CERTPATH STUDY GUIDE

Real Estate Salesperson Exam National Portion

The complete first-attempt guide to the national licensing exam.

CONTENT AREAS	QUESTIONS	PASSING	CRAM PLAN	FORMAT
11	~80 national	~70–75%	7-DAY	PDF

WELCOME

How to use this guide

This guide covers the **national portion** of the real estate salesperson licensing exam — the content that appears in every state, whether your exam is delivered by PSI, Pearson VUE, or your state directly. It is 100% original CertPath content built from publicly available exam content outlines. Your exam also includes a state-specific portion (state license law, agency rules, and local practices); we flag exactly where to verify your state's rules throughout.

The route

- **Read each chapter once for understanding.** The exam tests application — "which duty was breached?", "what kind of estate is this?" — more than raw definitions.
- **Memorize the decision tables.** Deeds, estates, agency duties, and government powers are where most points live, and tables are the fastest way to hold them.
- **Work the scenario questions** and read every rationale, including for the answers you got right.
- **Run the 7-day plan** in your final week to convert understanding into recall.

> **How the exam thinks**
>
> Licensing exam questions bury one deciding fact in a short story. Two answers are usually defensible until you spot the trigger — who signed, when notice was given, whether the buyer relied on a statement. Train yourself to find the legally significant fact first, then match it to the rule.

BEFORE YOU BOOK

The exam at a glance

Item	Detail
Structure	Two portions: national (~80 questions) and state (~30–50 questions). Both must be passed; many states let you retake only the failed portion.
Time	Typically 2–4 hours total depending on state and vendor.
Passing	Most states require roughly 70–75% on each portion (e.g., 56/80 national). Verify your state's cut score.
Cost	Exam fee ~$40–$150 per attempt depending on state — plus application, fingerprinting, and the pre-licensing course you've already paid for. A failed portion means paying and scheduling again.
Vendors	PSI and Pearson VUE administer most states. Question style is consistent: scenario-based multiple choice, four options.

Where the points live (approximate national outline)

Content area	~Weight
Contracts	~17%
Practice of real estate (fair housing, advertising, antitrust)	~15%

Content area	~Weight
General principles of agency	~12%
Financing	~10%
Property ownership · Land use controls	~17% combined
Valuation & market analysis	~9%
Transfer of title · Disclosures · Leasing · Calculations	~20% combined

Weightings vary slightly by vendor and change over time — treat these as a study-time budget, not gospel. Contracts, agency, and fair housing together are roughly half the exam.

CHAPTER 1

Property Ownership & Interests

The exam's favorite trick in this chapter is describing an interest in plain words and asking you to name it. Learn the estates and encumbrances well enough to recognize them in a story.

Freehold estates

- **Fee simple absolute** — the maximum bundle of rights, inheritable, no conditions. The default assumption unless the question adds strings.
- **Fee simple defeasible** — ownership with a condition ("so long as the land is used as a school"). Break the condition, lose the estate.
- **Life estate** — ownership measured by a lifetime. The **remainderman** takes title when the life tenant dies; the life tenant must not commit **waste** (damage the future interest).

Co-ownership

- **Tenancy in common** — separate, unequal shares allowed; each share is inheritable. No survivorship.
- **Joint tenancy** — equal shares with **right of survivorship**; requires the four unities (time, title, interest, possession). A joint tenant's sale severs the joint tenancy as to that share.
- **Tenancy by the entirety** — joint tenancy for married couples in states that recognize it; neither spouse can convey alone.

Encumbrances

- **Easement appurtenant** — benefits a neighboring parcel and **runs with the land** (dominant estate benefits, servient estate is burdened).
- **Easement in gross** — benefits a person or company (utility lines), not a parcel.
- **Liens** — money claims. **Specific** liens attach to one property (mortgage, property tax, mechanic's); **general** liens attach to all the debtor's property (judgments, IRS). Property tax liens generally take priority over all others.
- **Encroachment** — a physical intrusion (fence over the line); discovered by survey, not title search.

> **Exam tell**
>
> "Runs with the land" → easement appurtenant or a covenant, never a license (a license is revocable permission, not an interest). "Utility company" → easement in gross.

CHAPTER 2

Land Use Controls & Government Powers

Government powers over private land are tested constantly and are easy points once you own the acronym **PETE**.

Power	What it is	Trigger words
Police power	Regulation for public health, safety, welfare — zoning, building codes. No compensation owed.	"zoning", "code", "ordinance"
Eminent domain	Taking private property for public use with just compensation, via condemnation.	"highway project", "compensated"
Taxation	Property taxes; unpaid taxes create a priority lien and can lead to tax sale.	"ad valorem", "tax lien"
Escheat	Property reverts to the state when an owner dies with no will and no heirs.	"no heirs"

Zoning vocabulary

- **Variance** — permission to deviate from zoning due to hardship (odd lot shape).
- **Nonconforming use** — a use that predates the zoning change and is "grandfathered" in.
- **Conditional / special use permit** — allows a compatible exception (church in residential zone).
- **Buffer zone** — transitional strip (park between homes and industry).
- **Private controls:** deed restrictions and CC&Rs; bind regardless of zoning; the *more restrictive* of zoning vs. deed restriction governs.

CHAPTER 3

Agency & Fiduciary Duties

Agency is ~12% of the exam and almost every question reduces to: *who does the licensee owe duties to, and which duty is in play?* Memorize **OLD CAR**.

Duty	Meaning	Classic breach
Obedience	Follow lawful instructions of the client.	Ignoring a lawful listing instruction
Loyalty	Put the client's interest above everyone's — including your own.	Buying the listing yourself without disclosure
Disclosure	Tell the client every material fact.	Sitting on a higher offer
Confidentiality	Protect the client's private info — even after the relationship ends.	Telling a buyer the seller will take less
Accounting	Safeguard and account for money and documents; never commingle.	Depositing earnest money in a personal account

Duty	Meaning	Classic breach
Reasonable care	Competence and diligence.	Botching a required disclosure form

- **Customers vs. clients:** clients get fiduciary duties; customers get honesty and disclosure of material facts — nothing more.
- **Dual agency** — representing both sides. Where allowed, it requires **informed written consent of both parties**; undisclosed dual agency is a license-killer and a favorite wrong-answer trap.
- **Agency is created by agreement or conduct, not by who pays the commission.** Compensation does not determine representation.
- **Termination:** agency ends by completion, expiration, mutual agreement, revocation/renunciation (possibly with damages), death or incapacity of either party, or destruction of the property.

> **Exam tell**
>
> "The buyer asked the listing agent whether the seller would accept less, and the agent said yes, try $20k under" → breach of **loyalty/confidentiality** to the seller. Duties follow the client, not the conversation partner.

CHAPTER 4

Contracts

The single biggest content area. Two skills carry it: knowing the elements of a valid contract, and tracking what happens to an offer as facts change.

Validity essentials

- **Competent parties · offer & acceptance (mutual assent) · consideration · lawful purpose** — and for real estate sales, the **statute of frauds** requires a signed writing to be enforceable.
- **Void** = never a contract (illegal purpose). **Voidable** = one party can escape (minor, duress, misrepresentation). **Unenforceable** = valid on its face but courts won't enforce (unsigned oral sale).

Offer & acceptance mechanics

- A **counteroffer kills the original offer** — the original can no longer be "accepted."
- An offer may be **revoked any time before acceptance is communicated**, even if it promised to stay open (unless a paid option holds it open).
- **Option contract:** the optionor (owner) is bound to sell for the option period; the optionee may buy or walk. It is a **unilateral** contract until exercised.
- **Executory** = still being performed (under contract, pre-closing). **Executed** = fully performed.

Breach & remedies

- **Specific performance** — court compels the sale; available because land is unique.
- **Liquidated damages** — pre-agreed amount, typically the earnest money.
- **Rescission** — unwind the deal and restore the parties.

Listing agreements

Listing type	Who earns the commission
Exclusive right to sell	Broker paid no matter who finds the buyer — even the owner. Strongest for the broker.
Exclusive agency	One broker, but the owner may sell on their own and pay nothing.
Open listing	Any broker who procures the buyer is paid; owner may also sell alone.
Net listing	Broker keeps everything above a set net to seller — illegal or discouraged in most states. A frequent "which is problematic?" answer.

CHAPTER 5

Financing

Know the instruments, the loan types, and the two federal disclosure laws. Math stays light — ratios and simple interest.

- **Promissory note** = the promise to repay (the debt). **Mortgage / deed of trust** = the security instrument pledging the property. Two documents, two jobs.
- **Deed of trust** uses three parties (borrower/trustor, lender/beneficiary, neutral trustee) and typically allows faster **non-judicial foreclosure**.
- **Conventional** loans: not government-backed; **PMI** usually required above 80% LTV. **FHA**: insured, low down payment, MIP. **VA**: guaranteed, eligible veterans, zero down possible.
- **Amortized loan** — level payments retire the debt. **Balloon** — payments don't fully amortize; a lump sum remains. **ARM** — rate floats on an index plus a margin, with caps.
- **LTV** = loan ÷ value (or price, whichever is less). $270,000 loan on a $300,000 home = 90% LTV.
- **Points**: 1 point = 1% of the *loan amount*, paid to buy down the rate.

Law	What it requires	Trigger words
TILA / Reg Z	Disclose true cost of credit (APR); regulates "trigger term" advertising — state one specific credit term and you must disclose the rest.	"APR", "advertised payment"
RESPA	Closing-cost disclosures on federally related loans; bans kickbacks and unearned referral fees.	"kickback", "referral fee"
ECOA	No credit discrimination (race, sex, marital status, age, public assistance…).	"denied because…"

CHAPTER 6

Valuation & Market Analysis

- **Sales comparison approach** — value from adjusted comparable sales. **Adjust the comp, never the subject**: comp is better → subtract; comp is worse → add. The go-to for homes.
- **Cost approach** — land value + replacement cost – depreciation. Best for new or special-use buildings (schools, churches).
- **Income approach** — Value = Net Operating Income ÷ Cap Rate. For rentals and commercial. A $30,000 NOI at a 6% cap = $500,000.
- **Depreciation types:** physical deterioration (wear), functional obsolescence (bad design — curable or incurable), external/economic obsolescence (neighborhood factors — *always incurable*).
- **Market value** (most probable price, arm's length) ≠ market *price* (what it actually sold for) ≠ *cost* (what it took to build).
- A licensee's **CMA** is not an appraisal; only licensed/certified appraisers appraise for federally related loans.

Exam tell

> "The house next to the new landfill lost value" → external obsolescence, incurable. "Five-bedroom, one-bath" → functional obsolescence.

CHAPTER 7

Transfer of Title & Deeds

Deed questions are pure recognition points. A deed is valid between the parties when **delivered and accepted** during the grantor's lifetime; recording protects against the world but isn't required for validity.

Deed	Promise level	Use it when…
General warranty	Full covenants covering the property's entire history	Standard sale — maximum buyer protection
Special warranty	Warrants only the grantor's own period of ownership	Builders, banks, estates
Bargain & sale	Implies ownership, no warranties	Foreclosure/tax sales
Quitclaim	No warranties at all — conveys whatever interest exists, maybe nothing	Clearing clouds on title, divorce transfers

- **Title evidence:** abstract + attorney opinion, or (most common) **title insurance** — owner's policy protects the buyer, lender's policy protects the loan.
- **Recording** gives **constructive notice** to the world; possession gives *actual/inquiry* notice.
- **Adverse possession** — title by hostile, open, notorious, continuous, exclusive possession for the statutory period.
- **Wills & descent:** die testate (with a will — devisees take by devise) or intestate (state descent statutes decide; no heirs at all → escheat).

CHAPTER 8

Fair Housing, Advertising & Antitrust

This chapter is ~15% of the exam and the questions are written to see if you'll recognize a violation dressed in polite language. Assume every scenario is a potential violation and check it against the rules.

Federal Fair Housing Act — protected classes

Race, color, religion, national origin, sex, familial status, disability. (Mnemonic: seven classes — many states add more, e.g., age, marital status, source of income; know your state's additions for the state portion.)

- **Steering** — guiding buyers toward or away from neighborhoods based on a protected class.
- **Blockbusting** — inducing panic selling ("the neighborhood is changing").
- **Redlining** — lenders refusing loans in an area on a prohibited basis.
- **Familial status** protects families with children under 18 (and pregnant women); the main exemption is qualified **housing for older persons** (55+/62+).
- **Disability:** landlords must allow reasonable *modifications* (tenant's cost, restore on exit) and make reasonable *accommodations* (assistance animal despite a no-pets rule).

- **Race has no exemptions** — the Civil Rights Act of 1866 bars racial discrimination in all property transactions, period. Even where FHA exemptions (FSBO, small owner-occupied buildings) might apply, race is never exempt, and licensees can never participate in any discrimination.
- **Advertising** must describe the property, not the ideal buyer ("perfect for young couples" = familial status problem).

Antitrust

- **Price fixing** — brokers agreeing on commission rates. Commissions are always negotiable; even *discussing* "standard rates" between firms is the classic violation.
- **Market allocation** — competitors dividing territories or client types.
- **Group boycott** — firms agreeing to shun a competitor.

> **Exam tell**
>
> If the licensee's statement mentions who "would fit in" or what "kind of people" live somewhere — it's steering, no matter how kindly phrased. If two brokers from different firms talk rates — price fixing.

CHAPTER 9

Disclosures, Leasing & the Math That Shows Up

Disclosures

- **Material facts must be disclosed** to all parties; "as-is" doesn't excuse concealing known defects.
- **Lead-based paint (federal):** homes built **before 1978** — disclosure form, EPA pamphlet, and a 10-day inspection opportunity for buyers.
- **Stigmatized properties** (death, crime scene) are governed by state law — verify your state. **HIV/AIDS status is never disclosable.**

Leasehold estates

- **Estate for years** — fixed start and end; no notice needed to terminate.
- **Periodic tenancy** — renews automatically (month-to-month) until proper notice.
- **Tenancy at will** — either side may end it; **tenancy at sufferance** — holdover tenant without consent.
- **Gross lease** — tenant pays rent, landlord pays expenses (typical apartment). **Net lease** — tenant also pays some/all expenses (commercial). **Percentage lease** — base rent + % of sales (retail).
- **Sale doesn't break a lease** — the buyer takes subject to existing leases.

The four calculations to own

Problem	Method	Worked example
Commission	Price × rate; split as agreed	$400,000 × 6% = $24,000; 50/50 co-op → $12,000 per side
LTV / down payment	Loan ÷ value	$285,000 loan on $300,000 = 95% LTV → 5% down
Simple interest	Loan × annual rate ÷ 12	$200,000 × 6% = $12,000/yr → $1,000/mo interest
Proration	Annual cost ÷ 365 × days owed; debit the party who owes	$3,650 tax/yr = $10/day; seller owns 120 days → seller debited $1,200

CHECKPOINT

Practice the way the exam asks

Every question below has two defensible answers until you find the deciding fact. Answer, then read the rationale even if you were right.

Q1. A seller tells her listing agent she must relocate and would accept $20,000 under list if pressed. At an open house, a buyer asks the agent whether the seller is flexible. The agent replies, "Offer $20,000 less — she'll take it." Which duty has the agent breached?

- **A.** Reasonable care
- **B.** Accounting
- **C.** Loyalty and confidentiality
- **D.** Obedience

Answer: C The seller is the client; her bottom line is confidential information whose disclosure damages her negotiating position. Sharing it serves the customer at the client's expense — a textbook loyalty/confidentiality breach. No money was mishandled (B), no instruction ignored (D).

Q2. A buyer offers $310,000. The seller responds, "I'll take $318,000." The buyer declines, then a day later says, "Fine — I accept your original... I mean, I'll pay the $310,000 I first offered." Is there a contract?

- **A.** Yes — the buyer accepted his own outstanding offer
- **B.** No — the seller's counteroffer terminated the original offer
- **C.** Yes — the seller's counter was invalid without writing
- **D.** No — earnest money was never deposited

Answer: B A counteroffer rejects and kills the original offer; nothing remains to "accept." The buyer's new statement is merely a fresh offer the seller may accept or refuse. Earnest money (D) is customary, not an element of contract formation.

Q3. Which deed provides the grantee the LEAST protection?

- **A.** General warranty deed
- **B.** Special warranty deed
- **C.** Bargain and sale deed
- **D.** Quitclaim deed

Answer: D A quitclaim conveys only whatever interest the grantor may have — possibly none — with zero warranties. That's exactly why it's used to clear title clouds, and exactly why it protects a buyer least.

Q4. A licensee tells prospective buyers with young children, "You'd probably be happier near the elementary school — let me show you those neighborhoods instead." This is best described as:

- **A.** Helpful counseling within agency duties
- **B.** Steering based on familial status
- **C.** Blockbusting
- **D.** Permissible puffing

Answer: B Directing buyers toward or away from areas based on a protected class — here, familial status — is steering, regardless of friendly intent. Blockbusting (C) is inducing panic selling, a different violation.

Q5. A rental property produces $2,750/month gross with $9,000/year operating expenses. An investor requires an 8% return. Using the income approach, the property's value is approximately:

- **A.** $300,000
- **B.** $412,500
- **C.** $525,000
- **D.** $288,000

Answer: A NOI = ($2,750 × 12) – $9,000 = $33,000 – $9,000 = $24,000. Value = NOI ÷ cap rate = $24,000 ÷ 0.08 = $300,000. Distractor B uses gross income instead of NOI — the exam's favorite trap on this formula.

EXAM-DAY CHEAT SHEET

Trigger phrase → answer

If the question says…	Reach for
"Runs with the land"	**Easement appurtenant / covenant**
"Right of survivorship"	**Joint tenancy (four unities)**
"No will, no heirs"	**Escheat**
"Public project, owner compensated"	**Eminent domain / condemnation**
"Grandfathered use"	**Nonconforming use**
"Told the buyer the seller's bottom line"	**Breach of loyalty/confidentiality**
"Represents both parties"	**Dual agency — needs informed written consent**
"Counteroffer, then tried to accept original"	**No contract — counter killed the offer**
"Broker paid even if owner sells"	**Exclusive right to sell**
"Court forces the sale"	**Specific performance**
"Three parties, faster foreclosure"	**Deed of trust**
"Kickback for a referral"	**RESPA violation**
"Next to the landfill"	**External obsolescence (incurable)**
"Least protection to grantee"	**Quitclaim deed**
"Perfect for young families" in an ad	**Fair housing violation (familial status)**
"Brokers discussed standard commission"	**Price fixing (antitrust)**
"Built before 1978"	**Lead-paint disclosure + 10-day inspection window**
"Month-to-month"	**Periodic tenancy**
"Tenant pays taxes and insurance"	**Net lease**

Test-taking tactics

Find the legally significant fact before reading the options. Eliminate answers that violate a hard rule, then choose the *best* remaining fit. Math panic is optional: every calculation on this exam is one of the four patterns in Chapter 9. Answer everything — blanks score zero.

FINAL WEEK

The 7-day plan

Day	Focus	Do this
1	**Contracts**	Re-read Ch. 4. Write the validity elements and listing-type table from memory. Drill counteroffer mechanics.
2	**Agency**	Re-read Ch. 3. Recite OLD CAR with a breach example for each letter. Practice spotting the client vs. customer in scenarios.
3	**Fair housing & antitrust**	Re-read Ch. 8. List the seven protected classes cold; name steering, blockbusting, redlining, price fixing from one-line stories.
4	**Ownership, land use, title**	Re-read Ch. 1, 2, 7. Rebuild the PETE and deed tables from memory.
5	**Financing, valuation, math**	Re-read Ch. 5, 6, 9. Work all four calculation patterns twice with fresh numbers.
6	**Weak spots + state portion**	Redo the practice questions; review only misses. Spend the back half on your state's license law materials.
7	**Exam day**	Skim the cheat sheet only. No new material. Read each question for the deciding fact; flag and move past anything over 90 seconds.

The license is the door. Go open it.

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