



Alaska Real Estate

Candidate Handbook

July 2024

QUICK REFERENCE

STATE LICENSING INFORMATION

Candidates may contact the Alaska Division of Corporations, Business, and Professional Licensing with questions about obtaining or maintaining a license after the examination has been passed.

Alaska Division of Corporations, Business, and Professional Licensing

Real Estate Commission
550 W. 7th Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone
(907) 269-8160

Website
<https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing.aspx>

EXAMINATION INFORMATION

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

Pearson VUE Alaska Real Estate

Attn: Regulatory Program
5601 Green Valley Drive
Bloomington, MN 55437

Phone
(800) 274-5992

Email
pearsonvuecustomerservice@pearson.com

Website
www.pearsonvue.com

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.**

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 fee

The examination fee (\$100) 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*.**

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 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.

TABLE OF CONTENTS

OVERVIEW	2
INTRODUCTION.....	3
Contact Information	3
For Examinations	3
For State Licensing.....	3
Licensure Process	3
Practice Tests – General/National Portion Only.....	3
REAL ESTATE LICENSING REQUIREMENTS.....	4
Licensing Requirements.....	4
EXAM RESERVATIONS	5
Making a Reservation	5
Exam Fees.....	5
Change/Cancel Policy	5
Weather Delays and Cancellations	6
Accommodations.....	6
EXAM DAY	7
What to Bring	7
Exam Procedures.....	7
Score Reporting.....	8
Retaking the Exam.....	8
Review of Exams	8
Score Explanation	8
Duplicate Score Reports	8
Test Center Policies	9
PREPARING FOR THE EXAM.....	10
Exam Content.....	10
Math Calculations	10
CONTENT OUTLINES.....	OUTLINES 01
GENERAL INFORMATION.....	12
Test Centers.....	12
Pearson VUE Holiday Schedule	12

OVERVIEW

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

It is highly recommended that the Alaska 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 in the state of Alaska must:

1. Complete prelicensing education.

Before taking an examination, candidates must complete all prelicensing education.
(See page 2 for additional details.)

2. Make a reservation and pay the examination fee.

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

3. Go to the test center.

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

4. Apply for a license.

Within six (6) months of passing the examination, candidates must submit the proper application forms and fees, as set forth on the score report issued at the test center, to the Alaska Real Estate Commission.

INTRODUCTION

CONTACT INFORMATION

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

FOR EXAMINATIONS Pearson VUE/Alaska Real Estate <i>Attn: Regulatory Program</i> 5601 Green Valley Dr., Bloomington, MN 55437		
Phone: (800) 274-5992	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://www.pearsonvue.com/us/en/ak/realestate.html#contact> for further information.

Candidates may contact the Alaska Division of Corporations, Business, and Professional Licensing with questions about obtaining or maintaining a license.

FOR STATE LICENSING Alaska Division of Corporations, Business, and Professional Licensing Real Estate Commission 550 W. 7th Avenue, Suite 1500, Anchorage, AK 99501-3567	
Phone: (907) 269-8160	Website: https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing.aspx

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 Alaska 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 – 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 <https://www.pearsonvue.com/us/en/practicetests/realestate.html>.

REAL ESTATE LICENSING REQUIREMENTS

The Alaska Real Estate Commission has established the requirements that qualify applicants for a real estate sales or broker license. Applicants should read this candidate handbook and any other information provided by the Commission before applying for any license examination.

LICENSING REQUIREMENTS

A. Salesperson applicants must:

1. Be at least nineteen (19) years old.
2. Complete pre-licensing education within eighteen (18) months immediately preceding the date of application for licensure.
3. Apply for licensure within six (6) months of passing the examination.
4. By affiliation, work with a licensed Alaska real estate broker.
5. Pay the appropriate licensing fees.
6. Verification of current Errors and Omissions Insurance.

B. Broker applicants must:

1. Be at least twenty-two (22) years old.
2. Complete pre-licensing education within eighteen (18) months immediately preceding the date of application for licensure.
3. Apply for a license within six (6) months of passing the examination.
4. Have been an active real estate licensee, with real estate as a principal occupation, for at least thirty-six (36) consecutive months within the past sixty (60) months immediately preceding application for the broker's license.
5. Pay the appropriate licensing fee.
6. Verification of current Errors and Omissions Insurance.

C. Licensing by endorsement

Applicants who have an active real estate license in another state and have worked in the real estate profession within the past six (6) months may be eligible for an Alaska real estate license by endorsement.

To apply for a license by endorsement, applicants must:

1. Have a detailed license history sent directly to the Alaska Real Estate Commission by their current licensing authority and by all jurisdictions in which they have ever held a real estate license.
2. Provide either evidence of completion of the prelicensing course taken to obtain their current license that must have been completed within 24 months immediately preceding date of application, and evidence of completion of the 6-hour Alaska prelicensing course segment on Alaska real estate law, OR provide evidence of completion of the entire 40-hour Alaska prelicensing course.
3. Pass the applicable Alaska Out of State License Recognition Endorsement licensing examination.

To become an Alaska broker by endorsement, applicants must be an active broker in the state where they are currently licensed and have 36 months of active and continuous licensee experience within the past 60 months before they receive their broker license. Applicants must also meet the requirements of No. 1 and No. 3 listed above and:

1. Complete the 30-hour Alaska broker training course, or show evidence of completion of a substantially equivalent course in the state where they are currently licensed completed within 24 months immediately preceding date of application.
2. Evidence of completion of the 6-hour Alaska pre-licensing course segment on Alaska law.
3. Open a trust account in an Alaska bank (not required for AB License).
4. Open an office in Alaska (not required for AB License).

Applicants who are not yet licensed brokers, but who wish to become brokers in Alaska, may have the time worked as a real estate licensee in another state applied toward the twenty-four (24) months of active and continuous licensee experience required to become an Alaska broker. Applicants must also meet all other broker requirements listed in the license law (AS 08.88).

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://www.pearsonvue.com/us/en/ak/realestate.html> 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) 274-5992 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)

EXAM FEES

The examination fee (\$100) must be paid at the time of reservation by credit card, debit card, or voucher. **Payment will not be accepted at the test center, nor will any single payment be accepted to cover more than one candidate.**

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

Vouchers

Vouchers offer another convenient way to pay for tests. Vouchers can be purchased online at <https://www.pearsonvue.com/us/en/test-centers/voucher-store.html> 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 (800) 274-5992 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 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 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 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 <https://www.pearsonvue.com/us/en/test-takers/accommodations.html>, 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.

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 Identification 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. The candidate's identification and other documentation will be reviewed and he or she will be photographed for the score report.

Candidates are required to review and sign a **Candidate Rules Agreement** form. If the **Candidate Rules Agreement** is not followed and/or cheating or tampering with the examination is suspected, the incident will be reported as such and the appropriate action will be taken. The examination fee will not be refunded, the exam may be determined invalid, and/or the state may take further action such as prohibiting the candidate 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 are responsible for determining which examination they need to take.**

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; extra time will not be permitted. 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. Reservations for reexamination may not be made at the test center, and **candidates must wait twenty-four (24) hours before making a reservation to retake the exam.**

RETAKE THE EXAM

The examination is divided into two parts: general and state law. Candidates who pass one section of the examination and fail the other must retake the entire examination. To retake an examination, candidates should follow regular reservation procedures.

Reservations for reexamination may not be made at the test center, and **candidates must wait twenty-four (24) hours after failing an examination before making a reservation to retake it.**

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 Alaska 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 75, any score below 75 indicates how close the candidate came to passing, rather than the actual number or percentage of questions the candidates answered correctly.

DUPLICATE SCORE REPORTS

To obtain your score report, log into your Pearson VUE account. For test center exams prior to June 17, 2022, contact customer service at (800) 274-5992 to request your score report.

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, nonprinting, 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.
- 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 or her hand to get the administrator's attention. **The exam clock will not stop while the candidate is taking a break.**
- Candidates must leave the testing room for all breaks. However, candidates **are not permitted to leave the floor or building for any reason during this time, unless specified by the administrator and the exam sponsor.** If a candidate is discovered to have left the floor or building, he or she will not be permitted to proceed with the examination and may forfeit the exam fee.
- 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 section 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, ensuring that the examination reflects the actual practice of real estate. Questions in the general section are also reviewed and approved by nationally recognized real estate professionals.

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

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.

PRETEST QUESTIONS

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

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

REAL ESTATE

National/General Content Outlines

Content Outline for Salespersons and Broker Examinations:
Effective January 2023

Content Outline for Salespersons Examinations:
Effective January 2025 or later

Content Outline for Broker Examinations:
Effective January 2025 or later

ALASKA

Real Estate State Content Outlines

Content Outline for Alaska Real Estate Law 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: January 2025 or later. Please check back here for implementation dates.

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

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

The national/general examination also contains five (5) pretest items that are not counted toward the score. These items are used to gather statistics on performance and to help assess appropriateness 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 11; 6 KNOWLEDGE, 3 APPLICATION, 2 ANALYSIS)

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

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

B. Characteristics of real property (2 items)

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

C. Legal descriptions (2 items)

1. Methods used to describe real property
2. Survey

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

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

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

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

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

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

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

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

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

A. Concept of value (4 items)

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

B. Appraisal process (2 items)

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

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

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

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

A. Types of contracts (1 item)

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

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

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

C. Contract performance (3 items)

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

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

D. Sales contract (2 items)

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

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

F. Creation and termination of agency (2 items)

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

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

A. Responsibilities of broker (2 items)

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

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

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

C. Fair Housing (3 items)

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

D. Risk management (2 items)

1. Supervision
2. Compliance with federal regulations; including Privacy and Do Not Contact
3. Vicarious liability
4. Antitrust laws

5. Fraud and misrepresentation
6. Types of insurance
 - a. Errors and Omissions
 - b. General Liability

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

A. Property conditions and environmental issues (5 items)

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

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

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

A. Financing concepts and components (2 items)

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

B. Lender Requirements (1 item)

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

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

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

D. Settlement and closing the transaction (2 items)

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

A. Property area calculations (1 item)

1. Square footage
2. Acreage total

B. Property valuation (1 item)

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

C. Commission/compensation (1 item)

D. Loan financing costs (1 item)

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

E. Settlement and closing costs (1 item)

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

F. Investment (1 item)

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

G. Property management calculations (1 item)

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

Notes on Math Calculations

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

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

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

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

Where applicable, round off calculations using standard rounding rules.

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

Real Estate General/National Resources

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

Please refer to the publishers for the most recent editions.

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

National/General Exam Content Outline for Brokers

Effective: January 2025 or later. Please check back here for implementation dates.

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

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

The national/general examination also contains five (5) pretest items that are not counted toward the score. These items are used to gather statistics on performance and to help assess appropriateness 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 (BROKER 10; 2 KNOWLEDGE, 5 APPLICATION, 3 ANALYSIS)

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

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

B. Characteristics of real property (2 Items)

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

C. Legal descriptions (2 Items)

1. Methods used to describe real property
2. Survey

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

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

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

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

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

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

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

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

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

A. Concept of value (3 Items)

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

B. Appraisal process (3 Items)

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

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

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

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

A. Types of contracts (2 Items)

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

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

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

C. Contract performance (2 Items)

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

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

D. Sales contract (2 Items)

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

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

F. Creation and termination of agency (2 Items)

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

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

A. Responsibilities of broker (3 Items)

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

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

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

C. Fair Housing (3 Items)

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

D. Risk management (3 Items)

1. Supervision
2. Compliance with federal regulations; including Privacy and Do Not Contact
3. Vicarious liability
4. Antitrust laws

5. Fraud and misrepresentation
6. Types of insurance
 - a. Errors and Omissions
 - b. General Liability

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

A. Property conditions and environmental issues (5 Items)

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

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

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

A. Financing concepts and components (2 Items)

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

B. Lender Requirements (2 Items)

1. FHA requirements
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 (BROKER 8; 3 APPLICATION, 5 ANALYSIS)

A. Property area calculations (1 Item)

1. Square footage
2. Acreage total

B. Property valuation (2 Items)

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

C. Commission/compensation (1 Item)

D. Loan financing costs (1 Item)

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

E. Settlement and closing costs (1 item)

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

F. Investment (1 Item)

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

G. Property management calculations (1 Item)

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

Notes on Math Calculations

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

- 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 seller for the purposes of prorations.

Where applicable, round off calculations using standard rounding rules.

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

Real Estate General/National Resources

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

Please refer to the publishers for the most recent editions.

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

Alaska Real Estate Law Content Outline For Salesperson and Broker Exams

Effective Date: September 14, 2023

The state law portion of the Alaska examination consists of forty (40) scored items for the salesperson examination, and sixty (60) scored items for the broker examination. Both examinations also contain 5-10 pretest items. These pretest items are not identified and will not affect a candidate's score in any way.

I. POWERS OF THE ALASKA REAL ESTATE COMMISSION (SALES 4 ITEMS / BROKER 6 ITEMS)

- A. Investigations, hearings and appeals
- B. Recovery fund
- C. Sanctions
 - 1. Disciplinary actions
 - 2. Penalties
- D. Examination of records

II. LICENSING (SALES 4 ITEMS / BROKER 6 ITEMS)

- A. Activities requiring a license
- B. Change in license status
- C. Licensed and unlicensed assistants
- D. Errors and omissions insurance

III. LICENSEE DUTIES AND DISCLOSURES TO THE PUBLIC (SALES 10-12 ITEMS / BROKER 9-11 ITEMS)

- A. Licensee relationships
- B. Conflict of interest
- C. Compensation
- D. Property disclosure
 - 1. Residential Real Property Transfer Disclosure
 - 2. Common Interest Ownership Act
 - i. Resale certificates
 - ii. Public offering statements

IV. REQUIREMENTS GOVERNING THE ACTIVITIES OF LICENSEES (SALES 10 ITEMS / BROKER 9 ITEMS)

- A. Advertising
- B. Broker/Salesperson relationship
- C. Handling of documents
- D. Handling of monies
- E. Prohibited conduct

V. PERSONAL SERVICES AGREEMENTS (SALES 4-6 ITEMS / BROKER 4-6 ITEMS)

- A. Listings
- B. Property management
- C. Buyer representation

VI. PROPERTY MANAGEMENT (SALES 6 ITEMS / BROKER 9 ITEMS)

- A. Property management
- B. Alaska Landlord Tenant Act

VII. BROKER ONLY (BROKER 15 ITEMS)

- A. Trust accounts
- B. Supervision
- C. Place of business
- D. Recordkeeping

GENERAL INFORMATION

TEST CENTERS	
CITY	LOCATION
Anchorage	Pearson Professional Centers, Anchorage
Bethel	Yuut Elitnaurviat - The People's Learning Center
Dillingham	University of Alaska Fairbanks-Bristol Bay Campus
Fairbanks	University of Alaska Fairbanks
Homer	Kenai Peninsula College
Juneau	University of Alaska Southeast
Ketchikan	University of Alaska Southeast
Kodiak	Kodiak College
Palmer	Matanuska-Susitna College
Seward	Alaska Vocational Technical Center
Sitka	University of Alaska Southeast

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