

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. Registered Limited Liability Partnership
 - e. Corporation
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