**Taking The State Exam**

**TIME**

**Salesperson**: 3 hours; 150 multiple-choice questions.

**Broker**: 4 hours; 200 multiple-choice questions.

Sessions begin promptly as scheduled. Please arrive 30 minutes early.

**FORMAT**

Examinations conducted in Fresno, La Palma, Oakland, Sacramento and San Diego are currently offered in an electronic format. Exam format in any location may be subject to change.

**METHOD**

The examinations are given in a multiple-choice format. Answers are selected from four choices (see description of salesperson or broker examination content below).

**ACCEPTABLE FORMS OF IDENTIFICATION**

To be admitted into an examination, you must show a valid form of photo identification issued within the past 5 years. Only the following forms of photo identification will be accepted:

● Current state-issued driver's license or DMV identification card

● U.S. Passport or Passport issued by a foreign government

● U.S. Military identification card

● You will not be admitted into the examination without a valid form of photo identification as listed above.

**EXAMINATION CONTROL INFORMATION**

For security reasons, the following items are **NOT** permitted in the examination room:

cell phones tablets backpacks gum lapel pins study materials

purses laptops briefcases study materials tie tacs recording devices wallets PDAs suitcases weapons hats or caps

smart glasses calculators food watches gum keys

cameras drink pens weapons

\*other items deemed inappropriate by proctors

Cell phone use and/or mere possession of a cell phone during an exam is strictly prohibited, including while out on break. All cell phones must be powered off and placed in an individual locker provided for your use. When individual lockers are unavailable, a Personal Belongings storage table will be set up for disallowed items. Failure to comply with examination administration rules will lead to your disqualification.

You cannot inspect your examination or see which questions you missed after the examination session has ended (Section 1798.40(e) of the California Civil Code).

The Department of Real Estate and its employees will not be liable or responsible for the loss or damage of any personal belongings that are brought to a real estate examination. If personal belongings are brought to the examination, they are to be placed in a storage area apart from the owner, as directed by proctor staff.

Be advised that DRE will not be responsible for lost or stolen items.

**State Examination Contents**

**Area 1 - Property Ownership and Land Use Controls and Regulations (**Approximately 15% of exam)

● Classes of property

● Property characteristics

● Encumbrances

● Types of ownership

● Descriptions of property

● Government rights in land

● Public controls

● Environmental hazards and regulations

● Private controls

● Water rights

● Special categories of land

**Area 2 - Laws of Agency and Fiduciary Duties (**Approximately 17% of exam)

● Law, definition and nature of agency relationships, types of agencies, and agents

● Creation of agency and agency agreements

● Responsibilities of agent to seller/buyer as principal

● Disclosure of agency

● Disclosure of acting as principal or other interest

● Termination of agency

● Commission and fees

**Area 3 - Valuation and Financial Analysis (**Approximately 14% of exam)

● Value

● Methods of estimating value

**Area 4 - Financing**

Approximately 9% of exam

● General concepts

● Types of loans

● Sources of financing

● How to deal with lenders

● Government programs

● Mortgages/deeds of trust/notes

● Financing/credit laws

● Loan brokerage

**Area 5 - Transfer of Property**

Approximately 8% of exam

● Title insurance

● Deeds

● Escrow

● Reports

● Tax aspects

● Special processes

**Area 6 - Practice of Real Estate and Mandated Disclosures (**Approximately 25% of exam)

● Trust account management

● Fair housing laws

● Truth in advertising

● Record keeping requirements

● Agent supervision

● Permitted activities of unlicensed sales assistants

● DRE jurisdiction and disciplinary actions

● Licensing, continuing education requirements and procedures

● California Real Estate Recovery Fund

● General ethics

● Technology

● Property management/landlord-tenant rights

● Commercial/industrial/income properties

● Specialty areas

● Transfer disclosure statement

● Natural hazard disclosure statements

● Material facts affecting property value

● Need for inspection and obtaining/verifying information

**Area 7 – Contracts (**Approximately 12% of exam)

● General

● Listing agreements

● Buyer broker agreements

● Offers/purchase contracts

● Counteroffers/multiple counteroffers

● Leases

● Agreements

● Promissory notes/securities

**NOTIFICATION OF EXAMINATION RESULTS**

You can check your examination results through the *eLicensing* online system. Please wait at least five business days after you have completed your examination before calling if results are not posted.

Additional correspondence may be mailed to you, normally within five business days after your examination.

To pass the examination, you must correctly answer at least:

● **70%** of the questions (**Salespersons**)

● **75%** of the questions (**Brokers**)

Since the examination is qualifying in nature, examinees who pass are not informed of their final score.

You will be notified of the actual score, and the percentage of questions answered correctly in each of the subject areas, only when unsuccessful. HOWEVER, the overall score cannot be obtained by averaging the percentages.