



# DRE AGENT LICENSING KIT

Licensing checklist, State Exam Training Guide and Study Tips

## LICENSING CHECKLIST

Use this checklist to streamline your sales agent licensing process.

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### EDUCATION: 3 COURSES REQUIRED

3 courses are required: real estate Principles, Practice and Legal Aspects (elective).

- **first tuesday** courses are homestudy correspondence courses.
- You receive the materials in print and online.
- Online access is immediate; printed books arrive within 5-7 business days.

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### STUDY YOUR MATERIALS

- 3 courses in 54 days.
- You have 1 year from enrollment to complete the courses.
- To check your comprehension, take quizzes online or from your printed books.

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### PASS YOUR COURSE EXAMS

- All course exams are open book.
- Each course exam has 100 multiple choice questions.
- You have 2 hours and 30 minutes to complete each exam.
- You have unlimited exam attempts during your 1-year enrollment period.
- 60% passing score for each exam.
- Print all your **Certificates of Completion**.

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## □ GET YOUR FINGERPRINTS SCANNED

- Fill out and sign 3 copies of **RE 237 (Live Scan Service Request)**.
- Hand all 3 copies of **RE 237** to a Live Scan service provider.
- Pay a \$20-\$40 Live Scan Rolling Fee and a \$49 fingerprint processing fee to the Live Scan service provider.

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## □ APPLY FOR THE AGENT STATE EXAM AND LICENSE

You may either:

- apply for the State Exam and license at the same time to cut processing time; or
- apply to take the State Exam first and, on passing the exam, apply for the license. For details visit [firsttuesday.us/agentalt](http://firsttuesday.us/agentalt).



DRE processing time: 3-6 weeks.

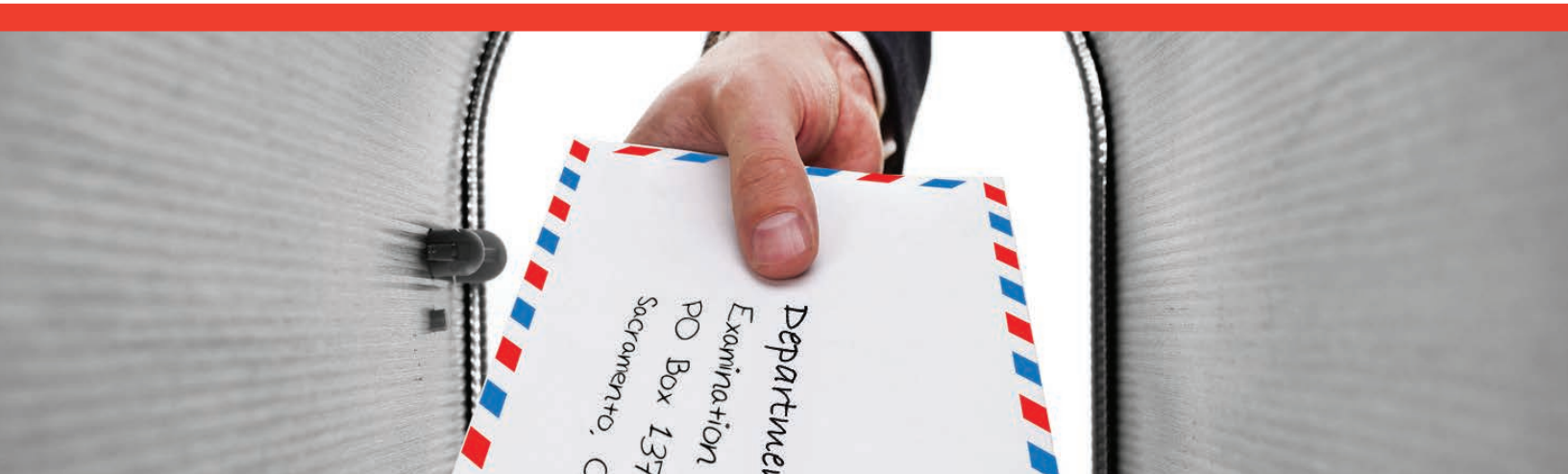
After you apply, you have 2 years to pass the State Exam.

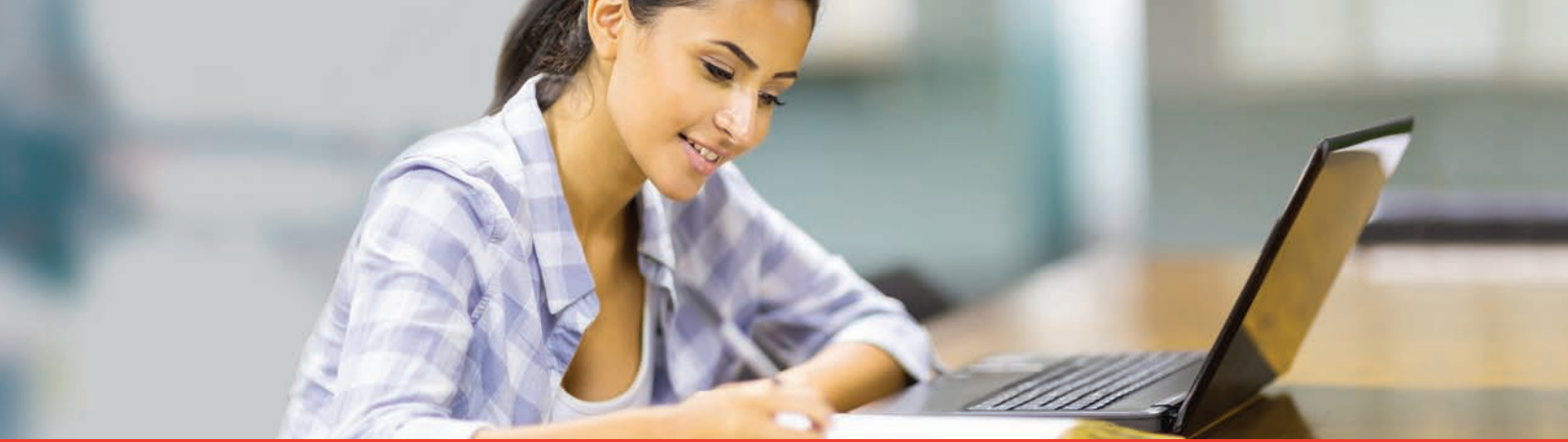
- Fill out and sign **RE 435 (Salesperson Exam/License Application)**.
- Pay the \$305 exam and licensing fee by check payable to “Department of Real Estate” or by credit card using **RE 909 (Credit Card Payment)**.
- Mail **RE 435**, 1 copy of **RE 237**, the exam and licensing fee payment and your 3 Certificates of Completion issued by **first tuesday** to:

Department of Real Estate  
Examination Section  
PO Box 137001  
Sacramento, CA 95813-7001

You will receive an email or letter from DRE clearing you for the State Exam.

Schedule your State Exam date and location by opening an eLicensing account at [dre.ca.gov](http://dre.ca.gov).





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## PREPARE FOR THE STATE EXAM

- Read the State Exam Study Guide and Study Tips.
- Study your State Exam Prep Book.\*
- Take the interactive practice exams.\*
- Review the online memory-sorting flash card app.\*
- Watch the Online Video Crash Course with its math component.\*
- You may want to attend a live State Exam Prep course.\*

\* Premium study tools, not included in all packages

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## TAKE YOUR STATE EXAM

- Take only your current government-issued photo ID into the room – nothing else.
- Receive your exam results immediately on completion.

When you pass, you will receive your real estate sales agent license.

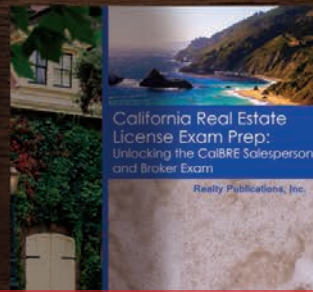
## ADDITIONAL SERVICES

To start your career off on the right track use these FREE **first tuesday** services:

- Find a broker using **first tuesday's** Broker Search.
- Develop your income and expense expectations for your first year using the Agent's Income Data Sheet. [RPI Form 504]
- Stay ahead by reading the **first tuesday Journal**.
- Download real estate forms and FARM letter templates — **FREE**.
- Reference the **Realtipedia**, our 17-volume real estate library.

Access these **first tuesday** services at [firsttuesday.us/ftbenefits](http://firsttuesday.us/ftbenefits).





# THE STATE EXAM TRAINING GUIDE

The guidance presented on this page informs you about

- the scope of the State Exam variables you will encounter when taking the State Exam
- the ratio of State Exam questions allocated to each of seven real estate topics the exam covers, and
- topical study references available from the Realtipedia Library link on your Licensing Courses page.

## STATE EXAM FACTS

**Length:** 150 multiple choice questions

**Time Limit:** 3 Hours

**Format:** Taken on a computer at exam site

**Passing Score:** 70%

**Exam Locations:** Fresno, San Diego, Los Angeles, Oakland and Sacramento

## PRACTICE OF REAL ESTATE AND DISCLOSURES

Approximately **25% of exam covers** — Trust Account Management, Fair Housing Laws, Truth in Advertising, Record Keeping Requirements, Agency Supervision, Permitted Activities of Unlicensed Sales Assistants, DRE Jurisdiction and Disciplinary Actions, Licensing, and Continuing Education Requirements and Procedures, California Real Estate Recovery Fund, General Ethics, Technology, Property Management, Commercial/Industrial/Income Properties, Specialty Areas, Transfer Disclosure Statement, Natural Hazard Disclosure Statements, Disclosure of Material Facts Affecting Property Value, Need for Inspection and Obtaining/Verifying Information, Reports, Servicing Diverse Populations

**Study — Agency, Fair Housing, Trust Funds, Ethics and Risk Management**, Agency section, Fair Housing section, Trust Funds section; **Real Estate Principles**, “Real estate licensing and endorsement”, Property Disclosures section, Property Management section

## LAWS OF AGENCY AND FIDUCIARY DUTIES

Approximately **17% of exam covers** — Law, Definition and Nature of Agency Relationships, Types of Agencies and Agents, Creation of Agency and Agency Agreements, Agency Supervision, Responsibilities of Agent to Seller/Buyer as Principal, Disclosure of Agency, Disclosure of Acting as Principal or Other Interest, Termination of Agency, Commission and Fees, Responsibilities of Agent to Non-Client Third Parties

**Study — Real Estate Principles**, “Agency: authority to represent others”, “The agency law disclosure”, “Conflict of interest”, “Dual agency and subagency”; **Agency, Fair Housing, Trust Funds, Ethics and Risk Management**, “Agency confirmation provision”, “A broker’s use of supervisors”; **Real Estate Practice**, “Brokerage activities: agent of the agent”, “An agent’s perception of riches”, “Human resources: low-level management by brokers”, Listings: Employment by the public section

# PROPERTY OWNERSHIP AND LAND USE CONTROLS

Approximately **15% of exam covers** — Classes of Property, Property Characteristics, Encumbrances, Types of Ownership, Descriptions of Property, Government Rights in Land, Public Controls, Environmental Hazards and Regulations, Private Controls, Water Rights, Special Categories of Land

**Study** — **Real Estate Principles**, Ownership Concepts section, “Easements: running or personal”, “Creating an easement”, “Termination of easements”, “Mechanic’s liens and foreclosures”; **Legal Aspects of Real Estate**, Liens/Lis Pendens section

# PROPERTY VALUATION AND FINANCIAL ANALYSIS

Approximately **14% exam covers** — Value, Methods of Estimating Value, Financial Analysis

**Study** — **Real Estate Principles**, “The appraisal report”, “Construction concepts”

# CONTRACTS

Approximately **12% exam covers** — Listing Agreements, Buyer Broker Agreements, Offers/Purchase Contracts, Agreements, Promissory Notes/Securities, Purchase/Lease Options, Advanced Fee

**Study** — **Real Estate Principles**, “Listing as employment”, “Operating under a buyer’s listing”, “Finders: a nonlicensee referral service”, “The purchase agreement”, “The promissory note”, The Trust Deed section; **Agency, Fair Housing, Trust Funds, Ethics and Risk Management**, “The borrower and loan broker relationship”, **Real Estate Practice**, Contract Law section

# FINANCING

Approximately **9% exam covers** — Types of Loans, Sources of Financing, Government Programs, Mortgages/Deeds of Trust/Notes, Financing/Credit Laws, Loan Brokerage, Types of Loan Originators

**Study** — **Mortgage Brokering and Lending**, Licensing and Management section, Types of Mortgages section, Consumer Protection section; **Real Estate Finance**, Notes and Their Provisions section, Lenders section

# TRANSFER OF PROPERTY

Approximately **8% exam covers** — Title Insurance, Deeds, Escrow, Tax Aspects, Special Processes, Transfer through Court Supervision, Types of Vesting

**Study** — **Legal Aspects of Real Estate**, Title and Vesting section; **Real Estate Principles**, “Escrow, the time for performance”; **Tax Benefits of Ownership**, Property Taxes section





# STUDY TIPS

Practical advice for passing the State Exam

## BEFORE THE EXAM

### **Use the State Exam Study Guide in this booklet to prepare**

The Study Guide contains the DRE's list of topics which appear on the State Exam. Review the **first tuesday** book chapters listed for each topic. All **first tuesday** books are available online except Appraisal, under the **Realtipedia Library** link in your Licensing Courses page.

### **Have a solid grasp of real estate vocabulary**

State Exam questions test your mastery of **real estate terms**. Review our dictionary at [firsttuesdayjournal.com](http://firsttuesdayjournal.com). Also, **first tuesday's** mobile flash card app trains you to retain — on the go. The app's learning modes use memorized-sorting slideshows to teach you terms you need to know (part of the California State Exam training package).

### **Practice makes perfect**

Retake the practice quizzes for your licensing courses multiple times until you consistently receive a score of **80% or greater**. The quizzes highlight key topics covered on the State Exam.

### **Consider a State Exam prep book and crash courses**

**first tuesday** offers the California State Exam training package which includes a Prep Book, State Exam practice questions, flash cards and online videos as well as a separate live Crash Course. These tools help you zero in on important concepts. If you go for the live crash course, schedule it for the weekend before your State Exam for optimum retention.

### **Cut the distractions and get down to work**

Study in a **quiet place**, free from distraction. That means no Facebook, Twitter, texting, family TV, computer, radio, cell phone or anything else which competes for your attention.

### **Study often, in short bursts**

**Take breaks** so you don't overload. Review online videos or flash cards anytime you have a couple of free minutes.

### **Use mnemonic devices and acronyms**

Use easy-to-remember **mnemonic devices** and **acronyms** to help concepts stick.

### **Write it down**

Take notes. The physical act of **writing information down** helps you retain it.

### **Practice with a timer**

**Time yourself** when you take practice quizzes or exams. Try to finish them in less time than is provided for the actual licensing exam.

### **Solicit input from new licensees**

**Ask new licensees** what subjects were heavily represented on the State Exam, and what topics they found challenging. Mine them for pragmatic test-taking tips.

### **Be well rested and ready to go**

Don't party or drink alcohol or caffeine the night before your test. **Sleep!**

# EXAM DAY TIPS

## ***The early bird passes the exam***

**Arrive early** so you aren't hurried. This gives you more time to get situated and do your last minute studying.

## ***Carefully read what is written***

Read the exam questions and answers **slowly** and **carefully**. Read what is written; don't assume you know what the question is asking before you finish reading it. It may be asking you for an exception, rather than the rule.

## ***Answer what is written – do not assume any facts outside of the question***

Answer the questions **exactly as they are written**. Every question is its own self-contained universe, and everything you need to answer it will be contained in the question itself. If you find yourself arguing with the question, you're over-thinking.

## ***Skip the hard questions, then go back to them***

All questions on the exam are given the exact same weight and importance, so don't get hung up on one question. Just move on, and return to it before you submit the exam.

## ***Partially incorrect = incorrect***

Keep an eye out for **absolute wording** such as "always", "never", "every", "only" and "must." If any part of the answer is incorrect, the entire answer is incorrect. There are no shades of gray on the exam.

## ***Are two answers correct?***

Some answer selections provided are, "All of the above", "None of the above" and "Both a. and b." If you're reviewing the answer selections and multiple seem correct, check all of your answer selection options to determine whether an "All of the above" or "Both a. and b." response is available. Remember, you're looking for the **best answer**.

## ***The greater the consumer protection, the better***

For questions concerning state or federal **regulatory controls**, the answer that provides the greatest protection to consumers is likely correct.

## ***If all else fails, take an educated guess***

If you don't know what the correct answer selection is, make an educated guess. Eliminate as many wrong answers you can. Generally, if three selections are similar and one is different, the dissimilar selection is correct. If one answer selection is longer than the others, it is likely correct.

## ***Make a note of it***

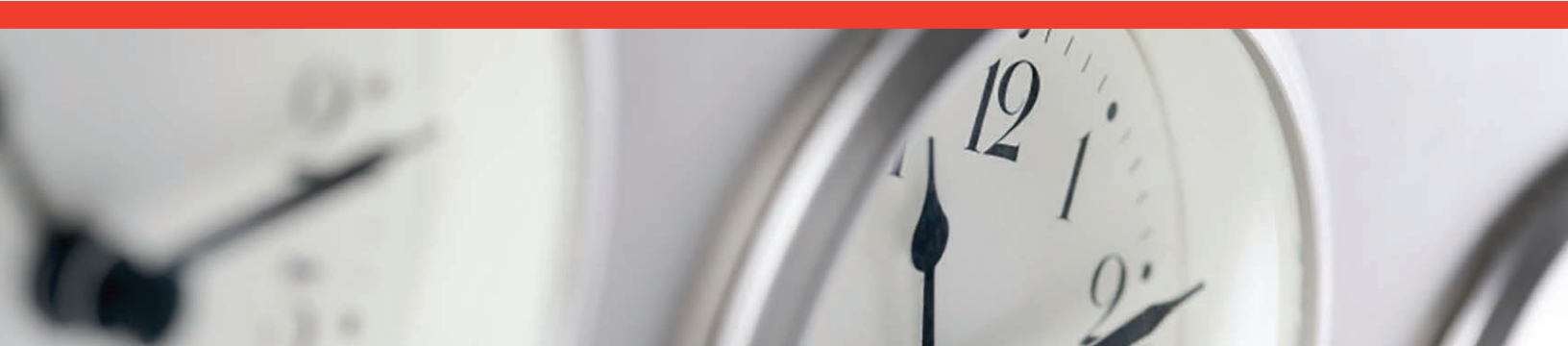
You are provided a small white board, marker and eraser when taking the exam. This comes in handy for making **notes**, such as specific questions you'd like to return to and review, or helpful mnemonic devices or acronyms you used during your study.

## ***Look for clues***

If you are stuck on a question, review the exam for other questions covering a similar subject matter to see whether these questions provide any clues regarding the answer of the question causing you trouble.

## ***Use every second to your advantage***

Use the **full time** allotted to take the exam. After you complete it, don't immediately submit it. Go back and **review** the exam as many times as the clock allows. Don't change your answers without a good reason.



# CONTACT US

## first tuesday

### Find us on the web

[firsttuesday.us](http://firsttuesday.us)  
[firsttuesdayjournal.com](http://firsttuesdayjournal.com)

### Email us

[customerservice@firsttuesday.us](mailto:customerservice@firsttuesday.us)  
[editoiral@firsttuesday.us](mailto:editoiral@firsttuesday.us)

### Call us

951.781.7300

### Visit us

3474 Niki Way, Riverside, CA 92507

### Hours of operation

Monday - Friday, 8:30 AM - 5:00 PM PST

## DRE

### Find them on the web

[dre.ca.gov](http://dre.ca.gov)

### Information line

877.373.4542

### Examination mail

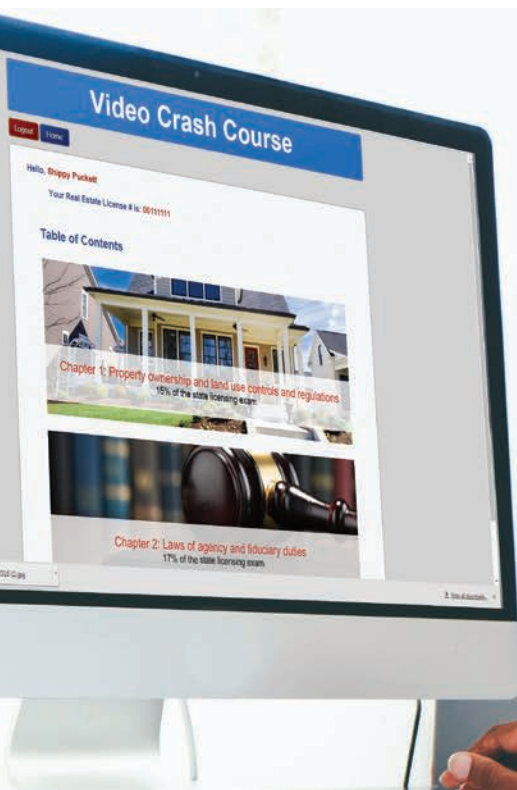
PO Box 137001, Sacramento, CA 95813-7001

### Original License mail

PO Box 137002, Sacramento, CA 95813-7002

### Hours of operation

Monday - Friday, 8:00 AM - 5:00 PM PST



## first tuesday's Online Video Crash Course builds the confidence you need to master the State Exam

12 hours of online content with 40+ videos modeled after the content of the State Exam. Includes test-taking strategies, critical study tips and a supplement on real estate mathematics and participants in real estate transactions.

Study at your own pace. Get the benefits of a live crash course experience at home or on your mobile device.

[firsttuesday.us/onlinecc](http://firsttuesday.us/onlinecc) | 951.781.7300