



Delaware Real Estate CANDIDATE HANDBOOK

July 2024

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.

Walk-in examinations are not available.

Candidates who hold a license in another state and wish to apply for a license in Delaware must visit <http://www.pearsonvue.com/waivers/dere1.asp> and follow the instructions. The form must be completed PRIOR to making a reservation request.

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 (\$85) 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.**

EXAM DAY

What to bring to the exam

Candidates should bring to the examination proper identification and other materials listed in **What to Bring** (page 5).

Exam procedures

Candidates should report to the test center at least thirty (30) minutes before the examination begins. Each candidate will have four (4) hours to complete the examination, and will leave the test center with an official score report in hand.

STATE LICENSING INFORMATION

Candidates may contact the Division of Professional Regulation with questions about obtaining or maintaining a license after the examination has been passed.

Delaware Real Estate Commission Division of Professional Regulation

861 Silver Lake Boulevard, Ste. 203
Dover, DE 19904-2467

Phone
(302) 744-4500

Web
www.dpr.delaware.gov

EXAMINATION INFORMATION

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

Pearson VUE

Delaware Real Estate
Attn: Regulatory Program Coordinator
5601 Green Valley Dr.
Bloomington, MN 55437

Phone
(800) 274-2604

Email
pearsonvuecustomerservice@pearson.com

Web
www.pearsonvue.com

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OVERVIEW

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

It is highly recommended that the Delaware Real Estate Candidate Handbook be reviewed, with special attention given to the content outlines, before taking the examination.

Individuals who wish to obtain a real estate license must:

1. Complete Pre-licensing Education.

Before taking an examination, candidates must complete all pre-licensing education.

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.

Go to the test center on the day of the examination, bringing along all required materials. (See page 5.)

4. Apply for a license.

After passing the examination, candidates must submit the proper application forms and fees to the Delaware Real Estate Commission. Please go to the Delaware Real Estate Commission website at www.dpr.delaware.gov.

GENERAL INFORMATION

CONTACT INFORMATION

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

FOR EXAMINATIONS Pearson VUE/Delaware Real Estate Attn: Regulatory Program 5601 Green Valley Dr., Bloomington, MN 55437		
Phone: (800) 274-2604	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 www.pearsonvue.com/de/realestate/contact for further information.

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

FOR STATE LICENSING Delaware Real Estate Commission Division of Professional Regulation 861 Silver Lake Boulevard, Ste. 203 Dover, DE 19904-2467	
Phone: (302) 744-4500	Website: www.dpr.delaware.gov

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 State of Delaware 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, 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.

REAL ESTATE LICENSING REQUIREMENTS

The Delaware Code and the Rules and Regulations established by the Delaware Real Estate Commission set forth the requirements for qualification for a real estate salesperson, associate broker, or broker license. Qualifications for certification, application, and examination of candidates for a Delaware real estate license are set forth in 24 Delaware Code, Subsection 2907 and Commission Regulations 2.0 and 3.0. Applicants should read this candidate handbook and any other information provided on the website of the Delaware Real Estate Commission before making a reservation for an examination.

LICENSURE REQUIREMENTS

Please visit the Delaware Real Estate Commission website at www.dpr.delaware.gov to review the requirements to become a Salesperson, Associate Broker, or Broker.

TEST TAKERS WHO ARE LICENSED IN ANOTHER STATE

Those currently licensed by another state who wish to apply for a license in Delaware must take the DELAWARE STATE EXAM for the license type that they currently hold in their home state. In order to take just the STATE part, candidates must obtain a Client Waiver from Pearson VUE for the GENERAL part of the exam. Please visit the Pearson VUE website for Delaware Real Estate at <http://www.pearsonvue.com/de/realestate/> prior to scheduling an examination.

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 www.pearsonvue.com/de/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) 274-2604 must also do so at least twenty-four (24) hours before the desired examination date.

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)
- A certificate indicating completion of prelicensing education (if available)
- If licensed in another state, completion of the Client Waiver and approval back from Pearson VUE for waiving the GENERAL part of the exam

EXAM FEES

The examination fee (\$85) 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 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 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) 274-2604 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 paid 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 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 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.

EXAM DAY

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.

WHAT TO BRING

Required Materials

All candidates are required to bring identification that is deemed acceptable, as listed under **Acceptable Forms of Candidate Identification**, to the test center on the day of examination. Candidates must also bring with them the following:

- An **original** school certificate from an approved real estate school in Delaware indicating the completion of the required hours of study. Candidates who hold licenses in another state, must complete the CLIENT WAIVER SECTION at <http://www.pearsonvue.com/waivers/derel.asp> prior to making the exam registration.

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 (with 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 ID card
- Passport
- Passport Card
- Military ID
- Military ID for spouses and dependents
- Alien Registration Card (Green Card, Permanent Resident Visa)

Secondary ID (with 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. (Candidates should allow themselves sufficient time to find the test center.) The candidate's identification and other documentation will be reviewed and he/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 take further action such as prohibiting candidates from retaking the examination and/or denying licensure.

Candidates will have an opportunity to 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, 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 computer. The examination begins the moment a candidate looks at the first examination question. Candidates will be given four (4) hours 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.

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 portion of the examination, as well as information about reexamination. Candidates who fail need retake only the portion of the examination they failed, as long as they do so within one (1) year of completing the required pre-licensing education. If a candidate is unable to pass both parts of the examination in 3 or less attempts, that candidate must retake the pre-licensing course. **Reservations for reexamination cannot be made at the test center, and candidates must wait twenty-four (24) hours before making one.**

REVIEW OF EXAMS

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

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 Delaware Real Estate Commission (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 70, any score below 70 indicates how close the candidate came to passing, rather than the actual number or percentage of questions the candidates answered correctly.

DUPLICATE SCORE REPORTS

As of August 25, 2022, candidates may obtain a copy of their score report by logging into their Pearson VUE account. For candidates who tested prior to August 25, 2022, a duplicate score report can be requested by emailing Pearson VUE at pearsonvuecustomerservice@pearson.com.

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 the following: 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.
- **Calculators are permitted only if they are silent, hand-held, non-printing, and without an alphabetic key pad.** Financial calculators are not permitted. 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 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, and/or friends **are not** allowed in the test center.
- Dictionaries, books, papers (including scratch paper), and/or 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. When the candidate enters and is 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 his/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/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

EXAM CONTENT

The content of the general 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 general portion are also reviewed and approved by nationally recognized real estate professionals.

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

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 general section 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.

REAL ESTATE

National/General Content Outlines

Content Outline for Salespersons and Broker Examinations:
June 2020 – August 14th, 2024

Content Outline for Salespersons Examinations:
Effective August 15th, 2024

Content Outline for Brokers Examinations:
Effective August 15th, 2024

DELAWARE

Real Estate State Content Outlines

Content Outline for Delaware Laws, Rules, and
Regulations Examinations

General Exam Content Outline for Salespersons and Brokers

Effective: June 01, 2020

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 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

Pearson VUE does not endorse any particular prelicensing provider or study materials.

National/General Exam Content Outline for Salespersons

Effective: August 15th, 2024

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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.

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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.

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- 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.

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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
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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

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

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State Content Outline

Delaware Laws, Rules, and Regulations

Effective Date: June 1, 2020

The Delaware state examination consists of forty (40) scored items for the salesperson examination and fifty (50) scored items for broker examination. Both examinations also contain 10 pretest items. These pretest items are not identified on the examination and will not affect the candidate's score in any way.

I. DUTIES AND POWERS OF THE REAL ESTATE COMMISSION (4 ITEMS)

A. Purpose, powers, and composition

B. Investigations, hearings, and appeals

C. Sanctions

1. Reprimand, suspension, revocation, fines, and probation

D. Guaranty Fund

II. LICENSING REQUIREMENTS (3 ITEMS)

A. Activities requiring a license

B. Types of licenses

C. Eligibility for licensing

D. License renewal

E. Continuing education

F. Change in license

III. STATUTORY REQUIREMENTS GOVERNING THE ACTIVITIES OF LICENSEES (17 ITEMS)

A. Advertising

B. Broker/associate broker/salesperson relationship

C. Disclosures

1. 3 Seller's Disclosure of Real Property Condition Report forms and the Exemption Property Certification form
2. Radon disclosure and exemptions
3. Other (leases, agricultural-related disclosures, etc.)
4. Psychologically Impacted Properties

D. Handling of documents

E. Handling of monies

F. Public responsibility

1. Unfair inducements
2. Unauthorized practice of law
3. Unauthorized appraisals and CMAs

G. Agency relationships and issues

1. Consumer Information Statement
2. Confidentiality
3. Permitted actions
4. Statutory duties
5. Presumed agency and dual agency

H. Voluntary Treatment Options (Rule 14)

IV. ADDITIONAL STATE TOPICS (16 ITEMS)

A. Unit Property Act (condos)

B. Delaware Uniform Common Interest Ownership Act (DUCIOA)

1. Resale certification form and its contents
2. Applicability of the statute
3. Escrow deposits for homebuilders

C. Landlord-Tenant code

D. Transfer taxes

E. Ownership and deeds

1. Title
2. Forms of ownership
3. Unimproved land – Notice to Buyer Regarding Sewer/Water

F. Delaware Fair Housing Act

1. Protected Statuses
2. Enforcement

G. Survey

H. DNREC Wastewater Regulations and site evaluation

I. Sign placement – Clear Zone Safety Law

J. Seller financing

1. Purchase money mortgages

K. Tax ditch

L. Manufactured housing right of first offer/refusal

M. Uniform Electronic Transactions Act (UETA)

N. Real Estate Tax Return, Declaration of Estimated Income Tax Form 5403

O. Consumer Fraud Act – Consumer protection and applicability to licensees

P. Home Inspectors Statute

Q. Green Energy

1. Solar
 - a. Deed Restrictions
 - b. System Leases
2. Wind Turbine
 - a. Deed Restrictions

V. BROKER ONLY (10 ITEMS)

A. Escrow accounts

B. Examination of records

C. Eligibility for licensing

D. Place of business

1. Supervision

E. Foreclosure consultants

F. Manufactured homes/department of motor vehicles (DMV)

G. New Home Buyer Protection Act – Escrow unfinished work

H. Commercial Broker's Lien

I. Conditional/installment sales agreements

J. Mortgage Loan Modification Services – Coverage and Exemption

GENERAL INFORMATION

SCHEDULING

Candidates can make an exam reservation online 24/7 by creating an account online at <http://www.pearsonvue.com/de/realestate/>. Candidates may also schedule by calling 800-274-2604. Candidates may test at any of our US test centers.

TEST CENTER LOCATIONS	
Dover	Atlantic City, NJ
Newark	Somerset, NJ
Salisbury, MD	Princeton, NJ
Philadelphia, PA	Toms River, NJ

*Locations and schedules are subject to change.

PEARSON VUE HOLIDAY SCHEDULE

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