



REAL ESTATE

## National Content Outlines

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ARIZONA REAL ESTATE

## State Content Outlines

# National Exam Content Outlines for Real Estate Salespersons and Brokers

Effective July 1, 2010

The national portion of the real estate exam is made up of eighty (80) scored questions, which are distributed as noted in the following content outline. Approximately ten percent (10%) of the scored questions on the national examinations will involve mathematical computations.

The salesperson and broker examinations also contain five (5) pretest questions that are not counted toward the score. These questions are used to gather statistics on performance and to help assess appropriateness for use on future examinations. Since pretest questions look exactly like questions that are scored, candidates should answer all the questions on the examination.

The following examination content outline is appropriate for real estate salespersons and real estate brokers.

## **I. REAL PROPERTY CHARACTERISTICS, DEFINITIONS, OWNERSHIP, RESTRICTIONS, AND TRANSFER (SALESPERSON 16, BROKER 12)**

### **A. Definitions, descriptions, and ways to hold title**

1. Elements of real and personal property
2. Property description and area calculations
3. Estates in real property
4. Forms of ownership, rights, interests, and obligations

### **B. Land use controls and restrictions**

1. Government controls
2. Private controls – non-monetary
3. Private controls – mortgage (deed of trust) and liens

### **C. Transfer/alienation of title to real property**

1. Voluntary
2. Involuntary
3. Protections
4. Partition/severance (voluntary or involuntary)
5. Deeds and warranties: validity, types, covenants
6. Title and title insurance

## **II. PROPERTY VALUATION AND APPRAISAL (SALESPERSON 6, BROKER 6)**

### **A. Principles, types, and estimates of property value**

1. Valuation definition, purpose, and process
2. Characteristics
3. Valuation principles
4. Approaches to value
5. Depreciation/obsolescence
6. Value
7. Appraisals and list price
8. Math
9. Influences on property value

### **B. Investment analysis**

1. Application of principles
2. Math calculations

## **III. CONTRACTS AND RELATIONSHIPS WITH BUYERS AND SELLERS (SALESPERSON 18, BROKER 20)**

### **A. Contract elements**

1. Validity
2. Void/voidable
3. Enforceable/unenforceable (Statute of Frauds)
4. Unilateral/bilateral
5. Executory/executed

### **B. Listing contracts**

1. General purpose/definition of listing
2. Types
3. Required elements
4. Establishing listing price
5. Responsibilities

### **C. Commission agreements**

1. Negotiation of commission
2. Who may collect
3. Other compensation arrangements
4. Math: licensee compensation/commission

### **D. Sales contracts**

1. Terminology
2. Procedures
3. Standard parts
4. Contingencies and misc. provisions
5. Contractual rights and obligation
6. Disputes and dispute resolution terms

### **E. Option contracts**

### **F. Licensee-client relationships and responsibilities**

1. Types of relationships – terminology
2. Relationship powers and obligations

## **IV. PROPERTY CONDITIONS AND DISCLOSURES (SALESPERSON 7, BROKER 7)**

### **A. Federal environmental regulations**

1. Lead-based paint
2. CERCLA
3. Asbestos
4. Wetlands and flood plains

**B. Environmental issues**

1. Mold
2. Radon
3. Protected species
4. Other

**C. Material and other property disclosures**

**D. Liability considerations**

**V. FEDERAL LAWS GOVERNING REAL ESTATE ACTIVITIES (SALESPERSON 8, BROKER 9)**

**A. Civil Rights Acts/Fair Housing Acts**

1. Provisions
2. Violations
3. Enforcement/penalties
4. Exceptions
5. Advertising
6. Required poster

**B. Americans with Disabilities Act (ADA)**

**C. Antitrust – (Sherman Act, etc.)**

**D. Marketing and financial controls**

1. Truth in Lending Act (TILA—Regulation Z)
2. Real Estate Settlement Procedures Act (RESPA)
3. Equal Credit Opportunity Act (ECOA)
4. Equal Employment Opportunity Commission (EEOC)
5. UCC/Interstate/Securities (Broker only)
6. Do Not Call/Privacy Act

**VI. FINANCING THE TRANSACTION AND SETTLEMENT (SALESPERSON 17, BROKER 13)**

**A. Financing components**

1. Financing instruments
2. Financing sources (primary and secondary mortgage markets, seller financing)
3. Types of loans
4. Financing clauses, terminology, and cost of money (calculation)
5. Lending issues

**B. Lender requirements and obligations**

1. Private mortgage insurance (PMI)
2. FHA requirements
3. VA requirements
4. Escrow/impound account
5. Credit report
6. Assumption requirements
7. Appraisal requirements
8. Hazard and flood insurance
9. Federal financing and credit regulation

**C. Settlement/Closing**

1. Procedures and forms
2. Closing costs and calculations
3. Documents, title, and recording

**VII. LEASES, RENTS, AND PROPERTY MANAGEMENT (SALESPERSON 5, BROKER 6)**

**A. Types and elements of leases**

1. Leasehold estates
2. Types of leases
3. Lease clauses and provisions

**B. Lessor and lessee rights, responsibilities, liabilities, and recourse**

1. Owned and leased inclusions
2. Reversionary rights of owners
3. Rental related discriminatory laws
4. Unit-related disclosures
5. Effect of sale/transfer/foreclosure
6. Evictions
7. Tenant improvements
8. Termination of a lease
9. Breach

**C. Property management contracts and obligations of parties**

1. Contracts and contractual relationships
2. Manager's obligations, duties, liabilities
3. Owner's obligations, duties, liabilities
4. Management/owner math calculations

**VIII. BROKERAGE OPERATIONS (SALESPERSON 3, BROKER 7)**

**A. Broker management of funds**

1. Earnest money
2. Commingling
3. Conversion of funds

**B. Broker-salesperson relationship**

**C. Advertising**

**D. Ethical and legal business practices**

1. Misrepresentation
2. Implied duty of good faith
3. Due diligence
4. Unauthorized practice of law
5. Marketing practices

**E. Forms of business ownership**

1. Corporation
2. Partnership (general and limited)
3. Limited liability company
4. Sole proprietorship

**F. Independent contractors vs. employee**

**Bibliography**

- The Language of Real Estate, 6th Edition, Reilly, Dearborn Press
- Mastering Real Estate Principles, 6th Edition, Cortesi, Dearborn Press
- Modern Real Estate Practices, 18th Edition, Galaty, Dearborn Press
- Essentials of Real Estate Finance, 14th Edition, Sirota, Dearborn Press

# Arizona State Law Examination Content Outline For Real Estate Salesperson

Effective July 1, 2012

The state portion of the salesperson examination consists of ninety (90) questions, plus ten (10) pretest questions. The pretest questions are not identified and will not affect a candidate's score in any way.

## 90 Questions, 75% Passing

### I. REAL ESTATE STATUTES – 10 QUESTIONS

- A. Article XXVI – Arizona Constitution
- B. Title 32, Chapter 20
  - 1. Powers and Duties of the Real Estate Commissioner
  - 2. Advisory Board
  - 3. Licensing
  - 4. General Licensing Requirements and Recovery Fund
  - 5. Activities Requiring a License
  - 6. Issuance, Renewal, Revocation and Suspension Procedures
- C. Arizona Consumer Fraud Protection Statutes

### II. PROPERTY INTERESTS AND TENANCIES – 9 QUESTIONS

- A. Easements
- B. Community Property
- C. Cooperatives and Condominiums

### III. WATER LAW – 3 QUESTIONS

### IV. ENVIRONMENTAL LAW – 2 QUESTIONS

### V. LAND DESCRIPTIONS– 4 QUESTION

### VI. SUBDIVISIONS – 5 QUESTIONS

### VII. ENCUMBRANCES – 5 QUESTIONS

### VIII. ACQUISITIONS AND TRANSFER OF TITLE – 12 QUESTIONS

- A. Deeds
- B. Title/Recordation
- C. Homestead Exemptions
- D. Common Interest Ownerships
  - 1. Timeshare
  - 2. Homeowner's Associations

### IX. DISCLOSURE AND CONSUMER PROTECTION – 5 QUESTIONS

### X. REGULATED ACTIVITIES-RULES AND STATUTES – 12 QUESTIONS

- A. Advertising
- B. License Violations and Penalties
- C. Compensation/Commissions
- D. Record Keeping and Documentation
- E. Agency Relationships
- F. Handling of Funds

### XI. FINANCE AND PROPERTY TAX – 12 QUESTIONS

- A. Financing Documents
- B. Property Taxation Concepts
- C. Foreclosure

### XII. LEASING AND PROPERTY MANAGEMENT – 7 QUESTIONS

- A. Arizona Residential Landlord & Tenant Act
- B. Property Management
  - 1. Contract
  - 2. Leasing Agreements

### XIII. MATH CALCULATIONS – 4 QUESTIONS

- A. Property Taxation
- B. Property Prorations
- C. Financing

## Bibliography

1. *Arizona Real Estate Law Book* 2016 Edition, Arizona Real Estate Division, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, [www.azre.gov](http://www.azre.gov).
2. *Arizona Revised Statutes, Title 11-3 & 8, Title 12-9, Title 14-3 & 10, Title 25-2, Title 33, Title 42-1, and Title 49-1, 2006*, <http://www.azleg.state.az.us/>.
3. *Outline of Prescribed Curriculum Arizona Real Estate Salesperson's License (Minimum 90 hours)* Outline of Prescribed Curriculum for the Arizona Real Estate Salesperson's License (90 hours).

# Arizona State Law Examination Content Outline for Real Estate Broker

Effective January 1, 2011

The state portion of the broker examination consists of one hundred (100) questions, plus ten (10) pretest questions. The pretest questions are not identified and will not affect a candidate's score in any way.

## 100 Questions, 75% Passing

### I. REAL ESTATE STATUTES - 15 QUESTIONS

- A. Real Estate Department Structure
- B. Licensing
- C. Practice of Brokerage
- D. Trust Fund/Accounts
- E. Recordkeeping
- F. Employment Agreements
- G. Collecting Compensations
- H. Grounds for License Denial/Penalties
- I. Consent Orders
- J. Property Management Requirements
- K. Statute of Frauds
- L. Subdivided/Un-subdivided Land
- M. Recovery Fund
- N. Affidavit of Disclosure

### II. ADMINISTRATIVE CODE - 10 QUESTIONS

- A. License Time Frames
- B. License Requirements
- C. Education
- D. Advertising
- E. Commissions
- F. Documents
- G. Professional Conduct
- H. Investigations/Administrative Procedures

### III. AGENCY RELATIONSHIPS - 5 QUESTIONS

- A. Law of Agency
- B. Fiduciary
- C. Due Diligence
- D. Employment/Representation Agreements

### IV. CONTRACT LAW/OTHER ESSENTIALS - 2 QUESTIONS

- A. Contract Essentials
- B. Real Estate Contract Requirements per Arizona Statutes and Commissioner's Rules

### V. PROPERTY INTERESTS, ESTATES, AND TENANCIES - 5 QUESTIONS

- A. Estates
- B. Easements
- C. Tenancies
- D. Cooperative
- E. Condominium
- F. Timeshare
- G. Homestead
- H. Homeowner's Associations

### VI. GOVERNMENT RIGHTS - 5 QUESTIONS

- A. Eminent Domain
- B. Taxation/Property Tax Lien Sale
- C. Police Power
- D. Escheat

### VII. WATER LAW - 6 QUESTIONS

- A. Water Sources
- B. Arizona Water Law
- C. Groundwater Act 1980
- D. Wetlands

### VIII. ENVIRONMENTAL LAW/DISCLOSURE - 5 QUESTIONS

- A. Regulations
- B. State Laws
- C. Liabilities
- D. Disclosure Issues
- E. Impact Studies

### IX. LAND DESCRIPTION - 4 QUESTIONS

- A. Metes and Bounds
- B. Rectangular Survey
- C. Lot and Block

### X. LAND DEVELOPMENT - 2 QUESTIONS

- A. Terminology
- B. Zoning
- C. Building Codes
- D. Builders Warrantees
- E. Licensing Requirements

### XI. REAL AND PERSONAL PROPERTY TRANSFER - 4 QUESTIONS

- A. Deeds/Bills of Sale
- B. Notices
- C. Adverse Possession
- D. Title Insurance
- E. Affidavit of Affixture

### XII. ESCROW AND SETTLEMENT - 5 QUESTIONS

- A. Purpose
- B. Debits and Credits
- C. Disclosures

### XIII. LEASE/LEASEHOLD ESTATES - 5 QUESTIONS

- A. Types of Leases
- B. Essential Elements
- C. Arizona Residential Landlord Tenant Act
- D. Statutory Considerations

**XIV. PROPERTY MANAGEMENT - 5 QUESTIONS**

- A. Licensing
- B. Management Agreement
- C. Trust Account
- D. Rental Property Registration Requirements and Classification

**XV. FINANCING DOCUMENTS/LIENS - 8 QUESTIONS**

- A. Lien Theory/Title Theory
- B. Deeds of Trust/Mortgage
- C. Agreement for Sale
- D. Foreclosure/Forfeiture
- E. Post Foreclosed Remedies
- F. Mortgage Broker/Banker Regulations
- G. Lien Property
- H. Mechanic's Lien
- I. Judgments

**XVI. REAL ESTATE OFFICE MANAGEMENT - 11 QUESTIONS**

- A. Types of Ownership
- B. Operating a Real Estate Office
- C. Government Requirements
- D. Insurance
- E. Risk Management
- F. Recordkeeping
- G. Accounting
- H. Supervision/Training
- I. Activities of Licensee
- J. Broker Compliance

**XVII. DISCLOSURE/CONSUMER PROTECTION - 3 QUESTIONS**

- A. Stigmatized Property
- B. Consumer Protection
- C. Affiliated Business
- D. Military Installations

**Bibliography**

1. *Arizona Real Estate Law Book* 2016 Edition, Arizona Real Estate Division, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, [www.azre.gov](http://www.azre.gov).
2. *Arizona Revised Statutes, Title 11-3 & 8, Title 12-9, Title 14-3 & 10, Title 25-2, Title 33, Title 42-1, and Title 49-1, 2006*, <http://www.azleg.gov/>.
3. *Outline of Prescribed Curriculum Arizona Real Estate Salesperson's License (Minimum 90 hours) Outline of Prescribed Curriculum for the Arizona Real Estate Broker's License (90 hours)*.

# Arizona State Law Examination Content Outline for Cemetery Salesperson and Broker

The salesperson examination consists of thirty (30) questions. The broker examination consists of forty (40) questions.

## **I. CEMETERY ASSOCIATIONS**

- A. Associations
- B. Corporations
- C. Duties of cemetery directors and officers

## **II. CEMETERY OWNERSHIP**

- A. Plot ownership
- B. Deeds
- C. Certificates of ownership
- D. Contracts of sale
- E. Liens
- F. Leases

## **III. CEMETERY MANAGEMENT**

- A. Establishing
- B. Dedicating
- C. Maintaining
- D. Managing
- E. Operating
- F. Improving
- G. Preserving
- H. Conducting

## **IV. LICENSING AND REGULATION**

- A. Organization and regulation of cemeteries
- B. Licensing and regulation of cemetery brokers and salespersons

## **V. PRINCIPLES OF PRACTICE**

- A. Agent/principal obligations
- B. Principles of cemetery practice
- C. Business ethics in the sales and operation of cemeteries

### **Bibliography**

1. *Arizona Real Estate Law Book* 2016 Edition, Arizona Real Estate Division, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, [www.azre.gov](http://www.azre.gov).
2. *Arizona Revised Statutes, Title 32, Chapter 20, Articles 2 & 6*, <http://www.azleg.gov/>.

# Arizona State Law Examination Content Outline for Membership Campground Salesperson and Broker

The salesperson examination consists of thirty (30) questions. The broker examination consists of forty (40) questions.

## **I. CONTRACTS**

- A. Agency contracts

## **II. MEMBERSHIP CAMPGROUNDS**

- A. Establishing
- B. Maintaining
- C. Managing
- D. Operating

## **III. LICENSING AND REGULATION**

- A. Organization and regulation of membership campgrounds
- B. Licensing and regulation of salespersons and brokers

## **IV. PRINCIPLES OF PRACTICE**

- A. Agent/principal obligations
- B. Principles of membership campground practice
- C. Business ethics in the sales and operation of membership campgrounds

### **Bibliography**

1. *Arizona Real Estate Law Book* 2016 Edition, Arizona Real Estate Division, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, [www.azre.gov](http://www.azre.gov).
2. *Arizona Revised Statutes, Title 32, Chapter 20, Articles 2 & 10*, <http://www.azleg.gov/>.

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