2011
Broker Examination Update

Presented
by
The Division of Real Estate
&
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• Process – What was Accomplished
• Examination Format
• Areas of Focus
• Content Outline
• Questions
• Helpful Links
Process
What was Accomplished

- Item Bank Review – Items reviewed for relevancy, accuracy, clarity & correct reference by Subject Matter Experts (SMEs)
- Created a new classification scheme for the items
- Reclassified all items to the new classification scheme
- Identified areas considered most important
- Identified areas that needed test items & wrote new items
- Revised closing statement exercise
Exam Format

• Greater emphasis on brokerage business
• No closing statement worksheet
• Familiarity with HUD-1 settlement statement
• Cases relating to actual real estate transactions
• Answer questions based on the cases
• Total test questions – 100
• Each question worth one point
• Points related to cases – eight (8)
• Time allotted to complete the examination – 3 ½ hours
• Implementation Date – July 1, 2011
Areas of Focus

• Management & Supervision of Agents
  ➢ Broker’s liability
  ➢ Florida Statute 475.25 (1) (u)
• Escrow Funds
  ➢ 61J2-14.008 (b)
  ➢ Broker held vs. attorney / title company held
• Broker Price Opinion (BPO)
• Real Estate Settlement Procedures Act (RESPA)
  ➢ “Kickbacks”
• Familiarity with HUD-1 settlement statement
• Perform and verify basic settlement statement calculations
• Commercial Real Estate Commission Lien Law Act
  ➢ Florida Statute 475 Part III & IV
HUD-1 Settlement Statement

• Students need to be familiar, particularly pages 1 & 2

• Student should be able to read a case, interpret and perform basic calculations

• Students should know where the figures would appear
HUD-1 Settlement Statement
Important Areas & Calculations

Proration
- Rent
- Association / Maintenance Fees
- Taxes

- Government Recording & Transfer Charges
  - Transfer Taxes
  - Doc tax/stamps
  - Intangible Tax

- Sales Price
- Binder Deposit
- Third Party Financing
- Purchase Money Mortgage (Seller Financing)
Settlement Statement
Sample Question

How much are the government transfer taxes for Buyer and Seller and where is this information placed on the HUD-1?

A. Seller $952; Buyer $204; Page Two
B. Seller $952; Buyer $748; Page One
C. Seller $1,190; Buyer $748; Page Two *
D. Seller $1,190; Buyer $748; Page One
Settlement Statement

Sample Question

How much is the Buyer’s new mortgage and where is this information placed on the settlement statement?

A.  $136,000 Credit to Buyer; Page One*
B.  $136,000 Debit to Buyer;  Page Two
C.  $158,100 Credit to Buyer; Page Two
D.  $158,100 Credit to Seller; Page One
Settlement Statement
Sample Question

The binder deposit on the HUD-1 is

A. $11,900 Debit to Seller; Page One.
B. $11,900 Credit to Buyer; Page Two.
C. $ 3,000 Debit to Buyer; Page Two.
D. $ 3,000 Credit to Buyer; Page One*
Settlement Statement
Sample Question

Where is the sales price placed on the settlement statement?

A. Page One, Debit to Seller only
B. Page One, Credit to Seller, Debit to Buyer*
C. Page One, Debit to Seller, Credit to Buyer
D. Page Two, Credit to Seller only
Content Outline

I. Real Estate Brokerage Business (43%)
II. Valuing Real Property (9%)
III. Listing and Selling Real Property (6%)
IV. Contracts (11%)
V. Financing (4%)
VI. Closing Transactions (12%)
VII. Federal Income Tax Laws (5%)
VIII. Investment (4%)
IX. Zoning and Planning (1%)
X. Environmental Issues (1%)
XI. Property Management (1%)
XII. The Real Estate Market (3%)
Helpful Links

Bureau of Education
http://www.myfloridalicense.com/dbpr/servop/testing/index.html

Providers & Instructors
http://www.myfloridalicense.com/dbpr/servop/testing/providers.html

Candidate Information Booklets
http://www.myfloridalicense.com/dbpr/servop/testing/booklets.html

Division of Real Estate
http://www.myfloridalicense.com/dbpr/re/index.html
Questions