



PSI EXAMINATION SERVICES  
 100 West Broadway, Suite 1100  
 Glendale, CA 91210  
 www.psiexams.com



# STATE OF TEXAS REAL ESTATE SALESPERSON AND BROKER

## CANDIDATE INFORMATION BROCHURE

FOR EXAMINATIONS BEGINNING SEPTEMBER 2002

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Please refer to our website to check for the most updated information at [www.psiexams.com](http://www.psiexams.com)

## EXAMINATIONS BY PSI EXAMINATION SERVICES

This Candidate Information Brochure provides you with information about the examination process for becoming licensed as a real estate salesperson or broker in the State of Texas.

Texas state laws stipulate that a person may not act as a real estate broker, broker-salesperson, or salesperson without first obtaining a license issued by the Texas Real Estate Commission. To be licensed, you must pass an examination to confirm that you have attained at least a minimum level of knowledge regarding the principles, practices, statutes, and regulations relating to real estate.

The Texas Real Estate Commission (TREC) has contracted with PSI Examination Services (PSI) to conduct its examination program. PSI provides examinations through a network of computer examination centers in Texas. PSI works closely with the State to be certain that examinations meet local as well as national requirements in basic principles and examination development standards.

The following are the Texas real estate licensing examinations offered by PSI Examination Services:

- Real Estate Salesperson
- Real Estate Broker

Each examination consists of a state and national portion. You must pass both portions to become licensed.

## GUIDELINES FOR TAKING THE EXAMINATION

1. If you have met TREC's qualifications and have filed an application to take the examination, you have 6 months from the date the application was filed to pass your examination. NOTE: Once an applicant has met TREC qualifications, TREC will send an approval letter including an ID number.
2. If you do not pass both portions of the examination within the 6-month period, your application terminates and you must re-apply directly with the Texas Real Estate Commission.
3. You may take the examination on an unlimited basis during the 6-month period.
4. To register for an examination, you must complete the PSI Registration Form and send this form along with the appropriate fee(s) to PSI (the following section describes the methods of registration and scheduling available to you).
5. You will need to provide your ID number on the PSI examination registration form.

6. This ID number can be found on the mailing label of this Candidate Information Brochure or on the approval letter from TREC.
7. After approval by PSI, you will be sent a Registration Confirmation Notice advising you of the instructions for selecting an examination date.
8. Be sure to take two forms of proper identification with you to your scheduled examination appointment. Your name as shown on the mailing label of this Candidate Information Brochure must exactly match the name on the photo I.D. used when checking in at the examination site. NOTE: If the name does not match exactly, the candidate must contact TREC and request a change in name via telephone, and follow up with a written request by fax or mail.
9. Prepare for the examination by using the examination content outlines in this Candidate Information Brochure and the suggested study materials that cover the outline topics.

All questions and requests for information about examinations should be directed to:

**PSI Examination Services**  
**100 West Broadway, Suite 1100**  
**Glendale, CA 91210**  
**(800) 733-9267 · Fax (818) 247-3853**  
[www.psiexams.com](http://www.psiexams.com)

All questions about applications for licensure should be directed to:

**Texas Real Estate Commission**  
**1101 Camino La Costa Austin, TX 78752**  
**(512) 459-6544 or (800) 250-TREC (8732)**  
[www.trec.state.tx.us](http://www.trec.state.tx.us)

## EXAMINATION REGISTRATION AND SCHEDULING PROCEDURES

Texas allows any candidate who passes either the national or state portion of the examination to retake only the portion of the test they failed. However, in order to meet Texas licensure requirements, you must pass both portions (state and national) within 6 months from the date the application was filed.

### EXAMINATION FEE

Examination Both Portions	\$59
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The fee is \$59 for the examination, regardless if you take one or both examination portions. Examination retakes are \$59 for one or both examination portions.

**NOTE: REGISTRATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE.**

The examination fee will expire when your 6-month eligibility with TREC expires.

### STANDARD MAIL REGISTRATION

1. Complete the Examination Registration Form found in this Candidate Information Brochure. BE SURE TO READ ALL DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXAMINATION REGISTRATION FORM. IMPROPERLY COMPLETED FORMS WILL BE RETURNED TO YOU UNPROCESSED.

Return the completed original form to PSI with the appropriate examination fee. Payment of fees can be made by money order or cashier's check. Money orders or cashier's checks should be made payable to PSI. Print your ID number on your check or money order to ensure that your fees are properly assigned. **CASH, COMPANY CHECKS, PERSONAL CHECKS, MASTERCARD, AND VISA ARE NOT ACCEPTED.**

2. Upon receipt of your completed Examination Registration Form and fees, a Registration Confirmation Notice will be mailed to you.
3. Please allow 2 weeks to process your Registration. If you do not receive your Confirmation Notice within 2 weeks, call (800) 733-9267 to verify your status.

### TELEPHONE REGISTRATION

For telephone registration you will need a valid VISA or MasterCard.

Complete the Examination Registration Form, including your credit card number and expiration date, so that you will be prepared with all of the information needed to register by telephone.

1. Call (800) 733-9267, 24 hours a day and register using the Automated Registration System. Otherwise, PSI registrars are available Monday through Friday, between 8:00 a.m. and 7:00 p.m., Central Time, to receive the information listed on your Examination Registration Form and schedule your appointment for the examination.

### FAX REGISTRATION

For Fax registration, you will need a valid VISA or MasterCard.

Complete the Examination Registration Form, including your credit card number and expiration date.

1. Fax the completed form to PSI (818) 247-3853. Fax registrations are accepted 24 hours a day.

2. Please allow 4 business days to process your registration. After 4 business days, you may call PSI to schedule the examination(s), (800) 733-9267.

### INTERNET REGISTRATION

The Examination Registration Form is available at PSI's website, [www.psiexams.com](http://www.psiexams.com). You may register and schedule for an examination via the Internet 24 hours a day.

1. Download the form, print, complete, and return it to PSI by mail or Fax. A confirmation notice will be mailed to you within 2-business days of receipt of your completed registration form;  
OR
2. Complete the registration form online and send it to PSI via the Internet. Candidates who complete the form online will receive the Registration Confirmation Notice via e-mail within 2-business days.

### SCHEDULING AN APPOINTMENT TO TAKE THE EXAMINATION

Once confirmed, you are responsible for calling PSI to schedule an appointment to take the examination. PSI will make every effort to schedule the examination site location and time that is most convenient for you. To schedule your examination using a touch-tone phone, call PSI 24 hours a day at (800) 733-9267. To schedule with a PSI registrar, call Monday through Friday, between 8:00 a.m. and 7:00 p.m., Central Time. If space is available in the examination site of your choice, you may schedule an examination 1-full business day prior to the examination date of your choice (the day you call is not considered a full business day). Please be prepared to offer alternative examination appointment choices.

### RESCHEDULING FOR AN EXAMINATION

It is not possible to make a new examination appointment on the same day you have taken an examination; this is due to processing and reporting scores. For example, a candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Saturday, depending upon space availability. You may access a registration form at [www.psiexams.com](http://www.psiexams.com). You may also call PSI at (800) 733-9267. Please note that you may also use the automated system, using a touch-tone phone, 24 hours a day in order to schedule or reschedule an examination.



## CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 full business days before the scheduled examination date*. For example, for a Thursday appointment, the cancellation notice would need to be received by the close of business on the previous Tuesday. You may call PSI at (800) 733-9267 or Fax a note to (818) 247-3853. Please note that you may also use the automated system, using a touch-tone phone, 24 hours a day in order to cancel and reschedule your appointment.

**Note: A voice mail message is not an acceptable form of cancellation. Please use the internet, automated telephone system, or call PSI and speak to a Customer Service Representative.**

## MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 full business days before the scheduled examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

## SPECIAL EXAMINATION ARRANGEMENTS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and every reasonable accommodation will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements with PSI. Requests for any special accommodations should be made in writing, describing the specific accommodations that will be needed, and must include supporting documentation on official letterhead from a licensed professional. Please allow 2 weeks to process the special arrangements and notify the candidate.

## EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible.

## EXAMINATION SITE LOCATIONS

### **Abilene**

Commerce Plaza  
1290 S. Willis, Suite 109  
Abilene, TX 79605  
*From Highway 277, exit on South 14<sup>th</sup> Street going East. Turn left on S. Willis.*

### **Amarillo**

1616 S. Kentucky, Building C, Suite C220  
Amarillo, TX 79101  
*From I-40 take Georgia exit. Examination center is located North of I-40. Go to 16<sup>th</sup> Street (2<sup>nd</sup> traffic light) and turn left. Go one block to Kentucky and turn left into the Wellington Office Park located at 1616 S. Kentucky on the right side of the street. Go to Building C, second floor.*

### **Arlington**

2008 E. Randol Mill Road, Suite 102  
Arlington, TX 76011  
*From Hwy 183, take Industrial South. Turn left on Lamar Blvd. Turn right on Ball Park. Turn left on Randol Mill Road, to 2008 Randol Mill Road. The site is one block east of the ballpark.*  
*From I-30, take Collins (Hwy 157) exit South. Turn left on Randol Mill Road.*

### **Austin**

LaCosta Corporate Park  
6448 Hwy 290 East, Suite F111  
Austin, TX 78723  
*From IH 35, take Hwy 290 East exit. Go left at the traffic light onto Cameron Road. Go through the light and take the first entrance into the business park. F-111 is to the right.*

### **Corpus Christi**

2820 S Padre Island Dr, Suite 105  
Corpus Christi, TX 78415  
*From So. Padre Island Drive East, exit at Kostoryz. Loop back under the Kostoryz light, travel west on the access road to the 2820 building. The examination site is located between Kostoryz and Ayers at the 2820 Building on the North site of the SPID access road.*

### **Dallas**

One Empire, 1140 Empire Central Dr, Suite 610  
Dallas, TX 75247  
*From I-35E South take the N Stemmons Fwy exit #434A. Turn right on Empire Central Dr (will need to make a U-turn). From downtown take 35 towards Denton, exit at Empire Central.*

### **El Paso**

The Atrium  
1155 Westmoreland, Suite 110  
El Paso, TX 79925  
*From I-10 W, take the Airways exit North. Turn right at the first light (Viscount). Turn right on Westmoreland Dr.*

**Fort Worth**

6801 McCart Avenue, Suite B-1  
Fort Worth, TX 76133

*From I-20 take the McCart Ave exit #435. Go South on McCart Ave to 6801 McCart Ave. The building is located near Pep Boys. Testing site is located on the North side of the Professional Building.*

**Harlingen**

Executive Central  
722 Morgan Blvd, Suite C  
Harlingen, TX 78550

*From Expressway 83, exit on Ed Carey Drive exit. Go North on Ed Carey. At intersection of Ed Carey Drive and 77 Sunshine Strip, turn left on 77 Sunshine Strip. Stay on 77 until it joins Morgan Blvd. Turn right on Morgan Blvd.*

**Houston (North)**

Greenbriar Place  
650 North Sam Houston Pkwy E, Suite 535  
Houston, TX 77060

*From the Beltway 8 going West, exit Imperial Valley Drive. U-turn under the belt. Go East on the Service Road (N Sam Houston Pkwy E). The site is just before the Hardy Toll Road Exit.*

*From I-610, take 45-North toward Dallas, exit Beltway 8 - East. Go East on the Service Road of Beltway 8 (N Sam Houston Pkwy E).*

**Houston (East)**

Atrium Building  
11811 I-10 East Freeway, Suite 260  
Houston, TX 77029

*From I-10 West, take the Federal Rd exit #778A. U-turn under the freeway and come back on the feeder road going West. Building is on the right hand side, next to Papacitas. From I-10 East, take the Holland Rd exit. Stay on the feeder road. Building is on the right hand side, next to Papacitas.*

**Houston (Southwest)**

9000 W Bellfort Ave, Suite 545  
Houston, TX 77031

*Go South on West Beltway 8. Take the Hwy 59/Beltway 8 Frontage Road exit. Stay on the Frontage Road and go under Hwy 59, then turn left onto West Bellfort.*

*OR Go West on South Beltway 8, take the West Bellfort Exit and turn right onto West Bellfort.*

*OR From the 610 Loop, take US 59 (Southwest Freeway) South to the Sam Houston Tollway South Frontage Road exit. Turn left on the Sam Houston Tollway Frontage Road going South. Turn left on W. Bellfort.*

*THEN Once you have turned onto W Bellfort from Sam Houston Tollway (Beltway 8), it is about one mile to the examination center. It is a 5-story red brick building on the left, next to Auto Zone.*

**Lubbock**

The Center  
4413 82nd St., Suite 210  
Lubbock, TX 79424

*From S Loop 289, take the Quaker Ave exit and go South. Turn right on 82<sup>nd</sup> St.*

**Midland**

Delwood Office Center  
3404 W. Illinois, Suite 104  
Midland, TX 79703

*From I-20 take Midkiff Road exit. Go North on Midkiff Road. Take a left on Illinois Ave. Center is located on the right hand side, next to the Vet Center.*

**San Antonio**

One Park Ten  
6800 Park Ten Blvd, Suite 174-W  
San Antonio, TX 78213

*From Loop 410 West (near Crossroads Mall), take IH 10 East. Exit on Vance Jackson. Use the turnaround to get on the IH10West access road. Stay on the access road until the One Park Ten building.*

*From IH 10 West, exit on Park Ten Blvd (past Vance Jackson exit). Stay on the access road.*

*The One Park Ten building is on the right, immediately after Park Ten Blvd. Suite 174-W is located on the first floor to the right of the main entrance.*

**Tyler**

3800 Paluxy Dr, Suite 310  
Tyler, TX 75703

*From I-20 turn south on Hwy 69 and go to Loop 323. Follow Loop 323 to the intersection of Paluxy Drive. Turn right on Paluxy Drive. The building will be immediately on the left.*

**Waco**

345 Owen Lane, Suite 124  
Waco, TX 76710

*From TX-6, take the Waco Drive exit, loop under the bridge where you will be on Sanger Ave, turn right on Owen Ln. The examination site is behind the Richland Mall and directly across the street from the City of Waco water tower.*

**Louisiana Examination Sites**

*The following 2 sites will offer the Texas examinations.*

**Lake Charles**

One Lakeside Plaza, Suite 813  
Lake Charles, LA 70601

*From I-10, exit Enterprise Boulevard and proceed south approximately 1/2 mile. Turn right on Broad Street and proceed west approximately 3/4 mile. After Ryan St, turn left into the driveway of the plaza building before Lake Shore Drive. The main entrance is across Broad from Wendy's. The Suite is on 8<sup>th</sup> floor.*

**Shreveport**

Madison Park  
3855 Gilbert  
Shreveport, LA 71104

*From I-49, exit Kings Highway and proceed east approximately 1 mile. Turn right on Gilbert and proceed south for approximately 3/4 mile. The test center will be on the left.*

**REPORTING TO THE EXAMINATION SITE**

On the day of the examination, you should arrive at least 30 minutes before your appointment. This extra time is for sign-in, identification, and familiarizing you with the examination process. *If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.*



## REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide two forms of identification. One must be a VALID form of government issued identification (driver's license, state ID, passport, military ID), which bears your signature and has your photograph or a complete physical description. The second ID must have your signature and preprinted legal name. All identification provided must match the name on the Examination Registration Form, the Registration Confirmation Notice, and the mailing label found on this Candidate Information Brochure.

If you cannot provide the required identification, you must call (800) 733-9267 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement. *Failure to provide all of the required identification at the time of the examination without notifying PSI is considered a missed appointment, and you will not be able to take the examination.*

After you sign-in and present the required identification, the proctor will issue you the following examination materials.

- Scratch paper
- Test question review sheet

## SECURITY PROCEDURES

The examinations will be CLOSED book. You will NOT be allowed to bring any reference materials to the examination. Candidates need to bring a nonprogrammable calculator that is silent, battery-operated, does not have paper tape printing capabilities, and does not have a keyboard containing the alphabet.

The following security procedures will apply during the examination:

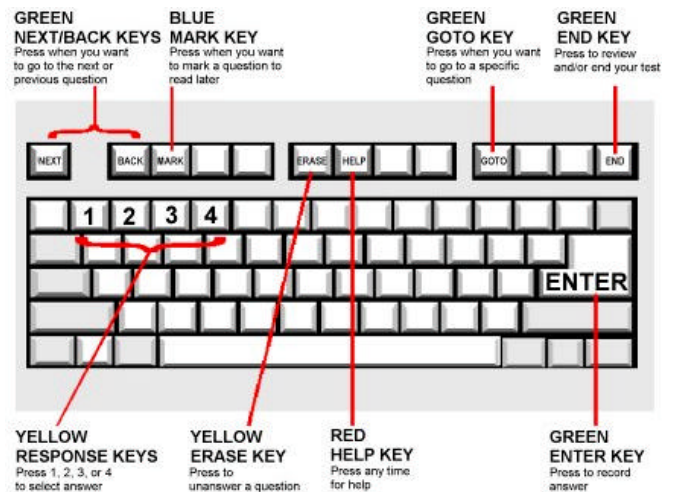
- Notes or books are not allowed.
- You may not exit the building during the examination.
- Cell phones, pagers, purses, and children are not allowed in the examination center.
- Only nonprogrammable calculators that are silent, battery-operated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet will be permitted.
- Smoking, eating, or drinking is not allowed in the examination center.
- Copying or communicating examination content is a violation of security regulations. Either one may result in the disqualification of examination results and may lead to legal action under copyright laws.

## REVIEW OF EXAMINATION QUESTIONS

PSI, in cooperation with the Texas Real Estate Commission, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Examinees will be provided with test question review sheets. Your comments regarding the questions and the examinations are welcomed. These comments will be analyzed by PSI examination development staff. While PSI may not respond to individuals regarding these comments, all substantive comments are reviewed. If an error affecting examination scores is discovered as a result, which occurs very rarely, the examination scores of all affected candidates will be automatically adjusted. **This is the only review of examination materials available to candidates.**

## TAKING THE EXAMINATION BY COMPUTER

Taking the PSI examination by computer is simple. You do not need any computer experience or typing skills. You will use about the same number of keys that you use on a touch-tone telephone. All response keys are colored and have prominent characters. An illustration of the special keyboard is shown here.



## IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered as shown in the initial screen display.

## INITIAL SCREEN DISPLAY

```

Hello!

Welcome to the Texas Real Estate Examination!

We have the following information about you:
NAME: Jane Doe
ID NUMBER: XXXXXXXXXX
REGISTERED EXAMINATION: Real Estate

If ANY of this information is not correct,
please contact the Proctor immediately!

If all this information IS correct, press the
green ENTER key.
```

## TUTORIAL

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included as part of the tutorial so that you may practice using the keys, answering questions, and reviewing your answers.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

## EXAMINATION QUESTION EXAMPLE

During the examination, you should press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You should then press "ENTER" to record your answer and move on to the next question. A sample question display follows:

## SAMPLE QUESTION DISPLAY

Question: 3 of 40    Answered: 2    Unanswered: 1    Marked: 0    View: All    Time Left(Min): 359

3. What do the stars on the United States of America's flag represent?

(Choose from the following options)

- 1. Presidents
- 2. Colonies
- 3. States
- 4. Wars

<< Back    Next >>

**IMPORTANT:** After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

## SCORE REPORTING

Each examination consists of a state and national portion. You must pass both portions to become licensed. You have 6 months from the date the application was filed to pass your examination. If you do not pass both portions of the examination within the 6-month period, your application terminates and you must re-apply directly with the Texas Real Estate Commission. In order to pass the examinations, you must achieve the minimum score shown on each part of the examination.

Examination	Portion	Number Correct
Salesperson	National	56
	State	21
Broker	National	56
	State	28

Your score will be given to you immediately following completion of the examination. The following summary describes the score reporting process:

- **On screen** - your score will appear immediately on the computer screen. This will happen automatically at the end of the time allowed for the examination; if you are using review features, you will be able to obtain your score immediately when you indicate that you have finished and would like to see your results.
- **On paper** - an official score report (pass or fail) will be printed at the examination site. This report will include a diagnostic report indicating your strengths and weaknesses by examination portion.
- If you **do not pass** - registration forms for submittal to PSI to retake the examination will be available at the examination site.

## DUPLICATE SCORE REPORTS

You can write to PSI to request a duplicate of your score report after your examination. The fee for a duplicate score report is \$15. *Money Order or cashier's check ONLY.*

## TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Brochure and use the examination content outline as the basis of your study.
- Read study materials that cover all the topics in the content outline.
- Take notes on what you study. Putting information in writing helps you commit it to memory and it is also an excellent business practice. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

## EXAMINATION STUDY MATERIALS

The following is a list of possible study materials for the real estate examinations. Answers to examination questions are based on information found in one or more of the references listed below. The list is given to identify resources and does not constitute an endorsement by PSI or by the Texas Real Estate Commission. Use the latest edition available.

### NATIONAL PORTION FOR SALESPERSON AND BROKER

Gaddy, W. E. Jr., & Hart, R. E. *Real Estate Fundamentals*, Dearborn Real Estate Education, Chicago, IL.

Galaty, Fillmore W., Allaway, Wellington J., & Kyle, Robert C. *Modern Real Estate Practice*, Dearborn Real Estate Education, Chicago, IL.

Gibson, F., Karp, J., & Klayman, E. *Real Estate Law*, Dearborn Real Estate Education, Chicago, IL.

Jacobus, Charles J. *Real Estate Principles*, South-Western Publishing, Cincinnati, OH.

Long, Deborah, *Doing the Right Thing: A Real Estate Practitioner's Guide to Ethical Decision Making*, South-Western Publishing, Cincinnati, OH.

Pivar, William H. and Harlan, Donald L., *Real Estate Ethics*, Dearborn Real Estate Education, Chicago, IL.

Reilly, J. *Agency Relationships in Real Estate*, Dearborn Real Estate Education, Chicago, IL.

Reilly, J. *The Language of Real Estate*, Dearborn Real Estate Education, Chicago, IL.

Sirota, D. *Essentials of Real Estate Finance*, Dearborn Real Estate Education, Chicago, IL.

Tamper, Ralph, *Mastering Real Estate Math*, Dearborn Real Estate Education, Chicago, IL.

Weidemer, John P., *Real Estate Finance*, South-Western Publishing, Cincinnati, OH.

### STATE PORTION FOR SALESPERSON AND BROKER

Jacobus, Charles, *Texas Real Estate*, South-Western Publishing, Cincinnati, OH.

Jacobus, Charles, *Texas Real Estate Law*, South-Western Publishing, Cincinnati, OH.

Nance, Cheryl Peat, *Modern Real Estate Practice in Texas*, Dearborn Real Estate Education, Chicago, IL.

Peeples, Donna K. and Minor Peeples III, *Texas Real Estate Agency*, Dearborn Real Estate Education, Chicago, IL.

Tamper, Ralph, *Texas Real Estate Contracts*, Dearborn Real Estate Education, Chicago, IL.

Wiedemer, James, I., *Texas Real Estate Contracts*, Ivy Publishing, Bellaire, TX. (713) 664-5008

Wiedemer, James, I., *Texas Agency Law Contracts*, Ivy Publishing, Bellaire, TX. (713) 664-5008

### TEXAS LAWS, RULES, AND REGULATIONS

The following references can be obtained from the Texas Real Estate Commission, 1101 Camino La Costa, Austin, TX 78752 (512) 459-6544 or (800) 250-TREC (8732). You may also download the references at <http://www.trec.state.tx.us/formsrulespubs/default.asp>

## EXAMINATION SUMMARY TABLE

Examination	Portion	# of Items	# Correct	Time Allowed
Salesperson	National	80	56	105 Minutes
	State	30	21	45 Minutes
	Both	110	77	150 Minutes
Broker	National	80	56	105 Minutes
	State	40	28	45 Minutes
	Both	120	84	150 Minutes

*Provisions of the Real Estate License Act, Texas Occupational Code, Chapter 1101 (Commission Duties and Powers, Licensing, Standards of Conduct, Agency Disclosure and Intermediary Practice, Enforcing Compensation Agreements, Liability for Another's Acts).*

*Rules of the Texas Real Estate Commission, 22 Texas Administrative Code, Chapters 531-543 (Commission Duties and Powers, Licensing, Standards of Conduct).*

### **OTHER TEXAS LAWS, RULES, AND REGULATIONS**

*Texas Constitution, Article 16, Section 15, Sections 50-51, Section 52 (Community Property, Homestead)*

*Family Code, Section 5.01 et seq., 5.81 et seq. (Community Property)*

*Tax Code, Sections 11.13, 11.41, 34.21 (Homestead)*

*Business and Commerce Code, Sections 17.42-17.50, Section 36.01 et seq., Section 26.01 (Deceptive Trade Practices, Assumed Names, Enforcing Compensation Agreements)*

*Probate Code, Sections 37-38 (Descent and Distribution, Intestate Succession)*

*Property Code, Section 5.008, Sections 24.001 et seq., 54.041 et seq., 92.001, 51.002, 51.004, 13.001 et seq., 53.001 et seq., (Landlord-Tenant Issues, Foreclosures, Recording Statutes, Statute of Frauds)*

*Natural Resources Code, Sections 33.135, 61.025 (Seller Disclosure Requirements)*

*Water Code, Section 49.452 (Seller Disclosure Requirements)*

*Texas Occupations Code, Chapter 53 (Consequences of Criminal Conviction)*

*Texas Occupational Code, Chapter 1103 (Appraiser Licensing and Certification)*

## **DESCRIPTION OF EXAMINATIONS**

Texas allows any candidate who passes either the national or state portion of the examination to retake only the portion of the test they failed. However, in order to meet Texas licensure requirements, you must pass both portions (state and national) within 6 months from the date the application was filed.

### PRETEST ITEMS

In addition to the number of examination items specified, a small number of five to ten "pretest" questions may be administered to candidates during the examinations. These questions will not be scored and the time taken to answer them will not count against examination time. The administration of such non-scored experimental questions is an essential step in developing future licensing examinations.

### CONTENT OUTLINE

The examination content outline has been prepared and is periodically updated by committees of professionals who are subject matter experts in real estate practice, real estate instruction, and regulatory issues. The examination content outline these professionals have prepared identifies areas of importance to licensees in order for them to perform their duties to the public in a competent and legally responsible manner.

Use the outline as a guide for pre-examination review of course material. The outline lists the topics that are on the examination and the number of questions for each topic. Do not schedule your examination until you are familiar with the topics in the outline.

### **NATIONAL PORTION CONTENT OUTLINE**

#### **(REAL ESTATE PRINCIPLES AND PRACTICES)**

- I. **Property Ownership** (Salesperson-10 Items, Broker-8 Items)
  - A. Classes of Property
  - B. Land Characteristics
  - C. Encumbrances
  - D. Types of Ownership
  - E. Descriptions of Property

- II. **Land Use Controls and Regulations** (Salesperson-8 Items, Broker-8 Items)
  - A. Government Rights in Land
  - B. Public Controls
  - C. Environmental Hazards and Regulations
  - D. Private Controls
  - E. Water Rights
- III. **Valuation and Market Analysis** (Salesperson-6 Items, Broker-6 Items)
  - A. Value
  - B. Methods of Estimating Value/Appraisal Process
  - C. Competitive Market Analysis
- IV. **Financing** (Salesperson-10 Items, Broker-10 Items)
  - A. General Concepts
  - B. Types of Loans
  - C. Sources
  - D. Government Programs
  - E. Mortgages
  - F. Financing/Credit Laws
- V. **Laws of Agency** (Salesperson-9 Items, Broker-9 Items)
  - A. Law, Definition, and Nature of Agency Relationships, Type of Agencies, and Agents
  - B. Creation of Agency and Agency Agreements
  - C. Responsibilities of Agent to Seller/Buyer as Principal
  - D. Termination of Agency
  - E. Commission and Fees
- VI. **Mandated Disclosures** (Salesperson-3 Items, Broker-3 Items)
  - A. Property Condition Disclosure Forms
  - B. Need for Inspection and Obtaining/Verifying Information
  - C. Material Facts
- VII. **Contracts** (Salesperson-10 Items, Broker-10 Items)
  - A. General
  - B. Listing Agreements
  - C. Buyer-Broker Agreements
  - D. Offers/Purchase Agreements
  - E. Counteroffers/Multiple Counteroffers
  - F. Leases as Contracts
  - G. Options
  - H. Rescission and Cancellation Agreements
  - I. Broker/Salesperson Agreements
- VIII. **Transfer of Property** (Salesperson-6 Items, Broker-7 Items)
  - A. Title Insurance
  - B. Deeds
  - C. Settlement Procedures
  - D. Tax Aspects
  - E. Legal vs. Equitable Title (*Broker only*)
  - F. Special Processes (e.g. Probate, Foreclosure)
- IX. **Practice of Real Estate** (Salesperson-6 Items, Broker-6 Items)
  - A. Fair Housing Laws
  - B. Advertising
  - C. Agent Supervision (*Broker only*)
- X. **Mathematics** (Salesperson-9 Items, Broker-8 Items)
  - A. Percent
  - B. Areas
  - C. Property Tax
  - D. Loan-to-Value Ratios
  - E. Points
  - F. Equity
  - G. Qualifying Buyers
  - H. Prorations
  - I. Commissions
  - J. Sale Proceeds
  - K. Transfer Tax/Conveyance Tax/Revenue Stamps
  - L. Competitive Market Analyses (CMA)
  - M. Income Properties
  - N. Depreciation
  - O. Gross Rent Multipliers (GRM) (*Broker only*)
- XI. **Specialty Areas** (Salesperson-3 Items, Broker-5 Items)
  - A. Property Management and Landlord/Tenant
  - B. Common Interest Ownership Properties
  - C. Subdivisions
  - D. Commercial Property/Income Property
  - E. Business Opportunities (*Broker only*)
  - F. Agricultural Property (*Broker only*)

**STATE PORTION CONTENT OUTLINE**

- I. **Commission Duties and Powers** (Salesperson-3 Items, Broker-4 Items)
  - A. General Powers: Composition, Duties, and Powers; Real Estate Broker-Lawyer Committee
  - B. Investigations and Subpoena Power: Investigations; Subpoena Power Investigations; Subpoena Power Hearings
  - C. Hearings and Appeals (*Broker only*)
  - D. Penalties for Violation: Unlicensed Activity; Authority for Disciplinary Actions; Penalties; Recovery Fund
- II. **Licensing** (Salesperson-3 Items, Broker-3 Items)
  - A. Activities Requiring License: Scope of Practice; Exemptions; Corporations/Limited Liability Companies; Non-Resident Broker; Inspectors and Appraisers
  - B. Licensing Process: General Requirements (age, moral character, residency, sponsor, etc.); Education; Examination; Grounds to Reject Application; Appeals
  - C. License Maintenance and Renewal: Continuing Education; Place of Business; Change of Salesperson Sponsorship; Inactive Status



**III. Standards of Conduct** (Salesperson-6 Items, Broker-8 Items)

- A. Professional Ethics and Conduct
- B. Single Act
- C. Grounds for Suspension and Revocation
- D. Unlawful Practice of Law
- E. Trust Accounts
- F. Splitting Fees

**IV. Agency/Brokerage** (Salesperson-8 Items, Broker-11 Items)

- A. Disclosure
- B. Intermediary Practice
- C. Duties to Client
- D. Enforcing Compensation Agreements (**Broker only**)
- E. Broker-Salesperson Relationships; Broker's Responsibility for Acts of Salesperson

**V. Contracts** (Salesperson-6 Items, Broker-8 Items)

- A. Use of Standard Contract Forms
- B. Statute of Frauds

**VI. Special Topics** (Salesperson-4 Items, Broker-6 Items)

- A. Community Property
- B. Homestead
- C. Deceptive Trade Practices Act
- D. Assumed Names (**Broker only**)
- E. Descent and Distribution
- F. Intestate Succession
- G. Seller Disclosure Requirements
- H. Landlord-Tenant Issues
- I. Foreclosures
- J. Recording Statutes
- K. Mechanic's and Materialman's Liens

**SAMPLE TEST**

A sample test is provided for you on page 12 of the Candidate Information Bulletin. The questions are offered as examples of the types of questions you will be asked during the course of the Texas real estate salesperson and broker examinations. They are intended primarily to familiarize you with the style and format of questions you can expect to find in the examinations. The examples do NOT represent the full range of content or difficulty levels found in the actual examinations.



**TEXAS REAL ESTATE SAMPLE TEST  
STATE ITEMS**

1. An unimproved lot is located in the service area of a water supply corporation. The seller is subject to the notice requirements relating to a service provider. What is the buyer's statutory remedy if the seller fails to give the written notice REQUIRED by law?
  - a. Sue for specific performance of the notice requirement.
  - b. Terminate the purchase contract with the seller.
  - c. Seek an award of damages in court not to exceed \$10,000 plus attorney fees.
  - d. Sue the seller and title company for punitive damages.
  
2. To be eligible for a real estate license, an individual MUST
  - a. be at least 21 years of age.
  - b. prove competence by completing a number of core courses.
  - c. satisfy the Commission as to the individual's integrity.
  - d. be a resident of Texas for at least 60 days.
  
3. Who can pay money to a licensed salesperson to perform sales activities for a house a broker has listed for sale?
  - a. The seller under the listing.
  - b. Any licensed broker involved in the transaction.
  - c. The salesperson's sponsoring broker and no one else.
  - d. The related entities in the sale, the title company, or the mortgage company.
  
4. According to The Real Estate License Act of Texas, which one of the following actions is a fair and impartial act for an intermediary?
  - a. Appointing associated licensees to work with the parties.
  - b. Appointing subagents to work with the parties.
  - c. Agreeing to represent an owner.
  - d. Agreeing to represent a buyer.
  
5. As a marketing promotion, a real estate salesperson offers property for sale by lottery. This practice is
  - a. lawful since the adoption of the Texas State Lottery.
  - b. prohibited unless authorized by the owner in writing.
  - c. grounds for suspension or revocation of license.
  - d. lawful if a real estate lottery license has been issued.
  
6. When the association of a salesperson with the sponsoring broker is terminated, the broker MUST
  - a. return the salesperson's license to the Commission within 10 days.
  - b. immediately return the salesperson's license to the Commission.
  - c. return the salesperson's license to the Commission within 30 days.
  - d. have the salesperson apply for an inactive license.
  
7. When negotiating contracts binding the sale or lease of property, a real estate licensee must use an appropriate Texas Real Estate Commission-promulgated form unless another contract form has been prepared and is REQUIRED by the
  - a. lender's appraiser.
  - b. owner of the property.
  - c. property surveyor.
  - d. title company's attorney.
  
8. An individual is exempt from real estate licensure in Texas when performing which one of the following activities?
  - a. Selling real estate for another person.
  - b. Offering an employer's property for rent.
  - c. Procuring prospects for the purpose of renting particular properties.
  - d. Locating apartment units for a tenant.

**TEXAS REAL ESTATE SAMPLE TEST  
STATE ITEMS**

9. Absent an agreement, spouse's rental income from separate property is
- community property.
  - that spouse's separate property.
  - not subject to reimbursement by the other spouse on divorce.
  - not income to the community.
10. Who is responsible to the Texas Real Estate Commission, the public, and the clients for the acts of a salesperson?
- Only the salesperson.
  - Salesperson's sponsoring broker.
  - Texas Association of Realtors.
  - Attorney general.
11. A buyer contracts to purchase a previously occupied single-family residence. The buyer did NOT receive a copy of the Seller's Disclosure Notice before signing the contract. According to the Texas Property Code, the buyer has the right to
- sue for three times the amount of the earnest money.
  - file a complaint with the Texas Real Estate Commission.
  - terminate the contract within seven days after receiving notice.
  - reduce the sales price by the necessary repair costs.
12. Combining a principal's funds with the licensee's personal funds is
- considered to be commingling.
  - establishing an escrow account.
  - necessary in real estate speculation.
  - standard practice to ensure a commission.
13. When MUST an existing agency relationship be disclosed to another party to a proposed transaction?
- During a substantive discussion.
  - Before submitting an offer.
  - At no time during negotiations.
  - At the time of licensee's first contact.
14. A standard contract form has been developed for
- sale of single family residences.
  - sale of multi-family (five or more) residences.
  - commercial conventional sales, leases, and options.
  - industrial conventional sales, leases, and options.
15. What information is in the written statutory statement that a licensee MUST provide for a consumer at their first face-to-face meeting?
- Duties of the broker representing one of the parties or acting as an intermediary.
  - Disclosure by the seller of defects in the property.
  - Rights of the consumer filing a complaint with the Texas Real Estate Commission.
  - Rights of the consumer filing a suit to be paid out of the recovery fund.
16. A single woman dies intestate. In regards to her surviving heirs, her property will
- escheat to the State of Texas.
  - be distributed according to her will.
  - go to her parents, if they have survived her.
  - be distributed according to the law of descent and distribution.

**TEXAS REAL ESTATE SAMPLE TEST  
NATIONAL ITEMS**

17. A husband and wife live in one unit of a duplex that they own with title held as joint tenants. The husband's will leaves all his possessions to a son by a former marriage. If the husband were to die, which of the following statements would BEST describe the son's rights to the duplex?
- a. As an heir, the son will get nothing of the duplex.
  - b. Because the couple had lived in one of the units, the son will inherit the second unit.
  - c. The son will have a one-half interest with the current wife as joint tenant.
  - d. The son will have a one-half interest with the current wife as tenants-in-common.
18. Which of the following estates represents the BEST type of ownership in real estate?
- a. Fee simple absolute.
  - b. Life.
  - c. Defeasible fee.
  - d. Remainder.
19. Usury laws were enacted to protect the
- a. lender.
  - b. broker.
  - c. seller.
  - d. borrower.
20. The owner of condominium A has grounds to file a lawsuit for encroachment against the owner of a neighboring unit if the neighbor
- a. constructs an addition on her garage without a building permit.
  - b. leaves her bicycle in the driveway of condominium A for over a year.
  - c. presents the owner of condominium A with a bill to cover the costs of repairing water damage to their common condo wall.
  - d. permanently installs a satellite dish that extends over the fence into the patio of condominium A.
21. A variance allows an individual landowner to deviate from
- a. deed restrictions.
  - b. zoning requirements.
  - c. restrictive covenants.
  - d. building codes.
22. A competitive market analysis, or CMA, is a variation of which approach to estimating the value of a property?
- a. Supply and demand.
  - b. Sales comparison.
  - c. Cost.
  - d. Income capitalization.
23. A homeowner wants to add a second bathroom to his home. He lives in a deteriorating neighborhood. Which principle of valuation should the homeowner use to determine whether the addition will increase or decrease the value of his property?
- a. Contribution
  - b. Plottage
  - c. Balance
  - d. Anticipation
24. Two parties orally promise one thing, but write and sign something else. Which contract will prevail?
- a. The oral contract.
  - b. The written contract.
  - c. The contract first agreed to.
  - d. Either contract, depending on individual circumstances.

**TEXAS REAL ESTATE SAMPLE TEST  
NATIONAL ITEMS**

25. In the cost approach to valuation, which of the following formulas is used to estimate value?
- Reproduction or replacement cost less depreciation plus land.
  - Reproduction or replacement cost plus depreciation plus land.
  - Cost of land depreciated plus cost of improvements.
  - Cost of replacement plus accrual for depreciation.
26. The right of a borrower to redeem property during foreclosure proceedings, before the property is sold, is known as
- repossession.
  - equitable redemption.
  - statutory redemption.
  - defeasance.
27. An investment property returns 20% of its value or \$35,000 annually. What is the value of the property?
- \$175,000
  - \$700,000
  - \$840,000
  - None of the above.
28. A provider of construction materials may give constructive notice of his unpaid invoices by
- filing a judgment with the court in the residence jurisdiction of the builder.
  - taking an ad in the legal notices section of the local newspaper.
  - obtaining a mechanic's lien against the subject property.
  - advising potential buyers of the debts of the builder.
29. What type of loan allows the lender to receive a portion of the profit when the property is sold?
- Adjustable rate mortgage.
  - Graduated payment mortgage.
  - Shared appreciation mortgage.
  - Reverse annuity mortgage.
30. If you advertise the simple interest for a loan, which of the following items need NOT be included in the advertisement to comply with Regulation Z?
- Down payment.
  - Finance charges.
  - Annual percentage rate.
  - Principal, interest, taxes, and insurance.
31. Points are figured on the
- negotiated sale price.
  - sale price less commission.
  - loan amount.
  - mortgage amount plus closing costs.
32. The agent owes care, accounting, confidentiality, and disclosure to the
- client.
  - buyer.
  - broker.
  - public.
33. A deed conveying land to two parties on a 1/3 and 2/3 share basis establishes a
- tenancy by the entirety.
  - joint tenancy.
  - long-term lease.
  - tenancy in common.
34. Two competing brokers privately agree that they will not list residential property at less than a certain commission rate. What laws have they violated?
- Fair Housing laws.
  - Laws of agency.
  - Antitrust laws.
  - Agency disclosure laws.

**TEXAS REAL ESTATE SAMPLE TEST  
NATIONAL ITEMS**

35. An owner sold a property for \$125,000. She paid an existing loan balance of \$53,000 and closing costs of \$2,000. The commission to the broker was 7% of the sales price. To the nearest dollar, how much did the owner receive from the sale of her house?
- \$61,250.
  - \$65,100.
  - \$78,750.
  - None of the above.
36. Which of the following elements is necessary for a valid deed?
- Signature of the grantee.
  - Full dollar amount of purchase price.
  - Recording the document.
  - Delivery and acceptance.
37. An FHA loan is one which is
- funded by the Federal Housing Administration.
  - insured by the Federal Housing Administration.
  - arranged by the Federal Housing Administration through a private lender.
  - available only to low income families.
38. A broker manages a small apartment complex. Under the management contract the broker arranges for maintenance, advertising, and bookkeeping, and signs all of the leases with the tenants as agent for the owners. In this scenario, the broker is a
- general agent.
  - special agent.
  - subagent.
  - dual agent.
39. Private controls on land use typically are in the form of
- building codes.
  - restrictive deed covenants.
  - zoning laws.
  - floodplain management regulations.
40. Which of the following pieces of information MUST a listing agent reveal to a prospective buyer?
- Similar properties nearby are priced lower.
  - The seller has been transferred to another city and is eager to sell.
  - The property has recently been rezoned.
  - The teenagers who live next door seem to be gang members.
41. A broker's fee is generally earned when
- a ready, willing, and able buyer has entered into a binding contract.
  - the first prospect has been shown the property.
  - the buyer has taken possession of the listed property.
  - the seller withdraws the property from the market.
42. A real estate sales contract is void if
- either party dies before title passes.
  - it is unilateral.
  - it is for an illegal purpose.
  - it is breached by either party.
43. Which of the following listing agreements tends to create competition between the principal and the agent in selling a property?
- Exclusive right to sell listing.
  - Exclusive agency listing.
  - Option listing.
  - Multiple listing.
44. A listing broker is about to present an offer and discovers that the prospective buyer is acting for someone else. The broker should
- assess the buyer's legal authorization to make the offer.
  - immediately present the offer without mentioning the undisclosed buyer.
  - inform the seller that the buyer is acting for another.
  - insist that the offer be amended to show the name of the actual buyer before presenting it.

**TEXAS REAL ESTATE SAMPLE TEST  
NATIONAL ITEMS**

45. A counteroffer on a home was made to a couple. They signed it and the real estate agent delivered their acceptance to the seller. Meanwhile, the couple found another house that they liked better and made an offer on it, which was accepted. Which of the following is TRUE?
- a. The offer on the first house is not enforceable.
  - b. Neither offer is enforceable.
  - c. Only the first offer is valid.
  - d. Both offers are valid.
46. Fees necessary to clear all defects to furnish a marketable title are customarily shown on the closing statement as
- a. a credit to buyer; a debit to seller.
  - b. no entry to buyer; a credit to seller.
  - c. no entry to buyer; a debit to seller.
  - d. a debit to buyer; a credit to seller.
47. The owner of a 50-unit apartment building that is occupied mainly by young professionals has advertised that apartments in the building are for adults only. Is the owner in violation of Federal Fair Housing laws, and why or why not?
- a. Yes, because Fair Housing laws prohibit familial status discrimination.
  - b. Yes, because Fair Housing laws prohibit steering.
  - c. Yes, because Fair Housing laws prohibit blockbusting.
  - d. No, because the owner is not discriminating on the basis of race, color, gender, religion, or national origin.
48. When one party to a contract sues the other party for specific performance, the suing party wants
- a. the other party to comply with the agreement.
  - b. the other party to change the terms of the agreement.
  - c. to recover damages.
  - d. to void the agreement.
49. A potential buyer is financially sound and has excellent credit, but was turned down for a mortgage loan by the lender because of the location of the property. This is an example of
- a. blockbusting.
  - b. sexual discrimination.
  - c. familial discrimination.
  - d. redlining.
50. The closing on a property is on the 5th of June. Last year's taxes of \$1,098 were paid in arrears on January 1. Taxes are to be prorated based on last year's taxes. Who owes whom and how much? The buyer pays for the day of closing. Use the actual number of days method of prorating and 365 days in the year. Round to the nearest cent.
- a. The buyer owes the seller \$466.27.
  - b. The buyer owes the seller \$631.73.
  - c. The seller owes the buyer \$466.27.
  - d. The seller owes the buyer \$631.73.

TEXAS REAL ESTATE SAMPLE TEST  
ANSWER SHEET

1. b
2. c
3. c
4. a
5. c
6. b
7. b
8. b
9. a
10. b
11. c
12. a
13. d
14. a
15. a
16. d
17. a
18. a
19. d
20. d
21. b
22. b
23. a
24. b
25. a

26. b
27. a
28. c
29. c
30. d
31. c
32. a
33. d
34. c
35. a
36. d
37. b
38. a
39. b
40. c
41. a
42. c
43. b
44. c
45. d
46. c
47. a
48. a
49. d
50. c

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