



PSI Services LLC

<https://test-takers.psiexams.com/ware>

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WASHINGTON REAL ESTATE COMMISSION



CANDIDATE INFORMATION BULLETIN

Examinations by PSI Services LLC	1	Security Procedures	7
Washington License Requirements and Qualifications	1	Taking the Examination by Computer	9
Examination Scheduling Procedures	2	Tutorial	9
Fees	2	Test Question Screen	9
Internet Registration	3	Examination Review	9
Telephone Registration	6	Score Reporting	9
Canceling an Examination	6	Examination Study Materials	10
Missed Appointment or Late Cancellation	6	Description of Examinations	10
Re-taking a Failed Portion	6	Experimental Questions	10
Exam Accommodations	6	Content Outlines	10
Emergency Examination Center Closing	6	Sample Questions	14
Examination Site Location	7	Licensure Procedures	15
Reporting to the Examination Site	7		
Required Identification	7		

EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Booklet provides you with information about the examination and application process for obtaining a real estate license in the State of Washington. For specific information about licensing procedures, contact the Washington State Department of Licensing, Real Estate Licensing Unit at (360) 664-6488 or realestate@dol.wa.gov.

Washington state laws stipulate that a person may not act as a real estate broker or managing broker without first obtaining a license issued by the Department. 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 Washington Real Estate Commission has contracted with PSI Services LLC (PSI) to conduct the examination testing. PSI works closely with the State to be certain that examinations meet local as well as national requirements in basic principles and examination development standards.

The following Washington Real Estate Licensing Examinations are administered by PSI under a contract with the Washington Real Estate Commission:

- Broker
- Managing Broker

WASHINGTON LICENSE REQUIREMENTS AND QUALIFICATIONS

Your education provider will provide your eligibility to PSI. Once approved you will receive an email confirmation, from PSI to schedule and pay for the examination. Note, if PSI does not have your record, please contact your education provider.

The Washington Real Estate Commission has established the requirements for qualification for a real estate broker or managing broker license. You should read this handbook and any other information provided by the Commission before applying for any license examination.

Brokers:

1. A required sixty (60) clock hour Real Estate Fundamentals course and a thirty (30) clock hour Real Estate Practices course must be completed before you make an examination appointment.
2. You must complete the examination within two (2) years of completing the Real Estate Fundamentals and Real Estate Practices courses.

Brokers licensed in another jurisdiction must:

1. Provide to the Department of Licensing the following documents:
 - a. Letter requesting review and approval of reciprocity to include mailing and email addresses.
 - b. License history verification from the regulatory agency of the appropriate jurisdiction if the Broker is actively licensed in good standing with a Managing Broker as a Broker in another jurisdiction or has been so licensed within the previous six (6) months. The Broker must contact the state in which he/she is licensed and request that a license history/verification be sent to the state of Washington.
2. Have all qualifications reviewed and approved by the Department of Licensing before you make an examination appointment.

Applicants who meet the above requirements are permitted to take only the state portion of the examination. This portion deals with the specific real estate laws, rules, and regulations of Washington State.

Managing Brokers:

1. If required, candidate qualifications must be met to qualify to take the real estate Managing Broker examination:
 - a. A minimum of three (3) years of actual experience as a full-time real estate Broker in Washington or in another jurisdiction having comparable requirements. This experience must be obtained within five (5) years of applying for the Managing Broker examination.
Note: As defined in WAC 308-124A-713, persons who do not possess three years of actual experience as a full-time real estate Broker may be eligible by reason of practical experience in a business allied with or related to real estate. For more information, contact the Department of Licensing at 360-664-6488.
 - b. Completion of ninety (90) clock hours of instruction in real estate. Instruction must include one course in brokerage management, one course in advanced real estate law, and one course in business management. Applicants must complete ninety (90) hours of approved course work in addition to advanced real estate law, brokerage management and business management if they were used for continuing education credit. Each course must be completed within three (3) years of applying for the examination.

2. If required, submit all documentation (but NOT examination fees) to:
Department of Licensing
Real Estate Licensing
PO Box 9021
Olympia, WA 98507-9021



Managing Brokers licensed in another jurisdiction must:

1. Provide to the Department of Licensing the following documents:
 - a. Letter requesting review and approval of reciprocity to include mailing and email addresses.
 - b. License history verification from the regulatory agency of the appropriate jurisdiction if the Broker is actively licensed in good standing with a Managing Broker as a Broker in another jurisdiction or has been so licensed within the previous six (6) months. The Broker must contact the state in which he/she is licensed and request that a license history/verification be sent to the state of Washington.
2. Have all qualifications reviewed and approved by the Department of Licensing before you make an examination appointment.

Applicants who meet the above requirements are permitted to take only the state portion of the examination. This portion deals with the specific real estate laws, rules, and regulations of Washington State.

EXAMINATION SCHEDULING PROCEDURES

FEES

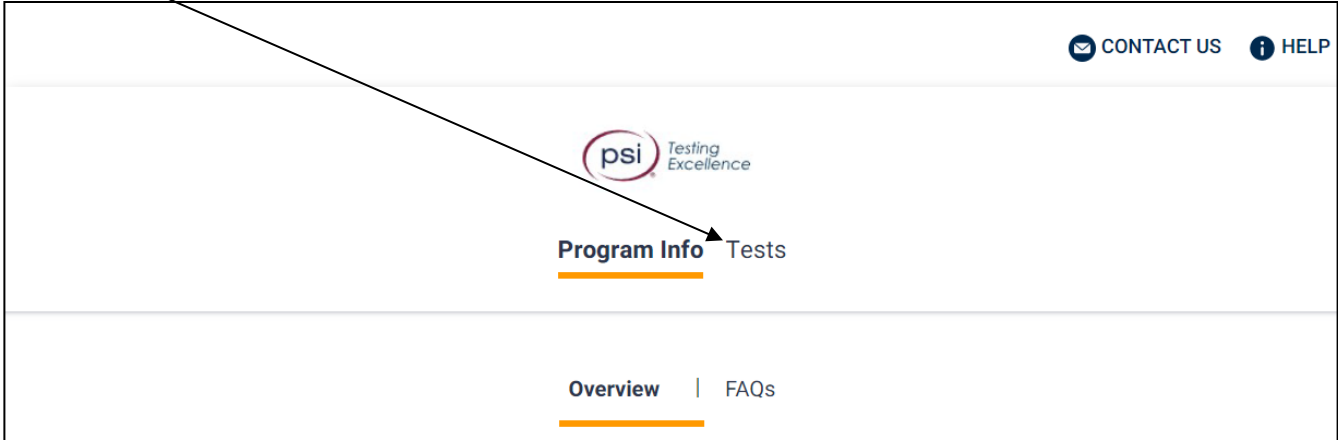
Broker Examination	\$210
Managing Broker Examination	\$210

NOTE: EXAMINATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE. Your examination fee will be forfeited if you do not test within 1 year of the date your examination fee is received by PSI.

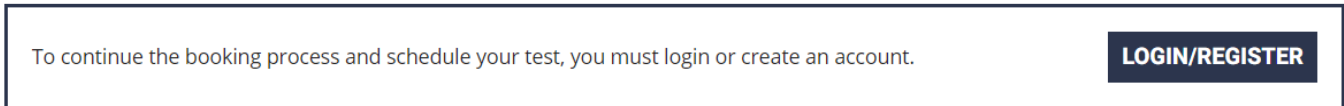
Your education provider will provide your eligibility to PSI. Once approved you will receive an email confirmation, from PSI to schedule and pay for the examination. Note, if PSI does not have your record, please contact your education provider.

INTERNET SCHEDULING

1. Go to: <https://test-takers.psiexams.com/ware>
2. Select **TESTS** to create an account.



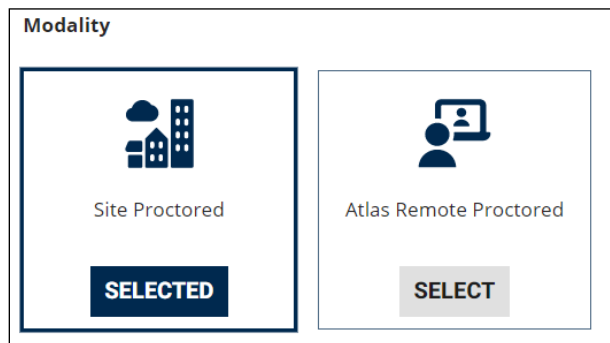
3. Select the examination and you are ready to create an account. Select **LOGIN/REGISTER**.



4. You will be prompted to **CREATE AN ACCOUNT** with PSI.
The first and last name must match exactly with your current, valid, government-issued ID.

ID *	
First Name *	Last Name *
Middle Name	Generation
Email *	
Password *	Your password must contain: <ul style="list-style-type: none">• At least one capital letter A-Z• At least one lower case letter a-z• At least one number 0-9• At least one special character !@#V\$%^&V*• At least 8 and up to 32 characters
Confirm Password *	

5. Select your test format: (Test Center) or (Remote Proctored).



Scheduling at a Test Center

1. Enter the "City or Postal Code" and select **FIND**.

Search Test Center Location



Choose a Date and Time

2. Select a date and time to book an appointment.

October 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Available Selected

Time slots available for October 08, 2021

3. You are now ready to pay.

Payment

Billing Address

Order Summary

Commercial Contractor Practice Test
Mechanical Bus and Law \$100.00 USD

Total Price

CONTINUE

4. Once payment has been made you will receive a message confirming the test center, booked date, and booked time.

Booking Confirmed!! [Print Confirmation](#)

Email Address: asingla81@psionline.com Home Phone: 111224444 Office Phone: 2221112345

Scheduling via Remote Proctor

1. Select a date and time to book an appointment.

Choose a Date and Time

The screenshot displays a calendar for October 2021. The 8th of the month is selected, indicated by a black circle. To the right, a panel titled "Time slots available for October 08, 2021" shows two available time slots: 08:00 AM and 01:30 PM.

2. You are now ready to pay.

The screenshot shows the "Payment" section. On the left, there are input fields for "Billing Address" with sub-fields for "Address 1*", "Address 2", "Address 3", and "City*". On the right, an "Order Summary" box displays "Commercial Contractor Practice Test" and "Mechanical Bus and Law" for a "Total Price" of "\$100.00 USD". A blue "CONTINUE" button is located at the bottom right.

3. Once payment has been made you will receive a message confirming the booked date and booked time. Please review the booking before selecting **CONFIRM**.

The screenshot displays the "Review Booking" page. It includes contact information: "Email Address: asingla81@psionline.com", "Home Phone: 111224444", and "Office Phone: 2221112345". The booking details are "Wednesday, October 06, 2021" at "5:30 PM Pacific Time". A checkbox is checked with the text "By continuing, you agree to The Company's [Conditions of Use And Privacy Notice](#)". A blue "CONFIRM" button is at the bottom right. A note at the bottom says "Before taking your remote online proctored exam, please check system compatibility - click [HERE](#)".

4. Your booking will now display in your account. You will be able to **LAUNCH** your test within 30 minutes of your booked test time.

IMPORTANT: BE SURE TO CHECK THE COMPATIBILITY OF YOUR COMPUTER to include Audio/Video Check, Webcam Check and System Check. Prior to testing, **CLICK HERE**.

The screenshot shows the "Bookings" page. At the top, it says "Bookings: ?". Below that is a countdown timer: "1 DAYS 0 HOURS 22 MINUTES until test". The booking details are "Wednesday, October 06, 2021" at "5:30 PM Pacific Time". There are links for "Print Receipt" and "More Information". A note at the bottom says "Before taking your remote online proctored exam, please check system compatibility - click [HERE](#)". At the bottom, there is a "LAUNCH" button and a note: "Online Proctored (Live). Click the Launch button at your scheduled test time."

By not starting your test within 15 minutes after your booked time, you forfeit your test fee or test eligibility. Fees and test eligibilities are non-refundable. If you have any questions regarding your compatibility check, or if you experience issues launching your test, you may contact PSI's technical support team at (844) 267-1017.

TELEPHONE

For telephone scheduling you will need a valid credit card (VISA, MasterCard, American Express or Discover). Call (855) 746-8168 and speak to a PSI registrar Monday through Friday, between 4:30 am and 7:00 pm or Saturday and Sunday, between 6:00 am and 2:30 pm, Pacific Time.

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. You can reschedule at <https://test-takers.psiexams.com/ware> or call PSI at (855) 746-8168.

Note: A voice mail message is not an acceptable form of cancellation. Please use the PSI Website 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;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

RE-TAKING A FAILED PORTION

If you fail any portion of the broker or managing broker examination, your score report will include diagnostic scoring information and reapplication instructions. You will only be required to repeat the portion(s) that you failed.

Candidates who pass only one portion must pass the other portion within six (6) months of passing the first portion. Failure to do so will result in having to take the entire examination again.

EXAM ACCOMMODATIONS

All PSI examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodations will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by [Clicking Here](#).

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 (855) 746-8168. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You may also check our website at <https://test-takers.psiexams.com/ware>.

EXAMINATION SITE LOCATIONS

<p style="text-align: center;">Seattle (Bellevue)</p> <p style="text-align: center;">Newport Place 4122 Factoria Blvd. S.E, Suite 303 Bellevue, WA 98006</p>	<p style="text-align: center;">Bremerton - Avian Flight</p> <p style="text-align: center;">8900 State Hwy 3 SW, Suite 101 Bremerton National Airport Bremerton, WA 98312</p>	<p style="text-align: center;">Ellensburg - Central Washington University</p> <p style="text-align: center;">400 E University Way Bouillon Hall- RM 125 Ellensburg, WA 98926</p>
<p style="text-align: center;">Everett</p> <p style="text-align: center;">1010 S.E. Everett Mall Way, Suite 208 Everett, WA 98208</p>	<p style="text-align: center;">Kennewick - HRB</p> <p style="text-align: center;">4018 W. Clearwater Ave. Kennewick, WA 99336</p>	<p style="text-align: center;">Spokane</p> <p style="text-align: center;">920 N Argonne Road, Suite 202 Spokane Valley, WA 99212</p>
<p style="text-align: center;">Tacoma</p> <p style="text-align: center;">Tacoma Community College Testing Center 6501 S 19th St, Building 6 Tacoma, WA 98466</p>	<p style="text-align: center;">Richland - Tri-Cities Testing</p> <p style="text-align: center;">Center 3100 George Washington Way, Suite 135 Richland, WA 99354</p>	<p style="text-align: center;">Olympia</p> <p style="text-align: center;">3435 Martin Way E, Suite I Olympia, WA 98501</p>
<p style="text-align: center;">Vancouver</p> <p style="text-align: center;">11818 SE Mill Plain Blvd, Suite 402 Vancouver, WA 98684</p>	<p style="text-align: center;">Yakima</p> <p style="text-align: center;">3611 River Rd Suite 120 Yakima, WA 98902</p>	

Additionally, PSI has examination centers in many other regions across the United States. You may take this examination at any of these locations. Enter your zip code and a list of the testing sites closest to you will appear.

REPORTING TO THE EXAMINATION SITE

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

You must provide 1 form of identification. The identification must match the name you scheduled with.

NOTE: ID must contain candidate's signature, photo, be valid and unexpired.

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card (not allowed for remote testing)
- US Government Issued Alien Registration Card
- Foreign Government Issued Passport
- Foreign Government Issued ID

Failure to bring the proper documentation invalidates your registration. You will not be able to take the examination as scheduled, and you will forfeit your examination fee.

SECURITY PROCEDURES

The following examination protocols apply during any examination. PSI may pause or terminate an examination at any time. Failure to follow the examination protocol, may result in the disqualification of examination results, prohibition from taking future examinations, and may lead to legal action.

You will be given a piece of scratch paper and a pencil. You will return the scratch paper and pencil during check-out.



Prohibited Items:

- Reference materials of any kind.
- Electronic devices of any type, including but not limited to; cellular phones, cameras, computers of any type (e.g., laptops, tablets, iPads), earbuds, electronic games, electronic watches, headsets, mobile devices, music players (e.g., iPods), pagers, radios, recording devices (audio or video), smart watches, televisions, etc.). Physical calculators are allowed for Test Centers but not for Remote Proctored exams.
- Hats or headgear not worn for religious reasons or as religious apparel, including hats, baseball caps, or visors.
- Bulky or loose clothing or coats including but not limited to; open sweaters, cardigans, shawls, scarves, vests, jackets and coats.
 - In the event you are asked to remove bulky or loose outerwear, appropriate attire, such as a shirt or blouse should be worn underneath.
- Other personal items, including but not limited to; backpacks, briefcases, chewing gum, drinks, food, good luck items, notebooks, paper or other materials on which to write, pens, pencils or other writing devices, purses, reading material, smoking or chewing products, wallets, etc.

Prohibited Behavior:

- Giving or receiving assistance on an examination.
- Copying or communicating examination content.
- Using outside references or resources during an exam, examples:
 - Browsing other local resources.
 - Browsing the internet.
 - Attempting to use a computer or computer program not provided or approved by PSI.
 - Attempting to use a telephone or mobile device.
 - Using notepad on the computer.
 - Using an application on the computer not provided by PSI.
- Engaging in disruptive behavior during check-in or during an exam, examples:
 - Acting in an inappropriate manner.
 - Using abusive language.
 - Speaking aloud.
 - Causing noise unrelated to keyboard typing.
- Engaging in prohibited behavior during check-in or during an exam, examples:
 - Reading questions out loud.
 - Leaving the room without proctor approval.
 - Using instant messaging, or other electronic communication.
 - Capturing a picture or video of exam items.
 - Attempting to use telephone or mobile device.
 - Obstructing the proctor's view (camera or in person).
 - Having inappropriate materials on desktop (explicit).
 - Changing spaces during the exam without proctor approval.
 - Not focusing eyes on the screen.

During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.

Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.

No prohibited items are allowed within the candidate's reach or line of sight. If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle for test center exams. PSI will not be responsible for the security of any personal belongings or prohibited items.

- ♣ Any candidate seen giving or receiving assistance on an examination, found with prohibited items, or displaying prohibited behavior or violating any security regulations will have his or her examination terminated, and be asked to surrender all examination materials. All such instances will be reported to the examination sponsor.

Additional protocols for testing at a testing center, include but not limited to:

- ♣ Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues, or instructors.
- ♣ Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidates will not receive extra time to complete the examination.

Additional protocols for remote online proctored exams, include but not limited to:

- Temporarily moving out of the camera's line of sight.
- Candidates are not allowed to have scratch paper.
- Adequate lighting for the proctor to see candidate's activity.
- Internet service must be sufficient to administer the exam.



- ▮ Web camera must be placed for ideal viewing by the proctor.
- ▮ Candidate may not change computers during the exam.
- ▮ Candidate may not change spaces during the exam.
- ▮ Candidate must follow proctor instructions, which may include, but are not limited to:
 - Keeping hands on the desktop.
 - Keeping eyes on the computer screen.
 - Not fidgeting during the exam.
 - Keeping hands away from face.
- ▮ Please do your best to avoid covering your mouth for the whole duration of exam. Be aware that talking/whispering/mouthing is not allowed during exam.
- ▮ Breaks are NOT allowed during remote online proctored examinations. If you believe you cannot complete your examination without a break, please do not register for remote online proctored examinations.

TAKING THE EXAMINATION BY COMPUTER

The examination will be administered via computer. You will be using a mouse and computer keyboard.

TUTORIAL

Before you start your examination, an introductory tutorial is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included following the tutorial so that you may practice answering questions, and reviewing your answers.

TEST QUESTION SCREEN

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.

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

PSI, in cooperation with the Department of Financial and Professional Regulation, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions. Comments may be entered by clicking the Comments link on the function bar of the test question screen.

These comments will be analyzed by PSI examination development staff. PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. **This is the only review of examination materials available to candidates.**

SCORE REPORTING

Your score will be displayed on screen at the end of the examination and a score report will be emailed to you. If you fail, the emailed score report will include the diagnostic report indicating your strengths and weaknesses by examination type. You may request a duplicate score report after your examination by emailing scorereport@psionline.com.

SCALED SCORES

Scaled scores are reported to emphasize that although different forms of the examination may have slight differences in difficulty, the passing score for an examination is based on a consistent level of performance. Scaled scores are computed by setting the raw passing score equal to the scaled score required to pass. The scaled score is not the same as a percentage. The raw passing score may vary slightly between forms, depending on the difficulty of the items on the form; however, the scaled score required to pass (and the level of knowledge required to pass) does not change. This process is used to ensure fairness to all candidates.

To be eligible to apply for a broker license in Washington, you must pass both the national and state portions of the examination. To pass each portion of the Broker examination, you must attain a scaled score of 70.

To be eligible to apply for a Managing Broker license in Washington, you must pass both the national and state examinations. To pass each Managing Broker examination, you must attain a scaled score of 75.

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 Department of Financial and Professional Regulation. Use the latest edition available.

NATIONAL PORTION FOR BROKER AND MANAGING BROKER

- Modern Real Estate Practice, 21st Edition, Galaty, Allaway, Kyle, and Williams, Dearborn Real Estate Education, www.dearborn.com, ISBN: 978-1-0788-1887-2
- Mastering Real Estate Math, 9th Edition, 2022, Denise Evans www.dearborn.com ISBN: 9781078819008
- The Language of Real Estate, 8th Edition, 2019, Reilly and Spodek, Dearborn Real Estate Education, www.dearborn.com
- Property Management, 11th edition, 2016, Kyle, Robert C., Baird, Floyd M. and Kyle, C. Donald, Chicago: Dearborn Real Estate Education www.dearborn.com
- Real Estate Law, 11th Edition, 2022, Elliot Klayman, Dearborn Real Estate Education www.dearborn.com
- Real Estate Fundamentals, 10th Edition, 2019, Gaddy, Hart, Spodek, Dearborn Real Estate Education, www.dearborn.com
- 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
- Real Estate Principles, 12th Edition, 2021, Floyd and Allen, Dearborn Real Estate Education, www.dearborn.com
- Mastering Real Estate Principles, 8th Edition, 2022, Gerald Cortesi
- Real Estate Principles & Practices, 9th Edition, 2014, Arlyne Geschwender, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855- 733-7239, www.oncoursepublishing.com ISBN 0324784554
- Principles of Real Estate Practice, 6th edition, 2019, Mettling, Stephen and Cusic, David, Performance Programs Company, www.performanceprogramscompnay.com

Now you can take the practice exam online at <https://test-takers.psiexams.com/ware> to prepare for your Washington 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.

DESCRIPTION OF EXAMINATIONS

For the National Managing Broker exam, scenario-based test questions are included to contain more than four options and ONLY ONE BEST option shall be selected to answer the question. Some options are appropriate but not the BEST ANSWER. Please select the option that best answers the question in the exam. A BEST ANSWER reflects the optimal solution or most complete resolution to the scenario presented in the question. These items are associated with scenarios presented in the form of text, graphs, or tables representing a situation in which candidates must identify the best course of action by selecting only one option. Each option is weighted as zero-point, one-point, or two-points based on the completeness and accuracy of the solution. Sample questions are provided.

EXAMINATION SUMMARY TABLE

Examination	Portion	# of Items	Time Allowed
Broker	National	100 (100 points)	150 minutes
	State	30 (30 points)	90 minutes
Managing Broker**	National	90 (100 points)	150 minutes
	State	44 (48 points)	90 minutes

**National Managing Broker exam includes questions that are scored up to two points.

EXPERIMENTAL QUESTIONS

In addition to the number of examination items specified in the "Examination Content Outlines", a small number (5 to 10) of "experimental" questions may be administered to candidates during the examinations. These questions will not be scored. However, these questions will count against examination time. The administration of such unscored, 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. The outlines list the topics that are on the examination and the number of questions for each topic. Do not schedule your examination until you are familiar with the topics in the outline.

NATIONAL PORTION CONTENT OUTLINE

(REAL ESTATE PRINCIPLES AND PRACTICES)

I. Property Ownership (*Broker 10%, Managing Broker 10%*)

- A. Real and personal property; conveyances
- B. Land characteristics and legal descriptions
 - 1. Metes and bounds method of legal property description
 - 2. Lot and block (recorded plat) method of legal property description
 - 3. Government survey (rectangular survey) method of legal property description
 - 4. Measuring structures (linear and square footage)
 - 5. Land measurement
- C. Encumbrances and effects on property ownership
 - 1. Types of liens and their effect on the title and value of real property
 - 2. Easements, rights of way and licenses, including their effect on the title, value and use of real property
 - 3. Encroachments and their effect on the title, value and use of real property
 - 4. Potential encumbrances on title, such as probate, leases, or adverse possession
 - 5. Property rights that may be conveyed separately from use of the land surface, such as mineral and other subsurface rights, air rights, or water rights
- D. Types of ownership
 - 1. Ownership in severalty/sole ownership
 - 2. Implications of ownership as tenants in common
 - 3. Implications of ownership in joint tenancy
 - 4. Forms of common-interest ownership, such as Timeshares, Condominiums and Co-ops
 - 5. Property ownership held in a trust or by an estate
 - 6. Ownership by business entities
 - 7. Life Estate ownership

II. Land use Controls (*Broker 5%, Managing Broker 5%*)

- A. Government rights in land
 - 1. Government rights to impose property taxes and special assessments
 - 2. Government rights to acquire land through eminent domain, condemnation and escheat
- B. Government controls on land use
- C. Private controls
 - 1. Deed conditions or restrictions on property use
 - 2. Subdivision covenants, conditions and restrictions (CC&Rs) on property use
 - 3. Condominium and owners' associations regulations or bylaws on property use

III. Valuation (*Broker 8%, Managing Broker 8%*)

- A. Appraisals
 - 1. Appraisals for valuation of real property
 - 2. Situations which require appraisal by a licensed or certified appraiser and brokerage-related actions that constitute unauthorized appraisal practice

- 3. General steps in appraisal process

B. Estimating Value

- 1. Economic principles and property characteristics that affect value of real property
- 2. Sales or market comparison approach to property valuation and appropriate uses
- 3. Cost approach to property valuation and appropriate uses
- 4. Income analysis approach to property valuation and appropriate uses

C. Comparative Market Analysis (CMA)

- 1. Competitive/Comparative Market Analysis (CMA), BPO or equivalent
- 2. Automated Valuation Method (AVM), appraisal valuation and Comparative Market Analysis (CMA)

IV. Financing (*Broker 10%, Managing Broker 9%*)

A. Basic Concepts and Terminology

- 1. Loan financing (for example, points, LTV, PMI, interest, PITI)
- 2. General underwriting process (e.g., debt ratios, credit scoring and history)
- 3. Standard mortgage/deed of trust clauses and conditions
- 4. Essential elements of a promissory note

B. Types of Loans

- 1. Conventional loans
- 2. Amortized loans, partially amortized (balloon) loans, interest-only loans
- 3. Adjustable-rate mortgage (ARM) loans
- 4. Government Loans
 - a. FHA insured loans
 - b. VA guaranteed loans
 - c. USDA/Rural Development loan programs
- 5. Owner financing (for example, installment or land contract/contract for deed)
- 6. Reverse-mortgage loans
- 7. Home equity loans and lines of credit
- 8. Construction loans
- 9. Rehab loans
- 10. Bridge loans

C. Financing and Lending

- 1. Real Estate Settlement Procedures Act (RESPA), including kickbacks
- 2. Truth-in-Lending Act (Regulation Z), including advertising
- 3. Requirements and time frames of TRID (TILA-RESPA Integrated Disclosures)
- 4. Equal Credit Opportunity Act
- 5. Lending Process (application through loan closing)
- 6. Risky loan features, such as prepayment penalties and balloon payments

V. Contracts (*Broker 19%, Managing Broker 19%*)

A. General Contract Law

- 1. General principles of contract law
- 2. Elements necessary for a contract to be valid
- 3. Effect of the Statute of Frauds

4. Offer and a contract
5. Enforceability of contracts
6. Void, voidable and unenforceable contracts
7. Bilateral and unilateral contracts
8. Nature and use of option agreements
9. Notice, delivery, acceptance and execution of contracts
10. Appropriate use, risks, and advantages of electronic signatures and paperless transactions
11. Rights and obligations of the parties to a contract
12. Possible remedies for breach or non-performance of contract
13. Termination, rescission and cancellation of contracts

B. Purchase and Lease Contracts

1. Addenda and amendments to contracts
2. Purchase agreements
3. Contract contingencies and methods for satisfying them
4. Leases and rental agreements
5. Lease-purchase agreements
6. Types of leases

C. Proper handling of multiple offers and counteroffers

VI. Agency (Broker 13%, Managing Broker 13%)

A. Agency and non-agency relationships

1. Agency relationships and how they are established
2. Types of listing contracts
3. Buyer brokerage/tenant representation contracts
4. Other brokerage relationships, including transaction brokers and facilitators
5. Powers of attorney and other assignments of authority
6. Conditions for termination of agency or brokerage service agreements

B. Agent Duties

1. Fiduciary duties of agents
2. Agent's duties to customers/non-clients, including honesty and good faith

C. Agency Disclosures

1. Disclosure of agency/representation
2. Disclosure of possible conflict of interest or self-interest

VII. Property Disclosures (Broker 7%, Managing Broker 7%)

A. Property Condition

1. Seller's property condition disclosure requirements
2. Property conditions that may warrant inspections or a survey
3. Red flags that warrant investigation of public or private land use controls

B. Environmental and Government Disclosures

1. Environmental issues requiring disclosure
2. Federal, state, or local disclosure requirements regarding the property

C. Disclosure of material facts and material defects

VIII. Property Management (Broker 3%, Managing Broker 5%)

A. Duties and Responsibilities

1. Procurement and qualification of prospective tenants
2. Fair housing and ADA compliance specific to property management
3. How to complete a market analysis to identify factors in setting rents or lease rates
4. Property manager responsibility for maintenance, improvements, reporting and risk management (*MANAGING BROKER ONLY*)
5. Handling landlord and tenant funds; trust accounts, reports and disbursements (*MANAGING BROKER ONLY*)
6. Provisions of property management contracts (*MANAGING BROKER ONLY*)

B. Landlord and tenant rights and obligations

IX. Transfer of Title (Broker 6%, Managing Broker 6%)

A. Types of deeds

B. Title Insurance and Searches

1. Title insurance policies and title searches
2. Potential title problems and resolutions
3. Marketable and insurable title

C. Closing Process

1. When transfer of ownership becomes effective
2. Process and importance of recordation
3. Settlement procedures (closing) and parties involved
4. Home and new construction warranties

D. Special Processes

1. Special issues in transferring foreclosed properties
2. Special issues in short sale transactions
3. Special issues in probate transactions

X. Practice of Real Estate (Broker 12%, Managing Broker 12%)

A. Antidiscrimination

1. Federal Fair Housing Act general principles and exemptions
2. Protected classes under Federal Fair Housing Act
3. Protections against discrimination based on gender identity and sexual orientation
4. Prohibited conduct under Federal Fair Housing Act (Redlining, Blockbusting, Steering, Disparate Treatment)
5. Fair housing advertising rules
6. Americans with Disabilities Act (ADA) obligations pertaining to accessibility and reasonable accommodations

B. Legislation and Regulations

1. Licensees' status as employees or independent contractors
2. Antitrust laws and types of violations, fines and penalties
3. Do-Not-Call List rule compliance
4. Proper use of Social Media and Internet communication and advertising

C. Duties and Responsibilities

1. Protection of confidential personal information (written, verbal or electronic)
2. Duties when handling funds of others in transactions
3. Licensee responsibility for due diligence in real estate transactions

D. Supervisory Responsibilities (MANAGING BROKER ONLY)

1. Broker's supervisory responsibilities (licensees, teams and unlicensed assistants and employees) (MANAGING BROKER ONLY)
2. Broker relationship with licensees (employees or independent contractors and governing rules) (MANAGING BROKER ONLY)

1. Seller's net proceeds
2. Buyer funds needed at closing
3. Real property tax and other prorations
4. Real property transfer fees
5. PITI (Principal, Interest, Taxes and Insurance) payments estimate given loan rate and term

B. General Concepts

1. Equity
2. Rate of return/Capitalization rate
3. Loan-to-Value ratio
4. Discount points and loan origination fees

XI. Real Estate Calculations (Broker 7%, Managing Broker 6%)

A. Calculations for Transactions

**STATE CONTENT OUTLINE FOR
BROKER AND MANAGING BROKER EXAMINATIONS**

The Washington state-specific, multiple-choice examination consists of thirty (30) questions for Broker candidates and 44 questions (48 points due to scenario-based items) for Managing Broker candidates.

I. General Rules (Broker 4-5, Managing Broker 6)

1. Definitions
2. Powers and duties of the Real Estate Commission and Director
3. Investigations and sanctions
 - a. Violations
 - b. Procedures (hearings and appeals)
 - c. Penalties
4. Real Estate Research Center

II. Licensing Requirements (Broker 8, Managing Broker 9)

1. Activities requiring a license
2. Requirements for licensing eligibility
3. Types of licenses
4. License maintenance, renewal and fees
5. License status
6. Education requirements

III. Washington Statutes and Rules Governing Licensee Activity (Broker 13, Managing Broker 18)

1. Brokerage firm's relationship with affiliated licensees
2. Prohibited conduct/reasons for disciplinary action
3. Compensation
4. Handling of monies and trust accounts
5. Recordkeeping, documents and audits
6. Brokerage firms office requirements
7. Property management
8. Supervision of affiliated licensees
 - a. General supervisory responsibilities
 - b. Supervision of teams
9. Advertising rules

III. Real Estate Brokerage Relationships (Agency) (Broker 4-5, Managing Broker 7)

1. Types of Agency (Dual, Seller Agency, Buyer Agency, Other)
2. Disclosure of Real Estate Relationships
3. Agency duties
4. Written consent of parties

**IV. Scenarios in Real Estate Practice (4 questions/8 points)
(MANAGING BROKER ONLY)**

1. Property Management
2. Supervision
3. Randomly selected topic (from within Statutes and Rules)
4. Randomly selected topic (from within Statutes and Rules)

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the National Real Estate Broker and Managing 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 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 Broker Questions:

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

SAMPLE BROKER QUESTIONS (SCENARIO-BASED)

PSI Managing Broker National Real Estate Examination Instruction

IMPORTANT

Test questions appear on the screen **ONE AT A TIME**. A question may have an associated graphic displayed on the screen, or it may direct the candidate to reference material, such as a chart or diagram.

Each question may contain up to **EIGHT** options and **ONLY ONE BEST** option shall be selected to answer the question. Some options are appropriate but **NOT** the **BEST ANSWER**. Please select the option that best answers the question in the exam. A **BEST ANSWER** reflects the optimal solution or most complete resolution to the scenario presented in the question.

Scenario:

You are hosting an open house. Mr. and Mrs. Charles Martin come into the house. You greet them and show them the house. The Martins tell you the house is exactly what they are looking for and they are very interested in purchasing it. You then give them information showing the various types of financing available with down payment options and projected payments.

Mr. Martin tells you they have been working with Mary Hempstead of XX Realty, a competing real estate company. Before leaving, you thank them for coming and give them your business card.

- A. The first thing on Monday morning, Mrs. Martin calls and indicates they have tried to reach Mary and cannot. They indicate they have a written buyer's agent agreement with Mary's broker. They are afraid someone else is going to buy the house. Which of the following should you do? Select the best answer.
1. Seek advice from your supervising broker.
 2. Tell them to come to your office.
 3. Ask them to bring the buyer's agency agreement to you for your interpretation.
 4. Tell them to be patient and continue trying to reach Mary.
 5. Tell them to call Mary's supervising broker or branch manager.
 6. Tell them you are really sorry, but there is nothing you can do.
- B. The Martins come to your office and explain that neither Mary nor her supervising broker are available. They insist you immediately write an offer for the house. How should you proceed? Select the best answer.
1. Write the offer after entering into a buyer's broker agreement with them.
 2. Write the offer after explaining they may owe Mary's broker a commission.
 3. Write the offer after trying to contact Mary's broker yourself.
 4. Refuse to write an offer and explain that doing so would be unethical.
 5. Refuse to write an offer since it would be illegal.
 6. Refuse to write the offer and tell the Martins to contact another Broker in Mary's office.

Answers (Points) to Sample Principal Broker Questions:

- A. 1 (2 points), 2 (1 point), 3 (0 point)
4 (0 point), 5 (1 point) , 6 (0 point)
- B. 1 (1 point), 2 (2 points), 3 (1 point)
4 (0 point), 5 (0 point) , 6 (0 point))

LICENSING PROCEDURES FOR PASSING CANDIDATES

Brokers

The passing score report from PSI has two parts: one is the notification of results; the other is the application for a license. The applicant may complete the application and return it along with the proper fees to the Department of Licensing, or you may apply for a broker's license online at <https://secureaccess.wa.gov/myAccess/saw/select.do>. If you choose the online option, you will not be required to submit an application and payment by mail. You must wait three (3) business days for your exam results to be submitted to Real Estate Licensing.

The part of the score report retained is an interim license valid for a period of up to forty-five (45) days after the postmark date of the application and fees to the Department, unless grounds exist to take disciplinary action against the licensee.

Based upon responses to personal data questions an applicant may receive notification indicating a need for investigation. He/she is not eligible to begin work. Depending on the information submitted to the Department, the license may be denied. You will also be required to have a background check. E-fingerprint services are offered through MorphoTrust USA's IdentoGo centers. For more information, or to schedule fingerprint reservations at any of the available Washington state centers, please contact MorphoTrust at 888-771-5097 or online at www.identogo.com.

For general questions regarding the background requirement, see www.dol.wa.gov/business/realestate.

Managing Brokers*

Applicants may submit the application for licensure that will be included with the examination passing notice and appropriate fees to the Department of Licensing, or you may apply for a managing broker's license online at <https://secureaccess.wa.gov/myAccess/saw/select.do>. If you choose the online option, you will not be required to submit an application and payment by mail. You must wait three (3) business days for your exam results to be submitted to Real Estate Licensing.

Applicants who want to be licensed as a Designated Broker of a firm can obtain an application and instructions from the Department's website (www.dol.wa.gov/business/realestate) or can apply online at <https://secureaccess.wa.gov/myAccess/saw/select.do>. Information can also be obtained by calling the Department at 360-664-6500.

Based upon responses to Personal Data Questions an applicant may receive notification indicating a need for investigation. Depending on the information submitted to the Department, the license may be denied.

*If your approval was for Managing Broker reciprocity or Managing Broker Level C (approval based on related experience), you will also be required to have a background check. E-fingerprint services are offered through MorphoTrust USA's IdentoGo centers. For more information, or to schedule fingerprint reservations at any of the available Washington state centers, please contact MorphoTrust at 888-771-5097 or online at www.identogo.com.

For general questions regarding the background requirement, see www.dol.wa.gov/business/realestate.

Inactive License – Broker or Managing Broker

While on inactive status, brokers and managing brokers shall not engage in any activity that requires a real estate license.