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REAL ESTATE

General (National) Content Outlines

UTAH

Real Estate State Content Outlines

General Exam Content Outline for Salespersons and Brokers

Effective: February 1, 2017

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 8; BROKER 8)

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
 - b. Easements
 - c. Licenses and encroachments

II. FORMS OF OWNERSHIP, TRANSFER, AND RECORDING OF TITLE (SALES 7; BROKER 7)

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
 - 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 7; BROKER 7)

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 16)

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 18; BROKER 18)

A. Responsibilities of broker

1. Practicing within scope of expertise
2. Unauthorized practice of law
3. Privacy and Do Not Contact

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

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 6; BROKER 5)

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 plain 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 and impact statements
 - d. Wetlands protection

B. Disclosure obligations and liability

VII. FINANCING AND SETTLEMENT (SALES 10; BROKER 9)

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 8; BROKER 10)**

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. Amortization
- 4. Discount Points
- 5. Prepayment penalties
- 6. Fees

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 Galaty, 19th Edition, Dearborn
- Principles of Real Estate Practice, Stephen Mettling 5th 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, 9th Edition, Dearborn
- Real Estate Law, Charles J. Jacobus, 3rd Edition, OnCourse Learning Publishing
- Real Estate Law, Elliot Klayman, 9th Edition, Dearborn
- The Language of Real Estate, John W. Reilly, 7th Edition, Dearborn

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

Effective Date: July 15, 2016

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: July 15, 2016

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/Construction 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. CLOSING STATEMENTS (6-8 ITEM)