



PSI Services LLC
3210 E Tropicana
Las Vegas, NV 89121
<https://test-takers.psiexams.com/iare>
examschedule@psionline.com
(855) 898-0712

*Before paying for
your examination registration,
be sure you understand
the contents of this bulletin.
Please retain and use it as a reference
when contacting PSI.*

LICENSING INFORMATION BULLETIN

IOWA REAL ESTATE COMMISSION

200 E Grand, Ste 350
Des Moines, Iowa 50309
(515) 725-9022
<https://plb.iowa.gov/board/real-estate-sales-brokers>

Copyright © 2023 by PSI Services LLC

Effective 10/1/2023

TABLE OF CONTENTS

| <u>TOPIC</u> | <u>PAGE</u> | <u>TOPIC</u> | <u>PAGE</u> |
|---|-------------|---|-------------|
| Examinations by PSI Services LLC | 1 | Exam Accommodations | 11 |
| Licensing Qualifications | 1 | Registration Expiration | 11 |
| Nonresident Licenses | 1 | Scheduling an Appointment | 11 |
| Iowa Portion Examinations | 1 | Canceling an Appointment | 11 |
| Instructions for License Qualification | 2 | Scheduling a Re-Examination | 11 |
| Examination Study Materials | 2 | Missed Appointment or Late Cancellation | 11 |
| Types of Examinations Given | 2 | Emergency Examination Center Closing | 11 |
| Tips for Preparing for Your License Examination | 3 | Examination Center Locations | 12 |
| Description of Examinations & Examination | | Reporting to the Examination Center | 12 |
| Experimental Questions | 3 | Required Information | 12 |
| Content Outlines | 4 | Security Procedures | 13 |
| National Portion | 4 | Taking the Examination by Computer | 14 |
| Iowa State Portion | 6 | Tutorial | 14 |
| Sample Questions | 6 | Test Question Screen | 14 |
| Scheduling Procedures | 8 | Examination Review | 14 |
| On-line, via the Internet Scheduling | 8 | Score Reporting | 14 |
| Telephone Registration | 11 | License Application Instructions | 15 |

PSI PHONE DIRECTORY

FOR . . .

Scheduling Appointment (24 hours)
 PSI Customer Service (Mon - Fri, 6:30 a.m. - 7:00 p.m. Central Time)
 Questions About Application for License

CONTACT . . .

<https://test-takers.psiexams.com/iare>
 (855) 898-0712
 Iowa Real Estate Commission
 515-725-9022
realestatecommission@iowa.gov

Fee Schedule

Examination Fee:

| | |
|-------------------------|------|
| Salesperson Examination | \$95 |
| Broker Examination | \$95 |

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE.

IOWA EXAMINATION PROCEDURE CHECKLIST

Before registering for an examination, make sure that you have reviewed the following checklist.

Prepare for your examination(s):

- Use the examination content outline provided in this bulletin as the basis of your study (see page 3).

Schedule for your examination(s):

- Via the internet at <https://test-takers.psiexams.com/iare> or
- Call (855) 898-0712.

Each examination registration expires after 90 days. You MUST take the examination within 90 days of registration.

Take your examination(s):

Bring one of the following original items to the Examination Center (required):

- Prelicense Education Completion Certificate (must be a paper copy); or
- If you have a waiver, the letter of authorization from the Commission; or
- If you plan to apply under 193E–5.3(543B) or on the basis of previous experience, a letter of authorization from the Commission.

DO NOT REGISTER FOR THE EXAMINATION UNLESS YOU HAVE OBTAINED ONE OF THE ABOVE ORIGINAL ITEMS

- Must bring one form of identification which bear your signature and have your photograph.
Your name as shown on the application form must exactly match the name on the photo I.D. used when checking in at the examination site.
- Arrive 30 minutes prior to appointment.

After your examination(s):

- Upon passing the examination, submit the required documents and fee to the Iowa Real Estate Commission.

Note: If you have questions regarding the license application, please contact the Commission at (515) 725-9022, or email: realestatecommission@iowa.gov

EXAMINATIONS BY PSI SERVICES LLC

The Commission has contracted with PSI Services LLC (PSI) to conduct its examination program. PSI will provide computerized examinations through a network of testing centers. PSI works closely with the Real Estate Commission and its Examination Review Commission to be certain that examinations meet state requirements and test development standards. Our real estate examination program has been awarded certification by the Association of Real Estate License Law Officials (ARELLO). All questions and requests for information about examinations should be directed to:

PSI
3210 E Tropicana
Las Vegas, NV 89121
(855) 898-0712
<https://test-takers.psiexams.com/iare>
examschedule@psionline.com

Questions about applications for licensure should be directed to the:

IOWA REAL ESTATE COMMISSION
200 E. Grand, Ste. 350
Des Moines, IA 50309
(515) 725-9022
realestatecommission@iowa.gov
<https://plb.iowa.gov/board/real-estate-sales-brokers>

LICENSING QUALIFICATIONS

This bulletin provides you with information about the license examination and application process for becoming licensed as either a real estate salesperson or real estate broker in the state of Iowa. The Iowa Real Estate Commission is authorized by Chapter 543B, Code of Iowa, to qualify individuals who wish to operate as real estate salespersons or brokers as defined by Iowa statutes. To be licensed, you must pass an examination to confirm that you have attained at least a minimum level of knowledge regarding the statutes and regulations affecting the real estate profession. After passing this examination, you must apply to the Iowa Real Estate Commission to obtain a license. Once the Commission has verified that you have met all of the requirements for licensure (detailed below), the Commission will issue the appropriate license. In order to qualify for an Iowa real estate license, you must

1. Be a person 18 years of age or over. (You may actually sit for the exam before you are 18 but you must be 18 before you make application for a license, which must be within six months after you pass the exam.)

2. Be a person whose application has not been rejected for licensure in this or any other state within twelve months prior to the date of application, and whose real estate license has not been revoked in this or any other state within two years prior to date of application.

In addition:

Applicants for the Salesperson Examination must successfully complete the Commission-approved 60-hour pre-license course in real estate education during the 12 months prior to taking the salesperson examination. A list of schools is available from the Iowa Real Estate Commission. (Go to <https://plb.iowa.gov/board/real-estate-sales-brokers> and click on "Education Index".)

Applicants for the Broker Examination must successfully complete 60 hours of Commission-approved Broker pre-license education within 24 months prior to taking the broker examination. Further, a broker applicant must be a licensed real estate salesperson actively engaged in real estate for a period of at least 24 months preceding the date of application.

NONRESIDENT LICENSES

A nonresident of Iowa may be licensed as a real estate broker or salesperson upon complying with the requirements, as provided in section 543B.15, Code of Iowa, and 193E-5.3. The applicant must also provide the Real Estate Commission with certification from the state of original licensure that the applicant is currently licensed in that state, that no charges against the applicant are currently pending, and that the applicant's record in that state justifies the issuance of a license in Iowa. The Commission may waive the requirement of an examination in the case of a nonresident broker who is licensed in a state whose laws have similar requirements and where similar recognition and courtesies (called reciprocity) are extended to real estate brokers and salespersons licensed in Iowa. Contact the Iowa Real Estate Commission for further details and procedures for nonresident licensure.

IOWA PORTION EXAMINATIONS

Iowa Real Estate Commission Rules and Regulations 193E-5.3 (543B) stipulates that individuals who are licensed by examination as real estate salespersons or brokers in states which do not have a reciprocity agreement with Iowa must pass an Iowa state portion examination to be issued a comparable Iowa license. The state portion examination is limited to Iowa real estate laws and practices. In order to qualify to take this examination, you must contact the Commission to receive a letter of authorization. That letter must be shown at the examination center on the day of the examination. (There will be no exceptions).

INSTRUCTIONS FOR LICENSE QUALIFICATION

To make the license qualification process go as smoothly as possible, be certain that you follow through on:

1. PREPARATION:

Prepare yourself for the examination by using the exam outline in this bulletin and the suggested study materials that cover the outline topics.

2. REGISTRATION:

Mail your exam registration at least two weeks before you want to take the exam. Be sure that the registration form is complete and accurate, and that you include the correct fees. If incorrect, the form and the fees will be returned to you unprocessed.

3. CANCELLATION:

Read and understand the exam registration expiration and cancellation provisions.

4. IDENTIFICATION:

Take the exam on the day you have scheduled. Be sure to bring proper identification.

5. APPLICATION:

After you have passed your examination, send your license application form, any other required information, and the correct fees to the Iowa Real Estate Commission **no later than the last business day of the sixth month following the qualifying examination date.** Filing deadlines are **ABSOLUTE**.

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 State Real Estate Commission. 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
- *Modern Real Estate Practice*, 19th Edition, Galaty, Allaway, and Kyle, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *Real Estate Law*, 9th Edition, 2016, Elliot Klayman, Dearborn Real Estate Education, (800) 972-2220, www.dearborn.com
- *The Language of Real Estate*, 7th Edition, 2013, John Reilly, Dearborn Real Estate Education, (800) 972-2220, 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 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 ISBN 1285420985

- *Real Estate Math*, 7th Edition, 2014, Linda L. Crawford, Dearborn Real Estate Education, (800)972-2220, 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

STATE PORTION FOR IOWA LAWS, RULES, AND REGULATIONS

- Iowa Code Chapter 543B
- Iowa Administrative Code Chapter 193E (Rules of the Iowa Real Estate Commission)
- Iowa Fair Housing Guide

TYPES OF EXAMINATIONS GIVEN

The following are the examinations offered by PSI Services LLC:

- Salesperson Examination
- Broker Examination
- Iowa Portion Only/Salesperson Examination
- Iowa Portion Only/ Broker Examination

Note: Prior written authorization to take the Iowa portion only examinations **MUST** be received from the Iowa Real Estate Commission and will be required at the examination center.

Now you can take the practice exam online at <https://test-takers.psiexams.com/iare> to prepare for your Iowa 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.

TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your license examination. Planned individual preparation in addition to the required classroom hours increases your likelihood of passing.

- Start with a current copy of the Licensing Information Bulletin.
- Use the exam content outline as the basis of your study. The outline itself is a study tool because it can familiarize you with the real estate terms.
- Learn the major points associated with each outline topic. Major points include definition, use, and eligibility.
- Select study materials and courses that cover all the topics in the content outline.
- 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.
- Read the study materials, making sure you understand each item before going on to another. Underline or highlight key ideas that will help with a later review.
- Check each topic off the outline when you feel you have an adequate understanding. Plan to take your examination when all topics have been checked.
- 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.

DESCRIPTION OF EXAMINATIONS & EXAMINATION CONTENT OUTLINES

The Examination Content Outlines have been approved by the Iowa Real Estate Commission. These outlines reflect the minimum knowledge required by the real estate professionals to perform their duties to the public in a competent and responsible manner. Changes in the examination content will be preceded by changes in these published examination content outlines.

Use the outlines as the basis of your study. The outlines list all of the topics that are on the examination and the weightings for each topic. Do not schedule your examination until you are familiar with all topics in the outlines.

For national broker exams, scenario-based test questions are included to contain more than four 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. These items are associated with scenarios presented in the form of text, graphs, or tables representing a situation in which candidates must identify the best course of action by selecting only one option. Each option is weighted as zero-point, one-point, or two-points based on the completeness and accuracy of the solution. Sample questions are provided.

The Examination Summary Table below shows the number of questions and the time allowed for each exam portion.

EXAMINATION SUMMARY TABLE

| Examination | Portion | # of Questions (Points) | Passing Score | Time Allowed |
|-------------|----------|-------------------------|---------------|--------------|
| Salesperson | National | 80 (80 points) | 56 | 120 minutes |
| | State | 40 (40 points) | 28 | 60 minutes |
| | Both | 120 (120 points) | 84 | 180 minutes |
| Broker * | National | 75 (80 points) | 60 | 120 minutes |
| | State | 40 (40 points) | 30 | 60 minutes |
| | Both | 115 (120 points) | 90 | 180 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.

National Portion

(REAL ESTATE PRINCIPLES AND PRACTICES) CONTENT OUTLINE

I. Property Ownership (*Sales 10%, Broker 10%*)

- A. Real and personal property; conveyances**
- B. Land characteristics and legal descriptions**
 - 1. Metes and bounds method of legal property description
 - 2. Lot and block (recorded plat) method of legal property description
 - 3. Government survey (rectangular survey) method of legal property description
 - 4. Measuring structures (linear and square footage)
 - 5. Land measurement
- C. Encumbrances and effects on property ownership**
 - 1. Types of liens and their effect on the title and value of real property
 - 2. Easements, rights of way and licenses, including their effect on the title, value and use of real property
 - 3. Encroachments and their effect on the title, value and use of real property
 - 4. Potential encumbrances on title, such as probate, leases, or adverse possession
 - 5. Property rights that may be conveyed separately from use of the land surface, such as mineral and other subsurface rights, air rights, or water rights
- D. Types of ownership**
 - 1. Ownership in severalty/sole ownership
 - 2. Implications of ownership as tenants in common
 - 3. Implications of ownership in joint tenancy
 - 4. Forms of common-interest ownership, such as Timeshares, Condominiums and Co-ops
 - 5. Property ownership held in a trust or by an estate
 - 6. Ownership by business entities
 - 7. Life Estate ownership

II. Land use Controls (*Sales 5%, Broker 5%*)

- A. Government rights in land**
 - 1. Government rights to impose property taxes and special assessments
 - 2. Government rights to acquire land through eminent domain, condemnation and escheat
- B. Government controls on land use**
- C. Private controls**
 - 1. Deed conditions or restrictions on property use
 - 2. Subdivision covenants, conditions and restrictions (CC&Rs) on property use
 - 3. Condominium and owners' associations regulations or bylaws on property use

III. Valuation (*Sales 8%, Broker 8%*)

- A. Appraisals**
 - 1. Appraisals for valuation of real property
 - 2. Situations which require appraisal by a licensed or certified appraiser and brokerage-related actions that constitute unauthorized appraisal practice
 - 3. General steps in appraisal process
- B. Estimating Value**
 - 1. Economic principles and property characteristics that affect value of real property
 - 2. Sales or market comparison approach to property valuation and appropriate uses
 - 3. Cost approach to property valuation and appropriate uses
 - 4. Income analysis approach to property valuation and appropriate uses
- C. Comparative Market Analysis (CMA)**
 - 1. Competitive/Comparative Market Analysis (CMA), BPO or equivalent
 - 2. Automated Valuation Method (AVM), appraisal valuation and Comparative Market Analysis (CMA)

IV. Financing (*Sales 10%, Broker 9%*)

- A. Basic Concepts and Terminology**
 - 1. Loan financing (for example, points, LTV, PMI, interest, PITI)
 - 2. General underwriting process (e.g., debt ratios, credit scoring and history)
 - 3. Standard mortgage/deed of trust clauses and conditions
 - 4. Essential elements of a promissory note
- B. Types of Loans**
 - 1. Conventional loans
 - 2. Amortized loans, partially amortized (balloon) loans, interest-only loans
 - 3. Adjustable-rate mortgage (ARM) loans
 - 4. Government Loans
 - a. FHA insured loans
 - b. VA guaranteed loans
 - c. USDA/Rural Development loan programs
 - 5. Owner financing (for example, installment or land contract/contract for deed)
 - 6. Reverse-mortgage loans
 - 7. Home equity loans and lines of credit
 - 8. Construction loans
 - 9. Rehab loans
 - 10. Bridge loans
- C. Financing and Lending**
 - 1. Real Estate Settlement Procedures Act (RESPA), including kickbacks
 - 2. Truth-in-Lending Act (Regulation Z), including advertising
 - 3. Requirements and time frames of TRID (TILA-RESPA Integrated Disclosures)

4. Equal Credit Opportunity Act
5. Lending Process (application through loan closing)
6. Risky loan features, such as prepayment penalties and balloon payments

V. **Contracts (Sales 19%, Broker 19%)**

A. **General Contract Law**

1. General principles of contract law
2. Elements necessary for a contract to be valid
3. Effect of the Statute of Frauds
4. Offer and a contract
5. Enforceability of contracts
6. Void, voidable and unenforceable contracts
7. Bilateral and unilateral contracts
8. Nature and use of option agreements
9. Notice, delivery, acceptance and execution of contracts
10. Appropriate use, risks, and advantages of electronic signatures and paperless transactions
11. Rights and obligations of the parties to a contract
12. Possible remedies for breach or non-performance of contract
13. Termination, rescission and cancellation of contracts

B. **Purchase and Lease Contracts**

1. Addenda and amendments to contracts
2. Purchase agreements
3. Contract contingencies and methods for satisfying them
4. Leases and rental agreements
5. Lease-purchase agreements
6. Types of leases

C. **Proper handling of multiple offers and counteroffers**

VI. **Agency (Sales 13%, Broker 13%)**

A. **Agency and non-agency relationships**

1. Agency relationships and how they are established
2. Types of listing contracts
3. Buyer brokerage/tenant representation contracts
4. Other brokerage relationships, including transaction brokers and facilitators
5. Powers of attorney and other assignments of authority
6. Conditions for termination of agency or brokerage service agreements

B. **Agent Duties**

1. Fiduciary duties of agents
2. Agent's duties to customers/non-clients, including honesty and good faith

C. **Agency Disclosures**

1. Disclosure of agency/representation
2. Disclosure of possible conflict of interest or self-interest

VII. **Property Disclosures (Sales 7%, Broker 7%)**

A. **Property Condition**

1. Seller's property condition disclosure requirements
2. Property conditions that may warrant inspections or a survey
3. Red flags that warrant investigation of public or private land use controls

B. **Environmental and Government Disclosures**

1. Environmental issues requiring disclosure
2. Federal, state, or local disclosure requirements regarding the property

C. **Disclosure of material facts and material defects**

VIII. **Property Management (Sales 3%, Broker 5%)**

A. **Duties and Responsibilities**

1. Procurement and qualification of prospective tenants
2. Fair housing and ADA compliance specific to property management
3. How to complete a market analysis to identify factors in setting rents or lease rates
4. Property manager responsibility for maintenance, improvements, reporting and risk management (*BROKER ONLY*)
5. Handling landlord and tenant funds; trust accounts, reports and disbursements (*BROKER ONLY*)
6. Provisions of property management contracts (*BROKER ONLY*)

B. **Landlord and tenant rights and obligations**

IX. **Transfer of Title (Sales 6%, Broker 6%)**

A. **Types of deeds**

B. **Title Insurance and Searches**

1. Title insurance policies and title searches
2. Potential title problems and resolutions
3. Marketable and insurable title

C. **Closing Process**

1. When transfer of ownership becomes effective
2. Process and importance of recordation
3. Settlement procedures (closing) and parties involved
4. Home and new construction warranties

D. **Special Processes**

1. Special issues in transferring foreclosed properties
2. Special issues in short sale transactions
3. Special issues in probate transactions

X. **Practice of Real Estate (Sales 12%, Broker 12%)**

A. **Antidiscrimination**

1. Federal Fair Housing Act general principles and exemptions
2. Protected classes under Federal Fair

- Housing Act
- 3. Protections against discrimination based on gender identity and sexual orientation
- 4. Prohibited conduct under Federal Fair Housing Act (Redlining, Blockbusting, Steering, Disparate Treatment)
- 5. Fair housing advertising rules
- 6. Americans with Disabilities Act (ADA) obligations pertaining to accessibility and reasonable accommodations
- B. Legislation and Regulations**
- 1. Licensees' status as employees or independent contractors
- 2. Antitrust laws and types of violations, fines and penalties
- 3. Do-Not-Call List rule compliance
- 4. Proper use of Social Media and Internet communication and advertising
- C. Duties and Responsibilities**
- 1. Protection of confidential personal information (written, verbal or electronic)
- 2. Duties when handling funds of others in transactions
- 3. Licensee responsibility for due diligence in real estate transactions
- D. Supervisory Responsibilities (BROKER ONLY)**
- 1. Broker's supervisory responsibilities (licensees, teams and unlicensed assistants and employees) (BROKER ONLY)
- 2. Broker relationship with licensees (employees or independent contractors and governing rules) (BROKER ONLY)

XI. Real Estate Calculations (Sales 7%, Broker 6%)

- A. Calculations for Transactions**
- 1. Seller's net proceeds
- 2. Buyer funds needed at closing
- 3. Real property tax and other prorations
- 4. Real property transfer fees
 - 5. PITI (Principal, Interest, Taxes and Insurance) payments estimate given loan rate and term
- B. General Concepts**
- 1. Equity
- 2. Rate of return/Capitalization rate
- 3. Loan-to-Value ratio
- 4. Discount points and loan origination fees

| Topic Area | Sales-person Items | Broker Items |
|--|--------------------|--------------|
| Licensing Requirements | 2 | 2 |
| License Maintenance | 3 | 4 |
| Disciplinary Actions - Suspension, Revocation and Voluntary Compliance | 4 | 4 |
| Real Estate Education | 3 | 2 |
| Trust Accounts | 3 | 4 |
| Contracts | 7 | 5 |
| Agency | 6 | 4 |
| Prop Disclosure Requirements | 5 | 3 |
| Iowa Civil Rights Act of 1965 | 1 | 1 |
| Unlicensed Assistants | 2 | 2 |
| Broker Responsibilities | 2 | 6 |
| Property Management | 2 | 3 |

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.
 - 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.

State Portion

State Real Estate Laws and Commission Rules includes a knowledge of state legislation as outlined in The Code of Iowa (Chapter 543B) and Iowa Administrative Code (193E) dealing with real estate licensing. Also included is a knowledge of legislation and rules governing transfer taxes, property taxes, and fair housing.



- 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 QUESTIONS (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.
 3. 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.
 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 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)

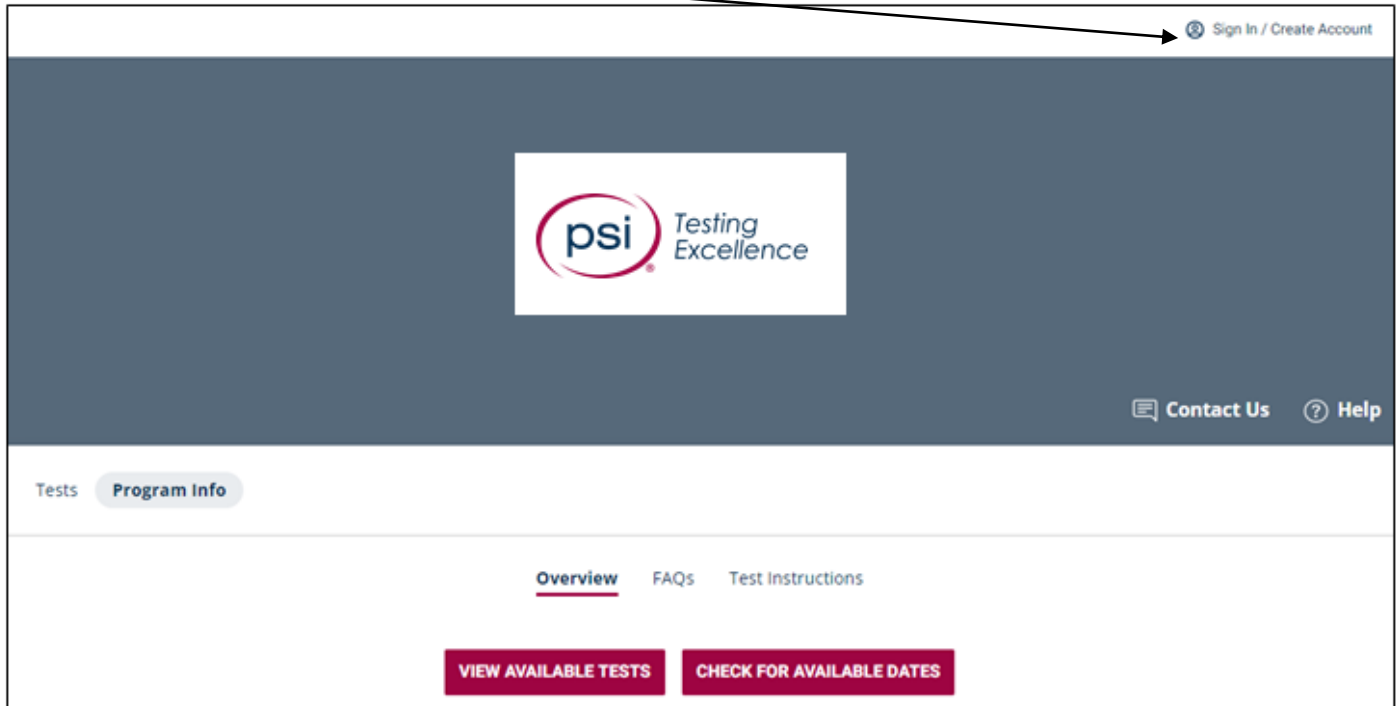
B. 1 (1 point), 2 (2 points), 3 (1 point)
4 (0 point), 5 (0 point), 6 (0 point)

EXAMINATION SCHEDULING PROCEDURES

Examination Fee \$95.00
NOTE: EXAMINATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE.

For the fastest and most convenient examination scheduling process, register for your examinations online by accessing PSI's registration Website: (<https://test-takers.psiexams.com/iare>)

Select Sign In/Create Account



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.

| | |
|--------------------|-------------|
| ID * | |
| First Name * | Last Name * |
| Middle Name | Generation |
| Email * | |
| Password * | |
| Confirm Password * | |

Your password must contain:

- At least one capital letter A-Z
- At least one lower case letter a-z
- At least one number 0-9
- At least one special character !@#V\$%V^&V*
- At least 8 and up to 32 characters

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

Modality

Site Proctored Atlas Remote Proctored

Scheduling at a Test Center

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

Search Test Center Location

City, province, or postal code

Radius



Choose a Date and Time

Select a date and time to book an appointment.

October 2021

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|-----|-----|-----|-----|-----|-----|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

Available Selected

Time slots available for October 08, 2021

You are now ready to pay.

Payment

Billing Address

Address 1 *

Address 2

Address 3

City *

Order Summary

Commercial Contractor Practice Test
Mechanical Bus and Law \$100.00 USD

Total Price

CONTINUE

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

Booking Confirmed!! [Print Confirmation](#)

Email Address: asingla81@psionline.com Home Phone: 111224444 Office Phone: 2221112345

Scheduling via Remote Proctor

Select a date and time to book an appointment.

Choose a Date and Time

The screenshot shows a calendar for October 2021. The date '8' is selected. To the right, a box titled 'Time slots available for October 08, 2021' shows two options: '08:00 AM' and '01:30 PM'.

You are now ready to pay.

The payment page includes a 'Billing Address' form with fields for Address 1, Address 2, Address 3, and City. An 'Order Summary' box shows 'Commercial Contractor Practice Test' for '\$100.00 USD'. A 'CONTINUE' button is at the bottom right.

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

The 'Review Booking' page displays: Email Address: asingla81@psionline.com, Home Phone: 111224444, Office Phone: 2221112345. The booking is for Wednesday, October 06, 2021 at 5:30 PM Pacific Time. A checkbox is checked for 'By continuing, you agree to The Company's Conditions of Use And Privacy Notice.' A 'CONFIRM' button is at the bottom right.

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 COMPATIBILITY OF YOUR COMPUTER to include Audio/Video Check, Webcam Check and System Check. Prior to testing, **CLICK HERE**.

The 'Bookings' page shows a countdown timer: '1 DAYS 0 HOURS 22 MINUTES until test'. It lists the booking for Wednesday, October 06, 2021 at 5:30 PM Pacific Time. A red arrow points from the 'CLICK HERE' text in the previous block to the 'HERE' link in this screenshot. A 'LAUNCH' button is at the bottom right.

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.

TELEPHONE REGISTRATION

PSI registrars are available at (855) 898-0712 to receive payment and to schedule your appointment for the examination. Please call Monday through Friday between 6:30 am and 9:00 pm, and Saturday-Sunday between 8:00 am and 4:30 pm, Central Time.

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

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 [Clicking Here](#).

REGISTRATION EXPIRATION

After registering for an examination, you must take that exam within 90 days or forfeit the registration fee. Your Registration Confirmation Notice will contain your expiration date. If you fail to take an exam during the 90 days, you will need to re-apply and pay another registration fee. **NOTE: You must TAKE the exam within 90 days and not just schedule for one. If you have not scheduled an exam by the 80th day, you will run the risk of not being able to take the exam by the 90th day due to weekends, holidays, or non-testing days. The 90-day period is intended to accommodate emergencies that may arise soon after registering for an exam. It is advisable that you schedule your appointment soon after receiving your confirmation notice.**

SCHEDULING AN APPOINTMENT

You are responsible for making an appointment to take the examination. PSI will make every effort to schedule the examination center location and time that is most convenient for you.

CANCELING AN APPOINTMENT

You may cancel and reschedule an appointment with no penalty, if your **cancellation notice is received 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.)

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

SCHEDULING A RE-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 access a registration form at <https://test-takers.psiexams.com/iare>. You may also call PSI at (855) 898-0712.

MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, and you will not be able to take the examination if you:

- cancel your appointment with less than 2 days' notice: or
- do not appear for appointment; or
- arrive too late to begin your examination without disrupting the center's schedule (usually more than 15 minutes late); or
- do not present proper identification and pre-license education documents when you arrive for the examination (see "Required Identification"); or
- do not schedule and take your examination prior to the last business day of the 90-day registration expiration period.

EMERGENCY EXAMINATION CENTER CLOSING

In the event that severe weather or another emergency forces the closure of an examination center on a scheduled examination date, your examination will be rescheduled. You will be contacted in this situation; however, you may check the status of your examination schedule by calling (855) 898-0712. 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/iare>.

EXAMINATION CENTER LOCATIONS

The three Iowa examination center locations are located in Council Bluffs, West Des Moines, and Cedar Rapids. Driving instructions are provided below, but it is advisable that you refer to a map when trying to get to your examination center.

Council Bluffs

1705 McPherson, Suite 300
Council Bluffs, IA 51503

From I-80 take Exit #5, MADISON AVE. Go North toward Hy-Vee. Turn right at light on Bennett Ave. Go approx. 1 mile to T-intersection at McPherson. Driveway is on right just before the intersection.

West Des Moines

1001 Office Park Road, Suite 315
West Des Moines, IA 50265

From I-235, exit 8th St/73rd Street and proceed south. Turn right on Office Park Road. Turn right into the driveway.

Cedar Rapids/Iowa City Area

Erbs Business Center
4935 Bowling Street SW, Suite C
Cedar Rapids, IA 52404

From I-380, take US 30 east and exit the first exit Bowling Street/Kirkwood Boulevard. Proceed north on Bowling Street approximately ¼ mile. Turn right into the Erbs business center driveway. The examination center is in the southern annex, to the right.

Additionally, PSI has examination centers in many other regions across the United States. You may take the written examination at any of these locations by following the instructions on the Exam Accommodations Request Form found at the end of this bulletin.

REPORTING TO THE EXAMINATION CENTER

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

- 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
- Canadian Government Issued ID

One of the following items is to be shown at the examination center on the test day and is to be retained and submitted with the application for licensure. There are no exceptions, all candidates testing must comply with one of the following.

You must bring a hard copy of this document so the site may make a photocopy of it. You must present this every time you test.

1. Your Pre-license Education Completion Certificate(s) for Iowa Real Estate (60 hours for Salesperson examination; 60 hours for Broker examination); *or*
2. If you have been granted a waiver of pre-license education, a letter of authorization from the Commission for either the Salesperson or Broker; *or*
3. If you plan to apply for license under 193E–5.3 (543B) or on the basis of experience from a previous license period, a letter of authorization from the Commission. If you cannot provide a letter of authorization from the Commission at the examination center, you will not be allowed to take the examination.

Salespersons must present one Certificate; Brokers must present nine certificates. Failure to provide appropriate 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 this 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.

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:
 - 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.
 - 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.

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 Iowa Real Estate Commission, will be consistently evaluating the examination being administered to ensure that the examination accurately measure competency in the required knowledge areas. Your comments regarding the questions and the examination are welcomed. **This is the only review of examination materials available to applicants.**

IMPORTANT: You may review items and make comments during the time allotted for your exam. No review is available once the exam has been completed (scored) or time has expired. Comments submitted after the examination will not be reviewed.

SCORE REPORTING

In order to pass the examinations, you must achieve the minimum score on each part of the examination.

| Salesperson | <u>Passing Score</u> |
|-------------------------------------|-----------------------------|
| Combined (National and State) | 84 |
| State Portion | 28 |
| Broker | |
| Combined (National and State) | 90 |
| State Portion | 30 |

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.

Examination results are confidential and will be reported only to you and the Iowa Real Estate Commission.

If you pass the examination, you will receive a real estate license application form with your score report. **You are responsible for submitting your application to the Iowa Real Estate Commission no later than the last business day of the sixth month after the qualifying examination date.**

If you do not pass, you must retake the examination before you can be licensed. Submit a new registration form and the appropriate fee to PSI and schedule an appointment to retake the examination.

LICENSE APPLICATION INSTRUCTIONS

The license process cannot begin until you have passed the examination and received a passing score report. You will receive instructions on how to submit an application through the Iowa Professional Licensing Bureau's online licensing portal, "My Iowa PLB." Questions regarding the license application process should be directed to the Commission (telephone: (515) 725-9022,

E-Mail: realestatecommission@iowa.gov). Do not contact PSI. In addition to the requirements that follow, each applicant must be able to establish his/her honesty, trustworthiness, competency, and good reputation beyond a doubt to the satisfaction of the Commission to be licensed as a Salesperson or Broker.

Iowa Real Estate Commission
200 E Grand, Ste 350
Des Moines, IA 50309

SALESPERSON CANDIDATES

Filing deadlines are ABSOLUTE. You **MUST** apply for your real estate salesperson's license **no later than the last business day of the sixth month** following the qualifying examination test date.

You may NOT file an original application as "inactive." You will need a sponsoring broker to sign the Broker Certification section of your application for license, verifying that you are associated either with or engaged by that broker. You **MUST** have a broker sign to get your original license.

You will need to submit a certificate of completion of the required 60-hour pre-license course with the application. (Not applicable to persons applying under the Rule 193E-5.3 (543B) or by reciprocity.)

If you have any questions concerning the acceptability of your hours, please contact the Real Estate Commission **prior to filing your application for the examination** – your class work must be completed **prior to taking the examination**.

You will need to attach to your license application the following items:

1. A license fee of \$125.
2. A pass notice from the examination service.
3. Proof of completion of the 60-hour pre-license course prior to taking the examination and obtaining a license. This must be in the form of a completion certificate(s).
4. Proof of E&O Insurance.
5. An applicant applying for an original salesperson license must provide evidence of successful completion of the following courses: 12 hours of Developing Professionalism and Ethical Practices, 12 hours of Buying Practices and 12 hours of Listing Practices. This education is in addition to the 60-hour salesperson prelicense course. The applicant must complete all the required education during the 12 months prior to the date of application.

In completing your application:

1. You must complete the "Nonresident Consent" section of the application if you reside outside of Iowa.
2. You must provide the notarized signature of your employing broker on your license application form.
3. You must have your signature notarized on the license application form.

BROKER CANDIDATES

Filing deadlines are ABSOLUTE. After you have passed the examination, you **MUST** apply for your real estate broker's license **no later than the last business day of the sixth month** following the qualifying examination test date.

You will need to attach to your license application the following items:

1. A license fee of \$170.
2. A pass notice from the examination service.
3. Proof of completing 60 hours of education within 24 months prior to taking the examination.

4. Your Iowa salesperson license, or an explanation, if your license has been held inactive or if you do not have an Iowa salesperson license.
5. Proof of E&O Insurance.

In completing your application:

1. You must complete the “Nonresident Consent” section of the application if you reside outside of Iowa.
2. You must have your signature notarized on the license application form.
3. If your application is for a proprietor, partner or officer and you intend to accept earnest monies you must submit a “Consent to Examine and Audit Trust Account” form. If not, you must submit a “Trust Account Status Affidavit.” These forms can be obtained from the Real Estate Commission or at <https://plb.iowa.gov/board/real-estate-sales-brokers>.

PSI Services LLC
3210 E Tropicana
Las Vegas, NV 89121