

National Exam Content Outline for Salesperson and Broker

The National portion of the Pearson Real Estate licensing exam consists of 80 multiple choice questions. The following content outline supplies a guidance tool designed to inform the student preparing for the exam as to where within the course materials, the content associated with the tested topic can be found. It is suggested that the student review all course content provided be used in preparation for the national portion of the Nevada licensing exam but this guide can be used for additional assistance to ensure all exam topic items have been reviewed in full. (Scroll to page 10 for state law content)

NOTE: The outline of topics is provided by the Pearson testing center as to the topics that will be asked on the exam. All questions are to be pulled from these topic areas.

MREP = Modern Real Estate Textbook

National Workbook = Course binder

I. Real Property Characteristics, Legal Descriptions, and Property Use (Sales 8; Broker 8)

A. Real Property vs. personal property

1. Fixtures – National Workbook pg 8, Trade Fixtures – National Workbook pg 8, Emblements – National Workbook pgs 5, 7, (MREP pgs 24–27, 29, 30)
2. Attachment – National Workbook pg 8, Severance – National Workbook pg 7, Bill of sale – National Workbook pg 5, (MREP pgs 24-26, 29, 30)

B. Characteristics of Real Property

1. Economic Characteristics – National Workbook pg 107, (MREP pgs 24, 29)
2. Physical Characteristics – National Workbook pg 106, (MREP pgs 18, 19, 29)

C. Legal Descriptions

1. Methods Used to Describe Real Property – National Workbook pgs 24, 25, (MREP pgs 67-74, 79)
2. Survey- National Workbook pg 8, (MREP pgs 75-77, 79)

D. Public and Private Land Use Controls – Encumbrances

1. Public Controls – Governmental Powers

a. Police Power, Eminent Domain, Taxation, Escheat – National Workbook pgs 12, 13, (MREP pgs 42-45, 398)

b. Zoning Ordinances – National Workbook pg 12, (MREP pgs 388-395, 398)

2. Private Controls, restrictions, and Encroachments

a. Covenants, Conditions, and Restrictions – National Workbook pg 13, (MREP pgs 395, 396, 398)

b. Easements – National Workbook pgs 24, (MREP pgs 38-41,45)

c. Licenses – National Workbook pgs 8, Encroachments – National Workbook pg 8, (MREP pg 41,45)

II. Forms of ownership, Transfer, and Recording of Title (Sales 7; Broker 7)

A. Ownership, estates, rights, and interests

1. Forms of ownership – National Workbook pgs 13, 14, (MREP pgs 49-64)

2. Freehold estate – National Workbook pg 11, (MREP pgs 34, 45)

a. Fee simple absolute – National Workbook pg 11, (MREP pgs 53, 62)

b. Fee simple defeasible, determinable, and condition subsequent – National Workbook pg 11, (MREP pgs 35,36,45)

c. Life estate – National Workbook pg 11, (MREP pgs 36, 37, 45)

d. Bundle of rights – National Workbook pg 5, (MREP pgs 19, 20, 29)

3. Leasehold estates and types of leases (MREP pgs 35, 328)

a. Estate for years and from period to period – National Workbook pg 22, (MREP 329, 330, 340)

b. Estate at will and estate at sufferance – National Workbook pg 22, (MREP pgs 330, 340)

c. Gross, net, and percentage leases – National Workbook pgs 22, 23, (MREP pgs 335, 340)

4. Liens and lien priority – National Workbook pgs 16, 25, (MREP pgs 38, 288-298)

5. Surface and subsurface rights – National Workbook pg 5, (MREP pgs 20-23, 29)

B. Deed, title, transfer of title, and recording of title

1. Elements of a valid deed – National Workbook pgs 7, (MREP pgs 84-88, 98)

2. Types of deeds – National Workbook pgs 5, 6, (MREP pgs 88-91, 98, 216, 223, 229, 230)

3. Title transfer

a. Voluntary alienation- National Workbook pgs 5, 6, (MREP pgs 84, 98)

b. Involuntary alienation- National Workbook pgs 12, 13, 16, 17, (MREP pgs 92-94, 98)

4. Recording the title

a. Constructive notice – National Workbook pg 5, (MREP pg 104, 111), actual notice (MREP pg 104,111)

- b. Title abstract and chain of title – National Workbook pg 6, (MREP pgs 105, 106, 111)
- c. Marketable title- National Workbook pg 6, (MREP pgs 107, 111) and cloud on title – National Workbook pg 6, (MREP pgs 42, 90, 106, 111)
- d. Attorney title opinion – National Workbook pg 6, (MREP pg 108) quiet title lawsuit (MREP pgs 106, 111) and title insurance (MREP pgs 108, 109, 111)

III. Property value and Appraisal (Sales 7; Broker 7)

- A. Concept of Value
 - 1. Market value vs. market price – National Workbook pg 107, 108, (MREP pgs 312, 323)
 - 2. Characteristics of value – National Workbook pg 107, (MREP pgs 312)
 - 3. Principles of value – National Workbook pg 108, (MREP pgs 312-315, 323)
- B. Appraisal process
 - 1. Purpose and steps to an appraisal – National Workbook pg 108, (MREP pgs 2, 13, 277, 301, 302, 304-311, 323, 355)
 - 2. Federal oversight of the appraisal process – National Workbook pg 107, (MREP pgs 302, 303, 323)
- C. Methods of estimating value and Broker price opinions (BPO)
 - 1. Sales comparison approach- National Workbook pg 111, (market data) (MREP pgs 315, 316, 323)
 - 2. Cost approach – National Workbook pg 111, (MREP pgs 317-323)
 - a. Improvements and depreciation- National Workbook pg 111, 112, (MREP pgs 317, 318, 323)
 - b. Physical deterioration, functional, and economic obsolescence – National Workbook pg 111, 112, (MREP pgs 318, 323)
 - c. Reproduction or replacement costs – National Workbook pg 111, (MREP pgs 227, 317)
 - 3. Income approach – National Workbook pg 112, (MREP pgs 319, 320, 324)
 - 4. Gross rent and gross income multipliers – National Workbook pg 113, (MREP pg 321)
 - 5. Comparative Market Analysis (CMA) – (MREP pg 303, 323)
 - 6. Broker Price Opinion (BPO) (MREP pg 304, 323)
 - 7. Assessed value and tax implications – National Workbook pgs 12, 71, (MREP pgs 291-293, 297)

IV. Real Estate Contracts and Agency (Sales 16; Broker 16)

- A. Types of contracts
 - 1. Express vs. implied – National Workbook pg 66, (MREP pgs 188, 202)
 - 2. Unilateral vs. bilateral – National Workbook pgs 66, (MREP pgs 188, 189, 202)
- B. Required elements of a valid contract – National Workbook pg 50, (MREP pgs 189-191, 202)

- C. Contract performance
 - 1. Executed vs. executory – National Workbook pg 67, (MREP pgs 189, 202)
 - 2. Valid vs. void – National Workbook pg 68, (MREP pgs 191, 202)
 - 3. Voidable vs. unenforceable – National Workbook pg 66, (MREP pgs 191, 192, 202)
 - 4. Breach of contract, rescission, and termination – National Workbook pg 67, (MREP pgs 193, 194, 202)
 - 5. Liquidated – National Workbook pg 67, (MREP pg 193, 197, 202) punitive, or compensatory damages (MREP pgs 193, 202)
 - 6. Statute of Frauds – National Workbook pg 66, (MREP pgs 328, 340)
 - 7. Time is of the essence – National Workbook pg 63, (MREP pg 192)
- D. Sales contract
 - 1. Offer and counteroffer – National Workbook pg 62, (MREP pgs 195, 196)
 - 2. Earnest money and liquidated damages – National Workbook pg 63, 67, (MREP pgs 196, 197, 202)
 - 3. Equitable title – National Workbook pg 62, (MREP pg 197)
 - 4. Contingencies (MREP pgs 198, 199, 203)
 - 5. Disputes and breach of contract – National Workbook pg 67, (MREP pg 193)
 - 6. Option contract and installment sales contract – National Workbook pg 62, (MREP pgs 200, 201, 203)
- E. Types of agency – National Workbook pgs 58, 59, (MREP pgs 144, 153) and licensee-client relationships (MREP pgs 145-149, 153, 154)
- F. Creation – National Workbook pgs 58, 59, (MREP pgs 140, 153) and termination of agency (MREP pg 149, 154)
- G. Licensee obligations to parties of a transaction – National Workbook pg 58, (MREP pgs 142-144, 153)

V. Real Estate Practice (Sales 18; Broker 18)

- A. Responsibility of broker
 - 1. Practicing within scope of expertise – National Workbook pg 62, 63
 - 2. Unauthorized practice of law – National Workbook pg 62, 63
 - 3. Privacy and Do Not Contact – National Workbook pg 62, 63, (MREP pgs 130, 132)
- B. Brokerage agreements between the broker and principal (seller, buyer, landlord, or tenant)
 - 1. Seller representation – Types of listings
 - a. Exclusive right-to-sell and exclusive agency listing – National Workbook pg 61, (MREP pgs 160, 161, 182)
 - b. Non-exclusive or open listing – National Workbook pg 61, (MREP pg 161, 182)

- c. Net listing (conflict of interest) – National Workbook pg 61, (MREP pg 161, 182)
 - d. Multiple listing service (MLS) – National Work book pg 62, (MREP pg 161, 162, 182)
 - 2. Buyer representation – National Workbook pgs 57-59, 63,(MREP pgs 123, 140-142, 146, 153)
 - 3. Property management agreement – National Workbook pg 23, (MREP pgs 369, 383)
 - a. Accounting for funds – National Workbook pg 23, (MREP pgs 370-372, 383)
 - a. Property maintenance – National Workbook pg 23, (MREP pgs 376, 383)
 - b. Leasing property – National Workbook pg 23, (MREP pgs 372-375, 383)
 - c. Collecting rents and security deposit – National Workbook pg 23, (MREP pgs 374, 375, 383)
 - 4. Termination of agreements – National Workbook pg 61, (MREP pgs 149, 383)
 - 5. Services, fees, and compensation – National Workbook pg 64, (MREP pgs 367-370, 383)
- C. Fair Housing
 - 1. Equal opportunity in housing National Workbook 69,70 (MREP pgs 346)
 - 2. Protected classes – National Workbook pg 69, (MREP pgs 347-353, 359)
 - 3. Fair housing laws – National Workbook pgs 69, 70, (MREP pgs 346-353, 359, 379, 384)
 - 4. Illegal practices, enforcement, and penalties – National Workbook pgs 69, 70, (MREP pgs 353-358, 359, 360)
 - 5. Prohibited advertising – National Workbook pg 64, (MREP pg 354)
 - 6. Housing and Urban Development (HUD) – National Workbook pg 70, (MREP pgs 238, 348, 360)
 - 7. American with Disabilities (ADA) – National Workbook pg 70, (MREP pgs 352, 353, 359)
- D. Risk management (MREP pgs 380, 384)
 - 1. Supervision – National Workbook pg 57, (MREP pgs 117-120, 131)
 - 2. Compliance (MREP pgs 380, 381, 384)
 - 3. Vicarious liability – National Workbook pg 62
 - 4. Antitrust laws – National Workbook pg 61, (MREP pgs 124, 125, 131, 174, 380)
 - 5. Fraud and misrepresentation – National Workbook pg 62, (MREP pgs 150, 154)
 - 6. Types of insurance
 - a. Errors and Omissions – National Workbook pg 63, (MREP pg 142, 382)
 - b. General liability (MREP 380-382, 384)

VI. Property Disclosures and Environmental Issues (Sales 6; Broker 5)

- A. Property conditions and environmental issues
 - 1. Hazardous substances
 - a. Lead- based paint – National Workbook pg 70, (MREP pgs404, 405, 418)
 - b. Asbestos (MREP pgs 403, 418), radon (MREP pgs 407, 418), and mold (MREP pgs 409, 410, 418) – National pg 75, State Workbook pgs 33, 34

- c. Groundwater contamination and underground storage tanks – State Workbook pg 34, (MREP pgs 410-412, 418, 419)
- d. Waste disposal sites and brown fields – State Workbook pg 34, (MREP pgs 413, 414, 419)
- e. Flood plain and flood insurance – State Workbook pg 36, (MREP pgs 217, 227, 228, 381)
- 2. Clean Air and Water acts – State Workbook pg36, (MREP pgs 410-412)
- 3. Environmental Protection Agency (EPA) – State Workbook pg 35, (MREP pg 414, 415)
 - a. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) – State Workbook pg 35, (MREP pgs 414, 415, 419)
 - b. Superfund Amendment and Reauthorization Act (SARA) – State Workbook pg 35, (MREP pgs 415, 419)
 - c. Environmental site assessments and impact statements – State Workbook pg 35, (MREP pgs 416, 417, 419)
 - d. Wetlands protection (MREP 411)
- B. Disclosure obligations and liabilities – State Workbook pg 33, 34, 107, (MREP pgs 417-419)

VII. Financing and Settlement (Sales 10; Broker 9)

- A. Financing concepts and components
 - 1. Methods of financing
 - a. Mortgage financing – conventional and non conventional loans – National Workbook pg 115, 119, 120, (MREP pgs 239-243, 250)
 - b. Seller financing – land contract/contract for deed – National Workbook pgs 18, (MREP pgs 200, 201, 203)
 - 2. Lien theory vs. title theory and deed of trust – National Workbook pgs 16, 17, (MREP pgs 213-215, 229)
 - 3. Sources of financing (primary and secondary mortgage markets, and seller financing) – National Workbook pg 116, 120, (MREP pgs 235-238, 250)
 - 4. Types of loans and loan programs – National workbook pg 115, 119, 120, (MREP pgs 218-222, 230, 244, 245)
 - 5. Mortgage clauses – National workbook pgs 16, 17, (MREP pgs 215-218, 229, 230)

B. Lender Requirements

1. FHA requirements – National Workbook pg 115, (MREP pgs 240, 241, 243, 250)
2. VA requirements – National Workbook pg 115, (MREP pgs 242, 243, 250)
3. Buyer qualification and loan to value (LTV) – National Workbook pg 115, (MREP pgs 209, 210, 229, 238-243, 249, 250)
4. Hazard and flood insurance (MREP pgs 217, 226-230, 381, 382, 384)
5. Private mortgage insurance (PMI) and mortgage insurance premium (MIP) – National Workbook pg 115, (MREP pgs 239, 240, 250, 277)

C. Federal Financing Regulations and Regulatory Bodies

1. Truth-in-lending and Regulation Z – National Workbook pg 71, (MREP pgs 246, 247, 251)
2. TILA-RESPA Integrated Disclosures – National Workbook pgs 71, (MREP pgs 249, 263-265, 274, 283)
 - a. Consumer Financial Protection Bureau (CFPB) – National Workbook pgs 70, 71, (MREP pgs 225, 226)
 - b. Loan estimate (LE) – National Workbook pgs 70, 71, (MREP pgs 265, 283)
 - c. Closing disclosure (CD) – National Workbook pgs 70, 71, (MREP pgs 265-274, 283)
3. Real Estate Settlement Procedures Act (RESPA)
 - a. Referrals – National Workbook pgs 70, 71, (MREP pgs 263, 274, 283)
 - b. Rebates
4. Equal Credit Opportunity Act (ECOA) – National Workbook pg 70, (MREP pgs 174, 248, 251, 370, 379, 384)
5. Mortgage fraud and predatory lending – National Workbook pg 236

D. Settlement and closing the transaction – National Workbook pg 121, (MREP pgs 173, 255-262, 278-282, 283, 284,)

VIII. Real Estate Math Calculations (Sales 8; Broker 10)

A. Property area calculations

1. Square footage (MREP pgs 431, 432)

2. Acreage total (MREP pg 79, 432)
- B. Property valuation
1. Comparative Market Analysis (MREP pg 163, 303, 323)
 2. Net Operating Income (NOI) – National Workbook pg 112, (MREP pgs 319, 320, 324)
 3. Capitalization Rate – National Workbook pg 113, (MREP pgs 319, 320, 324)
 4. Gross rent multiplier – Broker only – National Workbook pg 113, (MREP pg 321, 324)
 5. Gross income multiplier – Broker only – National Workbook pg 113, (MREP pg 321, 324)
 6. Equity in property
 7. Establishing a listing price (MREP pg 163, 182)
 8. Assessed value and property taxes (MREP pgs 290-293, 297)
- C. Division/compensation (MREP pgs 442, 443)
- D. Loan financing costs
1. Interest (MREP pgs 211, 444, 451)
 2. Loan to Value (LTV) (MREP pgs 238, 250)
 3. Amortization (MREP pgs 218, 220, 221, 444, 445)
 4. Discount points (MREP pgs 212, 241, 445, 446)
 5. Prepayment penalties (MREP pg 212)
 6. Fees (MREP pgs 211, 212, 276, 445, 446)
- E. Settlement and closing costs
1. Purchase price and down payment (MREP pgs 238, 239)
 2. Monthly mortgage calculations – principal, interest, taxes, and insurance (PITI) (MREP pgs 220, 221, 444, 445)
 3. Net to the seller (MREP pgs 443, 444)
 4. Cost to buyer (MREP pgs 256, 266-273, 275-277)
 5. Prorated items – National Workbook pg 121, (MREP pgs 278-282, 284)

6. Debits and credits – National Workbook pg 121, (MREP pgs 275, 276, 284, 450)
7. Transfer tax and recording fee – National Workbook pg 72, (MREP pgs 91, 92, 98, 276)

F. Investment

1. Return on investment – National Workbook pg 112, 113, (MREP pgs 10, 447, 448)
2. Appreciation (MREP pg 11, 492)
3. Depreciation – National Workbook pg 111, 112, (MREP pgs 318-320)
4. Tax implications on investment (MREP pgs 8, 10, 44, 290, 291, 297)

G. Property management calculations

1. Property management and budget calculations (MREP pgs 370-373)
2. Tenancy and rental calculations (MREP 372, 373)

Nevada Real Estate Law Exam Outline

The Nevada portion of the Pearson Real Estate licensing exam consists of 40 multiple choice questions for Salesperson / 50 multiple choice questions for broker. The following content outline supplies a guidance tool designed to inform the student preparing for the exam as to where within the course materials, the content associated with the tested topic can be found. It is suggested that the student review all course content provided be used in preparation for the state portion of the Nevada licensing exam but this guide can be used for additional assistance to ensure all exam topic items have been reviewed in full.

NOTE: The outline of topics is provided by the Pearson testing center as to the topics that will be asked on the exam. All questions are to be pulled from these topic areas.

State Workbook = Course files and lesson plans online or in course binder

NV Law Ref Guide = Nevada Law Reference Guide (Found online and within course binder)

I. Duties and Powers of the Commission

A. Determining Misconduct

1. Investigations (State workbook pgs 7-10)
2. Hearings and Appeals (State Workbook pgs 9-11)

B. Enforcement and Disciplinary Actions

1. Sanctions and Fines (State Workbook pgs 7-10, 38, 53)
2. Additional Education (State Workbook pgs 9, 10)
3. License Suspension (State Workbook pgs 9, 46)
4. Revocation (State Workbook pg 9)

C. Real Estate Education, Research, and Recovery Fund (State workbook pgs 46, 47)

II. Licensing Requirements

A. Types of Licensing and Permits and Requirements (State Workbook pgs 13-20, 23-28, 38, 39)

B. Activities Requiring a License or Permit (State Workbook pgs 11, 14, 16, 27-29, 38, 39, 41-44, 52)

C. License Maintenance

1. License Renewal (State Workbook pgs 13, 15, 17, 23-26, 28)
2. Changes in License Status (State Workbook pgs 27, 28)
3. Reasons for Denial of a License (State Workbook pgs 27, 53-56)

D. Required Timely Notifications to the Division

1. Conviction or entry of a guilty/nolo contendere plea
2. Broker association (State workbook pgs 27, 28, 55, 56)
3. Changes in personal information (State Workbook pgs 22, 55)

E. Branch Offices and License Display (Broker Only) (State Workbook pgs 21, 22, 51)

F. Cooperative Certificates (Brokers Only) (State Workbook pgs 10, 41, 42)

III. Agency

A. Agency (State Workbook pgs 53, 54, 59-62) (NV Law Ref Guide Pgs 1-5, 8, 9, 19-22)

B. Duties Owed by a Nevada Licensee (State Workbook pgs 7, 49, 59, 59a, 73, 74) (NV Law Ref Guide Pgs 6, 7)

C. Consent to Act (State Workbook pgs 7, 49, 60, 72) (NV Law Ref Guide Pgs 8-10)

D. Confirmation of Agency Relationship (State Workbook pgs 7, 59, 60)

(NV Law Ref Guide Pgs 10)

IV. License Practice

A. Licensee Responsibilities (State Workbook pgs 22, 30, 44, 51, 53, 55, 56) (NV Law Ref Guide (I) Pgs 12-18, (II) Pgs 3-20)

B. Broker Supervision of Licensees (State Workbook pgs 47, 48, 51) (NV Law Ref Guide (III) Pgs 3, 4)

C. Commissions and other Compensations (State Workbook pgs 26-28, 48, 53,) (NV Law Ref Guide (III) Pgs 15-22, (V) Pgs 17)

D. Advertising (State Workbook pgs 21, 22, 51, 55, 56) (NV Law Ref Guide (VI) Pgs 3-17)

E. Rules for Broker Price Opinions (State Workbook pg 56)

F. Handling of Monies (State Workbook pgs 41, 49, 50-52)

V. Disclosures (NV Law Ref Guide - (II) Pgs 13-16, (V) Pgs 3-21

- A. Residential Disclosure Guide (State Workbook pgs 69-82) (NV Law Ref Guide Pgs 10)
- B. Seller's Real Property Disclosure (State Workbook pgs 32, 64-67) (NV Law Ref Guide (V) Appendix II Pgs 3-6)
- C. Disclosure of Common-Interest Communities (State Workbook pgs 37, 71, 72) (NV Law Ref (IV) Pgs 22, 23)
- D. Disclosure of licensee as principal (State Workbook pgs 51, 53) (NV Law Ref Guide (II) Pgs 5-7, (V) Pgs 18)
- E. Other Disclosures (State Workbook pgs 30, 34-36, 39, 53, 55) (NV Law Ref Guide (V) Appendix II Pgs 7-12)

VI. Contracts

- A. Brokerage Agreements, including listing and buyer representation (State Workbook pgs 49, 53) (NV Law Ref Guide (III) Pgs 3-28)
- B. Preparation and Handling of Documents (State Workbook pgs 22, 49, 53, 55, 56) (NV Law Ref Guide (IV) Pgs 3-24)
- C. Closing Statements (State Workbook pgs 53, 85) (NV Law Ref Guide (IV) Pgs 21, 22)
- D. Advanced Fees (State Workbook pg 56) (NV Law Ref Guide (III) Pgs 16, 23, 24)
- E. Handling of Earnest Money Deposits (State Workbook pgs 49, 50, 53)

VII. Record Keeping

- A. Maintenance of Records
 - 1. Timely submission of records to broker (State Workbook pgs 50, 53)
 - 2. Required retention (State Workbook pgs 22, 38, 55, 56)
 - 3. Protection of confidential information (State Workbook pgs 7, 50) (NV Law Ref Guide (II) Pgs 7, 8)
- B. Inspection of Records (Broker Only) (State Workbook pgs 7, 10, 22)
- C. Trust Account Records and Management (Broker Only) (State Workbook pgs 51, 52)

VIII. Special Topics

- A. Subdivisions (State Workbook pgs 30, 38, 39, 43, 44) (NV Law Ref Guide (IV) Pgs 22, 23)

B. Time Shares (State Workbook pgs 13, 38, 39)

C. Environmental Issues (State Workbook pgs 34-36) (NV Law Ref Guide (V) Appendix II Pgs 7, 9)