



Pearson
VUE

Minnesota

Real Estate

Candidate Handbook

January 2019



STATE LICENSING INFORMATION

Candidates may contact the Minnesota Department of Commerce with questions about obtaining or maintaining a license after the examination has been passed.

Minnesota Department of Commerce

85 7th Place E, Suite 280
St. Paul, MN 55101-2198

Phone

(651) 539-1599

Email

Licensing.Commerce@state.mn.us

Website

mn.gov/commerce

EXAMINATION INFORMATION

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

Pearson VUE Minnesota Real Estate

Attn: Regulatory Program
5601 Green Valley Dr.
Bloomington, MN 55437

Phone

(833) 273-1946

Email

pearsonvuecustomerservice@pearson.com

Website

www.pearsonvue.com

QUICK REFERENCE

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 or calling Pearson VUE.

Candidates should make a reservation online at least twenty-four (24) hours before the desired examination date (unless an electronic check is used for payment, as detailed on page 4). **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 examination fee must be paid at the time of reservation by credit card, debit card, voucher, or electronic check. List of fees can be found on page 7. **Payment will not be accepted at the test center. Examination fees are non-refundable and non-transferable.**

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. The time allotted for each exam can be found on page 8 of the handbook. Each candidate will leave the test center with an official score report in hand.

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OVERVIEW

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

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

Individuals who wish to obtain a real estate license in the state of Minnesota must:

1. Complete Prelicensing Education

Complete all required pre-licensing education from an approved provider.

2. Make a reservation and pay the examination fee.

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

3. Go to the test center.

Arrive at the testing center 30 minutes prior to your appointment on the day of the examination. (*See page 6*)

4. Apply for a license.

After passing the examination, candidates must submit the proper application forms and fees. Please visit mn.gov/commerce/licensees/real-estate/ for further details.

INTRODUCTION

CONTACT INFORMATION

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

Pearson VUE/Minnesota Real Estate 5601 Green Valley Dr., Bloomington, MN 55437		
Phone: (833) 273-1946	Website: www.pearsonvue.com	Email: pearsonvuecustomerservice@pearson.com

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 <https://home.pearsonvue.com/mncommerce/contact> for further information.

Candidates may contact the Minnesota Department of Commerce with questions about obtaining or maintaining a license.

Minnesota Department of Commerce 85 7th Place E, Suite 280, St. Paul, MN 55101-2198		
Phone: (651) 539-1599	Website: mn.gov/commerce	Email: Licensing.Commerce@state.mn.us

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 a particular profession, vocation, or occupation. By ensuring a minimum level of competence, the license examination process helps protect 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 state of Minnesota has retained the services of Pearson VUE to develop and administer its real estate licensing examination program. Pearson VUE is a leading provider of assessment services to regulatory agencies and national associations.

PRACTICE TESTS – GENERAL (NATIONAL) PORTION ONLY

General-portion practice tests are offered exclusively online at www.pearsonvue.com, giving candidates even more opportunity to succeed on real estate examinations. The general-portion practice tests will not only help prepare candidates for the types of questions they will see on the general 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 general portion of the licensure examination. The test closely reflects the format of the general portion of the licensure examination, can be scored instantly, and provides immediate feedback to help candidates identify correct and incorrect answers. Candidates can purchase general-portion practice tests anytime by visiting www.pearsonvue.com/practicetests/realstate.

STATE LICENSING REQUIREMENTS

REAL ESTATE LICENSE REQUIREMENTS

A. Salesperson applicants must:

1. be at least 18 years old
2. Successfully complete ninety (90) hours of real estate prelicense education. There are three courses that you must successfully complete before you apply for a real estate salesperson license, known as “Course I,” “Course II,” and “Course III.” Each course consists of 30 hours of instruction. You must successfully complete Course I before taking the salesperson’s examination. You must successfully complete Course II and Course III before applying for your license.
3. Pass the license examination
4. Become associated with a licensed real estate broker
5. Pay the appropriate licensing fee

B. Broker applicants:

All broker applicants must have satisfied the salesperson education and examination requirements. Additionally, they must:

1. Be at least 18 years old
2. Successfully complete the thirty (30) hour broker course
3. Pass the state and national broker’s examinations
4. Apply for a license as a primary broker or become associated *with* a licensed primary broker
5. Pay the licensing fee

C. Abstracter applicants need to pass their examination and pay their application fee. There are no prelicensing requirements.

NONRESIDENTS

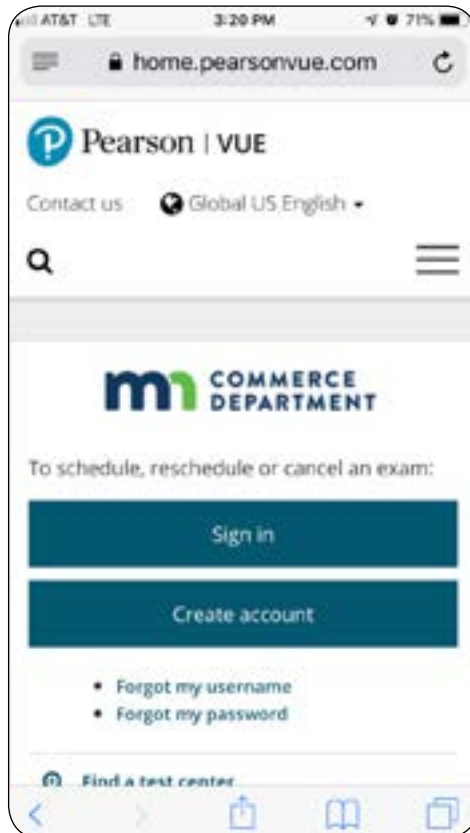
License requirements vary depending on your resident state and other factors. Visit the Commerce Department website at mn.gov/commerce for information.

EXAM RESERVATIONS

MAKING A RESERVATION

Walk-in examinations are not available. Online reservations are the most efficient way for candidates to schedule their examination. Candidates **must** go to <https://home.pearsonvue.com/mncommerce> 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.

Our new website has been optimized to work on mobile devices such as phones and tablets as pictured below.



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 (833) 273-1946 must do so at least twenty-four (24) hours before the desired examination date (unless an electronic check is used for payment, as detailed on page 4).

Before making a reservation, candidates should have the following:

- Legal name, address, Social Security number, daytime telephone number, and date of birth
- The name of the examination(s)
- The preferred examination date and test center location (a list appears on the back cover of this handbook)

EXAM FEES

The examination fees must be paid at the time of reservation by credit card, debit card, voucher, or electronic check. **Fees will not be accepted at the test center.** Examination fees are non-refundable and non-transferable, except as detailed in the *Change/Cancel Policy*.

IMPORTANT: If you are taking both sections of the Broker or Sales examination, please select “Schedule this Exam” on the scheduling screen, and on the next screen select “Add another exam to take on the same day”. You must ensure both exams are selected before proceeding to checkout. This will provide you with the examination price of \$63.

Electronic Checks

Candidates who choose to pay the examination fee by electronic check must have a personal checking account, and must be prepared to provide to Pearson VUE at the time of reservation the following information:

- Bank name
- Account number
- Social Security number, state-ID number or driver’s license number
- Name and address on the account

Using this information, Pearson VUE can request payment from the candidate’s bank account just as if the candidate had submitted an actual paper check.

Candidates paying by electronic check must register at least five (5) days before the examination date in order for their check to be processed.

Vouchers

Vouchers offer another convenient way to pay for tests. Vouchers can be purchased online at 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 (833) 273-1946 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 the fee 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 electronic checks and vouchers will be processed in two to three (2-3) weeks.

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

ABSENCE/LATENESS POLICY

Candidates who are late to or absent from an examination may be excused for the following reasons:

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

Candidates who are absent from or late to an examination and have not changed or canceled the reservation according to the *Change/Cancel Policy* will not be admitted to the examination and will forfeit the examination fee. Written verification and supporting documentation for excused absences must be submitted to Pearson VUE within fourteen (14) days of the original examination date. Written verification and supporting documentation can be sent by fax to (888) 204-6291 or mailed to the following address:

Pearson VUE/Minnesota Real Estate
5601 Green Valley Dr., Bloomington, MN 55437

WEATHER DELAYS AND CANCELLATIONS

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

WAIVERS

Broker Candidates Licensed in another state: Brokers who are currently licensed in a state and have taken the broker examination are required to take only the state portion of the exam. Please call the MN Dept of Commerce or visit their website for further information.

Salesperson candidates: Applicants licensed in another state are only required to take the state portion of the exam.

EXAM DAY

WHAT TO BRING

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.

Documentation of Eligibility

Salespersons

All salesperson examination candidates must prove that they are eligible to take the exam by bringing the proper documentation to the test center on their examination day. Please note that if you are not exempt from the requirement to take Course I, you must complete it before you take the examination. **If you are not exempt and take the examination before you have completed Course I, your exam results will be invalid and you will have to retake the examination, even if you passed it.**

Documentation must be one of the following:

1. **A valid course completion certificate for the Minnesota-approved Course I.**
2. **A valid course completion certificate for the 13-hour Wisconsin-to-Minnesota salesperson prelicense course.**
3. **A copy of your expired Minnesota resident real estate salesperson license.**
4. **A current letter of certification from your resident state.** The letter of certification must be no more than 90 days old.

Brokers

All broker examination candidates must prove that they are eligible to take the exam by bringing the proper documentation of qualifying education AND qualifying experience to the test center on their examination day. Please note that if you are not exempt from prelicense education and experience requirements, you must complete them before you take the examination. **If you are not exempt and take the examination before you have completed prelicense education and experience requirements, your exam results will be invalid and you will have to retake the examination, even if you passed it.**

EDUCATION

Documentation must be one of the following:

1. **A valid course completion certificate for the Minnesota-approved broker course.**
2. **A valid course completion certificate for the 13-hour Wisconsin-to-Minnesota broker prelicense course.**
3. **A copy of your expired Minnesota resident real estate broker license.** This also meets the experience documentation requirement.
4. **A current letter of certification for your broker license from your resident state.** The letter of certification must be no more than 90 days old. This also meets the experience documentation requirement.

EXPERIENCE

Documentation must be one of the following:

1. **A current letter of certification for your salesperson license from your resident state.** The letter of certification must be no more than 90 days old and must show that you have had a minimum of three years of actual experience within the previous five-year period as a licensed real estate salesperson in Minnesota or in another state having comparable requirements.
2. **A current letter from the Commerce Department showing that you have been granted an exemption from the salesperson experience requirement to sit for the broker examination.** The letter must be no more than one year old.
3. **A copy of your expired Minnesota resident real estate broker license.** This also meets the education documentation requirement.
4. **A current letter of certification for your broker license from your resident state.** The letter of certification must be no more than 90 days old. This also meets the education documentation requirement.

Abstracters

Abstracters do not have prelicense education or experience requirements.

OPTIONAL ITEM

Calculator (optional): You may bring a non-scientific calculator.
(Note: the calculator must be an independent device and not a part of a cell phone or any other electronic device)

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. Dept. of State Driver's License
- U.S. Learner's Permit (plastic card only with photo and signature)
- National/State/Country ID 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 they 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 take further action denying a license.

Candidates will have an opportunity to take a tutorial on the PC 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, but candidates should be aware that the administrators are not familiar with the content of the examinations or with the state's licensing requirements. Examination administrators have been instructed not to advise candidates on requirements for licensure.

Candidates may begin the examination once they are familiar with the PC. The examination begins the moment a candidate looks at the first examination question. The time allotted for each exam is listed in the chart listed below. The examination will end automatically after the examination time has expired, and candidates will leave the test center with their official scores in hand.

AVAILABLE EXAMS, FEES AND TIME ALLOTTED

EXAM	PORTION	TIME ALLOTTED	FEES
Real Estate Salesperson	General	2.5 hours	\$39
	State	1.5 hours	\$39
	Combo	4 hours	\$63
Real Estate Broker	General	2.5 hours	\$39
	State	1.5 hours	\$39
	Combo	4 hours	\$63
Real Estate Abstracter		1.5 hours	\$39

SCORE REPORTING

When candidates complete the examination, they will receive a score report marked “pass” or “fail.” Candidates who pass the examination will receive a score report that includes information on how to apply for a license.

Candidates who fail the examination will receive a score report that includes a numeric score and diagnostic information relating to the general section of the examination, as well as information about reexamination.

REVIEW OF EXAMS

For security reasons, examination material is not available to candidates for review.

RETAKE THE EXAM

The salesperson and the broker examinations are divided into two parts: general and state law. Those who pass one part of the examination and fail the other, need to retake only the failed portion of the exam.

Reservations for reexamination may not be made at the test center, and candidates must wait twenty-four (24) hours before scheduling. This is to ensure previous exam results are processed.

SCORE EXPLANATION

Scaled Score

There are multiple versions of each of the licensing examinations. These versions are known as *forms*. Although all forms of an examination are developed based on the content outlines, the difficulty of the forms of an examination may vary slightly because different questions appear on each form. 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 correct for differences in form difficulty.

The passing score of an examination was set by the Minnesota Department of Commerce (in conjunction with Pearson VUE) after a comprehensive study was completed for each examination. Raw scores are converted into scaled scores that can range from 0 to 100. To avoid misuse of score information, numeric scores are only reported to failing candidates. The scaled score that is reported to you is neither the number of questions you answered correctly nor the percentage of questions you answered correctly. With a passing score of 75, any score below 75 indicates how close the candidate came to passing, rather than the actual number or percentage of questions the candidate answered correctly.

DUPLICATE SCORE REPORTS

Candidates may request a duplicate score report by completing and submitting the form found in this handbook.

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, notes, or pens or pencils.
- Candidates must store all personal items in a secure area as indicated by the administrator, or return items to their vehicle. 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 (unless permitted by the exam sponsor), and candidates are strongly urged not to bring such materials to the test center. Upon entering and being seated in the testing room, the test administrator will provide the candidate with materials to make notes or calculations 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 their 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 they 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.

QUESTIONS OR COMMENTS ABOUT THE EXAM

For security reasons, examination material is not available to candidates for review. Candidates who have questions, comments, or concerns related to the exams, scoring or score reports, or who wish to verify any data held in Pearson VUE files, should direct written inquiries to Pearson VUE at the address provided on the inside front cover of this handbook. Candidates may also email their questions directly to Pearson VUE Customer Service at pearsonvuecustomerservice@pearson.com.

In all correspondence, candidates should provide their name and address information. If questions or comments concern an examination already taken, candidates should also include:

- the name of the examination
- the date the examination was taken
- the location of the test center



REAL ESTATE

General Content Outlines

MINNESOTA

Real Estate State Content Outlines

General Exam Content Outline for Salespersons and Brokers

Effective: February 1, 2017

The 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.

The 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 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 8; BROKER 8)

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
 - b. Easements
 - c. Licenses and encroachments

II. FORMS OF OWNERSHIP, TRANSFER, AND RECORDING OF TITLE (SALES 7; BROKER 7)

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
 - 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 7; BROKER 7)

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 16)

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 18; BROKER 18)

A. Responsibilities of broker

1. Practicing within scope of expertise
2. Unauthorized practice of law
3. Privacy and Do Not Contact

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
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 6; BROKER 5)

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 plain 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 and impact statements
 - d. Wetlands protection

B. Disclosure obligations and liability

VII. FINANCING AND SETTLEMENT (SALES 10; BROKER 9)

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 8; BROKER 10)

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. Amortization
4. Discount Points
5. Prepayment penalties
6. Fees

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 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

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Minnesota Real Estate Licensing Examination Content Outline

Effective Date: January 1, 2019

Salesperson 50 scored items, 5-10 pretest (unscored) items Broker 60 scored items and 5-10 pretest items

The pretest items are not identified and will not affect a candidate's score in any way.

I. REAL ESTATE BROKERAGE LICENSE LAW (SALESPERSON 15, BROKER 24)

- A. Definitions Ch. 82.55**
- B. Licensing Ch. 82.57- 82.63, 82.65**
- C. Trust accounts Ch. 82.75**
- D. Standards of Conduct Ch. 82.69, 82.72 - 82.73, 82.81-82.82**
- E. Commissioner's authority Ch. 45.011- 45.43**
- F. Real Estate Education, Research, and Recovery Fund Ch. 82.86**
- G. Minnesota Human Rights Act Ch. 363A Department of Human Rights**

II. CONTRACTS AND DISCLOSURES (SALESPERSON 15, BROKER 18)

- A. Contracts 82.66**
- B. Agency Disclosure Requirements Ch. 82.67**
- C. Other Disclosure Requirements Ch. 82.68**
- D. Environmental Issues**
 - 1. Septic systems; Individual Sewage Treatment Systems Sec. 115.55
 - 2. Wells; Real property sale; disclosure of location of wells Sec. 103I.235
 - 3. Leaking underground storage tanks
 - a. Pollution Control Agency Sec.116.46-48
 - b. Petroleum Tank Release Sec.115C.01-09
- E. Compensation Ch. 82.70**

III. INTERESTS IN REAL PROPERTY (SALESPERSON 7, BROKER 6)

- A. Ownership**
 - 1. Conveyance by Spouses Ch. 507.02, 500.19
 - 2. Subdivided Lands Ch. 83.20 - 83.45
 - 3. Common interest ownership
 - a. Condominiums Ch. 515
 - b. Uniform Condominium Act Ch. 515A
 - c. Minnesota Common Interest Ownership Act 515B
 - 4. Real estate taxes and special assessments Ch. 279, Ch.273.124
- B. Landlords and tenants Ch. 504B**

IV. CONVEYANCE PROCEDURES AND PROTECTION OF PARTIES (SALESPERSON 8, BROKER 6)

- A. Recording and fees**
 - 1. Registration, Torrens Ch. 508
 - 2. Mortgage Registry Tax; Deed Tax Ch. 287
- B. Statutory Home Warranties Ch. 327A.02 Statutory Warranties**
- C. Minnesota Statute of Frauds**
 - 1. Enforcement of Property Agreements and Other Contracts Ch. 513
 - 2. Frauds Ch. 336.2A-201

V. FINANCIAL INSTRUMENTS: OBLIGATIONS, RIGHTS, REMEDIES (SALESPERSON 5 , BROKER 6)

- A. Mortgages/contracts for deed**
 - 1. Foreclosures/cancellation and redemption rights
 - a. Mortgages; Foreclosure by Advertisement Ch. 580
 - b. Mortgages; Foreclosure by Action Ch. 581
 - c. Mortgages; Foreclosure, General Provisions Ch. 582
 - 2. Contract for deed Sec. 559
 - 3. Homestead exemptions Ch. 510
- B. Liens; Labor, Material Ch. 514**

Minnesota Real Estate Abstracter Licensing Examination Content Outline

Effective Date: January 1, 2019

50 scored items, 5-10 pretest (unscored) items

The pretest items are not identified and will not affect a candidate's score in any way.

I. LEGAL DESCRIPTION AND ELEMENTS OF REAL PROPERTY (10 ITEMS)

A. Definitions and components of real property

1. Methods of legal description
2. Estates in real property
3. Forms of ownership

B. Transfer and alienation of real property

1. Deeds
 - a. Types
 - b. Characteristics / elements
 - c. Warranties
2. Other methods of transfer

C. Land use controls

1. Public
2. Private; covenants, conditions, and restrictions (CC&Rs)

D. Common Interest Communities (CIC)

II. DOCUMENTS (15 ITEMS)

A. Conveyance

1. Deeds
2. Other

B. Encumbrances

1. Types and priorities of liens
2. Easements
3. Encroachments

III. RESEARCH AND COMPILATION OF ABSTRACT (20 ITEMS)

A. Indexes

1. Abstract
2. Torrens

B. Search requirements and techniques

C. Documents and Entries

D. Legal description in abstract

E. Name searches (including judgments, bankruptcies, and tax liens)

F. Real property tax records searches

G. Certification

IV. LICENSING AND PROFESSIONAL CONDUCT (5 ITEMS)

A. Licensing requirements

B. Prohibited Conduct

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GENERAL INFORMATION

CANDIDATES MAY TEST AT ANY PEARSON VUE TEST CENTER NATIONALLY.

TEST CENTERS	
LOCATION	ADDRESS
Bloomington - Pearson Professional Center	5601 Green Valley Dr, Suite 150 , Bloomington, Minnesota 55437
Brainerd - Central Lakes College	501 West College Drive, Test Center is in the Library Room E400, South East end of the Bldg, Brainerd, MN 56401
Brooklyn Park - Pearson Professional Center	7101 Northland Circle, Suite 102 Triad Building, Brooklyn Park, MN 55428
Eagan - Pearson Professional Center	3459 Washington Drive, Suite 107, Washington Dr Executive Center, Eagan, MN 55122
Hermantown - Pearson Professional Center	4815 West Arrowhead Road, Suite 100 , North Shore Bank Place, Hermantown, Minnesota 55811
Marshall - Southwest Minnesota State University	1501 State Street, Counseling and Testing Svcs, BA 156 Marshall, MN 56258
Pine City - Pine Technical & Community College	900 4th Street SE, Pine City, MN 5506
Rochester - Pearson Professional Center	1544 Greenview Drive SW, Suite 200, <i>Greenview Office Building</i> Rochester, Minnesota 55902
St. Paul - Pearson Professional Center	2610 University Avenue W, Suite 400 , St. Paul, Minnesota 55114

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No exams on the following holidays or holiday weekends:

New Year's Day

Memorial Day

Labor Day

Christmas Day

Martin Luther King, Jr. Day

Independence Day

Thanksgiving