

# General Exam Content Outlines For Salespersons and Brokers

*Effective January 1, 2009*

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

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

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

## **I. Real property characteristics, definitions, ownership, restrictions, and transfer (Salesperson 16, Broker 12)**

- A. Definitions, descriptions, and ways to hold title
  - 1. Elements of real and personal property
  - 2. Property description and area calculations
  - 3. Estates in real property
  - 4. Forms of ownership, rights, interests, and obligations
- B. Land use controls and restrictions
  - 1. Government controls
  - 2. Private controls – non-monetary
  - 3. Private controls – mortgage (deed of trust) and liens
- C. Transfer/alienation of title to real property
  - 1. Voluntary
  - 2. Involuntary
  - 3. Protections
  - 4. Partition/severance (voluntary or involuntary)
  - 5. Deeds and warranties: validity, types, covenants
  - 6. Title and title insurance

## **II. Property valuation and appraisal (Salesperson 6, Broker 6)**

- A. Principles, types, and estimates of property value
  - 1. Valuation definition, purpose, and process
  - 2. Characteristics
  - 3. Valuation principles
  - 4. Approaches to value
  - 5. Depreciation/obsolescence
  - 6. Value
  - 7. Appraisals and list price
  - 8. Math
  - 9. Influences on property value
- B. Investment analysis
  - 1. Application of principles
  - 2. Math calculations

## **III. Contracts and relationships with buyers and sellers (Salesperson 18, Broker 20)**

- A. Contract elements
  - 1. Validity
  - 2. Void/voidable
  - 3. Enforceable/unenforceable (Statute of Frauds)
  - 4. Unilateral/bilateral
  - 5. Executory/executed
- B. Listing contracts
  - 1. General purpose/definition of listing
  - 2. Types
  - 3. Required elements
  - 4. Establishing listing price
  - 5. Responsibilities
- C. Commission agreements
  - 1. Negotiation of commission
  - 2. Who may collect
  - 3. Other compensation arrangements
  - 4. Math: licensee compensation/commission
- D. Sales contracts
  - 1. Terminology
  - 2. Procedures
  - 3. Standard parts
  - 4. Contingencies and misc. provisions
  - 5. Contractual rights and obligation
  - 6. Disputes and dispute resolution terms
- E. Option contracts
- F. Licensee-client relationships and responsibilities
  - 1. Types of relationships – terminology
  - 2. Relationship powers and obligations

**IV. Property conditions and disclosures  
(Salesperson 7, Broker 7)**

- A. Federal environmental regulations
  - 1. Lead-based paint
  - 2. CERCLA
  - 3. Asbestos
  - 4. Wetlands and flood plains
- B. Environmental issues
  - 1. Mold
  - 2. Radon
  - 3. Protected species
  - 4. Other
- C. Material and other property disclosures
- D. Liability considerations

**V. Federal laws governing real estate activities  
(Salesperson 8, Broker 9)**

- A. Civil Rights Acts/Fair Housing Acts
  - 1. Provisions
  - 2. Violations
  - 3. Enforcement/penalties
  - 4. Exceptions
  - 5. Advertising
  - 6. Required poster
- B. Americans with Disabilities Act (ADA)
- C. Antitrust – (Sherman Act, etc.)
- D. Marketing and financial controls
  - 1. Truth in Lending Act (TILA—Regulation Z)
  - 2. Real Estate Settlement Procedures Act (RESPA)
  - 3. Equal Credit Opportunity Act (ECOA)
  - 4. Equal Employment Opportunity Commission (EEOC)
  - 5. UCC/Interstate/Securities (Broker only)
  - 6. Do Not Call/Privacy Act

**VI. Financing the transaction and settlement  
(Salesperson 17, Broker 13)**

- A. Financing components
  - 1. Financing instruments
  - 2. Financing sources (primary and secondary mortgage markets, seller financing)
  - 3. Types of loans
  - 4. Financing clauses, terminology, and cost of money (calculation)
  - 5. Lending issues
- B. Lender requirements and obligations
  - 1. Private mortgage insurance (PMI)
  - 2. FHA requirements
  - 3. VA requirements
  - 4. Escrow/impound account
  - 5. Credit report
  - 6. Assumption requirements
  - 7. Appraisal requirements

- 8. Hazard and flood insurance
- 9. Federal financing and credit regulation
- C. Settlement/Closing
  - 1. Procedures and forms
  - 2. Closing costs and calculations
  - 3. Documents, title, and recording

**VII. Leases, rents, and property management  
(Salesperson 5, Broker 6)**

- A. Types and elements of leases
  - 1. Leasehold estates
  - 2. Types of leases
  - 3. Lease clauses and provisions
- B. Lessor and lessee rights, responsibilities, liabilities, and recourse
  - 1. Owned and leased inclusions
  - 2. Reversionary rights of owner
  - 3. Rental related discriminatory laws
  - 4. Unit-related disclosures
  - 5. Effect of sale/transfer/ foreclosure
  - 6. Evictions
  - 7. Tenant improvements
  - 8. Termination of a lease
  - 9. Breach
- C. Property management contracts and obligations of parties
  - 1. Contracts and contractual relationships
  - 2. Manager's obligations, duties, and liabilities
  - 3. Owner's obligations, duties, and liabilities
  - 4. Management/owner math calculations

**VIII. Brokerage operations (Salesperson 3, Broker 7)**

- A. Broker management of funds
  - 1. Earnest money
  - 2. Commingling
  - 3. Conversion of funds
- B. Broker-salesperson relationship
- C. Advertising
- D. Ethical and legal business practices
  - 1. Misrepresentation
  - 2. Implied duty of good faith
  - 3. Due diligence
  - 4. Unauthorized practice of law
  - 5. Marketing practices
- E. Forms of business ownership
  - 1. Corporation
  - 2. Partnership (general and limited)
  - 3. Limited liability company
  - 4. Sole proprietorship
- F. Independent contractors vs. employee

# **Arkansas Law Portion Content Outline For Sales and Broker Exams Arkansas State Laws, Rules, and Regulations**

The Arkansas law portion of the examination is made up of thirty (30) examination questions for salesperson candidates and forty (40) for broker candidates.

The examination has 10 pretest items for sales and 10 pretest items for broker.

## **I. Duties and Powers of the Real Estate Commission**

**(Sales: 4 questions, Broker: 4 questions)**

- A. General Powers
- B. Examination of Records
- C. Investigations, hearings, and appeals
- D. License suspension, revocation, and other sanctions
- E. Recovery Fund

## **II. Licensing Requirements**

**(Sales: 2 questions, Broker: 3 questions)**

- A. Activities requiring a license and exemptions
- B. Types of licenses
- C. Eligibility and requirements for licensing
- D. License renewal
- E. Change in license status or assignment
- F. Change in licensee information—name and address(es)
- G. Place of business requirements

## **III. Statutory requirements governing the activities of licensees (Sales: 14 questions, Broker: 14 questions)**

- A. Dealing independently of principal broker
- B. Expiration date for listing contract
- C. Broker responsibilities; executive brokers; part-time brokers
- D. Advertising
- E. Knowledge of property
- F. Handling of funds; maintenance of records
- G. Trust funds; trust accounts
- H. Disbursement of trust funds
- I. Agreements to be written
- J. Self dealing
- K. Offers and acceptances
- L. List agreements; signs

## **IV. Other statutory requirements**

**(Sales: 2 questions, Broker: 3 questions)**

- A. Membership in trade organization
- B. Reporting violations
- C. Criminal convictions and disciplinary actions
- D. Violation of law or regulations
- E. Time-shares

## **V. Agency Relationships and Disclosures**

**(Sales: 8 questions, Broker: 8 questions)**

- A. Seller or lessor agents
- B. Buyer or lessee agents
- C. Dual agency
- D. Failure to disclose
- E. Fidelity and honest dealing

## **VI. Broker's Practice and Requirements (Broker's ONLY) (Broker: 8 questions)**

- A. Broker responsibilities
- B. Trust accounts and transaction files
- C. Management, policies, and procedures
- D. Contracts, forms, addenda, legal
- E. Agency and disclosure
- F. Closing statements