Christmas Day