



Rhode Island

Real Estate

Candidate Handbook

May 2018



STATE LICENSING INFORMATION

Candidates may contact the Rhode Island Department of Business Regulation with questions about obtaining or maintaining a license after the examination has been passed.

Rhode Island Department of Business Regulation

John O. Pastore Center

Division of Commercial Licensing
and Racing & Athletics

Real Estate Section

1511 Pontiac Avenue, Bldg. 69-1
Cranston, RI 02920

Phone

(401) 462-9506

Website

www.dbr.ri.gov

EXAMINATION INFORMATION

Candidates may contact Pearson VUE with questions about this handbook or about an upcoming examination.

Pearson VUE Rhode Island Real Estate

Attn: Regulatory Program Coordinator

5601 Green Valley Dr.

Bloomington, MN 55437

Phone

(800) 274-8922

Email

pearsonvuecustomerservice@pearson.com

Website

www.pearsonvue.com

QUICK REFERENCE

RESERVATIONS

Before making an exam reservation

Candidates should thoroughly review this handbook, which contains examination content outlines and important information regarding eligibility and the examination and licensing application process.

Making an exam reservation

Candidates may make a reservation by either visiting www.pearsonvue.com or calling Pearson VUE.

Candidates should make a reservation online at least twenty-four (24) hours before the desired examination date (unless an electronic check is used for payment, as detailed on page 4). **Walk-in examinations are not available.**

SCHEDULES & FEES

Test centers

A list of test centers appears on the back cover of this handbook. Candidates should contact Pearson VUE to confirm specific locations and schedules.

Exam fees

The examination fee (\$70) must be paid at the time of reservation by credit card, debit card, voucher, or electronic check. **Payment will not be accepted at the test center. Examination fees are non-refundable and non-transferable except as detailed in *Change/Cancel Policy*.**

EXAM DAY

What to bring to the exam

Candidates should bring to the examination proper identification and other materials as dictated by the state licensing agency. A complete list appears in *What to Bring* (page 6).

Exam procedures

Candidates should report to the test center at least thirty (30) minutes before the examination begins. Each candidate will have 2.5 hours for the General Knowledge section and 1.5 hours for the Rhode Island state section of the examination, and will leave the test center with an official score report in hand.

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OVERVIEW

The candidate handbook is a useful tool in preparing for an examination.

It is highly recommended that the Rhode Island Real Estate handbook be reviewed, with special attention given to the content outlines, before taking the examination.

Individuals who wish to obtain a real estate salesperson license in the state of Rhode Island must:

1. Complete prelicensing education.

Before taking an examination, candidates must complete all prelicensing education. (*See page 2 for additional details.*)

2. Make a reservation and pay the examination fee.

Make a reservation (by phone or online) with Pearson VUE for the examination. (*See page 3.*)

3. Go to the test center.

Go to the test center on the day of the examination, bringing along all required materials. (*See page 6.*)

4. Apply for a license.

After passing the examination, candidates must submit the proper application forms and fees to the Rhode Island Department of Business Regulation.

Individuals who wish to obtain a real estate broker license in the state of Rhode Island must:

1. Complete prelicensing education.

Before taking an examination, candidates must complete all prelicensing education. (*See page 2 for additional details.*)

2. Make a reservation and pay the examination fee.

Make a reservation (by phone or online) with Pearson VUE for the examination. (*See page 3.*)

3. Go to the test center.

Go to the test center on the day of the examination, bringing along all required materials. (*See page 6.*)

4. Apply for a license.

After passing the examination, candidates must submit the proper application forms and fees to the Rhode Island Department of Business Regulation.

INTRODUCTION

CONTACT INFORMATION

Candidates may contact Pearson VUE with questions about this handbook or an examination.

FOR EXAMINATIONS Pearson VUE/Rhode Island Real Estate <i>Attn: Regulatory Program</i> 5601 Green Valley Dr., Bloomington, MN 55437		
Phone: (800) 274-8922	Website: www.pearsonvue.com	Email: pearsonvuecustomerservice@pearson.com

Live Chat is available to address your support inquiries and is the quickest way to reach a customer service agent. It's available from 8:00 AM through 5:00 PM Central Time, Monday through Friday, subject to change during locally designated holidays.

Please visit www.pearsonvue.com/ri/realestate/contact for further information.

Candidates may contact the Real Estate section of the Rhode Island Department of Business Regulations with questions about obtaining or maintaining a license.

FOR STATE LICENSING Rhode Island Department of Business Regulation <i>John O. Pastore Center</i> Division of Commerical Licensing and Racing & Athletics Real Estate Section 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920	
Phone: (401) 462-9506	Website: www.dbr.ri.gov

THE LICENSURE PROCESS

Licensure is the process by which an agency of state government or other jurisdiction grants permission to individuals to engage in the practice of, and prohibits all others from legally practicing, a particular profession, vocation, or occupation. By ensuring a minimum level of competence, the licensure process protects the general public. The state regulatory agency is responsible for establishing the acceptable level of safe practice and for determining whether an individual meets that standard.

The State of Rhode Island has retained the services of Pearson VUE to develop and administer its real estate examination program. Pearson VUE is a leading provider of assessment services to regulatory agencies and national associations.

PRACTICE TESTS – NATIONAL PORTION ONLY

National-portion practice tests are offered exclusively online at www.pearsonvue.com, giving candidates even more opportunity to succeed on real estate examinations. The national-portion practice tests will not only help prepare candidates for the types of questions they will see on the national portion of the licensure examination but also familiarize them with taking computer-based examinations. Pearson VUE offers a practice test for real estate that contains questions developed by subject matter experts using concepts found in the national portion of the licensure examination. The test closely reflects the format of the national portion of the licensure examination, can be scored instantly, and provides immediate feedback to help candidates identify correct and incorrect answers. Candidates can purchase national-portion practice tests anytime by visiting www.pearsonvue.com/practicetests/realestate.

STATE LICENSING REQUIREMENTS

The Rhode Island Department of Business Regulation has established the requirements for qualification for a real estate salesperson or broker license. Application for licensure **MUST** be filed within one (1) year of the date on which the candidate passed the examination. If parts of the exam were passed on different dates, the one-year time period begins on the later date.

Applications take approximately three (3) weeks to process. Applications must be completed in full, signed, and notarized with all accompanying documents included. Rhode Island residents who will attest to the applicant's reputation and recommend that the license be granted. Candidates should be sure to complete each question. Incomplete applications will be returned for correction, which will cause a delay in processing.

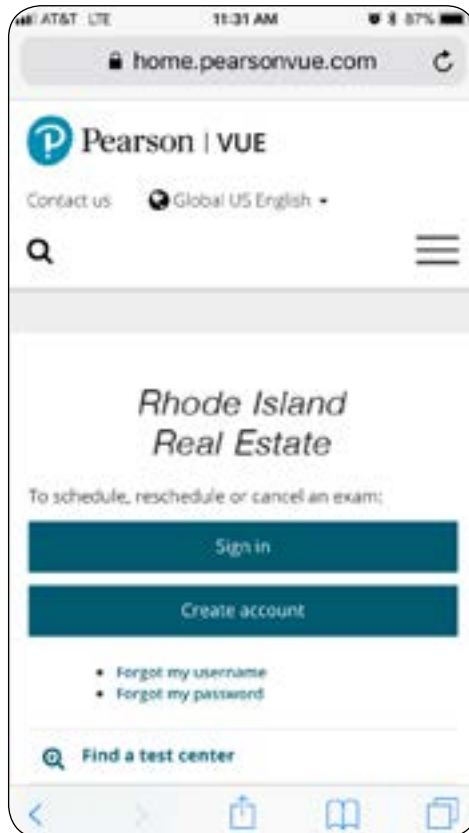
Candidates who would like a copy of the Rhode Island Real Estate Licensing Law – Rules and Regulations may obtain one from the Department's website.

EXAM RESERVATIONS

MAKING A RESERVATION

Walk-in examinations are not available. Online reservations are the most efficient way for candidates to schedule their examination. Candidates **must** go to www.pearsonvue.com/ri/realestate to make an online reservation for an examination. First-time users are required to create an account. The candidate will need to fill in all required fields, which are preceded by an asterisk (*), on the online form in order to create an ID and be assigned a password. Step-by-step instructions will lead the candidate through the rest of the examination reservation process.

Our new website has been optimized to work on mobile devices such as phones and tablets as pictured below.



Candidates **must** make an online reservation at least twenty-four (24) hours before the desired examination date. Candidates who wish to make a phone reservation at (800) 274-8922 must do so at least twenty-four (24) hours before the desired examination date (unless an electronic check is used for payment, as detailed on page 4).

Before making a reservation, candidates should have the following:

- Legal name, address, Social Security number, daytime telephone number, and date of birth
- The name of the examination(s)
- The preferred examination date and test center location (a list appears on the back cover of this handbook)
- A failing score report (if retaking an examination)

EXAM FEES

The examination fee (\$70) must be paid at the time of reservation by credit card, debit card, voucher, or electronic check. **Payment will not be accepted at the test center, nor will a single payment be accepted to cover more than one candidate.**

Candidates are responsible for knowing all regulations regarding fees and examination scheduling as presented here. Examination fees are non-refundable and non-transferable, except as detailed in *Change/Cancel Policy* on page 4.

Electronic Checks

Candidates who choose to pay the examination fee by electronic check must have a personal checking account, and must be prepared to provide to Pearson VUE at the time of reservation the following information:

- Bank name
- Account number
- Routing number
- Social Security number or driver's license number
- Name and address on the account

Using this information, Pearson VUE can request payment from the candidate's bank account just as if the candidate had submitted an actual paper check.

Candidates paying by electronic check must register at least five (5) days before the examination date in order for their check to be processed.

Vouchers

Vouchers offer another convenient way to pay for tests. Vouchers can be purchased online at <http://www.pearsonvue.com/vouchers/pricelist/rirel.asp> by credit card either singly or in volume. To redeem a voucher as payment when scheduling a test, simply indicate voucher as the payment method and provide the voucher number. All vouchers are pre-paid. Vouchers are non-refundable and non-returnable.

Vouchers expire twelve (12) months from the date they are issued. Voucher expiration dates cannot be extended. The exam must be taken by the expiration date printed on the voucher.

CHANGE/CANCEL POLICY

Candidates should call Pearson VUE at (800) 274-8922 forty-eight (48) hours before the examination to change or cancel a reservation. Candidates who change or cancel a reservation with proper notice may either transfer their fees to a new reservation or request a refund. **Candidates who change or cancel their reservations without proper notice will forfeit the examination fee.** Refunds for credit/debit cards are immediate, while refunds for electronic checks and vouchers will be processed in two to three (2-3) weeks.

Candidates are individually liable for the full amount of the examination fee once a reservation has been made, whether individually or by a third party.

ABSENCE/LATENESS POLICY

Candidates who are late to or absent from an examination may be excused for the following reasons:

- Illness of the candidate or of a member of the candidate's immediate family
- Death in the immediate family
- Disabling traffic accident
- Court appearance or jury duty
- Military duty
- Weather emergency

Candidates who are absent from or late to an examination and have not changed or canceled the reservation according to the Change/Cancel Policy will not be admitted to the examination and will forfeit the examination fee. Written verification and supporting documentation for excused absences must be submitted to Pearson VUE within fourteen (14) days of the original examination date. Written verification and supporting documentation can be sent by fax to (888) 204-6291 or mailed to the following address:

Pearson VUE/Rhode Island Real Estate
5601 Green Valley Dr., Bloomington, MN 55437

WEATHER DELAYS AND CANCELLATIONS

If severe weather or a natural disaster makes the Pearson VUE test center inaccessible or unsafe, the examination may be delayed or canceled. Pearson VUE will notify and reschedule candidates in the case of severe weather.

ACCOMMODATIONS

Pearson VUE complies with the provisions of the Americans with Disabilities Act as amended. The purpose of accommodations is to provide candidates with full access to the test. Accommodations are not a guarantee of improved performance or test completion. Pearson VUE provides reasonable and appropriate accommodations to individuals with documented disabilities who demonstrate a need for accommodations.

Test accommodations may include things such as:

- A separate testing room
- Extra testing time
- A Reader or Recorder, for individuals with mobility or vision impairments and cannot read or write on their own

Test accommodations are individualized and considered on a case-by-case basis. All candidates who are requesting accommodations because of a disability must provide appropriate documentation of their condition and how it is expected to affect their ability to take the test under standard conditions. This may include:

- Supporting documentation from the professional who diagnosed the condition, including the credentials that qualify the professional to make this diagnosis
- A description of past accommodations the candidate has received

The steps to follow when requesting test accommodations vary, depending on your test program sponsor. To begin, go to <http://pearsonvue.com/accommodations>, and then select your test program sponsor from the alphabetized list. Candidates who have additional questions concerning test accommodations may contact the ADA Coordinator at accommodationspearsonvue@pearson.com

EXAM DAY

REQUIRED ITEMS

Candidates who do not present the required items will be denied admission to the examination, will be considered absent, and will forfeit the examination fee.

WHAT TO BRING

Required Materials

All candidates are required to bring identification that is deemed acceptable, as listed under *Acceptable Forms of Candidate Identification*, to the test center on the day of examination.

Acceptable Forms of Candidate Identification

Candidate must present **two (2)** forms of current signature identification. The name on the identification must exactly match the name on the registration. The primary identification must be government-issued and photo-bearing with a signature, and the secondary identification must contain a valid signature. Identification must be in English.

Primary ID (photograph and signature, not expired)

- Government-issued driver's license
- U.S. Department of State driver's license
- U.S. learner's permit (plastic card only with photo and signature)
- National/state/country ID card
- Passport
- Passport Card
- Military ID
- Military ID for spouses and dependents
- Alien Registration Card (Green Card, Permanent Resident Visa)

Secondary ID (signature, not expired)

- U.S. Social Security card
- Debit (ATM) card or Credit card
- Any form of ID on the Primary ID list

If the ID presented has an embedded signature that is not visible (microchip), or is difficult or impossible to read, the candidate must present another form of identification from the Primary or Secondary list that contains a visible signature.

Pearson VUE does not recognize grace periods. For example, if a candidate's driver's license expired yesterday and the state allows a 30-day grace period for renewing the ID, the ID is considered to be expired.

EXAM PROCEDURES

Candidates should report to the test center thirty (30) minutes before the examination and check in with the test center administrator. The candidate's identification and other documentation will be reviewed and he/she will be photographed for the score report.

Candidates are required to review and sign a ***Candidate Rules Agreement*** form. If the ***Candidate Rules Agreement*** is not followed and/or cheating or tampering with the examination is suspected, the incident will be reported as such and the appropriate action will be taken. The examination fee will not be refunded, the exam may be determined invalid, and/or the state may take further action.

Candidates will have an opportunity to take a tutorial on the PC on which the examination will be administered. The time spent on this tutorial will not reduce the examination time. The examination administrators will answer questions, but candidates should be aware that the administrators are not familiar with the content of the examinations or with the state's licensing requirements. Examination administrators have been instructed not to advise candidates on requirements for licensure.

Candidate photos will be taken at the test center and will appear on the official score report.

Candidates may begin the examination once they are familiar with the PC. The examination begins the moment a candidate looks at the first examination question. Candidates will be given 2.5 hours to complete the General Knowledge section and 1.5 hours to complete the Rhode Island state section of the examination. The examination will end automatically after the examination time has expired, and candidates will leave the test center with their official results or score report in hand.

SCORE REPORTING

When candidates complete the examination, they will receive a score report marked “pass” or “fail.” Candidates who pass the examination will receive a score report that includes information on how to apply for a license. Candidates who fail the examination will receive a score report that includes a numeric score and diagnostic information relating to the general section of the examination, as well as information about reexamination.

RETAKE THE EXAM

The examination is divided into two parts: general and state law. Candidates who fail one portion of the examination and pass the other need only retake the portion that they failed and do so within one (1) year. After this time period, candidates must retake the entire examination.

REVIEW OF EXAMS

For security reasons, examination material is not available to candidates for review.

SCORE EXPLANATION

The passing score for the examination is set by the Rhode Island Department of Business Regulation. The general and state law sections are usually administered in multiple versions to enhance security. To ensure that no individual has an unfair advantage or disadvantage by taking a particular version of the examination, the actual passing score of the various versions may be adjusted to accommodate minor fluctuations in the difficulty level of the questions on each version. The passing score for all versions, however, is *reported* as a score of 70.

The reported examination scores can range from 1 to 100, but they are not to be interpreted as the percentage or number of examination questions answered correctly. With 70 as the passing score, any score below 70 indicates how close the candidate came to passing, rather than the actual number or percentage of questions answered correctly.

DUPLICATE SCORE REPORTS

Candidates may request a duplicate score report by completing and submitting the appropriate form found in this handbook.

TEST CENTER POLICIES

The following policies are observed at each test center. **Candidates who violate any of these policies will not be permitted to finish the examination and will be dismissed from the test center, forfeiting the examination fee.**

- **No personal items are allowed in the testing room.** Personal items include but are not limited to cellular phones, hand-held computers or other electronic devices, pagers, watches, wallets, purses, firearms or other weapons, hats, bags, coats, books, and/or notes, pens, or pencils.
- **Calculators are permitted only if they are silent, hand-held, nonprinting, and without an alphabetic key pad.** Financial calculators are not permitted. Calculator malfunctions are not grounds for challenging examination results or requesting additional examination time. **NOTE: Calculators are NOT provided by the test center staff.**
- Candidates must store all personal items in a secure area as indicated by the administrator, or return items to their vehicle. All electronic devices must be turned off before storing them in a locker. **The test center is not responsible for lost, stolen, or misplaced personal items.**
- Studying **is not** allowed in the test center. Visitors, children, family, or friends **are not** allowed in the test center.
- Dictionaries, books, papers (including scratch paper), and reference materials are not permitted in the examination room (unless permitted by the exam sponsor), and candidates are strongly urged not to bring such materials to the test center. When the candidate enters and is seated in the testing room, the test administrator will provide the candidate with materials to make notes or calculations and any other items specified by the exam sponsor. **The candidate may not write on these items before the exam begins or remove these items from the testing room.**
- Eating, drinking, chewing gum, smoking, and/or making noise that creates a disturbance for other candidates is prohibited during the exam.
- Break policies are established by the exam sponsor. Most sponsors allow unscheduled breaks. To request an unscheduled break, the candidate **must** raise his/her hand to get the administrator's attention. **The exam clock will not stop while the candidate is taking a break.**
- Candidates must leave the testing room for all breaks. However, candidates **are not permitted to leave the floor or building for any reason during this time, unless specified by the administrator and the exam sponsor.** If a candidate is discovered to have left the floor or building, he/she will not be permitted to proceed with the examination and may forfeit the exam fee.
- While taking a break, candidates are permitted to access personal items that are being stored during the exam only if necessary—for example, personal medication that must be taken at a specific time. **However, a candidate must receive permission from the administrator prior to accessing personal items that have been stored.** Candidates are **not** allowed access to other items, including but not limited to cellular phones, exam notes, and study guides, unless the exam sponsor specifically permits this.
- Any candidate discovered causing a disturbance of any kind or engaging in any kind of misconduct—giving or receiving help; using notes, books, or other aids; taking part in an act of impersonation; or removing examination materials or notes from the examination room—will be summarily dismissed from the examination and will be reported to the state licensing agency. Decisions regarding disciplinary measures are the responsibility of the state licensing agency, and could include decertification, an exam being declared invalid, or a candidate being denied the opportunity to retake the exam.

PREPARING FOR THE EXAM

EXAM CONTENT

The content of the general section of the examination is based upon information obtained from a job analysis performed by Pearson VUE. Responses from real estate professionals were analyzed to determine the nature and scope of tasks they perform, and the knowledge and skills needed to perform them. This information is the basis upon which examination questions are written and ensures that the examination reflects the actual practice of real estate. Questions on the general section are also reviewed and approved by nationally recognized real estate professionals.

The state law section of the examination has been developed to reflect the laws, regulations, and practice of real estate in Rhode Island, and has been reviewed and approved by real estate professionals in Rhode Island.

MATH CALCULATIONS

The information below is NOT available at the test center and should be memorized.

Candidates may use the following information in making mathematical calculations on the general section of the real estate examinations unless otherwise stated in the text of the question:

- 43,560 square feet/acre
- 5,280 feet/mile
- Round off calculations (where applicable)

The information below, if needed, will be contained within the test itself:

If a question requires the calculation of prorated amounts, the question will specify: a) whether the calculation should be made on the basis of 360 or 365 days a year; and b) whether the day of closing belongs to the buyer or seller.

PRETEST QUESTIONS

Many of the examinations will contain “pretest” questions. Pretest questions are questions on which statistical information is being collected for use in constructing future examinations. Responses to pretest questions do not affect a candidate's score.

Pretest questions are mixed in with the scored questions and are not identified.

The number of pretest questions are listed in the content outline heading of each examination for which they are available. If a number is not present then there are no pretest questions for that particular examination.



REAL ESTATE

General Content Outlines

RHODE ISLAND

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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Rhode Island State Content Outline for Sales and Broker Exams

The Rhode Island state examination consists of forty (40) scored items for the salesperson 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 any way.

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 Safety Code – General Provisions RIGL 23-28.1**
- 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**

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Name		
Address		
City	State	ZIP

Exam Taken: <input type="checkbox"/> Salesperson <input type="checkbox"/> Broker	
State in which exam was taken	Date Taken
Date of Birth	
Licensing Jurisdiction	

GENERAL INFORMATION

CANDIDATES MAY CALL (800) 274-8922 TO MAKE AN EXAM RESERVATION.

TEST CENTERS	
LOCATION*	SCHEDULE*
East Providence, RI	Tuesday through Thursday, Saturday
Worcester, MA	3-4 weekdays per week and Saturday
Boston (Back Bay), MA	3-4 weekdays per week and Saturday
Woburn, MA	Tuesday through Saturday
North Dartmouth, MA	Wednesday through Saturday

**Locations and schedules are subject to change.*

EXAMINATIONS	FEES
Salesperson	\$70
Broker	\$70

PEARSON VUE HOLIDAY SCHEDULE

No exams on the following holidays or holiday weekends:

- New Year's Day
- Memorial Day
- Labor Day
- Christmas Day
- Martin Luther King, Jr. Day
- Independence Day
- Thanksgiving