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INDIANA REAL ESTATE COMMISSION LICENSE EXAMINATIONS CANDIDATE INFORMATION BULLETIN

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Please refer to our website to check for the most updated information at www.psiexams.com

INDIANA EXAMINATION PROCEDURE CHECKLIST

Before registering for an examination, make sure that you have reviewed the following checklist.

- Before taking an examination, candidates must complete all prelicensing education. Contact the Indiana Professional Licensing Agency for more details at <https://www.in.gov/pla/real.htm>.
- The examination is divided into two portions: General and State Law. Candidates who pass one portion of the exam and fail the other need retake only the portion they failed, as long as they retake and pass the failed portion within one (1) year of completing the required prelicensing education.

Schedule for your examination:

- You are responsible for contacting PSI to pay and schedule for the examination. You may either schedule via the Internet at www.psiexams.com, or schedule over the telephone at (800) 733-9267.

Take your examination:

- *You must provide 2 forms of identification.* One must be a VALID form of government issued identification (driver's license, state ID, passport), which bears your signature and has your photograph. In addition, it must be current and unexpired. The second ID must have your signature and preprinted legal name.
- Your name as shown on the application form must exactly match the name on the photo I.D. used when checking in at the examination site.
- Broker candidates must bring original proof of completion of prelicense education that was taken within the last year before testing. Proof must be presented each time a candidate takes the examination.
- Reciprocity candidates are required to bring their Authorization to Test Letter from the Indiana Professional Licensing Agency (IPLA).
- Instructor candidates only need to show 2 forms of identification. Requirements for licensure are: pass the examination; be a licensed broker in Indiana or a license attorney in Indiana and must be working in conjunction with a licensed broker or licensed attorney.
- Please arrive 30 minutes prior to appointment.

After your examination:

- You will receive your results upon completion.
- Your results will be transmitted daily to the Commission
- After passing the examination, candidates must submit the proper application forms and fees to the Indiana Professional Licensing Agency, as set forth on the Score Report issued at the test center. Application requirements can be found on the Professional Licensing Agency's website at <http://www.in.gov/pla/2788.htm>.



EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Bulletin provides you with information about the examination process for becoming licensed as a Real Estate Broker or Instructor in the State of Indiana.

The Indiana Real Estate Commission has contracted with PSI Services LLC (PSI) to conduct the examination program. PSI works closely with the Commission to make certain that these examinations meet the State's as well as nationally established technical and professional standards for examination development and administration. PSI provides these examinations through a network of computer examination centers in Indiana and various locations throughout the United States.

LICENSURE

For specific information about the licensing procedures, contact the Indiana Real Estate Commission at the following address:

Indiana Professional Licensing Agency
Indiana Real Estate Commission
402 W. Washington Street Room W072
Indianapolis, IN 46204
Phone: 317-234-3009
<https://www.in.gov/pla/real.htm>
pla9@pla.in.gov

EXAMINATION SCHEDULING PROCEDURES

Examination Fee	\$53
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NOTE: EXAMINATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE. THE EXAMINATION FEE IS VALID FOR ONE YEAR FROM THE DATE OF PAYMENT.

INTERNET SCHEDULING

For the fastest and most convenient examination scheduling process, PSI recommends that you register for your examinations using the Internet. You register online by accessing PSI's registration website at www.psiexams.com. Internet registration is available 24 hours a day.

- Log onto PSI's website and create an account. Please enter your email address and first and last name. This information must match exactly with the information the Commission has on file. Be sure to **check the box next to "Check here to attempt to locate existing records for you in the system"**
- You will be asked to select the examination and enter the ID number assigned to you. Your record will be found and you will now be ready to schedule for the exam. Enter your zip code and a list of the testing sites closest to you will appear. Once you select the desired test site, available dates will appear. If you have problems, contact PSI at (800) 733-9267 for help.

TELEPHONE

For telephone scheduling, call (800) 733-9267, 24 hours a day and speak to a PSI registrar available Monday through Friday between 6:30 am and 9:00 pm, and Saturday-Sunday between 8:00 am and 4:30 pm, Central Time.

CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your cancellation notice is received a minimum of 2 calendar 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 may reschedule online at www.psiexams.com or call PSI at (800) 733-9267.

Note: A voice mail message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak directly 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 calendar 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. See page 5 for specific requirements.

EXAMINATION 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. A candidate with a disability or a candidate who would otherwise have difficulty taking the examination must follow the instructions on the Exam Accommodations Request Form at the end of this Candidate Information Bulletin.

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 going to our website, www.psiexams.com or by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible.



EXAMINATION SITE LOCATIONS

The following directions are generated from the most current mapping services available. However, new road construction and highway modifications may result in some discrepancies. If you are not familiar with the specific area of the examination site, please consult a reliable map prior to your examination date.

Ivy Tech Community College
815 East 60th Street
Certification and Assessment Center
Anderson, IN 46013

Ivy Tech Community College
7508 Beechwood Center Rd., Room 103
Avon, IN 46123

Ivy Tech Community College
4555 Central Ave
Columbus, IN 47203

Ivy Tech Community College
410 East Columbus Drive, Room 220 D
East Chicago, IN 46312

Ivy Tech Community College
3401 N First Avenue
Evansville, IN 47710

Tom Wood Aviation Inc
9913 Willow View Rd
Fishers, IN 46038

Ivy Tech Community College
3701 Dean Drive- North Campus
Harshman Hall Room 0126
Fort Wayne, IN 46805

Ivy Tech Community College
22531 County Rd 18
Elkhart County Campus
Goshen, IN 46528

New Horizons Aviation Inc.
17229 County Rd 42
Goshen, IN 46526

PSI Indianapolis
9302 N. Meridian St, Suite 194
Indianapolis, IN 46260

American Trans Air Training Corp.
7251 West McCarty Street
Indianapolis, IN 46241

Ivy Tech Community College
9301 E 59th St
Lawrence Fairbanks Bldg Room 147
Indianapolis, IN 46216

Kokomo Ivy Tech
1815 E. Morgan Street, Room M100
Kokomo, IN 46901

Ivy Tech Community College
3101 S Creasy Lane
Ivy Hall Building Room 1135
Lafayette, IN 47906

Ivy Tech Community College
50 Walnut St., Room 439
Lawrenceburg, IN 47025

Ivy Tech Community College
590 Ivy Tech Dr
Madison, IN 47250

Ivy Tech Community College
4301 South Cowan Rd Room 125
Muncie, IN 47302

Ivy Tech Community College
2357 Chester Blvd
McDaniel Hall, Room 1128
Richmond, IN 47374

Ivy Tech Community College
250 E Sample St
South Bend, IN 46601

Ivy Tech Community College
1700 E Industrial Drive
Terre Haute, IN 47802

Ivy Tech Community College
3100 Ivy Tech Drive
Valparaiso, IN 46383

Ivy Tech Community College
2545 Silveus Crossing
Warsaw, IN 46582

REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive at least 30 minutes before your appointment time. This extra time is for sign-in, identification, and familiarizing you with the examination process. *If you arrive late, you will not be admitted to the examination site and you will forfeit your examination registration fee.*

REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide 2 forms of identification. One must be a VALID form of government issued identification (driver's license, state ID, passport), which bears your signature and has your photograph. In addition, it must be current and unexpired. The second ID must have your signature and preprinted legal name.

PRIMARY IDENTIFICATION (with photo) - Choose One

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card
- US Government Issued Alien Registration Card
- State issued temporary paper license is only acceptable if accompanied with a state issued unexpired permanent license



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

SECONDARY IDENTIFICATION - Choose One

- Credit Card (must be signed)
- Debit Card (must be signed)
- Wholesale store card (COSTCO, Sam's, etc.) (must be signed)

BROKERS CANDIDATES MUST ALSO BRING THE ORIGINAL PROOF OF COMPLETION OF PRELICENSE EDUCATION THAT WAS TAKEN WITHIN THE LAST YEAR BEFORE TESTING. Proof must be presented each time a candidate takes the examination.

RECIPROCITY CANDIDATES MUST ALSO BRING THEIR AUTHORIZATION TO TEST LETTER FROM THE INDIANA PROFESSIONAL LICENSING AGENCY (IPLA).

INSTRUCTOR CANDIDATES ONLY NEED TO SHOW 2 FORMS OF IDENTIFICATION.

If you cannot provide the required identification, you must call (800) 733-9267 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement.

Failure to provide all of the required identification at the time of the examination without notifying PSI is considered a missed appointment, and you will not be permitted to take the examination.

SECURITY PROCEDURES

The following security procedures will apply during the examination:

- An online calculator will be provided. Or you may bring a silent non-programmable calculator without alpha keys.
- A piece of scratch paper and a pencil will be provided to you at check-in. You will return this to the proctor at the end of the examination.
- Candidates may take only approved items into the examination room.
- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include, but are not limited to**, the following items:
 - Electronic devices of any type, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
 - Bulky or loose clothing or coats that could be used to conceal recording devices or notes, including coats, shawls, hooded clothing, heavy jackets, or overcoats.
 - Hats or headgear not worn for religious reasons or as religious apparel, including hats, baseball caps, or visors.
 - Other personal items, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- 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.

- No smoking, eating, or drinking is allowed in the examination center.
- 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.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.
- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- 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. Candidate will not receive extra time to complete the examination.

TAKING THE EXAMINATION

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

IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

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

The "Function Bar" at the top of the test question provides mouse-click access to the features available while taking the examination.

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 Indiana Real Estate Commission, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Comments may be entered by clicking the Comments link on the function bar of the test question screen. Your comments regarding the questions and the examinations are welcomed.

Comments will be analyzed by PSI examination development staff. While PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. If an error affecting examination scores is discovered as a result, which occurs very rarely, the examination scores of all affected candidates will be automatically adjusted. **This is the only review of the examination available to candidates.**

Now you can take the practice exam online at www.psiexams.com to prepare for your 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.

SCORE REPORTING

Your score will be given to you immediately following completion of the examination.

The following summary describes the score reporting process:

- If you **pass**, you will receive a successful score report.
- If you **do not pass**, you will receive a diagnostic report indicating your strengths and weaknesses by examination type on the score report.

DUPLICATE SCORE REPORTS

You may request a duplicate score report after your examination by emailing scorereport@psionline.com or by calling 800-733-9267.

PREPARATION TIPS FOR THE EXAMINATION

The following suggestions will help you prepare for the examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as your starting point.
- Take notes on what you study. Putting information in writing helps you commit it to memory and it is also an excellent business practice. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

BROKER APPLICANTS BY RECIPROCITY

If you are Applying by Reciprocity please submit the following to the Indiana Professional Licensing Agency:

1. A check or money order made payable to the Indiana Professional Licensing Agency or "IPLA" in the amount of \$60.00.
2. A completed broker application found at <http://www.in.gov/pla/2788.htm>. Be sure to include an email address as this is how your licensure status will be communicated.
3. An official verification of licensure in the reciprocal state.
4. Documentation showing the licensure requirements in your home state of licensure.
5. An official verification of any license held in any regulated profession in any other state, if applicable.
6. If you will be working under a broker or broker company, your broker must complete the broker information section of the application. If this section is left blank, your license will be issued in unassigned status unless you select inactive. You are required to complete continuing education (CE) in unassigned status. (Inactive and referral status does not require CE for renewal).

Once you are approved for reciprocity, you will receive an *Authorization Letter* to take the state law portion of the licensing examination from the Professional Licensing Agency.

You can then schedule your state broker examination with PSI. **If you are denied reciprocity, you will be required to complete an Indiana Commission-approved 90-Hour Broker Course and to take both the general broker examination and the state broker examination.**



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 Commission. Use the latest edition available.

NATIONAL PORTION OF THE EXAMINATION

- *Real Estate Fundamentals*, 9th Edition, 2015, Gaddy and Hart, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Modern Real Estate Practice*, 19th Edition, Galaty, Allaway, and Kyle, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Law*, 9th Edition, 2016, Elliot Klayman, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *The Language of Real Estate*, 7th Edition, 2013, John Reilly, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *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
- *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 Math*, 7th Edition, 2014, Linda L. Crawford, Dearborn Real Estate Education, (800)972-2220, www.dearborn.com
- *Property Management*, 10th edition, 2016, Kyle, Robert C., Baird, Floyd M. and Kyle, C. Donald, Chicago: Dearborn Real Estate Education
- *Principles of Real Estate Practice*, 5th edition, 2017, Mettling, Stephen and Cusic, David, Performance Programs Company, www.performanceprogramscompnay.com

EXAMINATION CONTENT OUTLINES

EXAMINATION SUMMARY TABLE

Examination	Portion	# of Scored Items (points)	Time Allowed	Passing Score
Broker*	National	75 items (80 points)	150 Minutes	60 points
	State	50 items (50 points)	90 Minutes	38 points
Instructor	National	100 items (100 points)	150 Minutes	75 points
	State	50 items (50 points)	90 Minutes	38 points

*Note: National broker exams include questions that are scored up to two points.

EXPERIMENTAL QUESTIONS

A small number of “experimental” questions (i.e., 5 to 10) may be administered to candidates during the examinations. These questions will not be scored and the time taken to answer them will not count against testing time. The

administration of such unscored, experimental questions is an essential step in developing future licensing exams.

CONTENT OUTLINES

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.

GENERAL PORTION CONTENT OUTLINE FOR BROKERS

- I. **Property ownership (Broker 10%)**
 - A. Real versus personal property; conveyances
 - B. Land characteristics and legal descriptions
 1. Types of legal descriptions; Metes and bounds, Lot and block, government survey
 2. Measuring structures
 3. Livable, rentable, and usable area
 4. Land Measurement
 5. Mineral, air, and water rights
 - C. Encumbrances and effects on property ownership
 1. Liens
 2. Easements and licenses
 3. Encroachments
 4. Other potential encumbrances of title
 - D. Types of ownership
 1. Tenants in common
 2. Joint tenancy
 3. Common- interest ownership
 - a) Timeshares
 - b) Condominiums
 - c) Co-ops
 4. Ownership in severalty/sole ownership
 5. Life Estate ownership
 6. Property ownership held in trust

- II. **Land use controls and regulations (Broker 5%)**
 - A. Government rights in land
 1. Property taxes and special assessments
 2. Eminent domain, condemnation, escheat
 - B. Government controls
 1. Zoning and master plans
 2. Building codes
 3. Regulation of special land types
 - a) Flood zones
 - b) Wet lands
 4. Regulation of environmental hazards
 - a) Types of hazards
 - b) Abatement and mitigation
 - c) Restrictions on contaminated property
 - C. Private controls
 1. Deed conditions or restrictions
 2. Covenants, conditions, and restrictions (CC&Rs)
 3. Homeowners association regulations

- III. **Valuation and market analysis (Broker 7%)**
 - A. Appraisals



1. Purpose and use of appraisals for valuation
 2. General steps in appraisal process
 3. Situations requiring appraisal by certified appraiser
- B. Estimating Value
1. Effect of economic principles and property characteristics
 2. Sales or market comparison approach
 3. Cost approach
 4. Income analysis approach
- C. Competitive/Comparative Market Analysis
1. Selecting comparables
 2. Adjusting comparables

IV. Financing (Broker 8%)

- A. Basic concepts and terminology
1. Points
 2. LTV
 3. PMI
 4. Interest
 5. PITI
 6. Financing instruments (mortgage, promissory note, etc.)
- B. Types of loans
1. Conventional loans
 2. FHA Insured loans
 3. VA guaranteed loans
 4. USDA/rural loan programs
 5. Amortized loans
 6. Adjustable-rate mortgage loans
 7. Bridge loans
 8. Owner financing (installment and land contract/contract for deed)
- C. Financing and lending
1. Lending process application through closing
 2. Financing and credit laws and rules
 - a) Truth in lending
 - b) RESPA
 - c) Equal Credit Opportunity
 - d) CFPB/TRID rules on financing and risky loan features
 3. Underwriting
 - a) Debt ratios
 - b) Credit scoring
 - c) Credit history

V. General principles of agency (Broker 11%)

- A. Agency and non-agency relationships
1. Types of agents and agencies
 2. Other brokerage relationships (non-agents)
 - a) Transactional
 - b) Facilitators
- B. Agent's duties to clients
1. Fiduciary responsibilities
 2. Traditional agency duties (COALD)
 3. Powers of attorney and other delegation of authority
- C. Creation of agency and non-agency agreements; disclosure of conflict of interest
1. Agency and agency agreements
 - a) Key elements of different types of listing contracts

- b) Key elements of buyer brokerage/tenant representation contracts
2. Disclosure when acting as principal or other conflict of interest
- D. Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money
- E. Termination of agency
1. Expiration
 2. Completion/performance
 3. Termination by force of law
 4. Destruction of property/death of principal
 5. Mutual agreement

VI. Property disclosures (Broker 7%)

- A. Property condition
1. Property condition that may warrant inspections and surveys
 2. Proposed uses or changes in uses that should trigger inquiry about public or private land use controls
- B. Environmental issues requiring disclosure
- C. Government disclosure requirements (LEAD)
- D. Material facts and defect disclosure

VII. Contracts (Broker 18%)

- A. General knowledge of contract law
1. Requirements for validity
 2. Factors affecting enforceability of contracts
 3. Void, voidable, unenforceable contracts
 4. Rights and obligations of parties to a contract
 5. Executory and executed contracts
 6. Notice, delivery and acceptance of contracts
 7. Breach of contract and remedies for breach
 8. Termination, rescission and cancellation of contracts
 9. Electronic signature and paperless transactions
 10. Bilateral vs. unilateral contracts (option agreements)
- B. Contract Clauses, including amendments and addenda
- C. Offers/purchase agreements
1. General requirements
 2. When offer becomes binding
 3. Contingencies
 4. Time is of the essence
- D. Counteroffers/multiple offers
1. Counteroffers
 2. Multiple offers

VIII. Leasing and Property Management (Broker 5%)

- A. Basic concepts/duties of property management
- B. Lease Agreements
1. Types of leases, e.g., percentage, gross, net, ground
 2. Key elements and provisions of lease agreements
- C. Landlord and tenant rights and obligations

- D. Property manager's fiduciary responsibilities
 - E. ADA and Fair Housing compliance in property management
 - F. Setting rents and lease rates
- IX. Transfer of Title (Broker 7%)**
- A. Title Insurance
 - 1. What is insured against
 - 2. Title searches, title abstracts, chain of title
 - 3. Marketable vs insurable title
 - 4. Potential title problems and resolution
 - 5. Cloud on title, suit to quiet title
 - B. Deeds
 - 1. Purpose of deed, when title passes
 - 2. Types of deeds and when used
 - 3. Essential elements of deeds
 - 4. Importance of recording
 - C. Escrow or closing; tax aspects of transferring title to real property
 - 1. Responsibilities of escrow agent
 - 2. Prorated items
 - 3. Closing statements/TRID disclosures
 - 4. Estimating closing costs
 - 5. Property and income taxes
 - D. Special processes
 - 1. Foreclosure
 - 2. Short sale
 - E. Warranties
 - 1. Purpose of home or construction warranty programs
 - 2. Scope of home or construction warranty programs
- X. Practice of real estate (Broker 14%)**
- A. Trust/escrow accounts
 - 1. Purpose and definition of trust accounts, including monies held in trust accounts
 - 2. Responsibility for trust monies, including commingling/conversion
 - B. Federal fair housing laws and the ADA
 - 1. Protected classes
 - 2. Prohibited conduct (red-lining, blockbusting, steering)
 - 3. Americans with Disabilities (ADA)
 - 4. Exemptions
 - C. Advertising and technology
 - 1. Advertising practices
 - a) Truth in advertising
 - b) Fair housing issues in advertising
 - 2. Use of technology
 - a) Requirements for confidential information
 - b) Do-Not-Call List
 - D. Licensee and responsibilities
 - 1. Employee
 - 2. Independent Contractor
 - 3. Due diligence for real estate transactions
 - 4. Supervisory responsibilities
 - a) Licensees
 - b) Unlicensed personnel
 - E. Antitrust laws
 - 1. Antitrust laws and purpose
 - 2. Antitrust violations in real estate

- XI. Real estate calculations (Broker 8%)**
- A. Basic math concepts
 - 1. Loan-to-value ratios
 - 2. Discount points
 - 3. Equity
 - 4. Down payment/amount to be financed
 - B. Calculations for transactions
 - 1. Property tax calculations
 - 2. Prorations
 - 3. Commission and commission splits
 - 4. Seller's proceeds of sale
 - 5. Buyer funds needed at closing
 - 6. Transfer fee/conveyance tax/revenue stamps
 - 7. PITI (Principal, Interest, Taxes and Insurance) payments
 - C. Calculations for valuation, rate of return
 - 1. Net operating income
 - 2. Depreciation
 - 3. Capitalization rate
 - 4. Gross Rent and gross income multipliers

STATE PORTION CONTENT OUTLINE FOR BROKERS

- I. The Indiana Real Estate Commission (4 Items)**
- A. General powers and duties
 - B. Examination of records
 - C. Investigations, hearings, and appeals
 - D. Disciplinary sanctions
 - 1. Cease and Desist orders
 - 2. License suspension/revocation
 - 3. Other sanctions and sanctionable conduct, civil penalties
 - 4. Consumer restitution
- II. Licensing (8 Items)**
- A. Activities requiring a license
 - B. Exemptions and waivers
 - C. Eligibility for licensure
 - D. Types of licenses
 - 1. Individual
 - 2. Organizational
 - 3. Resident/Nonresident
 - 4. Other
 - E. License maintenance
 - 1. Post-licensing education
 - 2. Renewals
 - 3. Transfers/changes
 - a) Agents changing brokers
 - b) Broker termination of agent
 - 4. Continuing education
 - a) Managing
 - b) Broker
 - 5. Active/inactive status, Assigned unassigned status
 - F. Other Indiana Real Estate Licensing laws and rules
- III. Statutory & Regulatory Requirements (18 Items)**
- A. Advertising
 - B. Commissions and other compensations
 - C. Listing agreements and offers to purchase
 - D. Recovery Fund
 - E. Appraisal
 - F. Seller's Residential Real Estate Sales Disclosure
 - G. Psychologically Affected Properties

IV. Statutes & Rules Governing Licensees (16 Items)

- A. Real estate agency relationships
 - 1. Definitions
 - 2. Agency and disclosures
 - 3. Other
- B. Licensee conduct
 - 1. Unfair inducements
 - 2. Incompetent practices
 - 3. Managing Broker/broker relationship
 - a) General supervision
 - b) Employment and commissions issues
 - 4. Broker Company/Broker Company relationship
 - 5. Disclosures and other issues

- a) Types of hazards
- b) Abatement and mitigation
- c) Restrictions on contaminated property

- C. Private controls
 - 1. Deed conditions or restrictions
 - 2. Covenants, conditions, and restrictions (CC&Rs)
 - 3. Homeowners association regulations

V. Real Estate Office Procedures (4 Items)

- A. Documents and records
- B. Handling of monies
- C. Place of business
- D. Branch offices
- E. Unlicensed assistants
- F. Closing procedures

III. Valuation and market analysis

- A. Appraisals
 - 1. Purpose and use of appraisals for valuation
 - 2. General steps in appraisal process
 - 3. Situations requiring appraisal by certified appraiser
- B. Estimating Value
 - 1. Effect of economic principles and property characteristics
 - 2. Sales or market comparison approach
 - 3. Cost approach
 - 4. Income analysis approach
- C. Competitive/Comparative Market Analysis
 - 1. Selecting comparables
 - 2. Adjusting comparables

GENERAL PORTION CONTENT OUTLINE FOR INSTRUCTOR

I. Property ownership

- A. Real versus personal property; conveyances
- B. Land characteristics and legal descriptions
 - 1. Types of legal descriptions; Metes and bounds, Lot and block, government survey
 - 2. Measuring structures
 - 3. Livable, rentable, and usable area
 - 4. Land Measurement
 - 5. Mineral, air, and water rights
- C. Encumbrances and effects on property ownership
 - 1. Liens
 - 2. Easements and licenses
 - 3. Encroachments
 - 4. Other potential encumbrances of title
- D. Types of ownership
 - 1. Tenants in common
 - 2. Joint tenancy
 - 3. Common- interest ownership
 - a) Timeshares
 - b) Condominiums
 - c) Co-ops
 - 4. Ownership in severalty/sole ownership
 - 5. Life Estate ownership
 - 6. Property ownership held in trust

II. Land use controls and regulations

- A. Government rights in land
 - 1. Property taxes and special assessments
 - 2. Eminent domain, condemnation, escheat
- B. Government controls
 - 1. Zoning and master plans
 - 2. Building codes
 - 3. Regulation of special land types
 - a) Flood zones
 - b) Wet lands
 - 4. Regulation of environmental hazards

IV. Financing

- A. Basic concepts and terminology
 - 1. Points
 - 2. LTV
 - 3. PMI
 - 4. Interest
 - 5. PITI
 - 6. Financing instruments (mortgage, promissory note, etc.)
- B. Types of loans
 - 1. Conventional loans
 - 2. FHA Insured loans
 - 3. VA guaranteed loans
 - 4. USDA/rural loan programs
 - 5. Amortized loans
 - 6. Adjustable-rate mortgage loans
 - 7. Bridge loans
 - 8. Owner financing (installment and land contract/contract for deed)
- C. Financing and lending
 - 1. Lending process application through closing
 - 2. Financing and credit laws and rules
 - a) Truth in lending
 - b) RESPA
 - c) Equal Credit Opportunity
 - d) CFPB/TRID rules on financing and risky loan features
 - 3. Underwriting
 - a) Debt ratios
 - b) Credit scoring
 - c) Credit history

V. General principles of agency

- A. Agency and non-agency relationships
 - 1. Types of agents and agencies
 - 2. Other brokerage relationships (non-agents)
 - a) Transactional
 - b) Facilitators



- B. Agent's duties to clients
 - 1. Fiduciary responsibilities
 - 2. Traditional agency duties (COALD)
 - 3. Powers of attorney and other delegation of authority
- C. Creation of agency and non-agency agreements; disclosure of conflict of interest
 - 1. Agency and agency agreements
 - a) Key elements of different types of listing contracts
 - b) Key elements of buyer brokerage/tenant representation contracts
 - 2. Disclosure when acting as principal or other conflict of interest
- D. Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money
- E. Termination of agency
 - 1. Expiration
 - 2. Completion/performance
 - 3. Termination by force of law
 - 4. Destruction of property/death of principal
 - 5. Mutual agreement

VI. Property disclosures

- A. Property condition
 - 1. Property condition that may warrant inspections and surveys
 - 2. Proposed uses or changes in uses that should trigger inquiry about public or private land use controls
- B. Environmental issues requiring disclosure
- C. Government disclosure requirements (LEAD)
- D. Material facts and defect disclosure

VII. Contracts

- A. General knowledge of contract law
 - 1. Requirements for validity
 - 2. Factors affecting enforceability of contracts
 - 3. Void, voidable, unenforceable contracts
 - 4. Rights and obligations of parties to a contract
 - 5. Executory and executed contracts
 - 6. Notice, delivery and acceptance of contracts
 - 7. Breach of contract and remedies for breach
 - 8. Termination, rescission and cancellation of contracts
 - 9. Electronic signature and paperless transactions
 - 10. Bilateral vs. unilateral contracts (option agreements)
- B. Contract Clauses, including amendments and addenda
- C. Offers/purchase agreements
 - 1. General requirements
 - 2. When offer becomes binding
 - 3. Contingencies
 - 4. Time is of the essence
- D. Counteroffers/multiple offers
 - 1. Counteroffers

- 2. Multiple offers

VIII. Leasing and Property Management

- A. Basic concepts/duties of property management
- B. Lease Agreements
 - 1. Types of leases, e.g., percentage, gross, net, ground
 - 2. Key elements and provisions of lease agreements
- C. Landlord and tenant rights and obligations
- D. Property manager's fiduciary responsibilities
- E. ADA and Fair Housing compliance in property management
- F. Setting rents and lease rates

IX. Transfer of Title

- A. Title Insurance
 - 1. What is insured against
 - 2. Title searches, title abstracts, chain of title
 - 3. Marketable vs insurable title
 - 4. Potential title problems and resolution
 - 5. Cloud on title, suit to quiet title
- B. Deeds
 - 1. Purpose of deed, when title passes
 - 2. Types of deeds and when used
 - 3. Essential elements of deeds
 - 4. Importance of recording
- C. Escrow or closing; tax aspects of transferring title to real property
 - 1. Responsibilities of escrow agent
 - 2. Prorated items
 - 3. Closing statements/TRID disclosures
 - 4. Estimating closing costs
 - 5. Property and income taxes
- D. Special processes
 - 1. Foreclosure
 - 2. Short sale
- E. Warranties
 - 1. Purpose of home or construction warranty programs
 - 2. Scope of home or construction warranty programs

X. Practice of real estate

- A. Trust/escrow accounts
 - 1. Purpose and definition of trust accounts, including monies held in trust accounts
 - 2. Responsibility for trust monies, including commingling/conversion
- B. Federal fair housing laws and the ADA
 - 1. Protected classes
 - 2. Prohibited conduct (red-lining, blockbusting, steering)
 - 3. Americans with Disabilities (ADA)
 - 4. Exemptions
- C. Advertising and technology
 - 1. Advertising practices
 - a) Truth in advertising
 - b) Fair housing issues in advertising
 - 2. Use of technology
 - a) Requirements for confidential information
 - b) Do-Not-Call List

- D. Licensee and responsibilities
 - 1. Employee
 - 2. Independent Contractor
 - 3. Due diligence for real estate transactions
 - 4. Supervisory responsibilities
 - c) Licensees
 - d) Unlicensed personnel
 - E. Antitrust laws
 - 1. Antitrust laws and purpose
 - 2. Antitrust violations in real estate
- XI. Real estate calculations (Broker 8%)**
- A. Basic math concepts
 - 1. Loan-to-value ratios
 - 2. Discount points
 - 3. Equity
 - 4. Down payment/amount to be financed
 - B. Calculations for transactions
 - 1. Property tax calculations
 - 2. Prorations
 - 3. Commission and commission splits
 - 4. Seller's proceeds of sale
 - 5. Buyer funds needed at closing
 - 6. Transfer fee/conveyance tax/revenue stamps
 - 7. PITI (Principal, Interest, Taxes and Insurance) payments
 - C. Calculations for valuation, rate of return
 - 1. Net operating income
 - 2. Depreciation
 - 3. Capitalization rate
 - 4. Gross Rent and gross income multipliers
- 5. Active/inactive status, Assigned unassigned status
 - F. Other Indiana Real Estate Licensing laws and rules
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 - E. Unlicensed assistants
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STATE PORTION CONTENT OUTLINE FOR INSTRUCTOR

- I. **The Indiana Real Estate Commission (4 Items)**
 - A. General powers and duties
 - B. Examination of records
 - C. Investigations, hearings, and appeals
 - D. Disciplinary sanctions
 - 1. Cease and Desist orders
 - 2. License suspension/revocation
 - 3. Other sanctions and sanctionable conduct, civil penalties
 - 4. Consumer restitution
- II. **Licensing (8 Items)**
 - A. Activities requiring a license
 - B. Exemptions and waivers
 - C. Eligibility for licensure
 - D. Types of licenses
 - 1. Individual
 - 2. Organizational
 - 3. Resident/Nonresident
 - 4. Other
 - E. License maintenance
 - 1. Post-licensing education
 - 2. Renewals
 - 3. Transfers/changes
 - a) Agents changing brokers
 - b) Broker termination of agent
 - 4. Continuing education
 - a) Managing
 - b) Broker

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 instructor examination. 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 BROKER AND INSTRUCTOR QUESTIONS (SCENARIO-BASED)

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 and offer since it would be illegal.
 6. Refuse to write the offer and tell the Martins to contact another Salesperson in Mary's office.

Answers (Points) to Sample 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);



All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990.

Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by [Clicking Here](#).

Requirements for exam accommodation requests:

You are required to submit documentation from the medical authority or learning institution that rendered a diagnosis. Verification must be uploaded to PSI on the letterhead stationery of the authority or specialist and include the following:

- Description of the disability and limitations related to testing
- Recommended accommodation/modification
- Name, title and telephone number of the medical authority or specialist
- Original signature of the medical authority or specialist

**MAKE SURE YOU ARE REGISTERED FOR THE EXAMINATION BEFORE
REQUESTING EXAMINATION ACCOMMODATIONS**

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