

Broker Examination

Content Outline

Effective July 1, 2011

- I. Real Estate Brokerage Business (43%)
 - A. Licensure Requirements
 - 1. Application Process
 - 2. Mutual Recognition
 - 3. Experience Requirements
 - 4. Education Requirements
 - 5. Examination
 - 6. Continuing Education Requirements
 - 7. Sales Person License Requirements
 - 8. Renewal
 - 9. Brokerage Entities Registration vs. Licensure
 - 10. Multiple Licenses vs. Group License
 - 11. Change of Address
 - 12. Exemptions
 - B. Brokerage Entities
 - 1. Registered
 - a. Sole Proprietorship
 - b. General Partnership
 - c. Limited Partnership
 - d. Limited Liability Partnership
 - e. Corporations
 - 2. Non-Registered
 - 3. Trade Names
 - 4. Office Requirements
 - a. Principal Office
 - b. Branch Office
 - c. Entrance Signs
 - d. ADA
 - 5. Advertising
 - a. Requirements
 - 1. Broker/Agent
 - 2. False/Misleading
 - b. Blind Ads
 - c. Fair Housing
 - d. Telephone Solicitation
 - e. Rental Lists
 - C. Brokerage Ownership, Management, and Supervision
 - 1. Capital and Start-up Costs
 - 2. Projecting Income and Expenses
 - a. Projections
 - b. Income Sources
 - c. Projecting Operating Expenses
 - 3. Tax Considerations
 - a. Cash vs. Accrual Method
 - b. IRS Concerns Regarding Employees vs. Independent Contractors
 - 4. Personnel Issues
 - a. Unlicensed Activities
 - b. Licensed Activities
 - 5. Recruitment
 - 6. Application Process
 - a. Forms
 - b. Licensure Verification
 - 7. Employment Arrangements and Agreements
 - 8. Compensation of Sales Associates
 - 9. Policy and Procedures Manual
 - 10. Broker/Sales Manager Responsibilities
 - a. Training and Supervision of Sales Associate
 - b. Sales Meetings
 - D. Escrow Management
 - 1. Establishing
 - 2. Overall Rules
 - 3. Conversion of Funds
 - 4. Commingling
 - 5. Earnest Money
 - 6. Broker Held
 - 7. Record Keeping Requirements
 - 8. Disputes (EDO, Arbitration, Mediation, Litigation)
 - 9. Title Company and Attorney Held
 - 10. Brokers Commission
 - a. Antitrust Laws
 - b. Liens
 - 11. Property Management Deposits and Advance Rent
 - 12. Condominiums
 - E. Florida Law and FREC Rules
 - 1. Inspections
 - 2. Office Audits
 - a. Records, Documentation, and Compliance
 - b. Escrow
 - 3. Investigator Authorities
 - 4. Compliance Process
 - a. Filing Complaint
 - b. Investigation
 - c. Probable Cause Panel
 - d. Formal Complaint
 - e. Final Order
 - 5. Violations and Penalties
 - a. Grounds for Denial
 - b. Grounds for Suspension
 - c. Grounds for Revocation
 - d. Types of Penalties
 - 1. Administrative
 - 2. Civil
 - 3. Criminal
 - 4. Unlicensed Activity
 - 6. Disciplinary Guidelines
 - 7. Recovery Fund
- II. Valuing Real Property (9%)
 - A. Appraisal
 - 1. Appraisal vs. CMA Defined
 - a. USPAP
 - b. Basic Appraisal Concepts
 - 2. Approaches
 - a. Sales Comparison
 - b. Cost-Depreciation
 - c. Income Capitalization
 - 3. Comparative Market Analysis
 - a. Broker Price Opinion
 - 4. Business Valuation

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III. Listing and Selling Real Property (6%)

- A. Concept of Agency
 - 1. Broker Duties
- B. Disclosure Requirements at First Contact
 - 1. Residential Sales
 - 2. Exemptions
- C. Transaction Broker Relationship
- D. Single Agent to Transaction Broker Transition
- E. No Brokerage Relationship
- F. Single Agent Relationship
- G. Designated Salesperson
- H. Terminating Broker Relationship
- I. Legal – Titles, Deeds, etc.

IV. Contracts (11%)

- A. Listing Agreements
- B. Entitlement to Commission
 - 1. Referral Fees
 - 2. Commercial Lien Law
- C. Purchase and Sale Contract
 - 1. Unauthorized Practice
 - 2. Statute of Frauds
- D. Documents for Listing Contract
- E. Real Estate Contracts
- F. Disclosures
- G. Other Contracts

V. Financing (4%)

- A. Mortgage Concepts and Practices
- B. Mortgage Loans
 - 1. Conventional
 - 2. Governmental, Insured, or Guaranteed
 - 3. Other Mortgage Types
- C. Other Techniques
- D. Federal Consumer Protection Legislation
- E. Broker's Role
 - 1. Mortgage Fraud
- F. Finance Math

VI. Closing Transactions (12%)

- A. Broker's Role
- B. Closing Steps
 - 1. Deeds
 - 2. Titles
- C. Understanding Closing Statements
- D. Prorating Procedures

VII. Federal Income Tax Laws (5%)

- A. Principal Residence
- B. Sale of Principal Residence
- C. Investment Operations
- D. Sale of Investment
- E. Deferring Taxes Upon Disposition
- F. Overview

VIII. Investment (4%)

- A. Investment Properties and Investor Needs
- B. Leases
- C. Mortgages
- D. Property Expenses
- E. Investment Analysis
- F. Investment Math

IX. Zoning and Planning (1%)

- A. Zoning
- B. Subdividing and Development of Land
- C. Wetlands and Ecological Issues

X. Environmental Issues (1%)

- A. CERCLA
- B. Hazards

XI. Property Management (1%)

- A. Introduction
- B. Markets
- C. Skills
- D. Rental Process
- E. Owner-Manager Relationship
- F. Residential Landlord/Tenant Act
- G. Federal and State Laws

XII. The Real Estate Market (3%)

- A. Characteristics
- B. Basic Math