PSI Services LLC
3210 E Tropicana
Las Vegas, NV 89121
www.psiexams.com

OKLAHOMA REAL ESTATE COMMISSION

REAL ESTATE LICENSURE
APPLICANT INFORMATION BULLETIN

NOTICE

Applicants are advised that in Oklahoma real estate licensees do not practice under the "common law of agency", but rather, practice under broker relationships that are defined within the Oklahoma Real Estate License Code and Rules. The common law of agency is practiced in most all other licensing jurisdictions; therefore, since Oklahoma is utilizing a national examination vendor the national portion of the examination will contain questions regarding the common law of agency. Prospective licensees need to be aware of the common law of agency concepts as they may deal with nonresident licensees and/or consumers.

In Oklahoma, the common law of agency is still practiced between the real estate broker and the broker's associates; however, there is no agency relationship that can exist between the broker/associate and the consumer. Applicants can locate references to the common law principles of agency in real estate text books that can be obtained from any local library.

Please refer to our website to check for the most updated information at www.orec.ok.gov

Copyright © 2014 by PSI Services LLC Last Revised 4/1/2014

CONTENT OUTLINE

Examinations by PSI 3
How to Obtain a License 3
Examination Registration and Scheduling Procedures 4
- Fees 4
- Internet Registration 4
- Telephone Registration 5
- FAX Registration 5
- Standard Mail Registration 5
- Canceling an Examination 5
- Missed Appointment or Late Cancellation 5
- Scheduling a Retake 5
- Special Examination Arrangements 5
- Emergency Examination Center Closing 5

Examination Site Location 5
Reporting to the Examination Site 6
- Required Identification 6
- Security Procedures 6

Taking the Examination by Computer 6
- Identification Screen 6
- Tutorial 6
- Examination Question Example 7
- Examination Review 7

Score Reporting 7
- Grade Validity 7

Tips for Preparing for your License Examination 7
Examination Study Materials 7
Description of Examinations 8
- Experimental Questions 8
- Content Outline 8

Sample Questions 11
Licensure Information 12
Examination Registration Form 13
Special Arrangement Request ..... End of Bulletin

EXAMINATIONS BY PSI SERVICES LLC

This Applicant Information Bulletin provides you with information about the examination and application process for obtaining a real estate license in the State of Oklahoma.

Oklahoma state laws stipulate that a person may not act as a real estate salesperson or broker without first obtaining a license issued by the Oklahoma 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 Oklahoma Real Estate Commission is contracted with PSI Services LLC (PSI) to conduct the examination testing. PSI provides examinations through a network of computer examination centers in Oklahoma and across the nation. PSI works closely with the State to be certain that examinations meet local and national requirements in basic principles and examination development standards.

The following are the Oklahoma real estate licensing examinations offered by PSI:

- Salesperson
- Salesperson Instructor
- Salesperson State-Only
- Broker
- Broker Instructor
- Broker State-Only

HOW TO OBTAIN A LICENSE

TYPES OF LICENSE AND REQUIREMENTS

Provisional Sales Associate A provisional sales associate (PSA) is an **entry level licensee**, which is under the supervision of a real estate broker. A PSA cannot enter into contractual agreements with a customer or client in his or her own name; therefore, all agreements must be for and in the name of their sponsoring broker. In order to apply for a PSA license, a person must be of good moral character, eighteen (18) years of age or older, and submit evidence to the Commission of successful completion of ninety (90) clock hours of basic real estate instruction, or its equivalent, that is approved by the Commission.

Upon passing the state examination and obtaining a PSA license from the Commission, the PSA has a Part II post-license education requirement of forty-five (45) clock hours that must be completed within the first year of obtaining a license. The Commission has identified core subject matter that qualifies to meet this requirement. The Commission may approve other subject matter totaling forty-five (45) clock hours or more, but the licensee is responsible to seek approval of such course and it must be real estate related. Once a PSA has completed Part II of the course requirement and has provided the Commission with evidence of such completion, at the end of their one-year license term their license will be issued as a sales associate (SA) license (upon submission of the appropriate license renewal form and fees.)

Sales: A sales associate (SA) license is the same as a provisional sales associate (PSA) license except: 1) the sales associate no longer has a forty-five (45) clock hour Part II post-license education requirement, but rather has a twenty-one (21) clock hour continuing education requirement each active license term; and 2) the sales associate license is a thirty six month renewable license, as opposed to the provisional sales license which is only a 12 month license.

If you are seeking a SA type of license and you are currently holding an active license in another state please contact the Oklahoma Real Estate Commission at 405-521-3387 for specific instructions.

Upon passing the state examination a sales associate must work under the sponsorship of a real estate broker. A sales associate cannot enter into contractual agreements with a customer or client in his or her own name but must enter into such agreement for and in the name of their sponsoring broker.

Broker: A broker license allows a person to do business as a firm and sponsor licensed associates (provisional sales associates, sales associates or broker associates.) The broker will be responsible for activities of their associates. In order for an applicant to apply for a broker license, the applicant must be of good moral character, possess two (2) years of active experience, or its equivalent, as a PSA or SA within the last five (5) years, and submit evidence of successful completion of ninety (90) clock hours of advanced real estate instruction in a course that is approved by the Commission and pass the Broker's examination.

A broker applicant may request the two years' experience to be waived by submitting the Equivalent Point Application, along with all required supporting documents; however, no education course content may be waived. The broker applicant must show proof of successful completion in the basic, provisional post-license (or its equivalent) and advanced course of study prior to qualifying for the broker examination. Upon passing the state examination, a broker has the option of applying for a license as a broker associate, proprietor broker, branch office broker, managing broker for a corporation or association, or as a broker partner of a partnership. For additional information refer to the **Broker Licensing Options.**

Reinstatement: If you have a lapsed license for less than three years and you are seeking reinstatement of a previously held Oklahoma License, please contact the Oklahoma Real Estate Commission for specific instructions.

Anyone whose license has been lapsed for more than three years will be treated as an original applicant.

APPLICATION AND EXAMINATION

An applicant cannot take the examination until they provide proof of successful completion of a Commission approved pre-license course, which must have been completed within the previous 36 months of application approval, and the Commission has received the fully completed application. An application form can be obtained from the Commission website or from the entity where the applicant completed the schooling. Further, a broker applicant must meet the 2 years experience requirement within the required time period or qualify through the **Experience Equivalent Point System.**

The only exception to this rule may apply to a nonresident or previously licensed applicant.

The Commission will process your examination application for eligibility and PSI will be notified by the Oklahoma Real Estate Commission, (OREC) of an applicant's approval to test upon receipt at OREC of the following:

- Application for licensure, which must include a completed finger print card, and the fee of $41.00, proof of citizenship, or qualified alien statuses and a current photo. Proof of education can either be submitted with the application or upon completion of such education.

If an applicant has ever held a real estate license in another state or jurisdiction they must also include a complete license history from that state(s) or jurisdiction. A license history that was completed over 60 days ago will not be accepted.

If any part of the application is incomplete, the application cannot be approved and notice cannot be sent to the examination vendor.

Upon approval by the Commission, you will receive an eligibility notice with instructions for registering and scheduling the examination. When you arrive at the test site you will be required to provide two (2) forms of identification **and at least one of the proofs of identity must be a VALID form of government issued identification, such as a driver's license, state ID, or passport, which bears your signature and has your photograph**.

A license will not be issued until all required documents are received and the application has final approval from the Oklahoma Real Estate Commission. Any and all fees paid are non-refundable, regardless of final approval.

The last page of the provisional sales or sales associate application allows the applicant to sign up with a broker prior to taking the examination; however it is not a requirement to have this part of the form completed prior to taking the examination; nevertheless, if said last page is complete an applicant can proceed to have their license issued once they pass the examination and receive final approval. An applicant has the option of placing their license on an inactive status in the event they have not yet selected a broker. Inactive status is only necessary if the applicant has not yet chosen a broker within the examination grade validity period.

Oklahoma Real Estate Commission
Denver N. Davidson Building
1915 N. Stiles, Suite 200
Oklahoma City, Oklahoma 73105
Telephone: (405) 521-3387
Toll Free: 1-866-521-3389
Main Fax: (405) 521-2189
Education Fax: (405) 522-8564
Email: orec.help@orec.ok.gov
www.orec.ok.gov

EXAMINATION REGISTRATION AND SCHEDULING PROCEDURES

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

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

Upon approval of eligibility by the Commission, you may proceed with the registration, payment and scheduling of your examination with PSI. Applicants for the pre-license examination will have a total of three (3) hours to complete their examination. Applicants taking the Brokers examination will have a total of four (4) hours to complete their examination. Applicants who fail the examination have the option of reviewing their missed questions at the end of their examination, but only for one hour immediately following the completion of their test. Non-Resident applicants, in some cases, may not be required to take the entire examination; however, all applicants are required to pass the state portion. Please refer to the Oklahoma License Code and Rules for more information.

EXAMINATION FEE

Salesperson/Salesperson Instructor Salesperson State-Only	$60
Broker/Broker Instructor/Broker State-Only	$75

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE. REGISTRATION FEES EXPIRE AFTER ONE YEAR OF REGISTERING.

INTERNET REGISTRATION

For the fastest and most convenient test scheduling process, PSI recommends that candidates schedule for their examinations using the Internet. To schedule over the Internet, candidates will need to have a valid credit card (VISA, MasterCard, American Express or Discover). Candidates schedule online by accessing PSI's website at www.psiexams.com. Internet scheduling is available 24 hours a day. To schedule over the Internet, complete the steps below. See the following page for detailed instructions.

1. Log onto PSI's website and create an account. Please enter your email address and first and last name. This information must match exactly with the information the Commission has on file. Be sure to **check the box next to** "*Check here to attempt to locate existing records for you in the system*"

2. You will be asked to select the examination and enter the ID# that the Commission provided to you. Your record will be found and you will now be ready to pay and schedule for the exam. Enter your zip code and a list of the testing sites closest to you will appear. Once you select the desired test site, available dates will appear. If you have problems contact PSI at (800) 733-9267 for help.

TELEPHONE SCHEDULING

The second fastest method of scheduling is via the telephone with PSI's Interactive Voice Response system (IVR) during non-business hours or through live registrars during business hours. For telephone scheduling, you will need a valid credit card (VISA, MasterCard, American Express or Discover). Call (800) 733-9267, 24 hours a day and schedule using the Automated Scheduling System. Otherwise, PSI registrars are Monday through Friday between 6:30 am and 9:00 pm, or Saturday-Sunday between 8:00 am and 4:30 pm, Central Time.

FAX REGISTRATION

If you prefer, you may fax the Examination Registration Form (found at the end of this Candidate Information Bulletin). Complete the Examination Registration Form, including your credit card number and expiration date. Fax the completed form to PSI at (702) 932-2666. Registration by fax is accepted 24 hours a day. Please allow 4 business days to process before contacting PSI to schedule.

STANDARD MAIL REGISTRATION

If you prefer, you may mail the Examination Registration Form (found at the end of this Candidate Information Bulletin). Mail the completed Examination Registration Form to PSI with the appropriate examination fee. Payment of fees can be made by credit card (VISA, MasterCard, American Express or Discover), money order, company check or cashier's check. Money orders, company check or cashier's checks must be made payable to PSI, with your student permit number noted on it to ensure that your fees are properly assigned. **CASH AND PERSONAL CHECKS ARE NOT ACCEPTED.** Please allow 7 business days to process before contacting PSI to schedule.

CANCELING 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 Monday appointment, the cancellation notice would need to be received on the previous Saturday. To cancel or reschedule and you may 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 cancel and reschedule.

Note: A voice mail message is NOT an acceptable form of cancellation. Please use the PSI Website, automated telephone system (IVR), 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 schedule examination date;
- Do not appear for your examination appointment;
- Do not arrive on time for your examination;
- Do not present proper identification when you arrive for the examination.

SCHEDULING A RETAKE

An applicant who tests unsuccessfully on a Wednesday can call that day, and schedule to retest as soon as Thursday, 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.

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 an applicants needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination must fill out the form at the end of this Applicant Information Bulletin and fax it to PSI (702) 932-2666. This form also includes out-of-state testing requests.

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 as soon as possible, and you may also check their website at www.psiexams.com for the next available appointment.

EXAMINATION SITE LOCATIONS

The Oklahoma examinations are administered at the PSI examination centers in Oklahoma, as listed below. 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.

PSI - Oklahoma City
3800 N Classen Blvd, Ste C-20
Oklahoma City, OK 73118
From I-235 North, merge onto I-44 West. Then merge onto Northwest Expressway. Go to Classen Blvd and turn right. The office is located in the basement of a white building.

PSI - Tulsa
2816 East 51St Street, Suite 101
Tulsa, OK 74105
From I-44 East, exit number 228 (Harvard), stay to the right which will be westbound on 51st St. 1/4 mi on the left is the office building, red awning over entrance.
From I-44 West, take exit number 228, (Harvard), turn south (left) at off ramp onto Harvard. Turn West (right) on 51st St. Building is on the south side of 51st (left), red awning over entrance.

PSI - McAlester
21 East Carl Albert Parkway (US Hwy 270)
McAlester, Oklahoma 74501

From Main St: turn onto US 270 - E. Carl Albert Parkway. The Test Center will be on your left between Main and 1st St.
From US Hwy 69: Take the exit for US 270-W - Carl Albert Parkway and go approximately 1.5 miles. The Test Center will be on your right between 1st and Main St.

PSI - Woodward
1915 Oklahoma Ave, Suite 3
Woodward, OK 73801
From Highway 270, go west at the intersection of 9th and Oklahoma Avenue. Go west 10 blocks to 19th Street. The building is on the south side of Oklahoma Avenue, across from the Sonic Drive-In.

Additionally, PSI has examination centers in many other regions across the United States. You may take this examination at any of these locations by filling out the special accommodation form found at the end of this Candidate Information Bulletin.

REPORTING TO THE EXAMINATION SITE

On the day of the examination you should arrive 30 minutes before your appointment. This extra time is for the sign-in, identification process, 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

Candidates must register for the exam with their LEGAL first and last name as it appears on their government issued identification. All required identification below must match the first and last name under which the candidate is registered. Candidates are required to bring two (2) forms of valid (non-expired) signature bearing identification to the test site. If the candidate fails to bring proper identification or the candidate names do not match, the candidate will not be allowed to test and their examination fee will not be refunded.

PRIMARY IDENTIFCATION (with photo) – Choose One

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card
- US Government Issued Alien Registration Card
- Canadian Government Issued ID
  NOTE: ID must contain candidate's photo, be valid and unexpired.

SECONDARY IDENTIFICATION – Choose One

- Credit Card (must be signed)
- Social Security Card
- US issued Birth Certificate with Raised Seal
  *NOTE: Student ID and employment ID are **NOT** acceptable forms of identification.

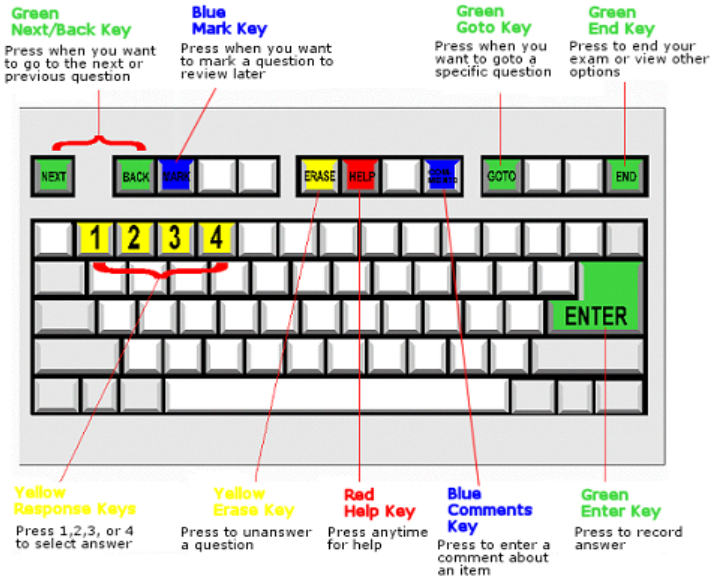
SECURITY PROCEDURES

The following security procedures will apply during the examination:

- Cell phones, pagers, purses, briefcases, personal belongings and children are not allowed in the examination site.
- 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 in the examination site.
- Copying or communicating examination content is a violation of PSI security policy and Oklahoma 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 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. An illustration of the special keyboard is shown here. You may also use the mouse.



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. You may spend, up to 15 minutes on the tutorial and it **DOES NOT** count as part of your examination time. Sample questions are included following the tutorial so that you may practice using the keys, answering questions, and reviewing your answers.

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

EXAMINATION QUESTION EXAMPLE

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

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.

EXAMINATION REVIEW

In the event you fail the examination you will be given 60 minutes at the end of the examination to review the items you missed. The items will not be in any particular order.

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.

SCORE REPORTING

Any applicant that passes the examination will receive a pass letter immediately following completion of the examination. A failed examination will generate your actual score and a summary of the categories. The following summary describes the score reporting process:

- **Computer Test** – your score will appear immediately on the computer screen at the end of the time allowed for the examination;
  - If you **pass**, you will immediately receive a successful notification with a diagnostic report indicating your strengths and weaknesses.
  - If you **do not pass**, you will receive a diagnostic report indicating your strengths and weaknesses by examination type with the score report.

  If you take a written test – an unofficial score report will be printed at the examination site.

GRADE VALIDITY

A passing examination score is valid for one (1) year.

TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your examination.

- Only consider the actual information given in the question, do not read into the question by considering any possibilities or exceptions.
- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Applicant Information Bulletin 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.
- Discuss new terms or concepts as frequently as you can with colleagues, this will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

EXAMINATION STUDY MATERIALS

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

NATIONAL RESOURCE MATERIAL FOR SALESPERSON AND BROKER

- *Real Estate Fundamentals*, 8th Edition, 2011, Gaddy and Hart, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Modern Real Estate Practice*, 18th Edition, Galaty, Allaway, and Kyle, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Law,* 8th Edition, 2013, Elliot Clayman, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *The Language of Real Estate*, 7th Edition, 2013, John Reilly, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Principles & Practices*, 8th Edition, Arlyne Geschwender, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, www.oncoursepublishing.com ISBN 0324784554
- *Real Estate Principles*, 12th Edition, Charles Jacobus, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, www.oncoursepublishing.com ISBN 1285420985

STATE SPECIFIC RESOURCE MATERIAL

The following state specific references can be found at www.orec.ok.gov, Publications (left margin), state specific examination resources (right margin).

- *Oklahoma Real Estate License Code and Rules*
- *Residential Property Condition Disclosure Act*
- *Oklahoma Fair Housing Law*
- *Residential/Nonresidential Landlord and Tenant Act*
- *Settlement Statement references (Broker exam only)*
  - http://portal.hud.gov/hudportal/HUD
  - http://www.hud.gov/offices/adm/hudclips/forms/files/1.pdf
  - http://edocket.access.gpo.gov/cfr_2009/aprqtr/24cfr3500AppA.htm

ADDITIONAL RESOURCE MATERIAL

- *Oklahoma Real Estate Principals, 2008, Published by B&B Publishing,* 405-361-4602

DESCRIPTION OF EXAMINATIONS

EXAMINATION SUMMARY TABLE

Examination	# of Items	Passing Score	Time Allowed
Salesperson	130	(75%)	3 hours
Salesperson Instructor	130	(80%)	3 hours
Salesperson State-Only	50	(75%)	1.5 hours
Broker	150	(75%)	4 hours
Broker Instructor	150	(80%)	4 hours
Broker State-Only	70	(75%)	2 hours

EXPERIMENTAL QUESTIONS

In addition to the number of examination items specified, a small number of "experimental" questions may be administered to applicants during the examinations; however, **these questions will not be scored and the time taken to answer them will not count against examination time.** The administration of non-scored experimental questions is an essential step in developing future licensing examinations.

CONTENT OUTLINES

The examination content outlines have been prepared and are periodically updated by committees of professionals who are subject matter experts in real estate practice, real estate instruction, and regulatory issues. The examination content outlines these professionals have prepared identify 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 course material. It is advisable not to schedule your examination until you are familiar with the topics in the outline.

NATIONAL PORTION

REAL ESTATE PRINCIPLES AND PRACTICES

I. Property Ownership

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
   e. Physical descriptions of property and improvements
   f. Mineral, air and water rights
3. Encumbrances and effects on property ownership
   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 ownership properties
   e. Bundle of rights

II. Land Use Controls and Regulations

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. 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. Homeowners association (HOA) regulations

III. Valuation and Market Analysis

1. Value
   a. Market value and market price
   b. Value
      i. Types and characteristics of value
      ii. Principles of value
      iii. 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 (e.g., replacement versus reproduction cost, reconciliation, depreciation, kinds of obsolescence)
3. Competitive/Comparative Market Analysis (CMA)
   a. Selecting and adjusting comparables

b. Contrast CMA and appraisal
   i. Price per square foot
   ii. Gross rent and gross income multipliers
   iii. Capitalization rate
4. Appraisal practice; situations requiring appraisal by a certified appraiser

IV. Financing

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 and sources of loan money
   a. Term or straight loans
   b. Amortized and partially amortized (balloon) loans
   c. Adjustable rate mortgage (ARM) loans
   d. Conventional versus insured
   e. Reverse mortgages; equity loans; subprime and other nonconforming loans
   f. Seller/owner financing
   g. Primary market
   h. Secondary market
   i. Down payment assistance programs
3. Government programs
   a. FHA
   b. VA
   c. Other federal programs
4. Mortgages/deeds of trust
   a. Mortgage clauses (assumption, due-on-sale, alienation, acceleration, prepayment, release)
   b. Lien theory versus title theory
   c. Mortgage/deeds of trust and note as separate documents
5. Financing/credit laws
   a. Lending and disclosures
      i. Truth in lending
      ii. RESPA
      iii. Equal Credit Opportunity
   b. Fraud and lending practices
      i. Mortgage fraud
      ii. Predatory lending practices (risks to clients)
      iii. Usury lending laws
      iv. Appropriate cautions to clients seeking financing

V. General Principles of Agency

1. Nature of agency relationships
   a. Types of agents and agencies (special, general, designated, subagent, etc.)
   b. Nonagents (transactional/facilitational)
   c. Fiduciary responsibilities
2. Creation and disclosure of agency and agency agreements (general, not state specific)
   a. Agency and agency agreements
   b. Disclosure when acting as principal or other conflict of interest
3. Responsibilities of agent/principal
   a. Duties to client/principal (buyer, seller, tenant or landlord)
   b. Traditional common law agency duties; effect of dual agency on agent's duties
4. Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money
5. Termination of agency
   a. Expiration
   b. Completion/performance
   c. Termination by force of law
   d. Destruction of property/death of principal
   e. Mutual agreement

VI. Property Condition and Disclosures

1. Property condition disclosure
   a. Property owner's role regarding property condition
   b. Licensee's role regarding property condition
2. Warranties
   a. Purpose of home or construction warranty programs
   b. Scope of home or construction warranty programs
3. Need for inspection and obtaining/verifying information
   a. Explanation of property inspection process and appropriate use
   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 such as roof, gutters, downspouts, doors, windows, foundation
   e. Condition of electrical and plumbing systems, and of equipment or appliances that are fixtures
   f. Location within natural hazard or specifically regulated area, potentially uninsurable property
   g. Known alterations or additions
5. Material facts related to public controls, statutes of public utilities
   a. 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
   e. Stigmatized/psychologically impacted property, Megan's Law issues

VII. Contracts

1. General knowledge of contract law
   a. Requirements for validity
   b. When contract is considered performed/discharged
   c. Assignment and novation
   d. Breach of contract and remedies for breach
   e. Contract clauses
2. Listing agreements
   a. General requirements for valid listing
   b. Exclusive listings
   c. Non-exclusive listings
3. Buyer/tenant representation agreements, including key elements and provisions of buyer and/or tenant agreements
4. Offers/purchase agreements
   a. General requirements
   b. When offer becomes binding (notification)
   c. Contingencies
   d. Time is of the essence
5. Counteroffers/multiple counteroffers
   a. Counteroffer cancels original offer
   b. Priority of multiple counteroffers

6. Leases
   a. Types of leases, e.g., percentage, gross, net, ground
   b. Lease with obligation to purchase or lease with an option to purchase
7. Other real estate contracts
   a. Options
   b. Right of first refusal

VIII. Transfer of Title

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. 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
3. Escrow or closing; tax aspects of transferring title to real property
   a. Responsibilities of escrow agent
   b. Prorated items
   c. Closing statements/HUD-1
   d. Estimating closing costs
   e. Property and income taxes
4. Special processes
   a. Foreclosure/short sale
   b. Real estate owned (REO)

IX. Practice of Real Estate

1. Trust/escrow accounts (general, not state specific)
   a. Purpose and definition of trust accounts, including monies held in trust accounts
   b. Responsibility for earnest money and other trust monies, including commingling/conversion
2. Federal fair housing laws
   a. Protected classes
      i. Covered transactions
      ii. Specific laws and their effects
   b. Compliance
      i. Types of violations and enforcement
      ii. Exceptions
3. Advertising and technology
   a. Incorrect "factual" statements versus "puffing"
      i. Truth in advertising
      ii. Fair housing issues in advertising
   b. Fraud, technology issues
      i. Uninformed misrepresentation versus deliberate misrepresentation (fraud)
      ii. Technology issues in advertising and marketing
4. Agent supervision and broker-associate relationship
   a. Liability/responsibility for acts of associated licensees (employees or independent contractors) and unlicensed employees
   b. Responsibility to train and supervise associated licensees (employees or independent contractors) and unlicensed employees
5. Commissions and fees
   a. Procuring cause/protection clauses
   b. Referrals and other finder fees

6. General ethics
   a. Practicing within area of competence
   b. Avoiding unauthorized practice of law
7. Antitrust laws
   a. Antitrust laws and purpose
   b. Antitrust violations in real estate

X. Real Estate Calculations

1. Basic math concepts
   a. Area
   b. Loan-to-value ratios
   c. Discount points
   d. Equity
   e. Down payment/amount to be financed
2. Calculations for transactions, including mortgage calculations
3. Property tax calculations
4. Prorations (utilities, rent, property taxes, insurance, etc.)
   a. Commission and commission splits
   b. Seller's proceeds of sale
   c. Transfer tax/conveyance tax/revenue stamps
   d. Amortization tables
   e. Interest rates
   f. Interest amounts
   g. Monthly installment payments
   h. Buyer qualification ratios
5. Calculations for valuation
   a. Competitive/comparative market analyses (CMA)
   b. Net operating income
   c. Depreciation
   d. Capitalization rate
   e. Gross rent and gross income multipliers (GRM, GIM)

XI. Specialty Areas

1. Subdivisions, including development-wide CC & Rs
2. Commercial, industrial and income property
   a. Trade fixtures
   b. Accessibility
   c. Tax depreciation
   d. 1031 exchanges
   e. Trust fund accounts for income property

The following outline lists Oklahoma state specific topics that <u>may appear</u> on the examination. It is advisable that you do not schedule your examination until you are familiar with the topics in the outline.

OKLAHOMA STATE-SPECIFIC PORTION

I. Laws and Rules Affecting Oklahoma Real Estate Practice (Salesperson-25 Items, Broker-20 Items)

1. Authority of the Real Estate Commission
2. Acts of the Associates
3. Broker License Requirements **(Broker Only)**
4. Associate License Requirements
5. Advertising Regulations
6. Contract Law-Dual Contracts
7. Contract Law-Statue of Frauds
8. Disclosure of Licensed Status
9. License Maintenance Requirements
10. Substantial Misrepresentation
11. Complaint Process
12. Duty to Account
13. License Transfer & Inactive Status
14. OREC Notification Requirements
15. Commission Disputes
16. Education Requirements
17. License Renewal Requirements

18. Causes for Suspension or Revocation of License
19. Prohibited Dealings
20. Unlicensed Activity

II. Oklahoma Broker Relationships (Salesperson-13 Items, Broker-11 Items)

1. Duties Owed to All Parties
2. Duties Owed to Party to Whom Brokerage Services are Provided.
3. Broker-Salesperson Relationships
4. Tenant-Licensee Relationship
5. Broker Relation Act Abrogates Common Law
6. Confidentiality
7. Duties that Survive End of Brokerage Relationship
8. Definitions
9. Disclosures

III. Property Management (Salesperson-6 Items, Broker-6 Items)

1. License Requirements
2. Requirements under the Oklahoma Broker Relationships
3. License Exemptions
4. Property Management Agreements
5. Residential/Non-Residential Landlord and Tenant Act
6. Trust Accounts-Security Deposits
7. Duties of a Landlord
8. Personal Property Disposition
9. Terms of Lease
10. Eviction-Termination of Tenancy

IV. Disclosures (Salesperson-6 Items, Broker-5 Items) Residential Property Condition Disclosure Act

1. Residential Property Disclosure Statement
2. Residential Property Disclaimer Statement
3. Licensees Duties
4. Exemptions
5. Psychologically Impacted Property

V. Trust Accounts/Trust Funds (Broker only-8 Items)

1. Duty to Account
2. Commingling
3. Trust Account Registration and Audits
4. Earned Commissions

VI. Broker Operational Procedures and Qualifications (Broker only-10 Items)

1. Broker Supervision
2. Place of Business
3. Advertising
4. Trade Names
5. Cessation of Business Activities
6. Death or Disability of Broker
7. Suspended or Revoked Brokers
8. Antitrust Issues
9. Broker Qualification Requirements

VII. Closing Statements (Broker only-10 Items)

1. Completion of HUD Questions

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the Oklahoma real estate salesperson or broker examination. 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. $5,500.00
2. $6,975.00
3. $7,450.00
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: 3

Sample Broker Questions

A. A real estate licensee acting solely as a seller's agent is MOST likely to be held liable for claims of misrepresentation by a buyer if the licensee committed which of the following acts in the course of the transaction?

1. Failed to provide previous purchase prices for the property.
2. Obeyed the seller's instructions to leave all discussions of property condition to the seller.
3. Continued to accept and present offers on the property after the seller accepted the buyer's offer.
4. Deposited the earnest money check in a personal account to clear before transferring it to the trust account.

B. A lender wanting title insurance coverage on property pledged as collateral would ask for which of the following policies?

1. A mortgagee's policy.
2. An owner's policy.
3. An errors and omissions policy.
4. An extended homeowner's policy.

C. A business property is valued at $20,000. To earn 12% on the total investment, the property should return a monthly income of

1. $200.
2. $500.
3. $1,200.
4. None of the above

D. A lender is making a loan on a property and wants to make sure that a borrower will be legally obligated to pay off the entire unpaid loan balance if the borrower defaults on the payments. Which of the following clauses should be included in the contract?

1. Defeasance.
2. Prepayment.
3. Acceleration.
4. Due-on-sale.

E. A financial arrangement by which a buyer purchases property using borrowed funds but does not actually receive title to the property until after the loan has been fully repaid is BEST referred to as a

1. Leveraged sale.
2. Sale and leaseback.
3. Purchase money mortgage. Land contract.

Answers to Sample Broker Questions:
A: 2; B: 1; C: 1; D: 3; E: 4

LICENSURE INFORMATION

OBTAINING A LICENSE UPON PASSING THE EXAMINATION

Provisional Sales/Sales/Broker - Upon successful completion of the examination and the application receiving final approval the applicant will be required to have a broker sign a form verifying sponsorship or the applicant may place their license on an inactive status. If the applicant selected a broker and the broker has already completed the reverse side of the application the applicant will be required to pay the license and education and recovery fund fee. If the reverse side of the application is not completed by a broker, the applicant will need to contact OREC'S records department to determine how the applicant wants to proceed. A license can proceed to be licensed as an active Provisional Sales Associate or Sales Associate, Broker or on inactive status. If the applicant chooses to have the license issued on Inactive Status, an inactive pocket card will be sent to the mailing address provided by the applicant.

Active or Inactive Status - A license fee is required whether the applicant places their license on an active or inactive status.

Receipt of License - No person shall begin operations in the real estate business or **complete post licensing education** without first having actually been issued their numbered license certificate.

All active licenses are mailed to the business address of the sponsoring broker.

RESIDENT VERSUS NONRESIDENT LICENSE

A resident licensee is a person who is licensed in Oklahoma and operates from a place of business in Oklahoma.

A nonresident licensee is a person who is licensed to practice in Oklahoma, but does not maintain a place of business in Oklahoma, but they periodically come into Oklahoma to operate and perform real estate activities. The Commission has entered into numerous nonresident agreements with other jurisdictions, but all nonresident applicants are required to pass the Oklahoma state portion of the examination. All applicants will need to contact our Education Department for exact requirements since all states differ in some aspect or another.

The general rule is that if a nonresident active licensee possess: 1) a minimum of two (2) years active experience out of the previous five (5) years as a sales associate or broker respectively, 2) provides a certificate of license history verifying such and indicating that the license is in good standing in their state or jurisdiction of licensure, 3) completes all appropriate forms and pays all required fees, 4)make a passing score on the examination and 5) the application has received final approval, the nonresident licensee may obtain a nonresident Oklahoma license.

CO-BROKERAGE ARRANGEMENTS

Oklahoma allows that a broker of this state may participate in a cooperative brokerage arrangement with a broker of another jurisdiction provided that each broker conduct real estate activities only in the state or jurisdiction in which they are licensed.

OKLAHOMA REAL ESTATE LICENSING EXAMINATION REGISTRATION FORM

Before you begin. . .

Read the Candidate Information Bulletin before filling out this registration form. You must provide all information requested and submit the appropriate fee. PLEASE TYPE OR PRINT LEGIBLY. Registration forms that are incomplete, illegible, or not accompanied by the proper fee will be returned unprocessed. Registration fees are not refundable. (If your information does not fit into the boxes below simply continue to fill out the additional information below the box.

1. **Legal Name:** Last Name _____ First Name _____ M.I. ____

2. **Social Security #:** ___ - __ - ____

3. **Mailing Address:** Number, Street _____ Apt/Ste ___

   City _____ State __ Zip Code _____ - ____

4. **Telephone:** Home ___ ___ - ____ Office ___ ___ - ____

5. **Email:** _____@_____

6. **Examination:** (Check one) ☐ Salesperson $60 ☐ Broker $75
   ☐ Salesperson Instructor $60 ☐ Broker Instructor $75
   ☐ Sales State-Only $60 ☐ Broker State-Only $75
   (Check one) ☐ FIRST TIME ☐ RETAKE

7. **Total Fees Included: $**_____ Pay by credit card, money order, cashier's check or company check. Make money order or check payable to PSI. Personal checks and cash are **not** accepted.

   If paying by credit card, check one: ❑ VISA ❑ MasterCard ❑ American Express ❑ Discover

   Card No: _____ Exp. Date: _____

   Card Verification No: _____ *The card verification number may be located on the back of the card (the last three digits on the signature strip) or on the front of the card (the four digit number to the right and above the card account number).*

   Billing Street Address: _____ Billing Zip Code: _____

   Cardholder Name (Print): _____ Signature: _____

8. **I am faxing the Special Arrangement Request (at the end of this bulletin) and required documentation.** ☐ Yes ☐ No

9. **Affidavit:** I certify that the information provided on this registration form (and/or telephonically to PSI) is correct. I understand that any falsification of information may result in denial of licensure. I have read and understand the Candidate Information Bulletin.

   Signature: _____ **Date:** _____

If you are registering by mail or fax, sign and date this registration form on the lines provided.
Complete and forward this registration form with the applicable examination fee to:

PSI * ATTN: Examination Registration OK RE
3210 E Tropicana Ave * Las Vegas, NV* 89121
Fax (702) 932-2666 * (800) 733-9267 * TTY (800) 735-2929 * www.psiexams.com

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 stationery 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: _____ Social Security or **ID#:** _____

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) 367-1565, ext 6750 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.