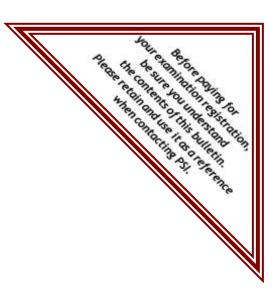


PSI Services LLC

3210 E Tropicana Las Vegas, NV 89121 Phone: (855) 579-4640

E-mail: examschedule@psionline.com https://test-takers.psiexams.com/hire



HAWAII REAL ESTATE COMMISSION



REAL ESTATE SALESPERSON, BROKER, AND INSTRUCTOR EXAMINATION CANDIDATE INFORMATION BULLETIN

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Please refer to our website to check for the most updated information at https://test-takers.psiexams.com/hire

EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Bulletin provides you with information about the examination and application process for obtaining a real estate license in the State of Hawaii.

Hawaii state laws stipulate that a person may not act as a real estate salesperson, broker, or instructor without first obtaining a license issued by the Hawaii Real Estate Commission. To be licensed, you must pass an examination to confirm that you have attained at least a minimum level of knowledge regarding the principles, practices, statutes, and regulations relating to real estate.

The Hawaii Real Estate Commission has contracted with PSI Services LLC (PSI) to conduct the examination testing. PSI provides examinations through a network of computer examination centers in Hawaii. PSI works closely with the State to be certain that examinations meet local as well as national requirements in basic principles and examination development standards.

Following are the Hawaii real estate licensing examinations offered by PSI:

- Real Estate Salesperson
- Real Estate Broker
- Real Estate Instructor

LICENSURE REQUIREMENTS

All questions and requests for information about licensure should be directed to the Hawaii Real Estate Commission.

Hawaii Real Estate Commission

335 Merchant Street Room 333 Honolulu, HI 96813 Phone: (808) 586-2643 www.hawaii.gov/hirec

The Hawaii Real Estate Commission has established the requirements for qualification for salesperson or broker licenses and for real estate instructor certification. Candidates should read this candidate information bulletin and any other information provided by the Commission before applying for any examination.

Candidates must meet all education requirements before they may apply for an examination.

EXAMINATION REQUIREMENTS

Salesperson and Broker Candidates

All candidates must:

- Be eighteen (18) years of age or older at the time of examination.
- Be a United States citizen, a United States national, or an alien authorized to work in the United States.
- Has earned a high school diploma, or its equivalent.
- Provide an unexpired Hawaii School Completion Certificate (certificates issued electronically must be printed on white paper no smaller than 81/2 X 11 in size) OR an ORIGINAL (hard copy) Prelicensing Education

- Equivalency Certificate for Real Estate License Examination.
- Present a valid and ORIGINAL (hard copy) Equivalency to Uniform Section of Examination Certificate, if applicable.
- Applicants for licensure restoration must contact the Licensing Branch at (808) 586-3000 at the time of application for further information and assessment of fees and penalties due, if any. Candidates restoring a license will bring a Restoration Application signed by the Executive Officer of the Real Estate Commission for the State of Hawaii.

Broker Candidates

In addition to all requirements listed above, broker candidates must:

 Have received an Experience Certificate for Real Estate Broker's Examination from the Commission before taking the examination. Broker candidates must present a valid and ORIGINAL (hard copy) Experience Certificate for Real Estate Broker's Examination at the test center each time they take the examination.

Real Estate Instructor Candidates

All real estate instructor candidates must:

 Obtain an application for "Prelicense Instructor Certification" from the Hawaii Real Estate Commission for full details of the real estate instructor requirements.

LICENSING REQUIREMENTS

Salesperson and Broker Candidates

All salesperson and broker candidates must:

- Complete and pass the licensure examination.
- Submit the proper forms and fees to the Hawaii Real Estate Commission (indicated on the score report issued by PSI after passing the licensure examination).
- Disclose any criminal convictions, disciplinary actions, complaints, unpaid judgments, pending lawsuits, outstanding tax obligations, and liens. The license application must be completed in its entirety. Any "yes" answers to the questions in Section C of the application will require explanation and review before a decision is made regarding licensing. A description of the documentation required for "yes" answers will be included with the application.
- Submit a complete application for license within two (2) years of the date of examination. Incomplete or deficient applications must be completed within the two (2) year time limit. Applications will be considered received when all filing requirements are met.
- Pay the license fee. Fees will be printed on score reports for salesperson and broker applicants applying for original licensure. Although all licenses expire on December 31 of each even-numbered year, they are subject to renewal by November 30 of the even-numbered year to ensure timely renewal. License fees are not prorated. Fees for those on inactive status are the same as for those on active status.
- Include examination documentation. Applicants must submit the original Candidate Screening Responses that was received at the test center or printed from the URL on the passing score report.
- Provide an unexpired Hawaii School Completion Certificate (certificates issued electronically must be printed on white paper no smaller than 81/2 X 11 in size) OR an ORIGINAL (hard copy) Prelicensing Education

Equivalency Certificate for Real Estate License Examination.

- If applicable, include the ORIGINAL (hard copy) Equivalency to Uniform Section of Examination Certificate.
- Include the ORIGINAL (hard copy) Experience Certificate for Real Estate Broker's Examination (applies to broker candidates only).

Real Estate Instructor Candidates

All real estate instructor candidates must:

- Complete the application for instructor certification.
- Pay the certification fees as printed on the application.

EXAMINATION REGISTRATION AND SCHEDULING PROCEDURES

All questions and requests for information about examinations should be directed to PSI.

PSI Services LLC 3210 E Tropicana Las Vegas, NV 89121 (855) 579-4640 • Fax (702) 932-2666 https://www.psiexams.com/hire

FEES

BROKER AND SALEPERSON EXAMINATION FEE \$61

The fee is \$61 for the examination, regardless if you take one (1) or both examination portions.

INSTRUCTOR EXAMINATION FEE

\$50

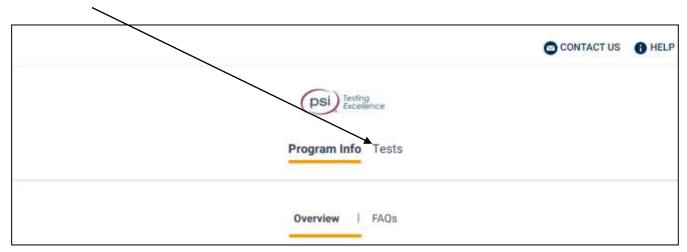
NOTE: EXAMINATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE. THE EXAMINATION FEE IS VALID FOR ONE YEAR FROM THE DATE OF PAYMENT.

IMPORTANT: IF YOU FALL UNDER ONE OF THE FOLLOWING CATEGORIES YOU MUST CONTACT PSI TO PAY AND SCHEDULE. YOU CANNOT PAY AND SCHEDULE VIA ON-LINE.

- Equivalency candidates (candidates who only have to take the state portion) or
- Out-of-state candidates (candidates taking the Hawaii exam on the mainland).

ON-LINE SCHEDULING

- 1. Go to: https://test-takers.psiexams.com/hire
- 2. Select **TESTS** to create an account.



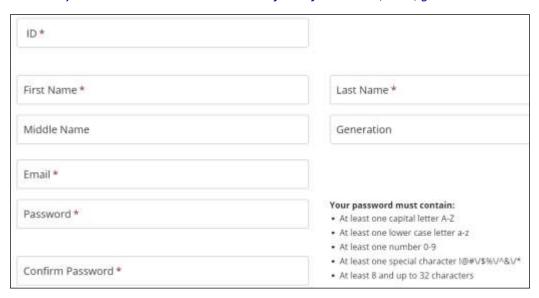
3. Select the examination and you are ready to create an account. Select LOGIN/REGISTER.

To continue the booking process and schedule your test, you must login or create an account,

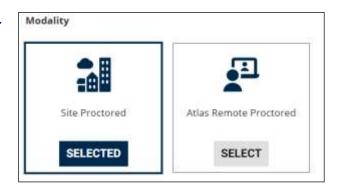
LOGIN/REGISTER

4. You will be prompted to **CREATE AN ACCOUNT** with PSI.

The first and last name must match exactly with your current, valid, government-issued ID.



5. Select your test format: (Test Center) or (Remote Proctored).



Scheduling at a Test Center

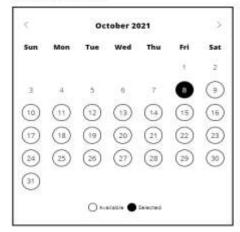
1. Enter the "City or Postal Code" and select FIND.





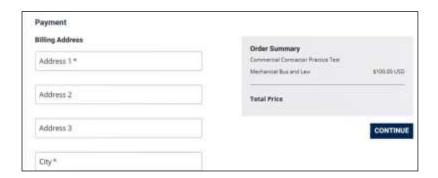
2. Select a date and time to book an appointment.







3. You are now ready to pay.

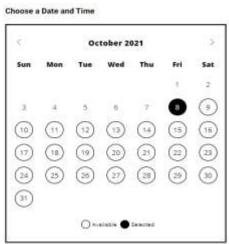


4. Once payment has been made you will receive a message confirming the test center, booked date, and booked time.



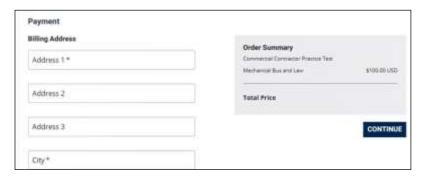
Scheduling via Remote Proctor

1. Select a date and time to book an appointment.





2. You are now ready to pay.

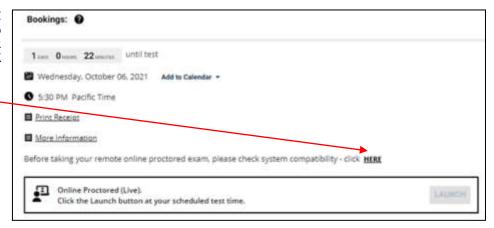


3. Once payment has been made you will receive a message confirming the booked date and booked time. Please review the booking before selecting **CONFIRM**.



4. Your booking will now display in your account. You will be able to LAUNCH your test within 30 minutes of your booked test time.

IMPORTANT: BE SURE TO CHECK THE COMPATIBILTY OF YOUR COMPUTER to include Audio/Video Check, Webcam Check and System Check. Prior to testing, CLICK HERE.



By not starting your test within 15 minutes after your booked time, you forfeit your test fee or test eligibility. Fees and test eligibilities are non-refundable. If you have any questions regarding your compatibility check, or if you experience issues launching your test, you may contact PSI's technical support team at (844) 267-1017.

<u>TELEPHONE</u>

Call (855) 579-4640, PSI registrars are available Monday through Friday between 1:30 am and 4:00 pm and, Saturday-Sunday, between 3:00 am and 12:00n, HST.

To register by phone, you need a valid credit card (VISA, MasterCard, American Express or Discover.)

RETAKING A FAILED EXAMINATION

The examination is divided into two (2) sections: uniform (general) and state. Candidates who pass one section of the examination but fail the other section need retake only the failed section, as long as the candidate retakes the failed section within two (2) years of the date of the first passed section and the candidate has an unexpired Hawaii School Completion Certificate or Prelicensing Education

Equivalency Certificate for Real Estate License Exam, <u>and</u> also an unexpired Experience Certificate for Real Estate Broker's Examination (if a Broker candidate). Candidates who have not passed both sections of the examination within two (2) years of the first passed section must retake both sections.

Example: A candidate takes the examination on June 15, 2005 and passes the state section but fails the uniform section. The candidate must only retake the uniform section, but must do so by June 15, 2007. If the candidate does not pass the uniform section on or before June 15, 2007, the candidate will be required to retake the entire examination (uniform and state sections).

Candidates granted an Equivalency to the Uniform Section of Examination Certificate must also present an unexpired Certificate in addition to the documents mentioned in the previous paragraph in order to take the state section of the examination.

It is not possible to make a new examination appointment on the same day you have taken an examination; this is due to processing and reporting scores. A candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Friday, depending upon space availability. You may schedule online at https://test-takers.psiexams.com/hire or call PSI at (855) 579-4640.

CHANGE/CANCEL AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received* two (2) days before the scheduled examination date. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at (855) 579-4640. PSI registrars are available Monday through Friday between 1:30 am and 4:00 pm and, Saturday-Sunday, between 3:00 am and 11:30 am, HST.

Note: A voice mail or email message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak directly to a Customer Service Representative.

MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment two (2) days before the schedule examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

Candidates who are late to or absent from an examination may be excused for the following reasons:

- Illness of the candidate or that of the candidate's immediate family member
- Death in the immediate family
- Disabling traffic accident
- Court appearance or jury duty
- Military duty
- Weather emergency

Candidates who are late to or absent from an examination and have not changed or canceled the reservation according to the *Change/Cancel Policy* will not be admitted to the examination and will forfeit the examination fee. Written verification and supporting documentation for excused absences must be submitted to PSI.

EXAM ACCOMMODATIONS

All PSI examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodations will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by <u>Clicking Here</u>.

EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (855) 579-4640. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You may also check our website at https://test-takers.psiexams.com/hire. NOTE: PSI will not reimburse for travel expenses if an examination date is cancelled due to an emergency.

EXAMINATION SITE LOCATIONS

HAWAII (The Big Island)

45-539 PLUMERIA STREET

NORTH HAWAII EDUCATION RESEARCH CENTER (NHERC)

HONOKAA, HI 96727

HILO TO NHERC

GO NORTH ON HIGHWAY 19 TO HONOKA'A. ONCE YOU REACH HONOKA'A, LOOK FOR THE 43 MILE MARKER AND TAKE THE NEXT RIGHT (PLUMERIA STREET). THERE IS LARGE BLUE AND WHITE "NHERC" SIGN ALONG THE HIGHWAY. ONCE ON PLUMERIA STREET, DRIVE ANOTHER HALF MILE UNTIL YOU SEE THE HAMAKUA HEALTH CENTER. NHERC WILL BE THE NEXT DRIVEWAY. THERE IS A LARGE NHERC SIGN AT THE ENTRANCE OF THE DRIVEWAY KONA TO NHERC

GO NORTH ON HIGHWAY 19 TO HONOKA'A. ONCE YOU REACH HONOKA'A, LOOK FOR THE 44 MILE MARKER AND TAKE THE NEXT LEFT (PLUMERIA STREET). THERE IS LARGE BLUE AND WHITE "NHERC" SIGN ALONG THE HIGHWAY. ONCE ON PLUMERIA STREET, DRIVE ANOTHER HALF MILE UNTIL YOU SEE THE HAMAKUA HEALTH CENTER. NHERC WILL BE THE NEXT DRIVEWAY. THERE IS A LARGE NHERC SIGN AT THE ENTRANCE OF THE DRIVEWAY.

HONOLULU

ALA MOANA PACIFIC CENTER 1585 KAPIOLANI BLVD, SUITE 1135

HONOLULU, HI 96814

FROM INTERSTATE H1 E., TAKE THE KINAU ST EXIT, EXIT 22. STAY IN THE EXTREME RIGHT LANE, AND TURN RIGHT ONTO WARD AVE. TURN LEFT ONTO KAPIOLANI BLVD (YOU WILL PASS NORDSTROM ON YOUR RIGHT). TURN RIGHT ON MAHUKONA ST. TURN RIGHT ON KONA ST. PARKING IS ON THE RIGHT.

KAHULUI - UNIVERSITY OF HAWAII MAUI COLLEGE II

310 W. KA'AHUMANU AVENUE

THE LEARNING CENTER

KAHULUI, HI 96732

FROM THE SOUTHWEST ON KEOLANI PL TRAVEL TOWARD HALEAKALA HWY. TURN RIGHT ONTO HALEAKALA HWY/HI-39A. TURN RIGHT ONTO HANA HWY/HI-36 W. HANA HWY TURNS INTO KAAHUMANU AVE. ENTER THE CAMPUS FROM KAAHUMANU AVE. MAKE A QUICK RIGHT, AND THEN A LEFT IN FRONT OF THE HOOKIPA BLDG. TAKE THE DRIVEWAY ALL THE WAY DOWN AND THE LEARNING CENTER IS THE LAST ONE-STORY BUILDING ON THE RIGHT. PLEASE ENTER THROUGH THE DOUBLE GLASS DOORS.

KAPAA - KAUAI

LIHUE - MARRIOTT KAUAI RESORT PSI 3610 RICE ST TESTING IS LOCATED IN THE NAWILIWILI ROOM OF PUNA. LIHUE, HI 96766

Additionally, PSI has examination centers in many other regions across the United States. You may take this examination at any of these locations by submitting the out-of-state request form found at the end of this bulletin.

REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive 30 minutes before your appointment. This extra time is for sign-in, identification, and familiarizing you with the examination process. If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.

REQUIRED IDENTIFICATION

You must provide 1 form of identification. The identification must match the name you scheduled with.

NOTE: ID must contain candidate's signature, photo, be valid and unexpired.

- Government-issued Driver's License
- U.S. Dept. of State Driver's License
- U.S. Learner's Permit (plastic card only with photo and signature)
- National/State/Country Identification Card
- Passport
- Passport card
- Military ID (will not be accepted for remote testing)
- Military ID for spouses and dependents (will not be accepted for remote testing)
- Alien Registration Card (Green Card, Permanent Resident Visa)
- You must provide an unexpired Hawaii School Completion Certificate (certificates issued electronically must be printed on white paper no smaller than 81/2 X 11 in size) OR an ORIGINAL (hard copy) Prelicensing Education Equivalency Certificate for Real Estate License Examination. *Instructor candidates are not required to present these documents*.
- if applicable, an ORIGINAL (hard copy), unexpired Equivalency to Uniform Portion of Examination Certificate.

➡ Broker candidates must also present an ORIGINAL (hard copy), unexpired Experience Certificate for Real Estate Broker's examination.

The required identification applies to all test taking, regardless if it is the first time testing or a retake.

Candidates who **do not present** the required items will be **denied** admission to the examination, considered absent, and will forfeit the examination fee.

If you cannot provide the required identification, you must call (855) 579-4640 at least three (3) weeks prior to your scheduled appointment to arrange a way to meet this security requirement. Failure to provide ALL of the required identification at the time of the examination without notifying PSI is considered a missed appointment and you will not be able to take the examination at that time.

SECURITY PROCEDURES

The following examination protocols apply during any examination. PSI may pause or terminate an examination at any time. Failure to follow the examination protocol, may result in the disqualification of examination results, prohibition from taking future examinations, and may lead to legal action.

All examinations are closed book.

If testing at a PSI test site you will be given a piece of scratch paper and a pencil. You will return the scratch paper and pencil during check-out.

Prohibited Items:

- Reference materials of any kind.
- Electronic devices of any type, including but not limited to; cellular phones, cameras, computers of any type (e.g., laptops, tablets, iPads), earbuds, electronic games, electronic watches, handheld calculators, headsets, mobile devices, music players (e.g., iPods), pagers, radios, recording devices (audio or video), smart watches, televisions, etc.).
- Hats or headgear not worn for religious reasons or as religious apparel, including hats, baseball caps, or visors.
- Bulky or loose clothing or coats including but not limited to; open sweaters, cardigans, shawls, scarves, vests, jackets and coats.
 - In the event you are asked to remove bulky or loose outerwear, appropriate attire, such as a shirt or blouse should be worn underneath.
- Other personal items, including but not limited to; backpacks, briefcases, chewing gum, drinks, food, good luck items, notebooks, paper or other materials on which to write, pens, pencils or other writing devices, purses, reading material, smoking or chewing products, wallets, etc.

Prohibited Behavior:

- Giving or receiving assistance on an examination.
- Copying or communicating examination content.
- Using outside references or resources during an exam, examples:
 - Browsing other local resources.
 - Browsing the internet.
 - Attempting to use a computer or computer program not provided or approved by PSI.
 - Attempting to use a telephone or mobile device.
 - Using notepad on the computer.
 - Using an application on the computer not provided by PSI.
- Engaging in disruptive behavior during check-in or during an exam, examples:
 - o Acting in an inappropriate manner.
 - Using abusive language.
 - Speaking aloud.
 - Causing noise unrelated to keyboard typing.
- Engaging in prohibited behavior during check-in or during an exam, examples:
 - Reading questions out loud.
 - Leaving the room without proctor approval.
 - o Using instant messaging, or other electronic communication.
 - Capturing a picture or video of exam items.
 - Attempting to use telephone or mobile device.
 - Obstructing the proctor's view (camera or in person).
 - Having inappropriate materials on desktop (explicit).
 - Changing spaces during the exam without proctor approval.
 - Not focusing eyes on the screen.

During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.

Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.

No prohibited items are allowed within the candidate's reach or line of sight. If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle for test center exams. PSI will not be responsible for the security of any personal belongings or prohibited items.

 Any candidate seen giving or receiving assistance on an examination, found with prohibited items, or displaying prohibited behavior or violating any security regulations will have his or her examination terminated, and be asked to surrender all examination materials. All such instances will be reported to the examination sponsor.

Additional protocols for testing at a testing center, include but not limited to:

- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues, or instructors.
- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidates will not receive extra time to complete the examination.

Additional protocols for remote online proctored exams, include but not limited to:

- Temporarily moving out of the camera's line of sight.
- Candidates are not allowed to have scratch paper.
- Adequate lighting for the proctor to see candidate's activity.
- Internet service must be sufficient to administer the exam, see page 12 for requirements.
- Web camera must be placed for ideal viewing by the proctor.
- Candidate may not change computers during the exam.
- Candidate may not change spaces during the exam.
- Candidate must follow proctor instructions, which may include, but are not limited to:
 - Keeping hands on the desktop.
 - Keeping eyes on the computer screen.
 - Not fidgeting during the exam.
 - Keeping hands away from face.
- Please do your best to avoid covering your mouth for the whole duration of exam. Be aware that talking/whispering/mouthing is not allowed during exam.
- Breaks are NOT allowed during remote online proctored examinations. If you believe you cannot complete your examination without a break, please do not register for remote online proctored examinations.

TAKING THE EXAMINATION BY COMPUTER

The examination will be administered via computer. You will be using a mouse and computer keyboard.

TUTORIAL

Before you start your examination, an introductory tutorial is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included following the tutorial so that you may practice answering questions and reviewing your answers.

TEST QUESTION SCREEN

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers. IMPORTANT: After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

EXAMINATION REVIEW

PSI, in cooperation with the Hawaii Real Estate Commission, will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions. Comments may be entered by clicking the Comments link on the function bar of the test question screen.

These comments will be analyzed by PSI examination development staff. PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. This is the only review of examination materials available to candidates.

SCORE REPORTING

The passing scores (percentages) are as follows:

Brokers: 75%Salespersons: 70%Instructors: 85%

Your score will be displayed on screen at the end of the examination and a score report will be emailed to you. If you fail, the emailed score report will include the diagnostic report indicating your strengths and weaknesses by examination type. You may request a duplicate score report after your examination by emailing score-eport@psionline.com.

DESCRIPTION OF EXAMINATIONS

EXAMINATION SUMMARY TABLE

Examination	Portion	# of Items	Time Allowed
Salesperson	Uniform (General)	80 (80 points)	150 Minutes
Salesperson	State	50 (50 points)	90 Minutes
Salesperson	Combo (Both Portions)	130 (130 points)	240 Minutes
Broker	Uniform (General)	75 (80 points)	150 Minutes
Broker	State	50 (50 points)	90 Minutes
Broker	Combo (Both Portions)	125 (130 points)	240 Minutes
Instructor		80 (80 points)	150 Minutes
Salesperson - Equivalency	State	50 (50 points)	90 Minutes
Broker- Equivalency	State	50 (50 points)	90 Minutes

Note: National broker exams include questions that are scored up to two points.

EXPERIMENTAL QUESTIONS

In addition to the number of examination items specified in the "Examination Content Outlines", a small number (5 to 10) of "experimental" questions may be administered to candidates during the examinations. These questions will not be scored. However, these questions will count against examination time. The administration of such unscored, experimental questions is an essential step in developing future licensing examinations.

CONTENT OUTLINES

Use the outline as a guide for pre-examination review course material. The outlines list the topics that are on the examination and the number of questions for each topic. Do not schedule your examination until you are familiar with the topics in the outline

SALESPERSON/BROKER EXAMINATION

UNIFORM (GENERAL) PORTION

- Property ownership (Salesperson 8%; Broker 10%)
 - A. Real versus personal property; conveyances
 - B. Land characteristics and legal descriptions
 - 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 Timeshares
 - 4. Condominiums Co-ops
 - 5. Ownership in severalty/sole ownership 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%)

- **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

Financing (Salesperson 10%; Broker 8%) IV.

- 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

 - FHA Insured loans
 VA guaranteed loans
 USDA/rural loan programs
 Amortized loans

 - 6. Adjustable-rate mortgage loans7. Bridge loans8. Owner financing (installment and land contract/contract for deed)
- C. Financing and lending
 - 1. Lending process application through
 - 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
 - Credit scoring
 - c) Credit history

٧. General principles of agency (Salesperson 13%; Broker 11%)

- A. Agency and non-agency relationships
 - 1. Types of agents and agencies
 - 2. Other brokerage relationships (nonagents)
 - a) Transactional
 - b) Facilitators
- B. Agent's duties to clients
 - 1. Fiduciary responsibilities

- 2. Traditional agency duties (COALD)
- 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
 - 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
- Termination of agency
 - 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%)

- 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%)

- General knowledge of contract law
 - 1. Requirements for validity
 - 2. Factors affecting enforceability of
 - 3. Void, voidable, unenforceable contracts
 - 4. Rights and obligations of parties to a contract
 - **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
 - 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)

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

- A. Title Insurance
 - 1. What is insured against
 - 2. Title searches, title abstracts, chain of
 - 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
 - Responsibilities of escrow agent
 Prorated items

 - Closing statements/TRID disclosures
 Estimating closing costs
 Property and income taxes
- D. Special processes
 - Foreclosure
 Short sale
- E. Warranties
 - 1. Purpose of home or construction warranty programs
 - 2. Scope of home or construction warranty programs

Practice of real estate (Salesperson 13%; Χ. 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
 - 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. Prorations
 - 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

Ascertaining and Disclosing Material Facts (Salesperson 8 items, Broker 7 items)

- 1. Bureau of Conveyances/Land Court
 - a. Documents and indexes
 - b. Conveyance tax
- 2. Tax Office
 - a. Tax maps
 - b. Real property taxes and assessments
 - c. Other state taxes (e.g., HARPTA, GET)
- 3. Statutory disclosures
 - a. Seller Disclosure Law
 - b. Leasehold disclosures
 - c. Planned Community Associations
 - d. Distressed Property and Short Sales
- 4. Environmental conditions
- 5. Hawaii land history and property rights

Types of Ownership (Salesperson 4 items, Broker 3 items)

- 1. Condominiums
- 2. Cooperatives
- 3. Time sharing plans
- 4. Land trust

Property Management (Salesperson 4 items, Broker 4 items)

- 1. Residential Landlord-Tenant Code
- 2. Commercial real estate management (Broker only)

Land Utilization (Salesperson 3 items, Broker 3 items) Effective

- 1. Planning, land use, and zoning (county ordinance)
 - a. County building and planning
- 2. Restrictive covenants
- 3. State land use classification
- 4. Special Management Areas

Title and Conveyances (Salesperson 6 items, Broker 6 items)

- 1. Estates and interests
 - a. Leaseholds
- 2. Tenancy
- 3. Liens
- 4. Recording systems
- 5. Boundary issues
- 6. Foreclosure

Contracts (Salesperson 5 items, Broker 7 items)

- 1. Timing
- 2. Contingencies
 - a. Inspections
 - b. Other
- 3. Validity
- 4. Provisions

Financing (Salesperson 3 items, Broker 3 items)

- 1. Seller Financing (e.g., Agreement of Sale, PMM)
- 2. Hawaii-Specific Institutional Financing
- 3. Usury laws

Escrow Process and Closing Statements (Salesperson 3 items, Broker 4 items)

- 1. Escrow responsibilities
- 2. Closing Responsibilities
- 3. Closing Statements

Professional Practices and Conduct (Salesperson 14 items, Broker 13 items)

- 1. Office management/supervision
 - a. Independent contractor vs. employee
 - b. Policies and procedures
- 2. Trust accounts and handling of funds
- 3. Advertising
- 4. Licensing laws and rules
 - a. Real estate brokers and salespersons
 - b. Professional and Vocational Licensing Act
- 5. Grounds for disciplinary action
 - a. Illegal conduct
 - i) discrimination in real property transactions
 - b. Unethical conduct
 - i) Standards of Practice
 - ii) Standard of Care

6. Agency Relationships and Disclosure of Agency

INSTRUCTOR EXAMINATION

GENERAL REAL ESTATE PRINCIPLES AND PRACTICES

I. Property ownership (Instructor 6 items)

- A. Real versus personal property; conveyances
- B. Land characteristics and legal descriptions
 - 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 Timeshares
 - 4. Condominiums Co-ops
 - 5. Ownership in severalty/sole ownership Life Estate ownership
 - 6. Property ownership held in trust (INSTRUCTOR ONLY)

II. Land use controls and regulations (Instructor 4 items)

- A. Government rights in land
 - 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
 - c) Flood zones
 - d) Wet lands
 - 4. Regulation of environmental hazards
 - d) Types of hazards
 - e) Abatement and mitigation
 - f) 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 (Instructor 4 items)

- 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 (Instructor 6 items)

- 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
 - 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

General principles of agency (Instructor 9 items)

- 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
- 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

- 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 (Instructor 4 items)

- A. Property condition
 - Property condition that may warrant inspections and surveys
 - 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 (Instructor 12 items)

- 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
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 - 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 (Instructor 4 items)

- 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 (INSTRUCTOR ONLY)

IX. Transfer of Title (Instructor 6 items)

- A. Title Insurance
 - 1. What is insured against
 - 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 (INSTRUCTOR 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
- 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 (Instructor 9 items)

- A. Trust/escrow accounts
 - 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
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 - a) Requirements for confidential information
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- D. Licensee and responsibilities
 - 1. Employee
 - 2. Independent Contractor
 - 3. Due diligence for real estate transactions
 - 4. Supervisory responsibilities (INSTRUCTOR ONLY)
 - c) Licensees
 - d) Unlicensed personnel
- E. Antitrust laws
 - 1. Antitrust laws and purpose

2. Antitrust violations in real estate

XI. Real estate calculations (Instructor 6 items)

- A. Basic math concepts
 - 1. Loan-to-value ratios
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 - 2. Prorations
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 - 5. Buyer funds needed at closing
 - Transfer fee/conveyance tax/revenue stamps
 - 7. PITI (Principal, Interest, Taxes and Insurance) payments
- C. Calculations for valuation, rate of return (INSTRUCTOR_ONLY)
 - 1. Net operating income
 - 2. Depreciation
 - 3. Capitalization rate
 - 4. Gross Rent and gross income multipliers

INSTRUCTIONAL METHODOLOGY

Instructional Methods and Techniques (10 Items)

- 1. General Adult Education Principles
- 2. Class Management
- 3. Instructional Techniques
- 4. Evaluation of Learning

Now you can take the practice exam online at <u>Click Here</u> to prepare for your Hawaii Real Estate Examination.

Please note that practice exams are intended only to help testing candidates become familiar with the general types of questions that will appear on a licensing examination. They ARE NOT a substitute for proper education and study. Furthermore, scoring well on the practice exam does not guarantee a positive outcome on an actual licensing examination.

Note: You may take the practice exams an unlimited number of times; however, you will need to pay each time.

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the National Real Estate Broker and Salesperson examinations. They are intended primarily to familiarize you with the style and format of questions you can expect to find in the examinations. The examples do NOT represent the full range of content or difficulty levels found in the actual examinations.

SAMPLE QUESTIONS

- A. Which of the following interests in property is held by a person who is granted a lifetime use of a property that will be transferred to a third party upon the death of the lifetime user?
 - 1. A life estate.
 - 2. A remainder estate.
 - 3. An estate for years.
 - 4. A reversionary estate.
- B. Which of the following statements BEST identifies the meaning of the term, "rescission of a contract"?
 - 1. A ratification of a contract by all parties.
 - 2. A return of all parties to their condition before the contract was executed.
 - 3. A transfer or assignment of a particular responsibility from one of the parties to another.
 - A review of the contract by the legal counsel of either party that may result in a cancellation without penalty or further obligation.
- C. Which of the following clauses in a mortgage allows the lender to demand loan repayment if a borrower sells the property?
 - 1. Defeasance
 - 2. Prepayment
 - 3. Acceleration
 - 4. Alienation
- D. How much cash MUST a buyer furnish in addition to a \$2,500 deposit if the lending institution grants a 90% loan on an \$80,000 property?
 - 1. \$5,500.
 - 2. \$6,975.
 - 3. \$7,450.
 - 4. None of the above.
- E. Which of the following single-family residences would get the MOST accurate appraisal by applying the reproduction cost approach to value?
 - 1. A rental property.
 - 2. A vacant property.
 - 3. A new property.
 - 4. An historic property.

Answers to Sample Broker Questions:

A: 1; B: 2; C: 4; D: 1; E: 4

SAMPLE BROKER OUESTIONS (SCENARIO-BASED)

PSI National Real Estate Broker Examination Instruction

IMPORTANT

Test questions appear on the screen **ONE AT A TIME.** A question may have an associated graphic displayed on the screen, or it may direct the candidate to reference material, such as a chart or diagram.

Each question may contain up to **EIGHT** options and **ONLY ONE BEST** option shall be selected to answer the question. Some options are appropriate but **NOT** the **BEST ANSWER**. Please select the option that best answers the question in the exam. A **BEST ANSWER** reflects the optimal solution or most complete resolution to the scenario presented in the question.

Scenario:

You are hosting an open house. Mr. and Mrs. Charles Martin come into the house. You greet them and show them the house. The Martins tell you the house is exactly what they are looking for and they are very interested in purchasing it. You then give them information showing the various types of financing available with down payment options and projected payments.

Mr. Martin tells you they have been working with Mary Hempstead of XX Realty, a competing real estate company. Before leaving, you thank them for coming and give them your business card.

- A. The first thing on Monday morning, Mrs. Martin calls and indicates they have tried to reach Mary and cannot. They indicate they have a written buyer's agent agreement with Mary's broker. They are afraid someone else is going to buy the house. Which of the following should you do? Select the best answer.
 - 1. Seek advice from your supervising broker.
 - 2. Tell them to come to your office.
 - Ask them to bring the buyer's agency agreement to you for your interpretation.
 - 4. Tell them to be patient and continue trying to reach Mary.
 - 5. Tell them to call Mary's supervising broker or branch manager.
 - Tell them you are really sorry, but there is nothing you can do.
- B. The Martins come to your office and explain that neither Mary nor her supervising broker are available. They insist you immediately write an offer for the house. How should you proceed? Select the best answer.
 - Write the offer after entering into a buyer's broker agreement with them.
 - 2. Write the offer after explaining they may owe Mary's broker a commission.
 - Write the offer after trying to contact Mary's broker yourself.
 - Refuse to write an offer and explain that doing so would be unethical.
 - 5. Refuse to write and offer since it would be illegal.
 - 6. Refuse to write the offer and tell the Martins to contact another Broker in Mary's office.

Answers (Points) to Sample Principal Broker Questions:

- A. 1 (2 points), 2 (1 point), 3 (0 point) 4 (0 point), 5 (1 point), 6 (0 point)
- B. 1 (1 point), 2 (2 points), 3 (1 point) 4 (0 point), 5 (0 point), 6 (0 point)

PSI Services LLC 3210 E Tropicana Las Vegas, NV 89121