

**SO YOU THINK YOU'RE READY FOR THE STATE EXAM
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This course provides many valuable tips for completing any state exam successfully and is available to all students, from any school, compliments of Real Estate Training Center.

Real Estate Training Center students should take this final segment only after completing all required credit hours. This will be the beginning of your test series that will properly prepare you to take and successfully pass the State Exam. Any required certification tests should only be taken after all practice exams have been completed and reviewed. Proper completion of the entire exam prep section and any mandatory certification test is required to activate your guarantee.

REMEMBER "If you don't take the time to do it right the first time, you will have to make the time to do it again."

We wish you the best of luck, not only on the State Exam, but for your future success in the real estate profession. As your career progresses, we can help you and/ or your associates with your changing educational needs - continuing education requirements, real estate or appraisal licensing. Please keep in touch with us.

Successfully yours,

RETCY & Staff

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Real Estate Training Center would like to share with you our collective experiences, together with some techniques which our students have found helpful in successfully passing the Colorado Real Estate License Exams. We have organized these tips and experiences under the following categories:

Final Tune-Up
Testing Center Issues
Exam Components & Scoring
Test Taking Strategies

I. FINAL TUNE-UP

- A. General Exam -The two areas of final review for this portion of the Broker test include math and terminology. A good working knowledge of your terminology, together with a firm understanding of math, is the key to the successful completion.
- B. State Exam -While many areas are addressed in this portion of the exam, the areas of concentration for review should always include Agency Relationships and Contracts. The particular contracts that should be reviewed include: Listing, Buyer Agency, The Buy-Sell Contract and the Licensee Buyout Addendum. The purchase of a current Colorado Real Estate Manual, together with the use of the state outline found in the "Licensure Examination" booklet, provided with your course material, is a good supplement to our material. It provides a focused review of the content of the state portion of the exam.

II. AT THE TEST CENTER - You must be on time (you should be 15 to 30 minutes early) and have your test confirmation number with you. Take a watch to pace yourself during the examination and two forms of identification. A driver's license with a picture and one other is suggested. Your picture will be taken at the test center when you check in. (Extra prints are not available.)

STUDENTS NOTE: If you arrive late at the test center, you may not be admitted, and **YOU WILL NOT RECEIVE A CREDIT OR A REFUND FOR MONEY PAID!!!**

- A. Restrooms -Be sure you know the shortest route. Remember, once the test starts, the clock never stops.
- B. The Monitor -Be sure to ask the Monitor where he or she is liable to be if they're not at their table. You don't have any extra time to sing that ever popular song "Oh Where, Oh Where Has the Monitor Gone" or to track them down if you have a problem, need scratch paper, etc.
- C. Scratch Paper -Due to some mystery of the universe, several Monitors have been known to dispense scratch paper as if it were their own personal property. This wouldn't be a problem except that once you have used that one piece of paper, you must turn it in, in order to receive another!!
- D. Regulations at the Test Center -To ensure that all applicants are tested under equally favorable conditions, the following regulations and procedures are observed at every test center:

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Applicants are not permitted to take dictionaries, calculators, pencils, pens, other books, or papers of any kind (including scratch paper) into the testing room and are strongly urged not to take such material to the center at all. Anyone found to have any of these materials, or other aids, will not be allowed to continue the test.

Under no circumstances will applicants be permitted to work beyond the time allotted for an examination.

All scratch work must be done on paper provided by the test center.

Anyone who wishes to leave the room while a test is in progress must have permission from the test monitor.

Anyone discovered engaging in any kind of misconduct, such as giving or receiving help, using books, notes, papers, or other aids, attempting to take the examination for someone else, or removing test materials or notes from the testing room, may be summarily dismissed from the examination and will be reported to the licensing agency.

NOTE: In the opinion of PSI, calculators and slide rules are not necessary; questions in both examinations are designed so any figuring can be done with paper and pencil within the time allowed.

E. Testing Program

The purpose of any test is to determine not what you **KNOW**, but what you **DO NOT KNOW**, enabling you to maximize your study time.

Real Estate Training Center's Exam Prep program consists of a constantly updated database of over 2,500 exam type questions, complete with answers, references and explanations where appropriate. Each practice exam draws from this database on a random basis with approximately the same percentage of emphasis on each subject area as used by the testing service. **DO NOT ATTEMPT TO MEMORIZE THESE QUESTIONS. THEY ARE SIMILAR TO THE STATE EXAM QUESTIONS BUT MAY BE WORDED ENTIRELY DIFFERENTLY. TRY TO UNDERSTAND THE LOGIC OF ALL QUESTIONS.** You will be taking four (4) different types of tests with all questions drawn at random from the various subject areas. The types are:

- General Practice Test - 80 random access questions of the type to be found on general portion exam - required 90% on 5 or more separate tests for School Guarantee
- Colorado Practice Test - 75 random access questions of the type to be found on state portion exam - required 90% on 5 or more separate tests for School Guarantee

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Category Practice Test - 10 random access questions on a single subject category of your choice to improve weak areas.

Certification Test - 155 random access questions consisting of 80 general and 75 Colorado - required minimum 90% on each section plus an overall average of at 90% on at least 1 test

Our testing program will not only assist your in-depth learning of the material, but will also instruct you in the various techniques of test taking essential to pass the State Exam.

F. Taking the Test - The broker examination consists entirely of multiple-choice questions. Be sure you understand the directions as to how to operate your computer. Test time does not start until you have practiced and are comfortable with the use of the computer technology. **TAKE YOUR TIME AND BE SURE!!!** Once you begin the test, use your time economically. Take the questions in order, but do not waste time on those containing material that is unfamiliar or seems difficult to you. Go on to the other questions and return to the difficult ones later.

III. EXAM COMPONENTS & SCORING - The grid below illustrates the components and passing scores for the broker exam:

Real Estate Broker

General Exam Total Questions 80	Passing % 75	# Correct To Pass 60
State Exam Total Questions 74	70.2%	52

Your score will be given to you immediately following completion of the examination. Examination results will be reported to you and the Colorado Division of Real Estate and, if applicable, your pre-license education provider.

The following summary describes the score reporting process:

On screen: Your score will appear immediately on the computer screen. This will happen automatically at the end of the time allowed for the examination; if you are using review features, you will be able to obtain your score immediately when you indicate that you have finished and would like to see your results.

If you pass you will immediately receive a successful notification and performance summary on the screen. License application forms for submittal to the Division of Real Estate are available at the examination center.

If you do not pass, you will immediately receive an unsuccessful notification on the screen along with a diagnostic report indicating your strengths and weaknesses by topic area, by examination type. Registration forms for submittal to PSI to retake the examination are available at the examination center.

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GENERAL CONTENT OUTLINE - The general portion of the real estate exam is made up of 80 scored questions, which are distributed as noted in the following content outline. Less than ten percent (10%) of the questions on the general examinations will involve mathematical computations.

- A. Property Ownership (7 items)
 - 1. Classes of Property
 - 2. Land characteristics and Property Descriptions
 - 3. Encumbrances
 - 4. Types of Ownership

- B. Land Use Controls and Regulations (7 items)
 - 1. Government Rights in Land
 - 2. Public Controls based on Police Power
 - 3. Private Controls

- C. Valuation and Market Analysis (6 items)
 - 1. Value
 - 2. Methods of Estimating Value (applicability, key elements)
 - 3. Competitive Market Analysis
 - 4. Transactions Requiring Formal Appraisal

- D. Financing (7 items)
 - 1. General Concepts
 - 2. Types of Loans
 - 3. Sources of Loan Money
 - 4. Government Programs
 - 5. Mortgages/Deeds of Trust
 - 6. Financing/Credit Laws

- E. Laws of Agency (10 items)
 - 1. Law, Definition and Nature of Agency Relationships
 - 2. Common Types of Agency Agreements in Real Estate
 - 3. Agency Duties
 - 4. Disclosure of Agency (General, Detailed Requirements in State Portions)
 - 5. Commission and Fees

- F. Mandated Disclosures (7 items)
 - 1. Property Condition Disclosure Forms
 - 2. Material Facts

- G. Contracts (10 items)
 - 1. General Knowledge of Contract Law
 - 2. Offers/Purchase Agreements
 - 3. Counteroffers/Multiple Counteroffers
 - 4. Leases as Contracts

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5. Rescission and Cancellation Agreements/Other Contract Transaction

H. Transfer of Property (6 items)

1. Title Insurance
2. Deeds
3. Escrow or Closing
4. Tax Aspects
5. Special Processes (i.e., Probate, Foreclosure)

I. Practice of Real Estate (10 items)

1. Fair Housing Laws
2. Advertising and Misrepresentation
3. Agent Supervision
4. Ethical Issues
5. Broker Salesperson Agreement

J. Real Estate Calculations (6 items)

1. General Math Concepts
2. Property Tax Calculations (not Prorations)
3. Lending Calculations
4. Calculations for Transactions
5. Calculations for Valuation
6. Mortgage Calculations

K. Special Areas (4 items)

1. Duties and Powers of the Real Estate Commission
2. General Powers of the Real Estate Commission
3. Commercial Property/Income Property
4. Business Opportunity

VIII. STATE CONTENT OUTLINE -The Colorado portion of the exam is made up of 74 questions. The Colorado exam portion has 13 questions pertaining to closings. Less than 6 of these questions will actually be prorations. Emphasis will be on assumptions and new conventional loans, charges to buyer/seller, closing instructions, and broker responsibility of a closing. Leap year does not apply on the State exam.

Prorations for Colorado closing statements are based upon the actual number of calendar days in the year or month given. The day of closing always belongs to the buyer, as due all benefits and expenses of day of closing. For review, use The Colorado Real Estate Manual (CREM) as follows.

A. Duties and Powers of the Real Estate Commission (2 items)

1. General Powers of the Real Estate Commission
2. Investigations, Hearings and Appeals; Criminal Violations; License Law Violations

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- B. Licensing Requirements (3 items)
 - 1. Types of License/Corporation
 - 2. Acts Requiring a License
 - 3. License Maintenance; Renewal, Changes, Expiration, Suspension, Inactive Status and Continuing Education
 - 4. License Qualifications and Exemptions
 - 5. Errors and Omissions Insurance

- C. Requirements Governing the Activities of Licensees (10 items)
 - 1. Advertising Trade Names
 - 2. Brokerage Administration
 - a. Employer/Employee Relationships
 - b. Office Policy Requirements
 - 3. Commissions, Rebates, Referrals, & Fees; Inducements from Title Companies
 - 4. Disclosure of Conflicts of Interest or Licenses Status
 - 5. Handling of Documents
 - 6. Listings
 - 7. Practice of Law
 - 8. Unlicensed Personal Assistants
 - 9. Rule E-13
 - 10. CP-30: Seller Assisted Down Payment

- D. Additional Topics (9 items)
 - 1. Property Management; Landlord Tenant Act
 - 2. Water Rights
 - 3. Surface vs. Subsurface Rights
 - 4. Colorado Taxes
 - 5. Mortgage Brokers, Bankers
 - 6. Colorado Fair Housing Act
 - 7. Real Estate Securities
 - 8. Redemption & Foreclosure Processes
 - 9. Homestead Exemption
 - 10. Statutory Power of Attorney

- E. Colorado Forms and Contracts (20 items)
 - 1. Listing Contracts
 - 2. Contracts to Buy and Sell Real Estate
 - 3. Rule F
 - 4. Deeds of Trust/Promissory Notes
 - 5. Disclosure Documents
 - 6. Addenda to Contracts
 - 7. Counterproposal Form

- F. Recordkeeping and Trust Accounts (6 items)
 - 1. Transaction Recordkeeping

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2. Trust Accounts
 - a. Account Requirements
 - b. Delivery of Funds to Broker or Title Company
 - c. Trust Account Recordkeeping

- G. Closing and Settlement (13 items)
 1. Computation of Proration
 2. Closing Instructions
 3. Responsibility for Accuracy of Closing Statements
 4. Closing Differences with Different Types of Loans
 5. Charges to Buyer
 6. Charges to Seller
 7. Credits to Broker/Closer
 8. Closing Documents

- H. Brokerage Relationship (11 items)
 1. Brokerage Relationship Disclosure
 2. Transaction Brokerage
 3. Agents
 4. Designated Brokers

IV. TEST TAKING STRATEGIES

- A. "Do it My Way" - Many of us do not fully understand the best way to take a test. The techniques outlined here will effectively raise your possible score between 10% and 20%, but only if you follow them.

Timing: You will be allotted 2 hours at the test site to complete the general portion and 1 hour and 50 minutes for the state portion of our exam. Don't Rush! If they didn't feel it was a 3 hour and 50 minutes test they wouldn't have allotted that amount of time.

Remember: If you have completed the required hours, the information is in your head. All you have to do is get it out and apply it to each question.

- B. Don't Panic- It is an absolute certainty that even if you possess all the knowledge necessary to pass the exam, it will not happen if you panic. The human mind is amazing. One moment it contains the knowledge, but let panic creep in and ... goodbye knowledge. Our material, if completed properly, has prepared you extremely well for either exam ... DON'T PANIC.
- C. Misreading Questions - If you have a tendency to misread questions, try covering the answers on the terminal and remember to read the question (3) times!!! This technique actually saves time.
- D. I Don't Have a Clue!!! - If you encounter any questions where the little voice in your head doesn't say, "dummy, you're supposed to know this!!!", you should be well served to select the

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answer "C". We also have students who have experienced good success rotating "C" & "D" in this scenario. **Please note: This should only be used if you absolutely, positively don't have a clue about the answer to the question. In that case what have you got to lose!**

- E. Math Questions - As you may have discovered, one of the answers to most math problems is one step from the actual answer that the question is seeking. Be sure you read and understand what the question is asking before answering. It is also quite possible that it isn't really a math question. If you encounter what appears to be a math problem, but one of the answer choices is "ZERO" BEWARE, it may be a taxation question. Also remember that most math questions contain some useless information. It may only be a pair of words or it can be a whole line in the question ... read the questions (3) times!!!
- F. Marking for review - When you go back to review a previously answered question, think long and hard before you change the answer. Your first answer is generally the right answer.

X. TEST TECHNIQUE: Play the Odds

- A. When faced with difficult questions - take a break and think.
- B. You will be working with a simple computer designed to give you each question on a screen and allow you to choose an answer.
- C. READ EACH QUESTION 3 TIMES!*

 - 1. 1st for the overview
 - 2. 2nd for the "meat"
 - 3. 3rd for depth and to pick up negatives *Reading the question does not mean studying the question. Don't permit yourself to get in a "time crunch" by spending too much time on each question. Candidates have 1.49 minutes per question. Properly paced, this is quite adequate for the techniques outlined here.

- D. On the first time around, answer only those you are 100% sure of.
- E. After going through the whole section, go back to the beginning and use the same system again, reading (3 times) only the questions not answered the first time. The third time, read only those not marked the first or second time.

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F. Once you have decided on, and marked, an answer - **DON'T CHANGE IT!**
For Example:

1. FIRST TIME AROUND:	Question #	My Answer	Readings
	1	D	3
	2	A	3
	3	?	3
	4	B	3
	5	?	3
	6	C	3
	(ETC)		

2. SECOND TIME AROUND: Only those skipped from first time	Question #	My Answer	Readings
	1	D	3
	2	A	3
	3	?C	3+3
	4	B	3
	5	??	3+3
	6	C	3
	(ETC)		

3. THIRD TIME AROUND: Only those skipped from second time	Question #	My Answer	Readings
	1	D	3
	2	A	3
	3	C	3 + 3
	4	B	3
	5	???	3 + 3 + 3
	6	C	3
	(ETC)		

NOTE: Because of the magic of the computer, each time around you will only see the unanswered questions. Be sure to "Mark For Review" each one you do not answer. When you do answer one that has been previously "Marked For Review", be certain to unmark it, so the temptation to change an answer the next time around will be eliminated. On the Colorado portion of the exam, frequently the correct answer is the longest answer given. If the answer to the question starts with "per terms of the contract" normally that is the correct answer.

If you have followed these directions carefully, by now (after 3rd time around) you have probably already passed your exam. Any questions still unanswered – guess!!! You are not suddenly going to have a vision, but you'll have a chance of guessing correctly and good guesses are scored the same as knowledge. (We prefer "C", but pick a letter you like for all guess work ONLY!)

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- XI. ADVICE FROM THE REAL ESTATE COMMISSION** - When you have passed the State Exam, you will receive the application for licensing. Some of the most common mistakes made on Real Estate License Applications are:
- A. Not Filled Out Completely and Correctly - It will be sent back to the applicant, which may cause delays that can set the date of licensing back. The Real Estate Commission suggests the application be delivered in person so it can be checked and corrected on the spot.
 - B. Common Mistakes You Don't Want to Make - Answer each question, never put NA (not applicable) instead of a "Yes" or "No" answer. Where the card has a line for Citizenship; put in the country, NOT "Yes" or "No". The application is responsible for a complete and correct form, not the sponsoring Broker. The applicant should check the form personally to be sure it is filled out properly. We hope these tips will greatly improve your ability to successfully pass the exam. If you require any clarification of the above material, please feel free to call.
 - C. The Real Estate Commission will require you to have fingerprints processed through CBI and the FBI prior to a real estate license being issued. This process can take up to 12 weeks. We recommend that you have your fingerprints processed at the time you start Practical Applications (32 hours).

Successfully yours,

RETCY & Staff