



GENERAL PORTION (REAL ESTATE PRINCIPLES AND PRACTICES)

- I. **Property ownership (Salesperson 8%; Broker 10%)**
 - A. Real versus personal property; conveyances
 - B. Land characteristics and legal descriptions
 - 1. Types of legal descriptions; Metes and bounds, Lot and block, government survey
 - 2. Measuring structures
 - 3. Livable, rentable, and usable area
 - 4. Land Measurement
 - 5. Mineral, air, and water rights
 - C. Encumbrances and effects on property ownership
 - 1. Liens
 - 2. Easements and licenses
 - 3. Encroachments
 - 4. Other potential encumbrances of title
 - D. Types of ownership
 - 1. Tenants in common
 - 2. Joint tenancy
 - 3. Common- interest ownership
 - a) Timeshares
 - b) Condominiums
 - c) Co-ops
 - 4. Ownership in severalty/sole ownership
 - 5. Life Estate ownership
 - 6. Property ownership held in trust
(BROKER ONLY)
- II. **Land use controls and regulations (Salesperson 5%; Broker 5%)**
 - A. Government rights in land
 - 1. Property taxes and special assessments
 - 2. Eminent domain, condemnation, escheat
 - B. Government controls
 - 1. Zoning and master plans
 - 2. Building codes
 - 3. Regulation of special land types
 - a) Flood zones
 - b) Wet lands
 - 4. Regulation of environmental hazards
 - a) Types of hazards
 - b) Abatement and mitigation
 - c) Restrictions on contaminated property
 - C. Private controls
 - 1. Deed conditions or restrictions
 - 2. Covenants, conditions, and restrictions (CC&Rs)
 - 3. Homeowners association regulations
- III. **Valuation and market analysis (Salesperson 7%; Broker 7%)**
 - A. Appraisals
 - 1. Purpose and use of appraisals for valuation
 - 2. General steps in appraisal process
 - 3. Situations requiring appraisal by certified appraiser
 - B. Estimating Value
 - 1. Effect of economic principles and property characteristics
 - 2. Sales or market comparison approach
 - 3. Cost approach
 - 4. Income analysis approach
 - C. Competitive/Comparative Market Analysis
 - 1. Selecting comparables
 - 2. Adjusting comparables
- IV. **Financing (Salesperson 10%; Broker 8%)**
 - A. Basic concepts and terminology
 - 1. Points
 - 2. LTV
 - 3. PMI
 - 4. Interest
 - 5. PITI
 - 6. Financing instruments (mortgage, promissory note, etc.)
 - B. Types of loans
 - 1. Conventional loans
 - 2. FHA Insured loans
 - 3. VA guaranteed loans
 - 4. USDA/rural loan programs
 - 5. Amortized loans
 - 6. Adjustable-rate mortgage loans
 - 7. Bridge loans
 - 8. Owner financing (installment and land contract/contract for deed)
 - C. Financing and lending
 - 1. Lending process application through closing
 - 2. Financing and credit laws and rules
 - a) Truth in lending
 - b) RESPA
 - c) Equal Credit Opportunity
 - d) CFPB/TRID rules on financing and risky loan features
 - 3. Underwriting
 - a) Debt ratios
 - b) Credit scoring
 - c) Credit history
- V. **General principles of agency (Salesperson 13%; Broker 11%)**
 - A. Agency and non-agency relationships
 - 1. Types of agents and agencies
 - 2. Other brokerage relationships (non-agents)
 - a) Transactional
 - b) Facilitators
 - B. Agent's duties to clients
 - 1. Fiduciary responsibilities
 - 2. Traditional agency duties (COALD)
 - 3. Powers of attorney and other delegation of authority
 - C. Creation of agency and non-agency



agreements; disclosure of conflict of interest

1. Agency and agency agreements
 - a) Key elements of different types of listing contracts
 - b) Key elements of buyer brokerage/tenant representation contracts
 2. Disclosure when acting as principal or other conflict of interest
- D. Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money
- E. Termination of agency
1. Expiration
 2. Completion/performance
 3. Termination by force of law
 4. Destruction of property/death of principal
 5. Mutual agreement

VI. Property disclosures (Salesperson 6%; Broker 7%)

- A. Property condition
1. Property condition that may warrant inspections and surveys
 2. Proposed uses or changes in uses that should trigger inquiry about public or private land use controls
- B. Environmental issues requiring disclosure
- C. Government disclosure requirements (LEAD)
- D. Material facts and defect disclosure

VII. Contracts (Salesperson 17%; Broker 18%)

- A. General knowledge of contract law
1. Requirements for validity
 2. Factors affecting enforceability of contracts
 3. Void, voidable, unenforceable contracts
 4. Rights and obligations of parties to a contract
 5. Executory and executed contracts
 6. Notice, delivery and acceptance of contracts
 7. Breach of contract and remedies for breach
 8. Termination, rescission and cancellation of contracts
 9. Electronic signature and paperless transactions
 10. Bilateral vs. unilateral contracts (option agreements)
- B. Contract Clauses, including amendments and addenda
- C. Offers/purchase agreements
1. General requirements
 2. When offer becomes binding
 3. Contingencies
 4. Time is of the essence
- D. Counteroffers/multiple offers
1. Counteroffers
 2. Multiple offers

VIII. Leasing and Property Management (Salesperson 3%; Broker 5%)

- A. Basic concepts/duties of property management
- B. Lease Agreements
1. Types of leases, e.g., percentage, gross, net, ground
 2. Key elements and provisions of lease agreements
- C. Landlord and tenant rights and obligations
- D. Property manager's fiduciary responsibilities
- E. ADA and Fair Housing compliance in property management
- F. Setting rents and lease rates (*BROKER ONLY*)

IX. Transfer of Title (Salesperson 8%; Broker 7%)

- A. Title Insurance
1. What is insured against
 2. Title searches, title abstracts, chain of title
 3. Marketable vs insurable title
 4. Potential title problems and resolution
 5. Cloud on title, suit to quiet title (*BROKER ONLY*)
- B. Deeds
1. Purpose of deed, when title passes
 2. Types of deeds and when used
 3. Essential elements of deeds
 4. Importance of recording
- C. Escrow or closing; tax aspects of transferring title to real property
1. Responsibilities of escrow agent
 2. Prorated items
 3. Closing statements/TRID disclosures
 4. Estimating closing costs
 5. Property and income taxes
- D. Special processes
1. Foreclosure
 2. Short sale
- E. Warranties
1. Purpose of home or construction warranty programs
 2. Scope of home or construction warranty programs

X. Practice of real estate (Salesperson 13%; Broker 14%)

- A. Trust/escrow accounts
1. Purpose and definition of trust accounts, including monies held in trust accounts
 2. Responsibility for trust monies, including commingling/conversion
- B. Federal fair housing laws and the ADA
1. Protected classes
 2. Prohibited conduct (red-lining, blockbusting, steering)
 3. Americans with Disabilities (ADA)
 4. Exemptions
- C. Advertising and technology
1. Advertising practices
 - a) Truth in advertising



- b) Fair housing issues in advertising
- 2. Use of technology
 - a) Requirements for confidential information
 - b) Do-Not-Call List
- D. Licensee and responsibilities
 - 1. Employee
 - 2. Independent Contractor
 - 3. Due diligence for real estate transactions
 - 4. Supervisory responsibilities (BROKER ONLY)
 - a) Licensees
 - b) Unlicensed personnel
- E. Antitrust laws
 - 1. Antitrust laws and purpose
 - 2. Antitrust violations in real estate

- XI. **Real estate calculations (Salesperson 10%; Broker 8%)**
 - A. Basic math concepts
 - 1. Loan-to-value ratios
 - 2. Discount points
 - 3. Equity
 - 4. Down payment/amount to be financed
 - B. Calculations for transactions
 - 1. Property tax calculations
 - 2. Proration's
 - 3. Commission and commission splits
 - 4. Seller's proceeds of sale
 - 5. Buyer funds needed at closing
 - 6. Transfer fee/conveyance tax/revenue stamps
 - 7. PITI (Principal, Interest, Taxes and Insurance) payments
 - C. Calculations for valuation, rate of return (BROKER ONLY)
 - 1. Net operating income
 - 2. Depreciation
 - 3. Capitalization rate
 - 4. Gross Rent and gross income multipliers

**STATE PORTION
(MASSACHUSETTS STATE REAL ESTATE LAWS
AND REAL ESTATE BOARD RULES)**

- I. **DUTIES AND POWERS OF THE BOARD OF REGISTRATION OF REAL ESTATE BROKERS AND SALESPERSONS (5%)(SALESPERSONS: 2 ITEMS; BROKERS: 2 ITEMS)**
 - A. Examination of records
 - B. Sanctions
 - 1. Fines
 - 2. License suspension and revocation
- II. **LICENSING REQUIREMENTS (10%) (SALESPERSONS: 4 ITEMS; BROKERS: 4 ITEMS)**
 - A. Activities requiring a license
 - B. Types of licenses
 - 1. Active, inactive, and expired

- C. License renewal and continuing education
- D. Board notifications

- III. **REQUIREMENTS GOVERNING LICENSEES (33-35%) (SALESPERSONS: 13 ITEMS; BROKERS: 14 ITEMS)**

- A. Advertising
- B. Broker/salesperson relationship
- C. Commissions
- D. Disclosures
 - 1. Consumer/Licensee Relationship
 - 2. Conflict of interest
 - 3. Rental fee disclosures
- E. Agency and Non-Agency Relationships
- F. Handling of documents
- G. Handling of monies
- H. Record Keeping (Broker only)
- I. Home inspectors--licensee responsibility

- IV. **CONTRACTS (5%)(SALESPERSONS: 2 ITEMS; BROKERS: 2 ITEMS)**

- A. Offer to Purchase
- B. Purchase and Sale agreement
- C. Leases
- D. Listing and Buyer Agreements

- V. **CONSUMER PROTECTION LAWS (10-12%) (SALESPERSONS: 5 ITEMS; BROKERS: 4 ITEMS)**

- A. Property disclosures
- B. Misrepresentation
- C. Privacy
- D. Sanctions and enforcements

- VI. **ENVIRONMENTAL ISSUES AND HAZARDOUS MATERIALS (10%) (SALESPERSONS: 4 ITEMS; BROKERS: 4 ITEMS)**

- A. Lead
- B. Private sewage disposal
- C. Smoke and carbon monoxide detection
- D. Wetlands and rivers protection

- VII. **MASSACHUSETTS FAIR HOUSING LAW (10%) (SALESPERSONS: 4 ITEMS; BROKERS: 4 ITEMS)**

- A. Protected classes that differ from Federal
- B. MA specific exceptions
- C. MA Commission Against Discrimination
- D. ADA and other accommodations

- VIII. **LANDLORD TENANT LAW (10%) (SALESPERSONS: 4 ITEMS; BROKERS: 4 ITEMS)**

- A. Rental deposits, Receipts and Statement of Condition
- B. State Sanitary Code
- C. Short-term Vacation or Recreational Rentals

- IX. **ADDITIONAL TOPICS (5%)(SALESPERSONS: 2 ITEMS; BROKERS: 2 ITEMS)**

- A. Ownership
- B. Condominiums, Cooperatives, and Timeshares
- C. Registered Land