



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

*Before paying for
your examination registration,
be sure you understand
the contents of this bulletin.
Please retain and use it as a reference
when contacting PSI.*

LICENSING INFORMATION BULLETIN

IOWA REAL ESTATE COMMISSION

1920 S.E. Hulsizer
Ankeny, Iowa 50021
(515) 281-7393
www.state.ia.us/irec

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PSI PHONE DIRECTORY

FOR . . .

Express Registration and Scheduling Appointment (24 hours)

FAX Registration (24 hours)

PSI Customer Service (Mon - Fri, 6:30 a.m. - 7:00 p.m. Central Time)

Requests for Information Bulletins and Registration Forms (24 hours)

Questions About Application for License

CALL . . .

800-733-9267

702-932-2666

800-733-9267

800-733-9267

Iowa Real Estate Commission

515-281-7393

sandy.malek@iowa.gov

Fee Schedule

Examination Fee:

Salesperson Examination

\$90

Broker Examination

\$90

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE.

Iowa Examination Procedure Checklist

Before registering for an examination, make sure that you have reviewed the following checklist.

Prepare for your examination(s):

- Use the examination content outline provided in this bulletin as the basis of your study (see page 3).

Register for your examination(s):

- Complete the registration form on line, at www.psiexams.com, and send it to PSI via the Internet or;
- Completely fill out the PSI Registration Form (see page 14) and mail or fax to PSI or;
- Call (800) 733-9267 to register.
- Send online _____ (no wait for scheduling the examination date).
- Mailed on _____ (allow 2 weeks for processing before scheduling the examination date).
- Faxed on _____ (allow 4 business days for processing before scheduling the examination date).
- Phoned on _____ (no wait for scheduling the examination date).

Each examination registration expires after 90 days. You MUST take the examination within 90 days of registration.

Schedule your examination(s):

- Once you have paid, you are responsible for calling PSI to schedule an appointment to take the examination at (800) 733-9267.
- Scheduled for:
Examination Date: _____
Examination Time: _____
Examination Center Location: _____
- To change scheduled date, call back by _____

Take your examination(s):

Bring one of the following original items to the Examination Center (required):

- Prelicense Education Completion Certificate; or
- If you have a waiver, the letter of authorization from the Commission; or
- If you plan to apply under 193E—5.3(543B) or on the basis of previous experience, a letter of authorization from the Commission.

DO NOT REGISTER FOR THE EXAMINATION UNLESS YOU HAVE OBTAINED ONE OF THE ABOVE ORIGINAL ITEMS

- Must bring two forms of identification which bear your signature. One of these must also have your photograph.
Your name as shown on the application form must exactly match the name on the photo I.D. used when checking in at the examination site.
- Arrive 30 minutes prior to appointment.

After your examination(s):

- Upon passing the examination, submit the required documents and fee to the Iowa Real Estate Commission.

Note: If you have questions regarding the license application, please contact the Commission at (515) 281-7393, or email: sandy.malek@iowa.gov

EXAMINATIONS BY PSI LICENSURE: CERTIFICATION

The Commission has contracted with PSI licensure:certification (PSI) to conduct its examination program. PSI will provide computerized examinations through a network of testing centers. PSI works closely with the Real Estate Commission and its Examination Review Commission to be certain that examinations meet state requirements and test development standards. Our real estate examination program has been awarded certification by the Association of Real Estate License Law Officials (ARELLO). All questions and requests for information about examinations should be directed to:

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

Questions about applications for licensure should be directed to the:

IOWA REAL ESTATE COMMISSION
1920 S.E. Hulsizer
Ankeny, Iowa 50021
(515) 281-7393
sandy.malek@iowa.gov

LICENSING QUALIFICATIONS

This bulletin provides you with information about the license examination and application process for becoming licensed as either a real estate salesperson or real estate broker in the state of Iowa. The Iowa Real Estate Commission is authorized by Chapter 543B, Code of Iowa, to qualify individuals who wish to operate as real estate salespersons or brokers as defined by Iowa statutes. To be licensed, you must pass an examination to confirm that you have attained at least a minimum level of knowledge regarding the statutes and regulations affecting the real estate profession. After passing this examination, you must apply to the Iowa Real Estate Commission to obtain a license. Once the Commission has verified that you have met all of the requirements for licensure (detailed below), the Commission will issue the appropriate license. In order to qualify for an Iowa real estate license, you must

1. Be a person 18 years of age or over. (You may actually sit for the exam before you are 18 but you must be 18 before you make application for a license, which must be within six months after you pass the exam.)
2. Be a person whose application has not been rejected for licensure in this or any other state within twelve months prior to the date of application, and whose

real estate license has not been revoked in this or any other state within two years prior to date of application.

In addition:

Applicants for the Salesperson Examination must successfully complete the Commission-approved 60-hour pre-license course in real estate education during the 12 months prior to taking the salesperson examination. A list of schools is available from the Iowa Real Estate Commission. (Go to www.state.ia.us/irec --and click on Schools—or call 515-281-7393.)

Applicants for the Broker Examination must successfully complete 72 hours of Commission-approved Broker pre-license education within 24 months prior to taking the broker examination. Further, a broker applicant must be a licensed real estate salesperson actively engaged in real estate for a period of at least 24 months preceding the date of application.

NONRESIDENT LICENSES

A nonresident of Iowa may be licensed as a real estate broker or salesperson upon complying with the requirements, as provided in section 543B.15, Code of Iowa, and 193E–5.3. The applicant must also provide the Real Estate Commission with certification from the state of original licensure that the applicant is currently licensed in that state, that no charges against the applicant are currently pending, and that the applicant's record in that state justifies the issuance of a license in Iowa. The Commission may waive the requirement of an examination in the case of a nonresident broker who is licensed in a state whose laws have similar requirements and where similar recognition and courtesies (called reciprocity) are extended to real estate brokers and salespersons licensed in Iowa. Contact the Iowa Real Estate Commission for further details and procedures for nonresident licensure.

IOWA PORTION EXAMINATIONS

Iowa Real Estate Commission Rules and Regulations 193E–5.3 (543B) stipulates that individuals who are licensed by examination as real estate salespersons or brokers in states which do not have a reciprocity agreement with Iowa must pass an Iowa state portion examination to be issued a comparable Iowa license. The state portion examination is limited to Iowa real estate laws and practices. In order to qualify to take this examination, you must contact the Commission to receive a letter of authorization. That letter must be shown at the examination center on the day of the examination. (There will be no exceptions).



INSTRUCTIONS FOR LICENSE QUALIFICATION

To make the license qualification process go as smoothly as possible, be certain that you follow through on:

1. PREPARATION:

Prepare yourself for the examination by using the exam outline in this bulletin and the suggested study materials that cover the outline topics.

2. REGISTRATION:

Mail your exam registration at least two weeks before you want to take the exam. Be sure that the registration form is complete and accurate, and that you include the correct fees. If incorrect, the form and the fees will be returned to you unprocessed.

3. CANCELLATION:

Read and understand the exam registration expiration and cancellation provisions.

4. IDENTIFICATION:

Take the exam on the day you have scheduled. Be sure to bring proper identification.

5. APPLICATION:

After you have passed your examination, send your license application form, any other required information, and the correct fees to the Iowa Real Estate Commission no later than the last business day of the sixth month following the qualifying examination date. Filing deadlines are ABSOLUTE.

EXAMINATION STUDY MATERIALS

The following is a list of possible study materials for the real estate examinations. The list is given to identify resources and does not constitute an endorsement by PSI or by the State Real Estate Commission. Use the latest edition available.

NATIONAL PORTION OF THE EXAMINATION

- *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 IOWA LAWS, RULES, AND REGULATIONS

- Iowa Code Chapter 543B
- Iowa Administrative Code Chapter 193E (Rules of the Iowa Real Estate Commission)
- Iowa Fair Housing Guide

TYPES OF EXAMINATIONS GIVEN

The following are the examinations offered by PSI licensure:certification:

- Salesperson Examination
- Broker Examination
- Iowa Portion Only/Salesperson Examination
- Iowa Portion Only/ Broker Examination

Note: Prior written authorization to take the Iowa portion only examinations **MUST** be received from the Iowa Real Estate Commission and will be required at the examination center.

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 Iowa 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.

TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your license examination. Planned individual preparation in addition to the required classroom hours increases your likelihood of passing.

- Start with a current copy of the Licensing Information Bulletin.
- Use the exam content outline as the basis of your study. The outline itself is a study tool because it can familiarize you with the real estate terms.



- Learn the major points associated with each outline topic. Major points include definition, use, and eligibility.
- Select study materials and courses 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.
- Read the study materials, making sure you understand each item before going on to another. Underline or highlight key ideas that will help with a later review.
- Check each topic off the outline when you feel you have an adequate understanding. Plan to take your examination when all topics have been checked.
- 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.

DESCRIPTION OF EXAMINATIONS & EXAMINATION CONTENT OUTLINES

The Examination Content Outlines have been approved by the Iowa Real Estate Commission. These outlines reflect the minimum knowledge required by the real estate professionals to perform their duties to the public in a competent and responsible manner. Changes in the examination content will be preceded by changes in these published examination content outlines.

Use the outlines as the basis of your study. The outlines list all of the topics that are on the examination and the number of items for each topic. Do not schedule your examination until you are familiar with all topics in the outlines.

The Examination Summary Table below shows the number of questions and the time allowed for each exam portion.

EXAMINATION SUMMARY TABLE

| Examination | Portion | # of Items | Passing Score | Time Allowed |
|-------------|----------|------------|---------------|--------------|
| Salesperson | National | 80 | 56 | 120 minutes |
| | State | 40 | 28 | 60 minutes |
| | Both | 120 | 84 | 180 minutes |
| Broker | National | 80 | 60 | 120 minutes |
| | State | 40 | 30 | 60 minutes |
| | Both | 120 | 90 | 180 minutes |

National Portion

(REAL ESTATE PRINCIPLES AND PRACTICES)
CONTENT OUTLINE (EFFECTIVE OCTOBER 1, 2009)

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

State Real Estate Laws and Commission Rules includes a knowledge of state legislation as outlined in The Code of Iowa (Chapter 543B) and Iowa Administrative Code (193E) dealing with real estate licensing. Also included is a knowledge of legislation and rules governing transfer taxes, property taxes, and fair housing.

- Licensing Requirements
- Licensing Procedures
- Disciplinary Actions-Revocation, Suspension, and Voluntary Compliance
- Real Estate Education
- Trust Accounts
- Contracts
- Disclosure Requirements
- Iowa Civil Rights Act of 1965
- Unauthorized Practice of Law
- Unlicensed Assistants

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the Iowa National 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.

SAMPLE SALESPERSON QUESTIONS

- A. Which of the following interests in property is held by a person who is granted a lifetime use of a property that will be transferred to a third party upon the death of the lifetime user?
 1. A life estate.
 2. A remainder estate.
 3. An estate for years.
 4. A reversionary estate.
- B. Which of the following statements BEST identifies the meaning of the term, "rescission of a contract"?
 1. A ratification of a contract by all parties.
 2. A return of all parties to their condition before the contract was executed.



3. A transfer or assignment of a particular responsibility from one of the parties to another.
 4. A review of the contract by the legal counsel of either party that may result in a cancellation without penalty or further obligation.
- C. Which of the following clauses in a mortgage allows the lender to demand loan repayment if a borrower sells the property?
1. Defeasance
 2. Prepayment
 3. Acceleration
 4. Alienation
- D. How much cash MUST a buyer furnish in addition to a \$2,500 deposit if the lending institution grants a 90% loan on an \$80,000 property?
1. \$5,500.
 2. \$6,975.
 3. \$7,450.
 4. None of the above.
- E. Which of the following single-family residences would get the MOST accurate appraisal by applying the reproduction cost approach to value?
1. A rental property.
 2. A vacant property.
 3. A new property.
 4. An historic property.

Answers to Sample Salesperson Questions:

A: 1; B: 2; C: 4; D: 1; E: 4

Pretest Items

In addition to the number of test questions identified under “Exam Content Outline” earlier, a small number of “pretest” questions (i.e., 5 to 10) 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 testing time. The administration of such unscored, experimental questions is an essential step in developing future licensing exams.

REGISTRATION & SCHEDULING PROCEDURES

ATTENTION: REGISTRATION FEES ARE NOT REFUNDABLE.

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

1. Complete the Examination Registration Form. Return the form with your appropriate fee. Payment can be made by money order, company check, cashier’s check, MasterCard or VISA. **Cash or personal checks are NOT accepted.** Because mail delivery can take four to eight days, you should register about two weeks before you want to take the exam. Checks should be mailed to PSI.
2. Each exam registration expires after 90 days. There are no refunds.
3. **If your application or fees are not correct, we will return them to you immediately with instructions on correct application procedures.**
4. Schedule your exam by calling (800) 733-9267 24 hours a day.

Telephone Registration (800) 733-9267

For Express Telephone Registration, you will need a valid VISA or MasterCard.

1. 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. If you wish to schedule your exam during the same call, be prepared with the location and appointment date and time you prefer. Have your personal appointment calendar handy in case your first choice is not available.
2. Call (800) 733-9267 and use the automated registration system. To speak to a 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.

Fax Registration

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

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

Social Security Number Confidentiality

PSI will use your Social Security Number only as an identification number in maintaining your records and reporting your examination scores to the Iowa Real Estate Commission. A federal law requires state agencies to collect and record the Social Security numbers of all licensees of the professions licensed by the state. If you elect not to disclose your Social Security number to PSI, please enclose a separate letter explaining this with your examination registration form. However, you MUST provide it to the Iowa Real Estate Commission in order to be licensed.



Special Testing 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 must fill out the form at the end of this Candidate Information Bulletin and fax to PSI (702) 932-2666. This form also includes out-of-state testing requests.

Registration Expiration

After registering for an examination, you must take that exam within 90 days or forfeit the registration fee. Your Registration Confirmation Notice will contain your expiration date. If you fail to take an exam during the 90 days, you will need to re-apply and pay another registration fee. **NOTE:** You must TAKE the exam within 90 days and not just schedule for one. If you have not scheduled an exam by the 80th day, you will run the risk of not being able to take the exam by the 90th day due to weekends, holidays, or non-testing days. The 90-day period is intended to accommodate emergencies that may arise soon after registering for an exam. It is advisable that you schedule your appointment soon after receiving your confirmation notice.

Scheduling An Appointment

You are responsible for making an appointment to take the examination. PSI will make every effort to schedule the examination center location and time that is most convenient for you.

Canceling An Appointment

You may cancel and reschedule an appointment with no penalty, if your cancellation notice is received 2 days before the scheduled examination date. (For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday.)

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.

Scheduling a Re-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. A candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Friday, 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 to schedule or reschedule an examination.

Missed Appointment or Late Cancellation

Your registration will be invalid, and you will not be able to take the examination if you:

- cancel your appointment with less than 2 days' notice; or
- do not appear for appointment; or
- arrive too late to begin your examination without disrupting the center's schedule (usually more than 15 minutes late); or
- do not present proper identification and pre-license education documents when you arrive for the examination (see "Required Identification"); or
- do not schedule and take your examination prior to the last business day of the 90-day registration expiration period.

Emergency Examination Center Closing

In the event that severe weather or another emergency forces the closure of an examination center on a scheduled examination date, your examination will be rescheduled. You will be contacted 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. You may also check our website at www.psiexams.com.

EXAMINATION CENTER LOCATIONS

The three Iowa examination center locations are located in Council Bluffs, West Des Moines, and Cedar Rapids. Driving instructions are provided below, but it is advisable that you refer to a map when trying to get to your examination center.

Council Bluffs:

1705 McPherson, Suite 300
Council Bluffs, IA 51503

From I-80, exit Madison Avenue/Mall of the Bluffs and proceed north toward the Mall. Turn right on Bennett Avenue and proceed approximately 1 mile until it ends at McPherson. Turn right into the driveway.

West Des Moines:

1001 Office Park Road, Suite 315
West Des Moines, IA 50265

From I-235, exit 8th St/73rd Street and proceed south. Turn right on Office Park Road. Turn right into the driveway.

Cedar Rapids/Iowa City Area:

Erbs Business Center
4935 Bowling Street SW, #400
Cedar Rapids, IA 52404

From I-380, take US 30 east and exit the first exit Bowling Street/Kirkwood Boulevard. Proceed north on Bowling Street approximately ¼ mile. Turn right into the driveway. The examination center is in the southern annex, to the right.



REPORTING TO THE EXAMINATION CENTER

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

Required Identification

You must provide 2 forms of identification. One must be a VALID form of government issued identification (driver's license, state ID, passport, military ID), which bears your signature and has your photograph. The second ID must have your signature and preprinted legal name.

If you cannot provide the required identification, contact PSI at (800) 733-9267 one month prior to your scheduled appointment to arrange a way to meet this security requirement. Failure to provide appropriate 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 at this time.

One of the following items is to be shown at the examination center on the test day and is to be retained and submitted with the application for licensure.

1. Your Pre-license Education Completion Certificate(s) (60 hours for Salesperson examination; 72 hours for Broker examination); *or*
2. If you have been granted a waiver of pre-license education, a letter of authorization from the Commission; *or*
3. If you plan to apply for license under 193E–5.3 (543B) or on the basis of experience from a previous license period, a letter of authorization from the Commission. If you cannot provide a letter of authorization from the Commission at the examination center, you will not be allowed to take the examination.

Security Procedures

The following security procedures will apply during the examination:

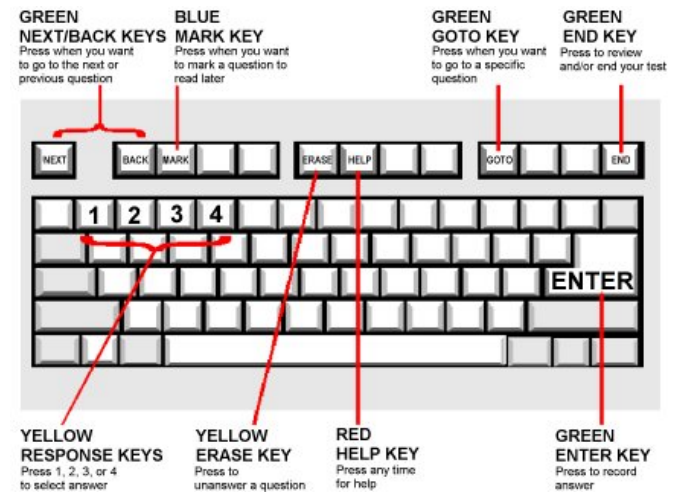
- NO conversing or any other form of communication among candidates is permitted once you enter the examination area.
- Cell phones, pagers, and children are not allowed in the examination center. NO personal items are to enter the testing center. PSI will not be responsible for any personal items and 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.

TAKING THE EXAMINATION BY COMPUTER

Taking the PSI real estate examination by computer is simple. You do not need any computer experience or typing skills. You will use fewer keys than you use on a touch-tone telephone. All response keys are colored and have prominent characters. You may also use the mouse.



Tutorial

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on screen. The time you spend on this tutorial (up to 15 minutes) will NOT count as part of your exam 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 bottom of the screen and updated as you record your answers.

Examination

A sample question display follows. During the examination, you would press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You would then press ENTER to record your answer and move on to the next question. You can change your answer as often as you like before pressing ENTER.

Mark Comments Goto Help End
 Question: 3 of 40 Answered: 2 Unanswered: 1 Marked: 0 View: All Time Left(Min): 359

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

(Choose from the following options)

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

SCORE REPORTING

In order to pass the examinations, you must achieve the minimum score shown on each part of the examination.

| Salesperson | Number Correct |
|-------------------------------------|----------------|
| Combined (National and State) | 84 |
| State Portion | 28 |
| Broker | |
| Combined (National and State) | 90 |
| State Portion | 30 |

When you complete the examination, your total score, pass/fail indication, and sub-scores for each section of the examination will be reported to you immediately on the computer terminal. A written score report will also be printed at that time.

Examination results are confidential and will be reported only to you and the Iowa Real Estate Commission.

If you pass the examination, you will receive a real estate license application form with your score report. **You are responsible for submitting your application to the Iowa Real Estate Commission no later than the last business day of the sixth month after the qualifying examination date.**

If you do not pass, you must retake the examination before you can be licensed. Submit a new registration form and the appropriate fee to PSI and schedule an appointment to retake the examination.

Duplicate Score Reports

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

LICENSE APPLICATION INSTRUCTIONS

The license process cannot begin until you have passed the examination and received a passing score report.

You will receive a license application form with your passing score report. Complete and return the

form to: Iowa Real Estate Commission, 1920 S. E. Hulsizer, Ankeny, Iowa 50021. Questions regarding the license application should be directed to the Commission (telephone: (515) 281-7393, E-Mail: sandy.malek@iowa.gov). **Do not contact PSI.** In addition to the requirements that follow, each applicant must be able to establish his/her honesty, trustworthiness, competency, and good reputation beyond reasonable doubt to the satisfaction of the Commission to be licensed as a Salesperson or Broker.

Salesperson Candidates

Filing deadlines are ABSOLUTE. You **MUST** apply for your real estate salesperson's license **no later than the last business day of the sixth month** following the qualifying examination test date.

You may NOT file an original application as "inactive." You will need a sponsoring broker to sign the Broker Certification section of you application for license, verifying that you are associated either with or engaged by that broker. You **MUST** have a broker sign to get your original license.

You will need to submit a certificate of completion of the required 60-hour pre-license course with the application. (Not applicable to persons applying under the Rule 193E-5.3 (543B) or by reciprocity.) If you have any questions concerning the acceptability of your hours, please contact the Real Estate Commission **prior to filing your application for the examination** — your class work must be completed prior to taking the examination.

You will need to attach to your license application the following items:

1. A license fee of \$125.
2. A pass notice from the examination service.
3. Proof of completion of the 60-hour pre-license course prior to taking the examination and obtaining a license. This must be in the form of a completion certificate(s).
4. Proof of E&O Insurance.
5. Beginning January 1, 2009, and thereafter, an applicant applying for an original salesperson license must provide evidence of successful completion of the following courses: 12 hours of Developing Professionalism and Ethical Practices, 12 hours of Buying Practices and 12 hours of Listing Practices. This education is in addition to the 60-hour salesperson prelicense course. The applicant must complete all the required education during the 12 months prior to the date of application.

In completing your application:

1. You must complete the "Nonresident Consent" section of the application if you reside outside of Iowa.
2. You must provide the signature of your employing broker on your license application form.



3. You must have your signature notarized on the license application form.

Broker Candidates

Filing deadlines are ABSOLUTE. After you have passed the examination, you **MUST** apply for your real estate broker's license **no later than the last business day of the sixth month** following the qualifying examination test date.

You will need to attach to your license application the following items:

1. A license fee of \$170.
2. A pass notice from the examination service.
3. Proof of completing 72 hours of education within 24 months prior to taking the examination.
4. Your Iowa salesperson license, or an explanation, if your license has been held inactive or if you do not have an Iowa salesperson license.
5. Proof of E&O Insurance.

In completing your application:

1. You must complete the "Nonresident Consent" section of the application if you reside outside of Iowa.
2. You must have your signature notarized on the license application form.
3. If your application is for a proprietor, partner or officer and you intend to accept earnest monies you must submit a "Consent to Examine and Audit Trust Account" form. If not, you must submit a "Trust Account Status Affidavit." These forms can be obtained from the Real Estate Commission or at www.state.ia.us/irec.

IOWA SCHOOL CODE LIST

| | |
|-----|---|
| 108 | Burlington Board of Realtors |
| 080 | Coldwell Banker Mid-America Group School of Real Estate |
| 011 | Des Moines Area Community College |
| 055 | First School of Real Estate |
| 015 | Indian Hills Community College |
| 005 | Iowa Central Community College |
| 091 | Iowa City Area Association of Realtors |
| 003 | Iowa Lakes Community College |
| 051 | Iowa Real Estate School |
| 037 | Iowa Real Estate School of Cedar Rapids |
| 054 | Iowa Real Estate Seminars |
| 021 | IAR School of Real Estate |
| 013 | Iowa Western Community College |
| 146 | Kaplan Real Estate Schools |
| 057 | Key Real Estate School |
| 010 | Kirkwood Community College |
| 212 | Martel Education Source |
| 063 | Midwest Educational Institute |
| 001 | Northeast Iowa Community College |
| 150 | ProEducate |
| 069 | Quad Cities School of Real Estate |
| 101 | Quad City Area Realtor Association |
| 175 | Real Estate Express |
| 196 | Real Estate School of Opportunities |
| 050 | Skogman Real Estate School |
| 016 | Southeastern Community College, West Burlington |
| 014 | Southwestern Community College |
| 092 | University of Northern Iowa Real Estate Ed Prog |

BOOKS AND MORE ARE NOW AVAILABLE AT THE PSI ONLINE STORE!

To place an order for one or more of the following items listed, you may:

➤ Order online at www.pSIONlinestore.com

➤ Call the PSI Online store toll-free at (866) 589-3088

Note: prices are available online at www.pSIONlinestore.com

| | |
|--------------------------|---|
| <input type="checkbox"/> | <u>Modern Real Estate Practice</u> |
| <input type="checkbox"/> | <u>Real Estate Fundamentals</u> |
| <input type="checkbox"/> | <u>The Language of Real Estate</u> |
| <input type="checkbox"/> | <u>Real Estate Principles</u> |
| <input type="checkbox"/> | <u>Real Estate Principles & Practices</u> |

Please note: Inventory and pricing subject to change without notice.

➤ You may also place a checkmark next to the items that you would like to order, and mail or fax this form to PSI (be sure to include your contact information). A Customer Service Rep will call you to place the order.

Mail or FAX to:

PSI licensure:certification ** 3210 E Tropicana * Las Vegas * NV * 89121 (Attn Shipping)

Fax (702) 932-2668

Name _____

Address _____

City _____ State _____ Zip _____

Phone Number _____



SPECIAL ARRANGEMENT REQUEST FORM OR OUT-OF-STATE TESTING REQUEST

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990. Applicants with disabilities or those who would otherwise have difficulty taking the examination may request special examination arrangements.

Candidates who wish to request special arrangements because of a disability should fax this form and supporting documentation to PSI at (702) 932-2666.

Requirements for special arrangement requests

You are required to submit documentation from the medical authority or learning institution that rendered a diagnosis. Verification must be submitted to PSI on the letterhead stationary of the authority or specialist and include the following:

- Description of the disability and limitations related to testing
- Recommended accommodation/modification
- Name, title and telephone number of the medical authority or specialist
- Original signature of the medical authority or specialist

Date _____

Legal Name: _____
Last Name First Name

Address: _____
Street City, State, Zip Code

Telephone : (____) _____ - _____ (____) _____ - _____
Home Work

Email Address: _____

Check any special arrangements you require (requests must concur with documentation submitted):

- Reader (as accommodation for visual impairment or learning disability)
- Extended Time (Additional time requested: _____)
- Large-Print written examination
- Other _____
- Out-of-State Testing Request (this request does not require additional documentation) _____

Site requested: _____

- Complete and fax this form, along with supporting documentation, to (702) 932-2666.
- After 4 business days, please call 800-733-9267 x6750 and leave a voice message.
- PSI Special Accommodations will call you back to schedule the examination within 48 hours.

DO NOT SCHEDULE YOUR EXAMINATION UNTIL THIS DOCUMENTATION HAS BEEN RECEIVED AND PROCESSED BY PSI SPECIAL ACCOMMODATIONS.

PSI Services, LLC
3210 E Tropicana
Las Vegas, NV 89121

FIRST CLASS MAIL