



REAL ESTATE

National Content Outlines

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*, 2005-2006 Edition, Arizona Department of Real Estate, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, 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) 1/7/2006* www.azre.gov.

Effective 1/1/2011 for examination

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*, 2008 Edition, Arizona Department of Real Estate, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, 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 Broker's License (Minimum 90 hours) 1/7/2006* www.azre.gov.

Effective 1/1/2011 for examination

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*, 2008 Edition, Arizona Department of Real Estate, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, 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*, 2008 Edition, Arizona Department of Real Estate, 100 N. 15th Ave., Suite 201, Phoenix, AZ 85007, www.azre.gov.
2. *Arizona Revised Statutes, Title 32, Chapter 20, Articles 2 & 10*, <http://www.azleg.gov/>.

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