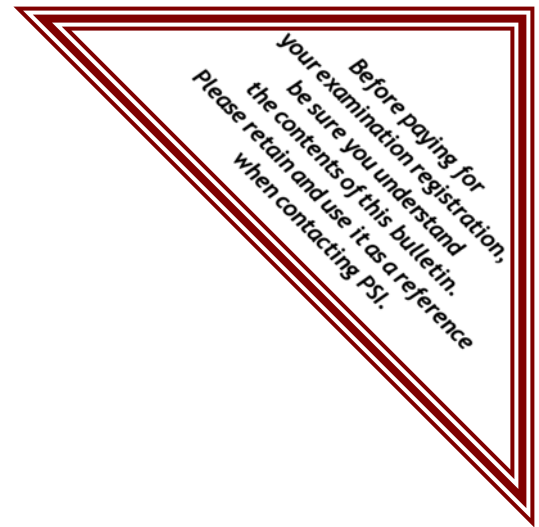




PSI licensure:certification
 3210 E Tropicana
 Las Vegas, NV 89121
 www.psiexams.com



STATE OF TEXAS REAL ESTATE SALESPERSON AND BROKER

CANDIDATE INFORMATION BROCHURE

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Please refer to our website to check for the most updated information at 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 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.

QUALIFICATIONS 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 eligibility 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.

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

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

PSI licensure:certification
3210 E Tropicana
Las Vegas, NV 89121
(800) 733-9267 • Fax (702) 932-2666
www.psiexams.com

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.

To register for an examination, you must complete the PSI Registration Form and send this form along with the appropriate fee(s) to PSI. Following are the methods of registration and scheduling available to you.

You will need to provide your ID number, which can be found on the eligibility letter from TREC.

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

EXAMINATION FEE

Examination Both Portions	\$61
---------------------------	------

The fee is \$61 for the examination, regardless if you take one or both examination portions. Examination retakes are \$61 for one or both examination portions.

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE.

INTERNET REGISTRATION

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

1. Complete the registration form on line and send it to PSI via the Internet.
2. Upon completion of the online registration form, you will be given the available dates for scheduling your examination.

STANDARD MAIL REGISTRATION

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.**



1. Upon receipt of your completed Examination Registration Form and fees, a Registration Confirmation Notice will be mailed to you.
2. 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.

Call (800) 733-9267, 24 hours a day and register using the Automated Registration System. Otherwise, PSI registrars are available Monday through Friday, between 6:30 am and 7:00 pm and Saturday, between 10:00 am and 4:00 pm, 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 (702) 932-2666. 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.

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 6:30 am and 7:00 pm and Saturday, between 10:00 am and 4:00 pm, 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. 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 AND RESCHEDULING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 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 (702) 932-2666. 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 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

The following directions are generated from the most current mapping services available. However, new road construction and highway modifications may result in some discrepancies. If you are not familiar with the specific area of the testing site, please consult a reliable map prior to your test date.

Abilene

Commerce Plaza
1290 S. Willis, Suite 109
Abilene, TX 79605

*The test site is on the corner of South 14th Street and Willis.
The site is behind the First Financial Bank.*

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 16th Street (2nd 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

If Southbound on IH 35, exit at 238A and take the right off-ramp following West 2222 (238-A). Stay on the I-35 service road to the second light. Take a left at the traffic light at Hwy. 290 E. and stay on the Hwy. 290 E. service road. Take a left at the traffic light onto Cameron Road, go through the light and the testing center is in the business park on the left, Ste. F-111.

If Northbound on IH 35 exit at Hwy 2222 and stay on the I-35 service road to the light at Hwy. 290 E. Take a right at the traffic light onto the 290 E. service road. Take a left at the first traffic light onto Cameron Road. Go through the light and the testing center is in the business park on the left, Ste. F-111.

PSI is located in NORTH Austin at the North West corner of Cameron Road and the West bound access road to Hwy 290 E. La Costa Business Park, Ste F-111.

Austin

8000 Anderson Square, Ste 301B
Austin, Texas 78757

If Northbound on Hwy 183 -take the Peyton Gin/Ohlen Road exit and stay in the left hand lane so you can turn left onto Anderson Square. Turn right into 8000 Anderson Square and immediately turn left, then right at the first chance. 301B is the end building on your right.

If Southbound on Hwy 183- take the Peyton Gin/Ohlen Road exit and turn right onto Anderson Square. Turn right into

8000 Anderson Square and immediately turn left then right at the first chance. 301B is the end building on your 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 Southbound (Stemmons Fwy), exit Empire Central (#434A), turn right on Empire Central Dr. ONE EMPIRE BLDG is on the left.

From I-35E Northbound, exit Empire Central and turn Left on Empire Central. ONE EMPIRE is on the Left.

From Hwy 183 Eastbound (John carpenter Fwy), exit left on Regal row, turn right on Governors row, and turn left on Empire central. ONE EMPIRE is on the right.

From Hwy 183 Westbound - Exit Mockingbird LN turn right on Empire Central. ONE EMPIRE is on the right.

Dallas (Richardson)

1702 N. Collins Blvd, Suite 180
Richardson, TX 75080

Take US 75 Central Expressway and exit Campbell Rd. Go West and the 1st light is Collins Blvd. Turn left, and go approx 2 blocks. The building PSI is in is on the left hand side. PSI is in a two-story red brick building on the northeast corner of North Collins and Omni.

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.

El Paso (N Mesa)

4171 N. Mesa
Bldg. A, Suite 121
El Paso, TX 79902

From I-10E/US-180E toward downtown, take the Executive Center Blvd Exit (Exit 16). Turn left onto Executive Center Blvd. Take Executive Center Blvd to Mesa St. Turn right onto Mesa St.

From I10-W, take the Executive Center Blvd Exit (Exit 16).

Take Executive Center Blvd to Mesa St. Turn right onto Mesa St.

The testing site is located immediately on the right, in the Commons Office Complex.

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 passing Altamesa Blvd. You will turn left at the next light which would be Southpark Lane. To the right you may enter the 1st immediate parking entrance or the 2nd parking entrance on your right at 6801 McCart Ave Professional Building. Our office suite is B1 which is located on the Northside of the building facing Southpark Lane.



Harlingen

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

From Expressway 83, exit on Ed Carey Drive. Go North on Ed Carey Drive. At intersection of Ed Carey Drive and 77 Sunshine Strip, turn left onto 77 Sunshine Strip. Stay on 77 until it joins Morgan Blvd (Morgan Blvd is also road #507). Where 77 joins Morgan Blvd is like a "Y", stay to the right. Stay in the right lane and turn into the parking lot of 722 Morgan Blvd.

Houston North (Greenbriar Place)

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 EASTBOUND, 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)

One West Belt
9555 W. Sam Houston Pkwy South, Suite 140
Houston, TX 77099

From Hwy 59 going south: take Bissonnet exit and turn right on Bissonnet. Stay on right lane and turn into parking lot at 9555 W Sam Houston. (The building is about a mile away, on the northeast corner of Bissonnet and W. Sam Houston).

From Hwy 59 going north: take Bissonnet exit and turn left (go under the freeway, again the building is about a mile away on your right side) and follow this till you get to 9555 W Sam Houston.

From W. Sam Houston (also called Beltway 8) going south: take Bissonnet exit and turn left on Bissonnet, going under the freeway, staying on the inside lane for easier turning into parking lot.

From W. Sam Houston (Beltway 8) going north: exit West Bellfort, stay on the frontage /service road and go about two miles to Bissonnet. Turn into parking lot as soon as you pass Bissonnet.

CDI Engineering will appear on the top of the building in large letters.

Houston (Northwest)

9800 Northwest Freeway
Suite 200
Houston, TX 77092

From Hwy 290 EASTBOUND take Exit 13C toward West T C Jester Blvd. Stay Straight to go onto N Loop Fwy W. Make a u-turn onto N Loop Fwy W. Stay on the feeder road, Sheraton Hotel is on the right as the road curves right. Turn into the

parking lot immediately after the Sheraton Hotel and before the office building. Center is on the 2nd floor.

Driving north on Loop 610 West exit at T.C.Jester and then u-turn under Loop 610. Stay on the feeder road, Sheraton Hotel is on the right as the road curves right. Turn into the parking lot immediately after the Sheraton Hotel and before the office building. Center is on the 2nd floor.

Driving west on Loop 610 North, exit at T.C.Jester and then u-turn under Loop 610. Stay on the feeder road, Sheraton Hotel is on the right as the road curves right. Turn into the parking lot immediately after the Sheraton Hotel and before the office building. Center is on the 2nd floor.

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 82nd St.

McAllen

800 Fern Ave. Unit B
McAllen, TX 78501

From TX 336 (N 10th St) go South on TX 336 (N 10th St) to West Fern Ave. Turn left onto West Fern Ave.

From Nolana Ave. If you are going west on Nolana Ave E, turn left (South) onto TX 336 (N 10th St). Turn left onto Fern Ave.

From US 83 going West toward S 10th St/TX-336. Turn right onto N 10th St/TX-336. Turn right onto Fern Ave.

From East TX-107 E/S Conway Ave/S Alton Blvd toward E Eisenhower Ave. Turn right onto TX-107 E/ Highway 107.

Turn left onto N 10th St/ TX-336. Turn left onto Fern Ave.

From W University Dr; State Route 107 W Edinburg toward Hoehn Dr. Make a u-turn at Hoehn Dr onto W University Dr/ TX-107 E. Turn right onto N 10th St/ TX-336. Turn left onto Fern Ave.

Midland

Westwood Village Shopping Center
4200 West Illinois Avenue, Suite 200
Midland, TX 79703

From I-20, take Midkiff Road exit. Go North on Midkiff Road. Take a left on Illinois Ave. Go .8 miles and turn right into Chinese Kitchen's parking lot at 4200 W Illinois. Suite is at the end of the left Strip.

From Business 20 (Old Hwy 80) going West, follow Front Street until Wall St Traffic light. Go 2 blocks and turn right on Midkiff. Turn left on Illinois. Go .8 miles and turn right into Chinese Kitchen's parking lot at 4200 W Illinois. Suite is at the end of the left Strip.

From North Hwy 349, Look for Loop 250 West (just before overpass). Turn right at Loop and go 2 miles to Exit Midkiff. Turn left at traffic light. Turn right at Illinois traffic signal. Turn right onto Chinese Kitchen's parking Lot at 4200 W Illinois. Suite is at the end of the left Strip.

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 Vance Jackson. Stay on the access road.



REPORTING TO THE EXAMINATION SITE

The building is off of IH10/US87 approximately one mile inside Loop 410. 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.

San Antonio

9502 Computer Drive, Ste 105
San Antonio, TX 78229

From I-10 West, take exit 561 for Wurzbach and Medical Drive. Stay on the access road passed Medical Drive, then turn left on Wurzbach (going under the freeway). Proceed one block on Wurzbach, then turn left on Bluemel. Proceed one block on Bluemel, turn left on Computer Drive, then turn right into the parking lot for the Neuromuscular Institute of Texas at 9502 Computer Drive. PSI is in suite 105. From I-10 East, take the Wurzbach exit and turn right on Wurzbach (going under the freeway), then follow the directions above.

Tyler

3800 Paluxy Dr, Suite 310
Tyler, TX 75703

From 1-20 turn south on Hwy 69 and go to Loop 323. Turn right on 323 and follow 323 to the intersection of Paluxy Dr. Turn right on Paulxy Drive. The Paulxy Square Complex will be immediately on the left. Go to Building 3 which is in the back.

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. If you are coming in on the South Hwy 6, take the South Loop 340, then take Sanger Ave Exit.

Louisiana Examination Sites

The following 2 sites will offer the Texas examinations.

Lake Charles

Delta Tech
517 Broad Street

Lake Charles, LA 70601

From I-10, take the Ryan Street exit, EXIT 30B, toward downtown area, turning with a slight right onto Ryan Street. Turn left onto Broad St, going 0.2 miles to 517 Broad St.

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 $\frac{3}{4}$ mile. The test center will be on the left.

Examinations are also available to Texas candidates in other PSI testing centers located across the U.S. Please contact PSI for all states that PSI tests in.

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), 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.

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.*

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:

- NO conversing or any other form of communication among candidates is permitted once you enter the examination area.
- Cell phones, pagers, and children are not allowed in the examination center. **NO personal items are to enter the testing center.** PSI will not be responsible for any personal items and suggests that you leave them locked in the trunk of your car.
- Only non-programmable calculators that are silent, battery-operated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet will be allowed in the examination site.
- No smoking, eating, or drinking will be allowed at the examination site.
- You may not exit the building during the examination.
- Copying or communicating examination content is a violation of PSI security policy and the State Law. Either one may result in the disqualification of examination results and may lead to legal action.

REVIEW OF EXAMINATION QUESTIONS

PSI, in cooperation with the TREC, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Comments may be entered on the



computer keyboard during the examination. Your comments regarding the questions and the examinations are welcomed. Comments will be analyzed by PSI examination development staff. While PSI does 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 the examination available to candidates.

EXAMINATION QUESTION EXAMPLE

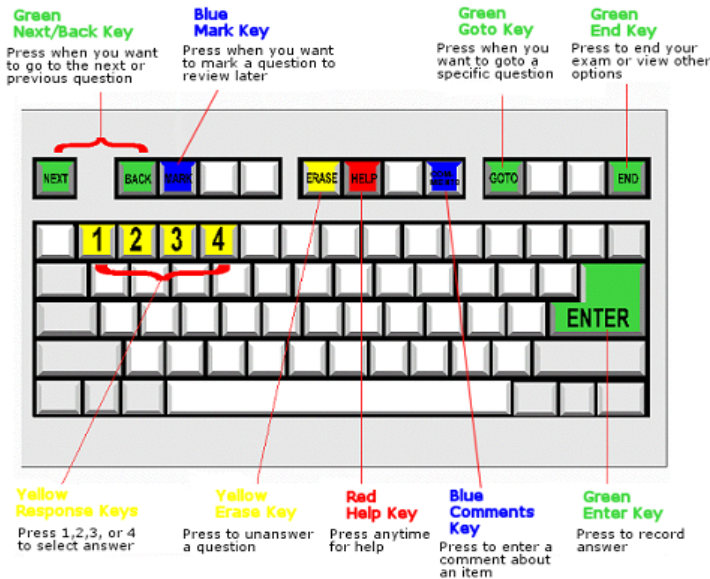
During the examination, you should press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You should then press "ENTER" to record your answer and move on to the next question. A sample question display follows:



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.

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. You may also use the mouse.



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.

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.

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	Portion	Number Correct
Salesperson	National	56
	State	21
Broker	National	60
	State	30

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.

A Practice Examination Is Now Available online at
www.psiexams.com

Now you can take the practice exam online at
www.psiexams.com to prepare for your Texas Salesperson
Real Estate Examination.

Please note that practice exams are intended only to help testing candidates become familiar with the general types of questions that will appear on a licensing examination. They ARE NOT a substitute for proper education and study. Furthermore, scoring well on the practice exam does not guarantee a positive outcome on an actual licensing examination.

Note: You may take the practice exams an unlimited number of times, however you will need to pay each 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

Real Estate Fundamentals, 7th Edition, 2007, Gaddy and Hart, Dearborn Real Estate Education, 30 S. Wacker Drive, Chicago, IL 60606-7481, (800) 972-2220, www.dearbornRE.com, ISBN 0793164710

Modern Real Estate Practice, 17th Edition, 2006, Galaty, Allaway, & Kyle, Dearborn Real Estate Education, , 30 S. Wacker Drive, Chicago, IL 60606-7481, (800) 972-2220, www.dearbornRE.com, ISBN 0793144280

Real Estate Principles & Practices, 8th Edition, 2009, Arlyne Geschwender, South-Western, a division of Thomson Learning, 5191 Natorp Blvd., Mason, OH 45040, (800) 730-2214, www.swcollege.com, ISBN 0324187475

Real Estate Law, 7th Edition, 2009, Karp and Clayman, Dearborn Real Estate Education, 30 S. Wacker Drive, Chicago, IL 60606-7481, (800) 972-2220, www.dearbornRE.com, ISBN 0793149568

Real Estate Principles, 9th Edition, 2003, Charles Jacobus, South-Western, a division of Thomson Learning, 5191 Natorp Blvd., Mason, OH 45040, (800) 730-2214, www.swcollege.com, ISBN 0324143877 (10th Ed. In preparation)

The Language of Real Estate, 6th Edition, 2006, John Reilly, Dearborn Real Estate Education, 30 S. Wacker Drive, Chicago, IL 60606-7481, (800) 972-2220, www.dearbornRE.com, ISBN 0793131936

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>



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)

Many of these reference materials are available for purchase at www.psionlinestore.com or by calling the PSI Online Store, toll-free, at (866) 589-3088.

Titles currently in stock are listed on the order form near the end of this candidate information bulletin.

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.

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	60	105 Minutes
	State	40	30	45 Minutes
	Both	120	90	150 Minutes

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)

CONTENT OUTLINE

Property Ownership (Salesperson 6 Items, Broker 5 Items)

1. **Classes of Property**
 - a. Real versus Personal Property
 - b. Defining Fixtures
2. **Land Characteristics and Legal Descriptions**
 - a. Physical Characteristics of Land
 - b. Economic Characteristics of Land
 - c. Types of Legal Property Descriptions
 - d. Usage of Legal Property Descriptions
3. **Encumbrances**
 - a. Liens (Types and Priority)



- b. Easements and Licenses
- c. Encroachments
- 4. **Types of Ownership**
 - a. Types of Estates
 - b. Forms of Ownership
 - c. Leaseholds
 - d. Common Interest Properties
 - e. Bundle of Rights

5. Physical Descriptions of Property

- a. Land and Building Area
- b. Basic Construction Types and Materials

Land Use Controls and Regulations (Salesperson 5 Items, Broker 5 Items)

1. Government Rights in Land

- a. Property Taxes and Special Assessments
- b. Eminent Domain, Condemnation, Escheat
- c. Police Power

2. Public Controls Based in Police Power

- a. Zoning and Master Plans
- b. Building Codes
- c. Environmental Impact Reports
- d. Regulation of special land types (floodplain, coastal, etc.)

3. Regulation of Environmental Hazards

- a. Abatement, mitigation and cleanup requirements
- b. Contamination levels and restrictions on sale or development of contaminated property
- c. Types of hazards and potential for agent or seller liability.

4. Private Controls

- a. Deed Conditions or Restrictions
- b. Covenants (CC&Rs)
- c. HOA Regulations

Valuation and Market Analysis (Salesperson 8 Items, Broker 7 Items)

1. Value

- a. Market Value and Market Price
- b. Characteristics of Value
- c. Principles of Value
- d. Market Cycles and other Factors Affecting Property Value

2. Methods of Estimating Value/Appraisal Process

- a. Market or Sales Comparison Approach
- b. Replacement Cost or Summation Approach
- c. Income Approach
- d. Basic Appraisal Terminology (Replacement versus Reproduction Cost, Reconciliation, Depreciation, Kinds of Obsolescence)

3. Competitive/Comparative Market Analysis (CMA)

- a. Selecting and Adjusting Comparables
- b. Factors to Consider in a CMA
- c. Contrast CMA, Broker Opinion of Value (BOV), Appraisal
- d. Price/Square Foot
- e. Gross Rent and Gross Income Multipliers

4. When Appraisal by Certified Appraiser is Required

Financing (Salesperson 7 Items, Broker 7 Items)

1. General Concepts

- a. LTV Ratios, Points, Origination Fees, Discounts, Broker Commissions
- b. Mortgage Insurance (PMI)
- c. Lender Requirements, Equity, Qualifying Buyers, Loan Application Procedures

2. Types of Loans

- a. Term or Straight Loans
- b. Amortized and Partially Amortized (Balloon) Loans
- c. Adjustable Rate Loans (ARMS)
- d. Conventional versus Insured
- e. Reverse mortgages; equity loans; subprime and other nonconforming loans

3. Sources of Loan Money

- a. Seller/Owner Financing
- b. Primary Market
- c. Secondary Market
- d. Down Payment Assistance Programs

4. Government Programs

- a. FHA
- b. VA

5. Mortgages/Deeds of Trust

- a. Mortgage Clauses (Assumption, Due-On-Sale, Alienation, Acceleration, Prepayment, Release)
- b. Lien Theory versus Title Theory
- c. Mortgage/Deed of Trust and Note as Separate Documents

6. Financing/Credit Laws

- a. Truth in Lending, RESPA, Equal Credit Opportunity
- b. Mortgage Loan Disclosure and Seller Financing Disclosure

7. Mortgage Fraud, Predatory Lending Practices (Risks to Clients)

- a. Usury and Predatory Lending Laws
- b. Appropriate Cautions to Clients Seeking Financing

Laws of Agency (Salesperson 10 Items, Broker 11 Items)

1. Laws, Definitions, and Nature of Agency Relationships

- a. Types of Agents/Agencies (Special, General, Designated, Subagent, etc.)



- b. Possible Agency Relationships in a Single Transaction
- c. Fiduciary Responsibilities
- 2. **Creation and Disclosure of Agency and Agency Agreements (General; Regulatory Details in State Portions)**
 - a. Creation of Agency and Agency Agreements
 - b. Express and Implied
 - c. Disclosure of Representation
 - d. Disclosure of Acting as Principal or other Conflict of Interest
- 3. **Responsibilities of Agent to Seller, Buyer, Landlord or Tenant as Principal**
 - a. Traditional Common Law Agency Duties ("COALD")
 - b. Duties to Client/Principal (Buyer, Seller, Tenant or Landlord)
 - c. Effect of Dual Agency on Agent's Duties
- 4. **Responsibilities of Agent to Customers and Third Parties**
- 5. **Termination of Agency**
 - a. Expiration
 - b. Completion/Performance
 - c. Termination by Operation of Law
 - d. Destruction of Property/Death of Principal
 - e. Termination by Acts of Parties

Mandated Disclosures (Salesperson 7 Items, Broker 8 Items)

- 1. **Property Condition Disclosure Forms**
 - a. Agent's Role in Preparation
 - b. When Seller's Disclosure Misrepresents Property Condition
- 2. **Warranties**
 - a. Types of available warranties
 - b. Coverages provided
- 3. **Need for Inspection and Obtaining/Verifying Information**
 - a. Agent Responsibility to Verify Statements included in Marketing Information
 - b. Agent Responsibility to Inquire about "Red Flag" Issues
 - c. Responding to Non-Client Inquiries
- 4. **Material Facts Related to Property Condition or Location**
 - a. Land/Soil Conditions
 - b. Accuracy of Representation of Lot or Improvement Size, Encroachments or Easements affecting Use
 - c. Pest Infestation, Toxic Mold and other Interior Environmental Hazards
 - d. Structural Issues, including Roof, Gutters, Downspouts, Doors, Windows, Foundation
 - e. Condition of Electrical and Plumbing Systems, and of Equipment or Appliances that are Fixtures
 - f. Location with in Natural Hazard or Specially Regulated Area, Potentially Uninsurable Property)

- g. Known Alterations or Additions
- 5. **Material Facts Related to Public Controls, Statutes or Public Utilities**
 - a. Local Zoning and Planning Information
 - b. Boundaries of School/Utility/Taxation Districts, Flight Paths
 - c. Local Taxes and Special Assessments, other Liens
 - d. External Environmental Hazards (lead, radon, asbestos, formaldehyde foam insulation, high-voltage power lines, waste disposal sites, underground storage tanks, soil or groundwater contamination, hazardous waste)
 - e. Stigmatized/Psychologically Impacted Property, Megan's Law Issues

Contracts (Salesperson 10 Items, Broker 10 Items)

- 1. **General Knowledge of Contract Law**
 - a. Requirements for Validity
 - b. Types of Invalid Contracts
 - c. When Contract is Considered Performed/Discharged
 - d. Assignment and Novation
 - e. Breach of Contract and Remedies for Breach
 - f. Contract Clauses (Acceleration, etc.)
- 2. **Listing Agreements**
 - a. General Requirements for Valid Listing
 - b. Exclusive Listings
 - c. Non-Exclusive Listings
- 3. **Management Agreements [Broker Only]**
- 4. **Buyer Broker Agreements/Tenant Representation Agreements**
- 5. **Offers/Purchase Agreements**
 - a. General Requirements
 - b. When Offer becomes Binding (Notification)
 - c. Contingencies
 - d. Time is of the Essence
- 6. **Counteroffers/Multiple Counteroffers**
 - a. Counteroffer Cancels Original Offer
 - b. Priority of Multiple Counteroffers
- 7. **Lease and Lease-Purchase Agreements**
- 8. **Options and Right of First Refusal**
- 9. **Rescission and Cancellation Agreements**

Transfer of Title (Salesperson 4 Items, Broker 6 Items)

- 1. **Title Insurance**
 - a. What is Insured Against
 - b. Title Searches/Title Abstracts/Chain of Title
 - c. Cloud on Title/Suit to Quiet Title
- 2. **Conveyances After Death**
 - a. Types of Wills

- b. Testate vs. Intestate Succession
- 3. Deeds
 - a. Purpose of Deed, when Title Passes
 - b. Types of Deeds (General Warranty, Special Warranty, Quitclaim) and when Used
 - c. Essential Elements of Deeds
 - d. Importance of Recording
- 4. Escrow or Closing
 - a. Responsibilities of Escrow Agent
 - b. Prorated Items
 - c. Closing Statements/HUD-1
 - d. Estimating Closing Costs
- 5. Foreclosure, Short Sales
- 6. Tax Aspects of Transferring Title to Real Property
- 7. Special Processes [Broker Only]

Practice of Real Estate (Salesperson 12 Items, Broker 11 Items)

1. Trust Accounts (General; Regulatory Details in State Portions)
 - a. Purpose and Definition of Trust Accounts
 - b. Responsibility for Trust Monies
 - c. Commingling/Conversion
 - d. Monies held in Trust Accounts
2. Fair Housing Laws
 - a. Protected Classes
 - b. Covered Transactions
 - c. Specific Laws and their Effects
 - d. Exceptions
 - e. Compliance
 - f. Types of Violations and Enforcement
 - g. Fair Housing Issues in Advertising
3. Advertising
 - a. Incorrect "Factual" Statements versus "Puffing"
 - b. Uninformed Misrepresentation versus Deliberate Misrepresentation (Fraud)
 - c. Truth in Advertising
4. Agent Supervision
 - a. Liability/Responsibility for Acts of Associated Agents
 - b. Responsibility to Train and Supervise
 - c. Independent Contractors
 - d. Employees
5. Commissions and Fees
 - a. Procuring Cause/Protection Clauses
 - b. Referrals and Finder Fees
6. General Ethics
 - a. Practicing within Area of Competence
 - b. Avoiding Unauthorized Practice of Law

7. Issues in Use of Technology (electronic signatures, document delivery, internet advertising)
8. Antitrust Laws
 - a. Antitrust Laws and Purpose
 - b. Antitrust Violations in Real Estate

Real Estate Calculations (Salesperson 7 Items, Broker 5 Items)

1. General Math Concepts
 - a. Addition, Subtraction, Multiplication, and Division
 - b. Percentages/Decimals/ Fractions
 - c. Areas, including Acreage
2. Property Tax Calculations (not Prorations)
3. Lending Calculations
 - a. Loan-to-Value Ratios
 - b. Discount Points
 - c. Equity
 - d. Qualifying Buyers
4. Calculations for Transactions
 - a. Prorations (Utilities, Rent, Property Taxes, Insurance, etc.)
 - b. Commissions and Commission Splits
 - c. Seller's Proceeds of Sale
 - d. Total Money Needed by Buyer at Closing
 - e. Transfer Tax/Conveyance Tax/Revenue Stamps
5. Calculations for Valuation
 - a. Comparative Market Analyses (CMA)
 - b. Net Operating Income
 - c. Depreciation
 - d. Capitalization Rate
 - e. Gross Rent and Gross Income Multipliers (GIM, GRM)
6. Mortgage Calculations
 - a. Down Payment/Amount to be Financed
 - b. Amortization
 - c. Interest Rates
 - d. Interest Amounts
 - e. Monthly Installment Payments

Specialty Areas (Salesperson 4 Items, Broker 5 Items)

1. Property Management and Landlord/Tenant
2. Common Interest Ownership Properties
3. Subdivisions
4. Commercial, Industrial, and Income Property

STATE PORTION CONTENT OUTLINE

Commission Duties and Powers (Salesperson-3 Items, Broker-4 Items)

- a. General Powers: Composition, Duties, and Powers; Real Estate Advisory Committees

SAMPLE TEST

- b. Investigations and Subpoena Power: Handling of Complaints
- c. Hearings and Appeals (*Broker only*)
- d. Penalties for Violation: Unlicensed Activity; Authority for Disciplinary Actions; Penalties; Recovery Trust Account

Licensing (Salesperson-3 Items, Broker-4 Items)

- a. Activities Requiring License: Scope of Practice; Exemptions; Corporations/Limited Liability Companies; Non-Resident Broker; Inspectors and Appraisers
- b. Licensing Process: General Requirements (moral character, residency, sponsor, etc.); Education; Examination; Grounds to Reject Application; Appeals of Denial
- c. License Maintenance and Renewal: Continuing Education; Place of Business; Change of Salesperson Sponsorship; Inactive Status

Standards of Conduct (Salesperson-7 Items, Broker-8 Items)

- a. Professional Ethics and Conduct
- b. Grounds for Suspension and Revocation
- c. Unauthorized Practice of Law (drafting of a Lease-Purchase Agreement)
- d. Trust Accounts
- e. Splitting Fees (vs. Permissible Rebates)

Agency/Brokerage (Salesperson-7 Items, Broker-10 Items)

- a. Disclosure
- b. Intermediary Practice
- c. Duties to Client (including Minimum Services)
- d. Enforcing Compensation Agreements (*Broker only*)
- e. Broker-Salesperson Relationships; Broker's Responsibility for Acts of Salesperson
- f. Appropriate Use of Unlicensed Assistants

Contracts (Salesperson-8 Items, Broker-9 Items)

- a. Use of Standard Contract Forms
- b. Statute of Frauds

Special Topics (Salesperson-2 Items, Broker-5 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

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.

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**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. immediately return the salesperson's license to the Commission.
 - b. return the salesperson's license to the Commission within 10 days.
 - 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 7 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 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. a
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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