

NOTICE: Effective August 1, 2015: All national/general exam questions are in compliance with the changes to TILA-RESPA Integrated Disclosure (TRID), which went into effect October 3, 2015.

Click below for the appropriate content outline.

REAL ESTATE

General Content Outlines

- Content Outline for General **Sales** Examinations
- Content Outline for General **Broker** Examinations

RHODE ISLAND

Real Estate State Content Outlines

- Rhode Island Content Outline for Sales and Broker Exams

General Exam Content Outline for Brokers

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 (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

VI. FINANCING THE TRANSACTION AND SETTLEMENT (9)

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 (7)

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

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.)

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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

Rhode Island State Content Outline for Sales and Broker Exams

Effective Date: January 18, 2012

The Rhode Island state examination consists of forty (40) scored items for the sales person examination and fifty (50) scored items for broker examination. Both examinations also contain 10 pretest items. These pretest items are not identified on the examination and will not affect the candidate's score in anyway.

I. DUTIES AND OBLIGATIONS UNDER LICENSING LAW (SALES: 4 QUESTIONS; BROKER: 4 QUESTIONS)

- A. Powers and authority of the Department of Business Regulation
- B. Investigations, hearings, and appeals
- C. Sanctions
- D. Rhode Island Real Estate Commission

II. LICENSING REQUIREMENTS (SALES: 6 QUESTIONS; BROKER: 6 QUESTIONS)

- A. Activities requiring a license
- B. Status of license
 - 1. Transfer, renewal, lapsed
- C. Eligibility for licensing
 - 1. Real Estate Recovery Account
 - 2. Errors and omissions insurance
 - 3. Other Requirements
- D. Continuing education

III. STATUTORY REQUIREMENTS GOVERNING THE ACTIVITIES OF LICENSEES (SALES: 22 QUESTIONS; BROKER: 22 QUESTIONS)

- A. Advertising
- B. Broker/salesperson relationship
- C. Commissions
- D. Disclosure
 - 1. Conflict of interest
 - 2. Material disclosure
 - 3. Relationship disclosure
- E. Handling of documents
- F. Handling of monies
- G. Listings and purchase and sales agreements
- H. Unfair inducements
- I. Unauthorized practice of law
- J. General obligations of licensees

IV. ADDITIONAL TOPICS (SALES: 8 QUESTIONS; BROKER: 8 QUESTIONS)

- A. Fair Housing Practice Act RIGL 34-37-1
- B. Landlord - Tenant Law RIGL 34-18-1
- C. Agricultural Functions of Department of Environmental Management RIGL 2-1-5 to 2-1-27
- D. Fire Detection Systems in Existing Residential Occupancies RIGL 23-28.35
- E. Onsite Wastewater Treatment System (OWTS) RIGL 5-20.8-2
- F. Sale of Real Property by Non-residents - Withholding Requirements RIGL 44-30-71.3
- G. Lead Paint Disclosure – Section 9 of Rules & Regulations, RI Dept. of Health
- H. Seller's Disclosure RIGL 5-20.8

V. BROKER ONLY (BROKER: 10 QUESTIONS)

- A. Place of business
- B. Record keeping
- C. Commingling
- D. Escrow accounts
- E. Additional responsibilities
- F. License required for ownership RIGL 5-20.5-27