

# General Exam Content Outline for Salespersons

Effective April 1, 2014

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. Approximately ten percent (10%) of the scored items on the general examination will involve mathematical computations.

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, DEFINITIONS, OWNERSHIP, RESTRICTIONS, AND TRANSFER (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, and covenants
6. Title and title insurance

## **II. PROPERTY VALUATION (7)**

### **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. Appraisals and fair market value
7. Math calculations
8. Influences on property value
9. Competitive Market Analysis (CMA)

### **B. Investment analysis**

1. Application of principles
2. Math calculations

## **III. CONTRACTS AND RELATIONSHIPS WITH BUYERS AND SELLERS (14)**

### **A. Contract elements**

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

### **B. Listing contracts**

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

### **C. Buyer Representation Agreements**

1. General purpose
2. Types
3. Required elements
4. Responsibilities
5. Compensation arrangement

### **D. Sales contracts**

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

### **E. Option contracts**

### **F. Agency relationships and responsibilities**

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

## **IV. PROPERTY CONDITIONS AND DISCLOSURES (9)**

### **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**

## **V. RISK MANAGEMENT (6)**

### **A. Types of insurance**

1. General Liability
2. Errors and Omissions
3. Hazard and Flood
4. Other insurance

### **B. Record keeping**

1. Contracts
2. Accounting
3. Other important documents

### **C. Privacy, security, and confidentiality**

1. Security measures and controls
2. Systems and programs
3. Electronic communication and social media
4. Personal safety

### **D. Scope of expertise**

## **VI. FEDERAL LAWS GOVERNING REAL ESTATE ACTIVITIES (9)**

### **A. Anti-Discrimination/Fair Housing Acts**

1. Protected Classes
2. Advertising
3. Enforcement/penalties

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

### **C. Restraint of Trade (Sherman Act, etc.)**

### **D. Lending (Regulation Z, etc.)**

### **E. Privacy (Privacy Act, etc.)**

### **F. Marketing**

1. Real Estate Settlement Procedures Act (RESPA)
2. Do Not Call

### **G. Other regulations that apply**

## **VII. FINANCING THE TRANSACTION AND SETTLEMENT (8)**

### **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

## **VIII. LEASES, RENTS, AND PROPERTY MANAGEMENT (5)**

### **A. Types and elements of leases**

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

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

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

### **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

## **IX. BROKERAGE OPERATIONS (6)**

### **A. Trust Accounts**

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

### **B. Advertising**

### **C. Forms of business ownership**

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

### **D. Independent contractors vs. employee**

## **X. ETHICAL AND LEGAL BUSINESS PRACTICES (4)**

### **A. Misrepresentation issues**

### **B. Implied duty of good faith**

### **C. Due diligence**

### **D. Unauthorized practice of law**

# General Exam Content Outline for Brokers

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## **I. REAL PROPERTY CHARACTERISTICS, DEFINITIONS, OWNERSHIP, RESTRICTIONS, AND TRANSFER (9)**

### **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 – covenants and restrictions
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, and covenants
6. Title and title insurance

## **II. PROPERTY VALUATION AND APPRAISAL (9)**

### **A. Market Analysis/Broker Price Opinion**

1. Definition and Purpose
2. Process
3. Requirements

### **B. Appraisal**

1. Definition and Purpose
2. Process
3. Requirements
4. Three approaches to value

### **C. Investment analysis**

1. Application of principles
2. Math calculations
3. Commercial-Investment property types

## **III. CONTRACTS AND RELATIONSHIPS WITH BUYERS AND SELLERS (17)**

### **A. Contract elements**

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

### **B. Contracts with buyers and sellers**

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 obligations
6. Disputes and dispute resolution terms

### **E. Distressed property sales**

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

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

## **IV. PROPERTY CONDITIONS AND DISCLOSURES (8)**

### **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 (7)**

### **A. Anti-Discrimination/Fair Housing Acts**

1. Protected Classes
2. Advertising
3. Enforcement/penalties

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

### **C. Restraint of Trade (Sherman Act, etc.)**

### **D. Lending (Regulation Z, etc.)**

### **E. Privacy (Privacy Act, etc.)**

### **F. Marketing**

1. Real Estate Settlement Procedures Act (RESPA)
2. Do Not Call

### **G. Other regulations that apply**

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### **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

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### **A. Types and elements of leases**

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

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

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

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

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

## **VIII. BROKERAGE OPERATIONS (14)**

### **A. Broker management of funds**

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

### **B. Supervision and management**

1. Broker-salesperson relationship
2. Office operations
3. Training
4. Recordkeeping
5. Activities requiring a license

### **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**

### **F. Independent contractors vs. employee**

### **G. Regulatory compliance**

# Utah Real Estate State Salesperson Licensing Examination Content Outline Utah Law, Rules, and Regulations

*Effective Date: October 1, 2014*

The pretest items are not identified and will not affect a candidate's score in any way.

**50 scored items, 5-10 pretest (unscored) items**

- I. DEFINITIONS (3 ITEMS)**
  - A. Real Estate Commission**
  - B. Division and Commission vs. Association of REALTORS®**
  - C. Principal broker, associate broker, sales agent**
  - D. Miscellaneous**
- II. LICENSING (8 ITEMS)**
  - A. When a license is required**
  - B. Who is exempt from licensing**
  - C. Minimum qualifications for license**
  - D. License maintenance**
    - 1. Real Estate License Management System (RELMS)
      - a. Renewals
      - b. Transfers
      - c. Terminations
      - d. Activation/inactivation
      - e. Continuing education
  - E. Reporting Requirements**
    - 1. Initial Licensing
    - 2. Renewals
    - 3. Event Occurrence
      - a. Criminal Conviction
      - b. Contact Information
      - c. Other
  - F. Who can sue for a commission**
- III. REAL ESTATE OFFICE PROCEDURES (4-5 ITEMS)**
  - A. Records and documents**
  - B. Trust accounts**
  - C. Branch offices**
- IV. PROPERTY MANAGEMENT (3 ITEMS)**
- V. LICENSEE PRACTICE (15-17 ITEMS)**
  - A. Advertising**
  - B. Handling of money**
    - 1. Earnest money
    - 2. Commissions
    - 3. Referral issues
    - 4. Other
  - C. Property disclosures**
  - D. Improper practices**
  - E. Agency (Buyer, Seller, Limited)**
    - 1. Duties
    - 2. Disclosure
    - 3. Exclusive Brokerage Agreements
  - F. Use of approved forms**
    - 1. Real Estate Purchase Contract (REPC)
    - 2. Other standardized forms
    - 3. Rights and privileges of licensees to fill out forms or documents
  - G. Unauthorized practice of law and other professional advice**
- VI. ENFORCEMENT (4-5 ITEMS)**
  - A. Filing and notice of complaint, investigation**
  - B. Audits**
  - C. Administrative action**
- VII. REAL ESTATE EDUCATION, RESEARCH AND RECOVERY FUND (1-2 ITEMS)**
  - A. Purpose**
  - B. Payments from the fund/revocation of license**
- VIII. ADDITIONAL STATE TOPICS (1-3 ITEMS)**
  - A. Utah water rights**
    - 1. Water history
    - 2. Water appropriation
  - B. Adverse possession**
  - C. Statute of Frauds**
  - D. Lien Recovery Act**
- IX. CLOSING STATEMENTS (6-8 ITEMS)**

# Utah Real Estate State Broker Licensing Examination Content Outline Utah Law, Rules, and Regulations

*Effective Date: October 1, 2014*

The pretest items are not identified and will not affect a candidate's score in any way.

**90 scored items, 5-10 pretest (unscored) items**

- I. DEFINITIONS (5-7 ITEMS)**
  - A. Basic terms and definitions
  - B. Division of Real Estate
  - C. One act for compensation
- II. LICENSING (15-17 ITEMS)**
  - A. License required to practice real estate
  - B. Licensing and examination procedures and requirements
  - C. License maintenance
    - 1. Real Estate License Management System (RELMS)
      - a. Renewals
      - b. Transfers
      - c. Terminations
      - d. Activation/inactivation
      - e. Continuing education
  - D. Reporting Requirements
    - 1. Initial Licensing
    - 2. Renewals
    - 3. Event Occurrence
      - a. Criminal conviction
      - b. Contact information
      - c. Other
  - E. Forms and display of license
- III. LICENSEE PRACTICE (33-35 ITEMS)**
  - A. Licensee conduct (Standards of practice and improper practice)
  - B. Commissions, affiliation and designations of agents or brokers
  - C. Discharge of associated broker or sales agent, Notice
  - D. Administrative procedures
  - E. Use of approved forms
    - 1. State approved forms
      - a. Real Estate Purchase Contract (REPC)
    - 2. Other standardized forms
    - 3. Rights and privileges of licensees to fill out forms or documents
  - F. Role of the broker
    - 1. Supervision
    - 2. Trust accounts
  - G. Managing the company
  - H. Agency
    - 1. Types of Agency: Buyer, Seller, Limited
    - 2. Exclusive Brokerage Agreements
- IV. DISCIPLINARY ACTION (9-11 ITEMS)**
  - A. Grounds for disciplinary action
  - B. Enforcement and administrative procedures
  - C. Disciplinary action – Judicial review
  - D. Actions for recovery of compensation restricted
  - E. Statute of Frauds
- V. REAL ESTATE RECOVERY FUND (2-3 ITEMS)**
- VI. ADDITIONAL UTAH STATE TOPICS (8-10 ITEMS)**
  - A. Offer or sale of undivided fractionalized long-term estates
  - B. Timeshare and Camp Resort Act
  - C. Water rights
  - D. Mechanic's lien
  - E. Utah Residence Restriction and Lien Recovery Fund
  - F. Property taxes
  - G. Foreclosure
  - H. Sex Offender Registry Act
    - I. Stigmatized property laws
- VII. PROPERTY MANAGEMENT (4-6 ITEMS)**
- VIII. SETTLEMENT STATEMENT (6-8 ITEM)**