



PSI Services LLC  
3210 E Tropicana  
Las Vegas, NV 89121  
Phone: (855) 898-0716  
Fax: (702) 932-2666  
E-mail: [examschedule@psionline.com](mailto:examschedule@psionline.com)  
[www.psiexams.com](http://www.psiexams.com)



## MONTANA BOARD OF REALTY REGULATION LICENSE EXAMINATIONS CANDIDATE INFORMATION BULLETIN

**COVID-19-CANDIDATES ARE REQUIRED TO BRING AND WEAR A FACEMASK TO THEIR APPOINTMENT. CANDIDATES WITHOUT THEM WILL BE TURNED AWAY. EXAMINEES WILL BE REQUIRED TO USE HAND SANITIZER WHEN REQUESTED BY CENTER STAFF.**

---

Examinations by PSI .....	2	Taking the Examination (Computer Based) .....	4
Examination Fees and Scheduling Procedures .....	2	Identification Screen .....	4
Examination Fees .....	2	Tutorial .....	4
Internet Scheduling .....	2	Test Question Screen .....	4
Telephone Scheduling .....	2	Examination Review .....	4
Canceling an Examination .....	2	Score Reporting .....	5
Missed Appointment or Late Cancellation .....	2	Duplicate Score Reports .....	5
Examination Accommodations .....	2	Tips for Preparing for your License Examination .....	5
Emergency Examination Center Closing .....	2	Examination Study Materials .....	5
Examination Site Locations .....	3	Examination Content Outlines .....	5
Reporting to the Examination Site .....	3	Experimental Questions .....	5
Required Identification .....	3	Applying for a License .....	9
Security Procedures .....	3	Exam Accommodations Request Form .....	End of Bulletin

Please refer to our website to check for the most updated information at [www.psiexams.com](http://www.psiexams.com)

## EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Bulletin provides you with information about the examination process for becoming licensed as a Real Estate Salesperson, Broker or Property Manager in the State of Montana.

The Montana Board of Realty Regulation has contracted with PSI Services LLC (PSI) to conduct the examination program. PSI works closely with the Board to make certain that these examinations meet the State's as well as nationally established technical and professional standards for examination development and administration. PSI provides these examinations through a network of computer examination centers in Montana and various locations throughout the United States.

For specific information about licensing procedures, contact the Montana Board of Realty Regulation at the following address:

Montana Board of Realty Regulation  
301 South Park, 4th Floor  
P.O. Box 200513  
Helena, MT 59620-0513  
Phone: 406-841-2300  
Website: [realestate.mt.gov](http://realestate.mt.gov)

## EXAMINATION FEES AND SCHEDULING PROCEDURES

EXAMINATION FEE	\$106
-----------------	-------

The examination fee is \$106 regardless if you are taking one portion or both portions.

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

To be eligible to apply for a salesperson or broker license in Montana, you must pass both the National and State portions of the examination.

## INTERNET SCHEDULING

For the fastest and most convenient examination scheduling process, PSI recommends that you register for your examinations using the Internet. You register online by accessing PSI's registration website at [www.psiexams.com](http://www.psiexams.com). Internet registration is available 24 hours a day.

- Log onto PSI's website and create an account. You will be asked to put in your email address and the spelling of your name exactly as it is shown on your identification that will be presented at the examination site.
- You will be asked to select the examination. You will then enter your personal and contact information. You will then be ready to pay (you must have a valid credit/debit card) and schedule for the examination. Enter your zip code and a list of the examination sites closest to you will appear.

## TELEPHONE SCHEDULING

Call (855) 898-0716, PSI registrars are available to receive payment and to schedule your appointment for the examination. To register by phone, you need a valid credit card (VISA, MasterCard, American Express or Discover.)

	Monday-Friday	Saturday-Sunday
Eastern Time	8:00am - 8:00pm	9:00am - 5:30pm
Central Time	7:00am - 7:00pm	8:00am - 4:30pm
Mountain Time	6:00am - 6:00pm	7:00am - 3:30pm
Pacific Time	5:00am - 5:00pm	6:00am - 2:30pm

## CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your cancellation notice is received a minimum of 2 calendar 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 reschedule online at [www.psiexams.com](http://www.psiexams.com) or call PSI at (855) 898-0716.

**Note:** A voice mail 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 2 calendar days before the scheduled 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. See page 5 for specific requirements.

## EXAMINATION ACCOMMODATIONS

All PSI examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodation will be made in meeting a candidate's needs. A candidate with a disability or a candidate who would otherwise have difficulty taking the examination must follow the instructions on the Examination Accommodation Request Form at the end of this Candidate Information Bulletin.

## 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 going to our website, [www.psiexams.com](http://www.psiexams.com) or by calling (855) 898-0716. Every effort will be made to reschedule your examination at a convenient time as soon as possible.



## EXAMINATION SITE LOCATIONS

City/State	Address	Driving Directions
Billings, Montana	2821 Augusta Lane, Aviation Hall, Room 102	From Grand Avenue, turn onto 17th Street going North. At the Rimrock Road stop light, turn left and the building is about 1/2 block from 17th Street on the left side. The building sits on Rimrock Road and Augusta. There is a large sign adjacent to the building that says Rocky Mountain College, Aviation Hall.
Billings, Montana	80 25th St West	From I-90, take Exit 446. Exit onto King Ave. W and go north. Continue on King Ave. W for one mile. Turn right and go north onto 24th St. W. Follow for one mile. Turn left onto Central Ave. and head west. First street on the right will be 25th St. W.
Helena, Montana	1075 N Rodney St., Ste. 111	From Cedar St/I-15 Bus S, turn left onto N Montana Ave. Turn right onto US-12 W/N Montana Ave. Turn left onto N Rodney St.
Kalispell, Montana	1880 Hwy 93 S., Kalispell City Airport	From the North-Follow Hwy 93 South through Kalispell until you see the Hilton Garden Inn on your right. Go to the next stoplight and turn right which is at Rosauers Grocery Store. Follow the road straight back until you hit the gravel road. We are at the end of the gravel road. From the South-As you come into Kalispell follow Hwy 93 North until you see Rosauers Grocery Store on your left. Make a left turn at the stoplight and follow the road straight back until you hit the gravel road. We are at the end of the gravel road.
Missoula, Montana	Lommasson Center 154, Career Services/Testing Services	From US Hwy 93 N-Follow U.S. 93 N into Missoula and cont. onto Brooks St. Turn right at South Ave. Cont. straight until you reach Arthur Ave. From US93 S Take the I-90 E ramp to Missoula. Merge onto I-90 E and Cont. to follow I-90 E into Missoula. From I-90 East Take exit 105 turn right at Van Buren St. From I-90 West Take exit 105 Turn Left onto Van Buren St. Then Take the 1st right onto E Broadway St. at the next signal turn left onto Madison St (signs for University.) Continue over the bridge and get in the left lane and merge onto Arthur Ave. Follow Arthur Ave. for 0.4 until you see the Lommasson Center Parking Lot on the left. <a href="http://www.umt.edu/homepage/map/">http://www.umt.edu/homepage/map/</a> (Hourly parking avail.)
Missoula, Montana	4045 Corporate Way Missoula, MT 59808	The test center is located at the east end of the Missoula Airport at 4045 Corporate Way on the Neptune Aviation/Northstar Jet campus. From Missoula: Go west on Broadway. Take a left onto Aviation Way (at mile marker 4, look for Missoula Bible Church sign). Aviation Way will bend to the right. Take the first left onto Corporate Way. Follow Corporate Way until Homestead Helicopter is on your right and turn right into the parking lot in front of Hangar 8 (indicated with red and white signage). From I-90: Take Airway Boulevard Exit 99. Go south onto Airway Boulevard. Proceed through the roundabout to the stoplight. At the stoplight, turn left onto Broadway. Take first available right turn onto Aviation Way. Aviation Way will bend to the right. Take the first left onto Corporate Way. Follow Corporate Way until Homestead Helicopter is on your left and turn right into the parking lot in front of Hangar 8 (indicated with red and white signage).

### REPORTING TO THE EXAMINATION SITE

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

### REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide 2 forms of identification. One must be a VALID form of government issued identification (driver's license, state ID, passport), which bears your signature and has your photograph. In addition, it must be current and unexpired. The second ID must have your signature and preprinted legal name.

#### PRIMARY IDENTIFICATION (with photo) - Choose One

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card
- US Government Issued Alien Registration Card

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

#### SECONDARY IDENTIFICATION - Choose One

- Credit Card (must be signed)
- Debit Card (must be signed)
- Wholesale store card (COSTCO, Sam's, etc.) (must be signed)

If you cannot provide the required identification, you must call (855) 898-0716 at least 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 permitted to take the examination.

## **SECURITY PROCEDURES**

The following security procedures will apply during the examination:

- An online calculator will be provided.
- Only non-programmable calculators that are silent, battery-operated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet will be allowed in the examination site.
- A piece of scratch paper and a pencil will be provided to you at check-in. You will return this to the proctor at the end of the examination.
- Candidates may take only approved items into the examination room.
- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include, but are not limited to**, the following items:
  - Electronic devices of any type, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
  - Bulky or loose clothing or coats that could be used to conceal recording devices or notes, including coats, shawls, hooded clothing, heavy jackets, or overcoats.
  - Hats or headgear not worn for religious reasons or as religious apparel, including hats, baseball caps, or visors.
  - Other personal items, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- 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.
- No smoking, eating, or drinking is allowed in the examination center.
- 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.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to

surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.

- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- 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. Candidate will not receive extra time to complete the examination.

## **TAKING THE EXAMINATION**

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

### **IDENTIFICATION SCREEN**

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

### **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**

The "Function Bar" at the top of the test question provides mouse-click access to the features available while taking the examination.

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.

The screenshot displays the PSI examination interface. At the top, a 'Function Bar' includes icons for Mark, Comments, Goto, Help, and End. Below this, a status bar shows 'Question: 3 of 40', 'Answered: 2', 'Unanswered: 1', 'Marked: 0', 'View: All', and 'Time Left(Min): 359'. The main question area contains the text: '3. What do the stars on the United States of America's flag represent?'. Below the question, it says '(Choose from the following options)'. There are four radio button options: '1. Presidents', '2. Colonies', '3. States', and '4. Wars'. At the bottom of the question area, there are '<< Back' and 'Next >>' buttons.

**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 Montana Board of Realty Regulation, will be consistently evaluating the examinations



being administered to ensure that the examinations accurately measure competency in the required knowledge areas. Comments may be entered by clicking the Comments link on the function bar of the test question screen. Your comments regarding the questions and the examinations are welcomed.

Comments will be analyzed by PSI examination development staff. While PSI does not respond to individuals regarding these comments, all substantive comments are reviewed. If an error affecting examination scores is discovered as a result, which occurs very rarely, the examination scores of all affected candidates will be automatically adjusted. **This is the only review of the examination available to candidates.**

**Now you can take the practice exam online at [www.psiexams.com](http://www.psiexams.com) to prepare for your 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.

## SCORE REPORTING

Your score will be given to you immediately following completion of the examination.

The following summary describes the score reporting process:

- If you **pass**, you will receive a successful score report.
- If you **do not pass**, you will receive a diagnostic report indicating your strengths and weaknesses by examination type on the score report.

## DUPLICATE SCORE REPORTS

You may request a duplicate score report after your examination by emailing [scorereport@psionline.com](mailto:scorereport@psionline.com) or by calling (855) 898-0716.

## PREPARATION TIPS FOR THE EXAMINATION

The following suggestions will help you prepare for the examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as your starting point.
- Take notes on what you study. Putting information in writing helps you commit it to memory, and it is also an excellent business practice. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes.

Concentration tends to wander when you study for longer periods of time.

## EXAMINATION STUDY MATERIALS

The following is a list of possible study materials for the real estate examinations. The list is given to identify resources and does not constitute an endorsement by PSI or by the Board. Use the latest edition available.

### NATIONAL PORTION OF THE EXAMINATION

- *Real Estate Fundamentals*, 9th Edition, 2015, Gaddy and Hart, Dearborn Real Estate Education, (800) 972-2220, [www.dearborn.com](http://www.dearborn.com)
- *Modern Real Estate Practice*, 19th Edition, Galaty, Allaway, and Kyle, Dearborn Real Estate Education, (800) 972-2220, [www.dearborn.com](http://www.dearborn.com)
- *Real Estate Law*, 9th Edition, 2016, Elliot Klayman, Dearborn Real Estate Education, (800) 972-2220, [www.dearborn.com](http://www.dearborn.com)
- *The Language of Real Estate*, 7th Edition, 2013, John Reilly, Dearborn Real Estate Education, (800) 972-2220, [www.dearborn.com](http://www.dearborn.com)
- *Real Estate Principles & Practices*, 9th Edition, 2014, Arlyne Geschwender, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, [www.oncoursepublishing.com](http://www.oncoursepublishing.com) ISBN 0324784554
- *Real Estate Principles*, 12th Edition, Charles Jacobus, OnCourse Publishing, N19W24075 Riverwood Drive, Suite 200, Waukesha, WI 53188, 855-733-7239, [www.oncoursepublishing.com](http://www.oncoursepublishing.com) ISBN 1285420985
- *Real Estate Math*, 7th Edition, 2014, Linda L. Crawford, Dearborn Real Estate Education, (800)972-2220, [www.dearborn.com](http://www.dearborn.com)
- *Property Management*, 10th edition, 2016, Kyle, Robert C., Baird, Floyd M. and Kyle, C. Donald, Chicago: Dearborn Real Estate Education
- *Principles of Real Estate Practice*, 6th edition, 2019, Mettling, Stephen and Cusic, David, Performance Programs Company, [www.performanceprogramscompnay.com](http://www.performanceprogramscompnay.com)

## EXAMINATION CONTENT OUTLINES

### EXAMINATION SUMMARY TABLE

Examination	Portion	# of Scored Items (points)	Time Allowed	Passing Score
Salesperson	National	80 items (80 points)	120 Minutes	56 points
	State	33 items (33 points)	90 Minutes	23 points
	Combo (both portions)	113 items (113 points)	210 Minutes	79 points
Broker*	National	75 items (80 points)	120 Minutes	60 points
	State	40 items (40 points)	90 Minutes	30 points
	Combo (both portions)	115 items (120 points)	210 Minutes	90 points





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

## **EXPERIMENTAL QUESTIONS**

A small number of “experimental” questions (i.e., 5 to 10) may be administered to candidates during the examinations. These questions will not be scored, and the time taken to answer them will not count against testing time. The administration of such unscored, experimental questions is an essential step in developing future licensing exams.

## **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.

### **GENERAL PORTION CONTENT OUTLINE FOR SALESPERSONS AND BROKERS**

- 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. 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 CONTENT OUTLINE FOR SALESPERSONS AND BROKERS**

- I. **The Real Estate Licensing Agency's Powers (Salesperson 2 Items; Broker 2)**
  - A. Investigations, Hearings and Appeals
  - B. Sanctions
    - a) Disciplinary Actions
    - b) Penalties
  - C. Examination of Records
- II. **Licensing (Salesperson 2 Items; Broker 2)**
  - A. Activities Requiring a License
  - B. License Renewal
  - C. Change in License
- III. **Requirements Governing the Activities of Licensees (Salesperson 25 Items; 26 Items)**
  - A. Advertising
  - B. Broker/Salesperson Relationship
  - C. Compensation
  - D. Disclosure

- a) Conflict of Interest
    - b) Property Disclosure
    - c) Agency Disclosure
  - E. Handling of Documents
  - F. Handling of Monies
  - G. Listings
  - H. Illegal Inducements/Ethics

**IV. Additional Topics (Salesperson 4 Items; Broker 4 Items)**

- A. Recovery/Surety Fund
- B. Land Description
- C. Common Interest Ownership/Condominium
- D. Landlord/Tenant Relationship
- E. Foreclosure and Redemption
- F. Statue of Frauds

**V. Additional Broker Topics (Broker Only - 6 Items)**

- A. Trust Accounts
- B. Supervision
- C. Place of Business
- D. Recordkeeping
- E. Closing Statements

**CONTENT OUTLINE FOR PROPERTY MANAGEMENT**

**Category**

- 1. Americans With Disabilities Act (2 Items)
- 2. Business (11 Items)
- 3. Contracts (4 Items)
- 4. Fair Housing (7 Items)
- 5. Landlord Tenant Law (20 Items)
- 6. Lead Based Paint (2 Items)
- 7. Leasing Principles (4 Items)
- 8. Calculations (8 Items)
- 9. State Licensing Law (8 Items)
- 10. Trust Account (4 Items)

**SAMPLE QUESTIONS**

The following questions are offered as examples of the types of questions you will be asked during the course of the Montana National real estate salesperson and broker 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 SALESPERSON 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.
  4. 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.
4. Tell them to be patient and continue trying to reach Mary.
  5. Tell them to call Mary's supervising broker or branch manager.
  6. 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.
1. 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.
  3. Write the offer after trying to contact Mary's broker yourself.
  4. 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 Salesperson in Mary's office.

#### Answers (Points) to Sample 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);

#### IF YOU PASS THE EXAMINATION

You are responsible for submitting your completed application and appropriate fees to the Montana Board of Realty Regulation. You can download a license application or apply online from the Board of Realty Regulation website at [realestate.mt.gov](http://realestate.mt.gov) or contact the board office. Examination results are only valid for one year from the passing examination date per rule 24.210.611 (3).

#### Answers to Sample Salesperson Questions:

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

#### SAMPLE BROKER QUESTIONS (SCENARIO-BASED)

##### 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.
  3. Ask them to bring the buyer's agency agreement to you for your interpretation.





All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990.

Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by [Clicking Here](#).

**Requirements for exam accommodation requests:**

You are required to submit documentation from the medical authority or learning institution that rendered a diagnosis. Verification must be uploaded to PSI on the letterhead stationery of the authority or specialist and include the following:

- Description of the disability and limitations related to testing
- Recommended accommodation/modification
- Name, title and telephone number of the medical authority or specialist
- Original signature of the medical authority or specialist

**MAKE SURE YOU ARE REGISTERED FOR THE EXAMINATION BEFORE  
REQUESTING EXAMINATION ACCOMMODATIONS**

PSI Services LLC  
3210 E Tropicana  
Las Vegas, NV 89121