

DRE BROKER LICENSING KIT

Unleash your inner broker

Licensing checklist, State Exam Study Guide and Study Tips

LICENSING CHECKLIST

Use this checklist to streamline your broker licensing activities.

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EDUCATION

8 licensing courses are required. You completed 3 courses to become a sales agent, so you need to complete 5 more courses.

- **first tuesday** courses are homestudy correspondence courses
- You receive the materials in print and online
- Online access to e-book and State Exam Prep Training is immediate
- Printed books arrive within 5-7 business days
- **18 days** minimum study time **per course**
- 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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EXPERIENCE

- DRE requires you to have 2 years of full-time experience as a sales agent within the last 5 years
- You can petition DRE to accept alternative experience like being an appraiser or a property manager
- You can also use experience from working as a sales agent in another state
- Alternatively, you may submit proof of a bachelor's degree with a major or minor in real estate

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□ PASS YOUR COURSE EXAMS ONLINE

- Your course exams are open book, taken online or on paper with monitor
- 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
- 60% passing score for each exam
- Print your **Certificates of Completion** on passing each exam

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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 the provider a \$20-\$40 Live Scan rolling fee and a \$49 fingerprint processing fee.

5

□ APPLY FOR THE BROKER STATE EXAM AND LICENSE

You may either:

- Apply for the State Exam and license at the same time to cut processing time
- Apply to just take the State Exam, then on passing apply for your license
For details visit firsttuesday.us/brokeralt.
- DRE processing time: 3-6 weeks.

To apply for the State Exam and License:

- Fill out and sign **RE 436 (Broker Exam/License Application)**.
- Complete **RE 226 (Employment Verification)** or **RE 227 (Equivalent Experience Verification)**.
- Pay the \$395 exam and licensing fee by check payable to "Department of Real Estate" or by credit card using **RE 909 (Credit Card Payment)**.
- Mail **RE 436, RE 226** or **RE 227**, one copy of **RE 237**, the exam and licensing fee payment and your 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 registering for an eLicensing account at dre.ca.gov
- You have 2 years to pass the State Exam





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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*
- Activate 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*

* These State Exam training tools are not included in all enrollment packages

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□ TAKE THE BROKER 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 receive your **real estate broker license** when the fee is paid.



ADDITIONAL SERVICES

Start your new career as a broker off on the right track by using these **FREE first tuesday** services:

- Sign up as a recruiting broker on **first tuesday's** Broker Search.
- Download **FREE RPI** real estate forms for your professional use.
- Use our Office Management forms to build your new brokerage. [RPI Form Series 500-548]
- Stay ahead by reading the **first tuesday Journal**.
- Download real estate forms and FARM letter templates — **FREE**.
- Reference the **Realtipedia**, our 16-volume real estate library.

Access these **first tuesday** benefits at firsttuesday.us/ftbenefits.



THE STATE EXAM TRAINING GUIDE

WELCOME TO GUIDANCE FOR YOUR PREPARATION TO TAKE THE STATE EXAM

- State Exam questions are allocated between each of seven real estate topics
- Study links for each of the seven topics reference the Realtipedia Library

STATE EXAM FACTS

Length: 200 multiple choice questions

Time Limit: 5 Hours

Format: Taken on a computer at exam site

Passing Score: 75%

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

PRACTICE OF REAL ESTATE AND DISCLOSURES

Approximately **25%** of exam covers

Agency Supervision

Disclosure of Material Facts

Property Management

California Real Estate Recovery Fund

Affecting Property Value

Record Keeping Requirements
Reports

Commercial/Industrial/Income Properties

Disclosure Statements

Specialty Areas

DRE Jurisdiction and

Fair Housing Laws

Servicing Diverse Populations

Disciplinary Actions, Licensing, and Continuing Education

General Ethics

Technology

Requirements and Procedures

Natural Hazard

Transfer Disclosure Statement

Need for Inspection and Obtaining/Verifying Information

Trust Account Management

Permitted Activities of

Truth in Advertising

Unlicensed Sales Assistants

Study the following first tuesday material

- **Real Estate Principles** — “Real estate licensing and endorsement”, Agency Section, Fair Housing section, Property Disclosures section, Property Management section

LAWS OF AGENCY AND FIDUCIARY DUTIES

Approximately **17%** of exam covers

Agency Supervision

Disclosure of Acting as Principal or Other Interest

Responsibilities of Agent to Seller/Buyer as Principal

Creation of Agency and Agency Agreements

Disclosure of Agency Law

Termination of Agency

Commission and Fees

Responsibilities of Agent to

Types of Agencies and Agents

Definition and Nature of Agency Relationships

Non-Client Third Parties

Study the following first tuesday material

- **Real Estate Principles** — “Agency: authority to represent others”, “The agency law disclosure”, “Conflict of interest”, “Dual agency and subagency”
- **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	Encumbrances	Public Controls
Descriptions of Property	Government Rights in Land	Special Categories of Land
Environmental Hazards and Regulations	Private Controls	Types of Ownership
	Property Characteristics	Water Rights

Study the following first tuesday material

- **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% of exam covers

Financial Analysis	Methods of Estimating Value	Value
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Study the following first tuesday material

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

CONTRACTS

Approximately 12% of exam covers

Advanced Fee Agreements	Listing Agreements	Promissory Notes/Securities
Buyer Broker Agreements	Offers/Purchase Contracts	Purchase/Lease Options

Study the following first tuesday material

- **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
- **Real Estate Finance** — Lender Financing section
- **Real Estate Practice** — Contract Law section

FINANCING

Approximately 9% of exam covers

Government Programs	Loan Brokerage Mortgages/	Sources of Financing
Financing/Credit Laws	Deeds of Trust/Notes	Types of Loans and Originators

Study the following first tuesday material

- **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% of exam covers

Deeds	Tax Aspects	Transfer by Court Order
Escrow	Title Insurance	Vesting

Study the following first tuesday material

- **Legal Aspects of Real Estate** — Title and Vesting section
- **Real Estate Principles** — “Escrow, the time for performance”, “Home mortgage interest deductions”



STUDY TIPS

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. 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

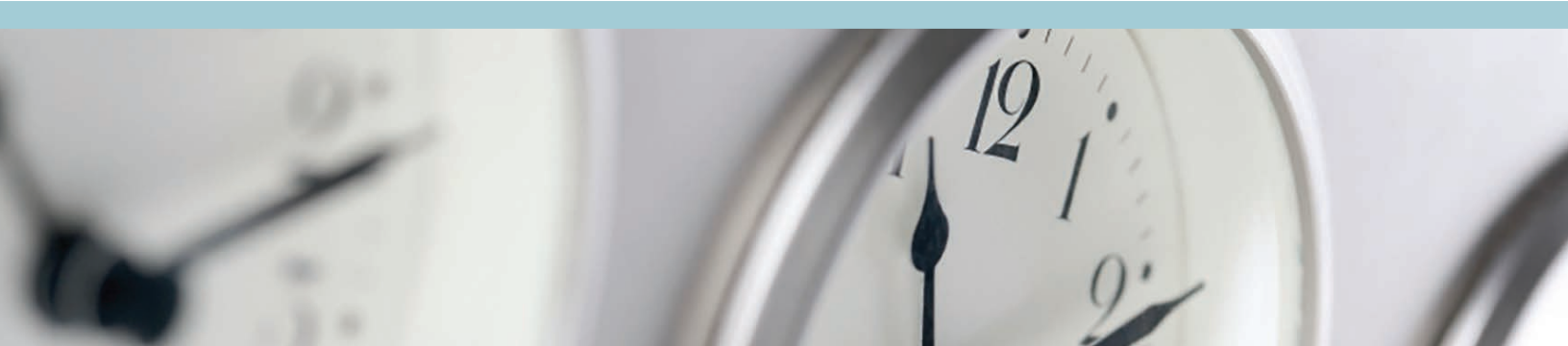
You are provided a small white board, marker and eraser when taking the exam. This comes in handy for making **notes**, such as specific questions you'd like to return to and review, or helpful mnemonic devices or acronyms you used during your study.

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
firsttuesdayjournal.com

Email us

customerservice@firsttuesday.us
editorial@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

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

State Exam Training Package by first tuesday

Build the confidence you need to take the State Exam through our four interrelated training methods

Online Video Crash Course

- A top flight classroom presentation, enhanced with graphics, running 12+ hours
- 50+ video segments for you to rewind and re-watch until retained

Prep Book

- Unlocks the State Exam for you, using our bank of 1,100+ multiple choice questions

Practice Exams

- You take unlimited simulated state exams covering randomly selected sample questions from the prep book

Flash Cards App

- You train to retain, using a memorized-sorting slideshow of real estate terms

