PSI Services LLC
Phone: (855) 579-4640
E-mail: examschedule@psionline.com
https://test-takers.psiexams.com/hire

HAWAII REAL ESTATE COMMISSION



REAL ESTATE SALESPERSON, BROKER, AND INSTRUCTOR EXAMINATION

CANDIDATE INFORMATION BULLETIN

Effective 12/10/25 candidates will be required to upload the pre-licensing certificate(s) and/or certificate(s) issued by the HI RE Commission prior to testing. PSI will review the certificate(s) and either approve or deny testing within 3 business days. If you are approved, you will receive a Welcome to PSI eligibility email that will assist you in scheduling your examination. If you are denied, you will have a message in your online account outlining the missing information.

Once approved you will no longer need to show the documentation at check-in.

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

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Effective 1/16/2026

EXAMINATIONS BY PSI SERVICES LLC

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

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

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

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

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

LICENSURE REQUIREMENTS

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

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

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

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

EXAMINATION REQUIREMENTS

Salesperson and Broker Candidates

All candidates must:

- Be eighteen (18) years of age or older at the time of examination.
- Be a United States citizen, a United States national, or an alien authorized to work in the United States.
- Has earned a high school diploma, or its equivalent.
- Upload an unexpired Hawaii School Completion Certificate OR an ORIGINAL Prelicensing Education Equivalency Certificate for Real Estate License Examination.
- Upload a valid and ORIGINAL Equivalency to Uniform Section of Examination Certificate, if applicable.
- Applicants for licensure restoration must contact the Licensing Branch at (808) 586-3000 at the time of application for further information and assessment of fees and penalties due, if any. Candidates restoring a license will bring a **Restoration Application** signed by the Executive Officer of the Real Estate Commission for the State of Hawaii.

Broker Candidates

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

- Have received an Experience Certificate for Real Estate Broker's Examination from the Commission before taking the examination. Broker candidates must upload a valid and ORIGINAL Experience Certificate for Real Estate Broker's Examination.

Real Estate Instructor Candidates

There are no requirements for this examination.

LICENSING REQUIREMENTS

Salesperson and Broker Candidates

All salesperson and broker candidates must:

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

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

Real Estate Instructor Candidates

All real estate instructor candidates must:
- Complete the application for instructor certification.
- Pay the certification fees as printed on the application.

EXAMINATION SCHEDULING PROCEDURES

FEES

Broker and Salesperson Examination Fee	$61
The fee is $61 for the examination, regardless if you take one (1) or both examination portions.	
Instructor Examination Fee	$50

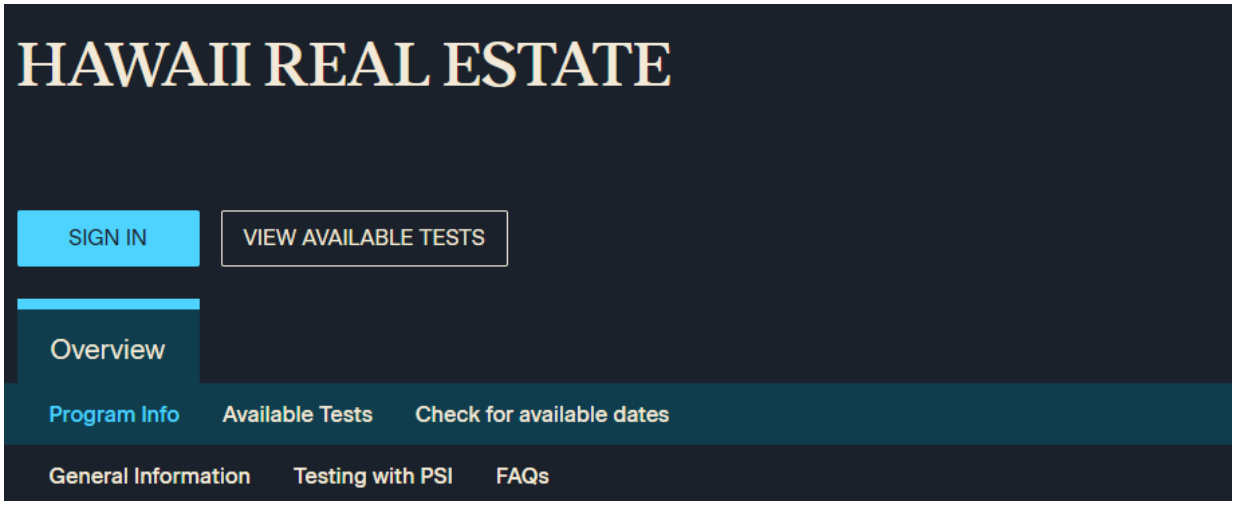
NOTE: EXAMINATION FEES ARE NOT REFUNDABLE OR TRANSFERABLE. THE EXAMINATION FEE IS VALID FOR ONE YEAR FROM THE DATE OF PAYMENT.

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Click Here for Step-by-step instructions

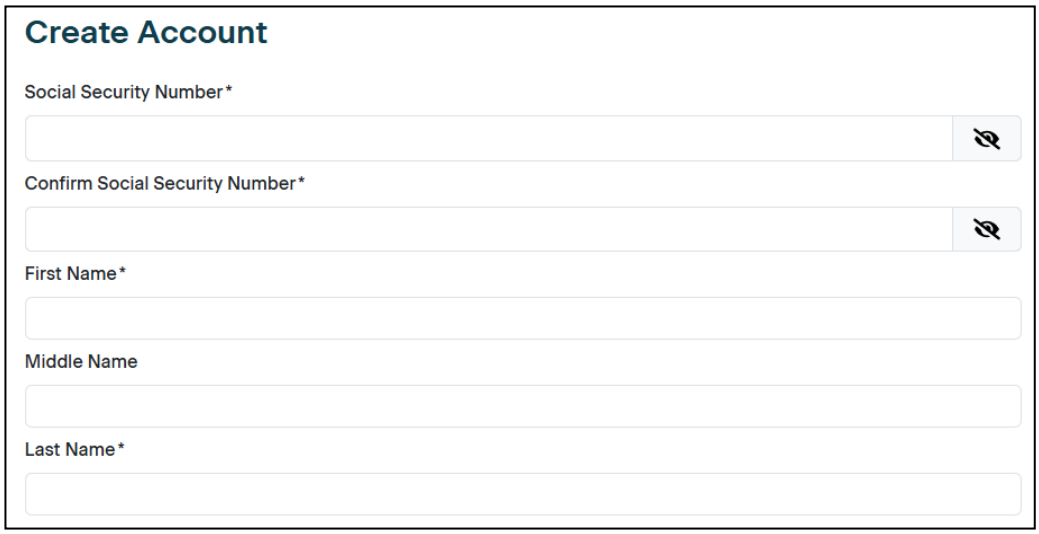
ON-LINE SCHEDULING

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

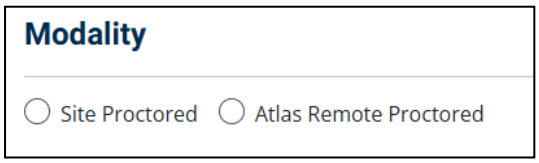


4. You will be prompted to **CREATE AN ACCOUNT** with PSI.

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

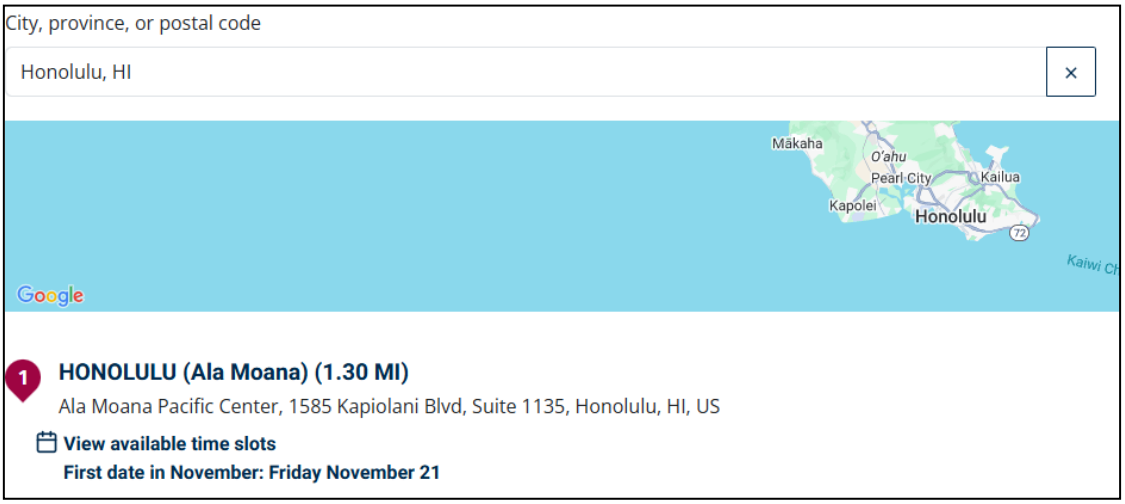


3. Once you have been approved to test, select your test format: (Test Center) or (Remote Proctored).

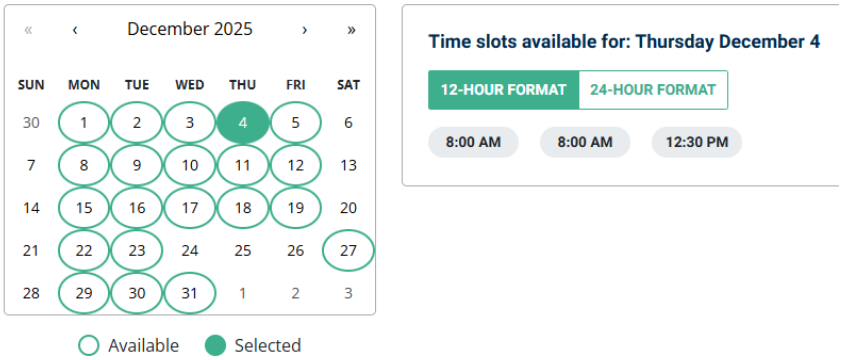


Scheduling at a Test Center

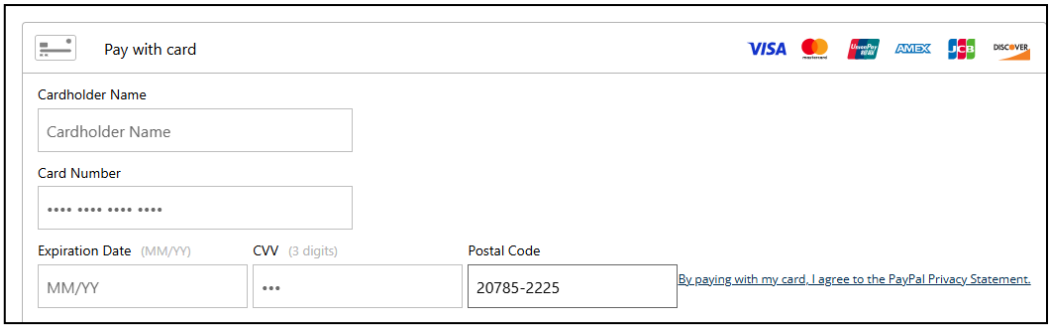
1. Enter the "City or Postal Code" and select **FIND.**



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



3. You are now ready to pay.



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

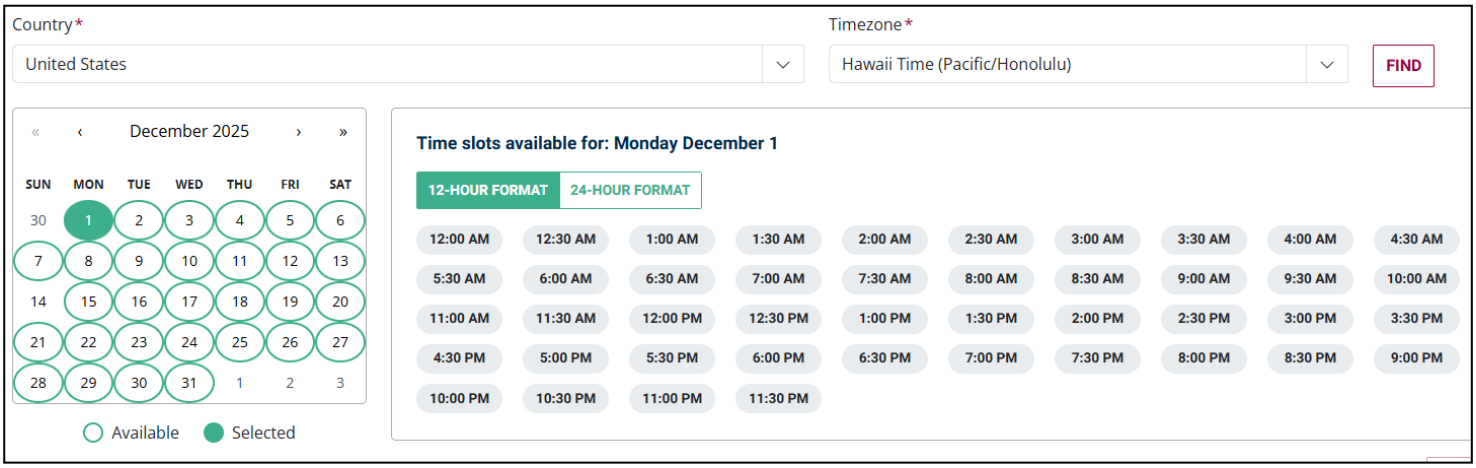
Thank you for booking your test with our *test taker portal*. Your test appointment is confirmed. Please take a moment to review this email for important information about your test.

Here are the details of your confirmed appointment:

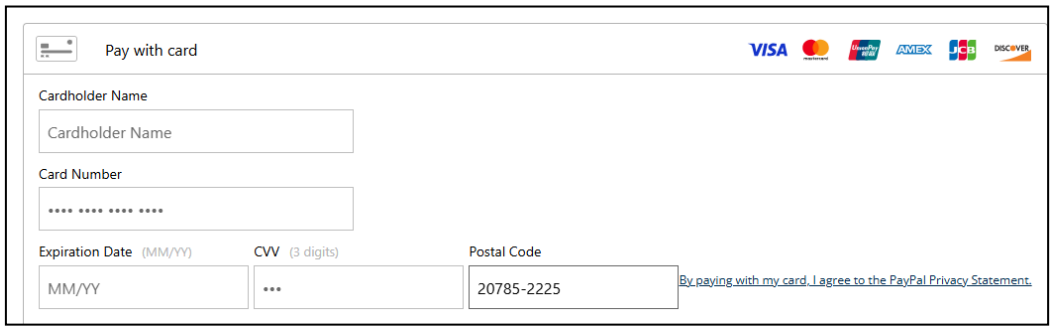
Test: HI Real Estate Salesperson (English)
Date: December 06, 2025
Start: 10:00:00 Pacific/Honolulu
Duration: 240 minutes
Location: HONOLULU (Ala Moana)
Honolulu, HI 96814 US

Scheduling via Remote Proctor

1. Select a date and time to book an appointment. Select *Hawaii Time (Pacific/Honolulu)*.



1. You are now ready to pay.



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

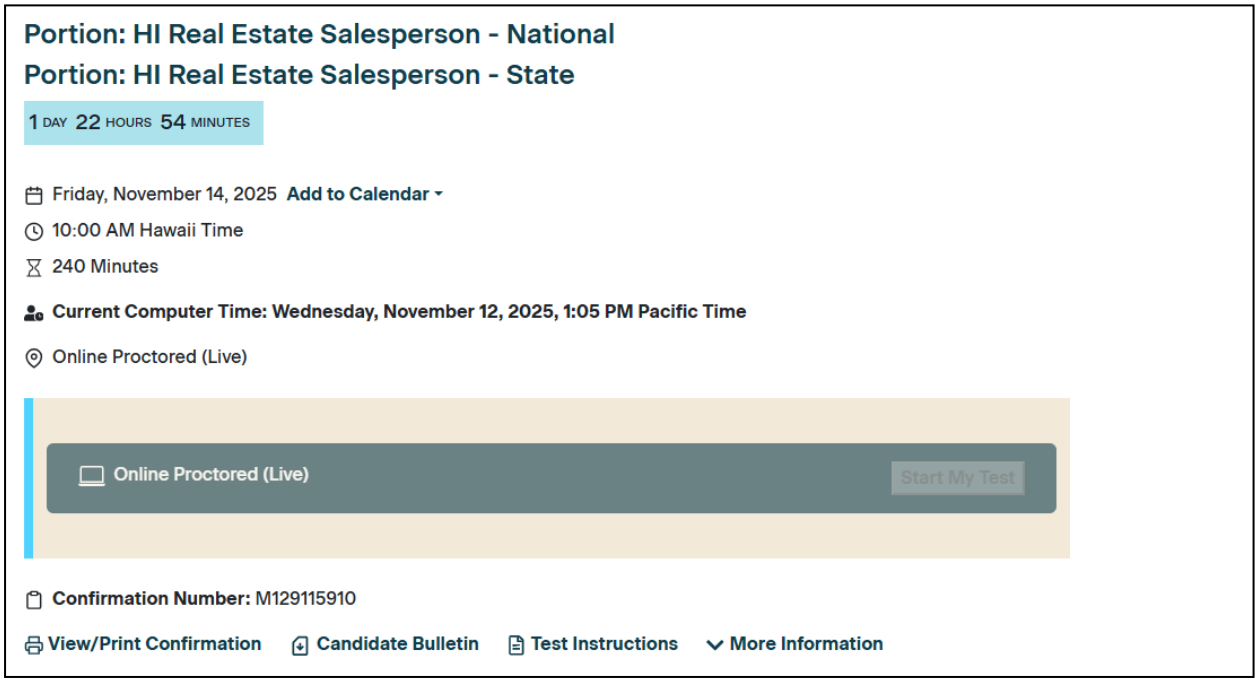
Thank you for booking your test with our *test taker portal*. Your test appointment is confirmed. Please take a moment to review this email for important information about your test.

Here are the details of your confirmed appointment:

Test: HI Real Estate Salesperson (English)
Date: November 14, 2025
Start: 10:00:00 Pacific/Honolulu
Duration: 240 minutes
Location: Online Proctored Test

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

3. Your booking will now display in your account.



Please Note: You must click the launch button within 30 minutes of your booked test time or you will be considered absent. 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

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

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

RETAKING A FAILED EXAMINATION

The examination is divided into two (2) sections: uniform (general) and state. Candidates who pass one section of the examination but fail the other section need retake only the failed section, as long as the candidate retakes the failed section within two (2) years of the date of the first passed section and the candidate has an unexpired Hawaii School Completion Certificate or Prelicensing Education Equivalency Certificate for Real Estate License Exam, and also an unexpired Experience Certificate for Real Estate Broker's Examination (if a Broker candidate). Candidates who have not passed both sections of the examination within two (2) years of the first passed section must retake both sections.

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

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

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

CHANGE/CANCEL AN EXAMINATION APPOINTMENT

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

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

MISSED APPOINTMENT OR LATE CANCELLATION

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

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

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

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

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

EXAM ACCOMMODATIONS

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

IMPORTANT: YOU MUST FILL OUT THIS FORM WHEN REQUESTING TO TEST OUT-OF-STATE. YOU MUST CONTACT PSI TO PAY AND SCHEDULE. YOU CANNOT PAY AND SCHEDULE VIA ON-LINE.

EXAMINATION SITE CLOSING FOR AN EMERGENCY

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

EXAMINATION SITE LOCATIONS

KAPAA
KAPAA - SHERATON KAUAI COCONUT BEACH RESORT
1010 CORPORATE DRIVE
KAPAA, HI 96746
Testing is at the one of the meeting rooms in the Sheraton Kauai Coconut Beach Resort.

HONOLULU
ALA MOANA PACIFIC CENTER
1585 KAPIOLANI BLVD, SUITE 1135
HONOLULU, HI 96814

KAHULUI - UNIVERSITY OF HAWAII MAUI COLLEGE II
310 W. KA'AHUMANU AVENUE
THE LEARNING CENTER
KAHULUI, HI 96732

KAILUA KONA
Kailua Kona - PUEO Testing Center
75-5737 KUAKINI HWY.
KAILUA KONA, HI 96740
The parking lot will be on the second right in the brown Chamber of Commerce building. When you arrive, see Proctor on the ground floor Room 104C for a free parking pass.

Additionally, PSI has examination centers in many other regions across the United States. You may take this examination at any of these locations by submitting alternative arrangements at Clicking Here.

REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive 15 minutes before your appointment.

Click here for a video of the Test Center Experience

Click here for a video of the Remote Testing Experience

REQUIRED IDENTIFICATION

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

NOTE: ID must contain candidate's signature, photo, be valid and unexpired.
- Government-issued Driver's License
- U.S. Dept. of State Driver's License
- U.S. Learner's Permit (plastic card only with photo and signature)
- National/State/Country Identification Card
- Passport
- Passport card
- Military ID (will not be accepted for remote testing)
- Military ID for spouses and dependents (will not be accepted for remote testing)
- Alien Registration Card (Green Card, Permanent Resident Visa)

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Click Here for Step-by-step instructions

Once approved you will no longer need to show the documentation at check-in.

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

SECURITY PROCEDURES

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

All examinations are closed book.

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

Prohibited Items:

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

Prohibited Behavior:

- Giving or receiving assistance on an examination.
- Copying or communicating examination content.
- Using outside references or resources during an exam, examples:
    - Browsing other local resources.
    - Browsing the internet.
    - Attempting to use a computer or computer program not provided or approved by PSI.
    - Attempting to use a telephone or mobile device.
    - Using notepad on the computer.
    - Using an application on the computer not provided by PSI.
- Engaging in disruptive behavior during check-in or during an exam, examples:
    - 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.
- Testing environment must be clear, quiet, and free from distraction including no unauthorized persons or activity appear on the video monitors or in the audio recordings.
- 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.
- 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.

Click here for the Tutorial in English

EXAMINATION REVIEW

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

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

SCORE REPORTING

The passing scores (percentages) are as follows:

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

Your score will be displayed on screen at the end of the examination and a score report will be emailed to you. If you fail, the emailed score report will include the diagnostic report indicating your strengths and weaknesses by examination type. You may print the score report from your online account.

DESCRIPTION OF EXAMINATIONS

EXAMINATION SUMMARY TABLE

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

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

EXPERIMENTAL QUESTIONS

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

CONTENT OUTLINES

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

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

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

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

SALESPERSON/BROKER EXAMINATION

UNIFORM (GENERAL) PORTION

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

STATE PORTION

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

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

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

1. Condominiums
2. Cooperatives
3. Time sharing plans
4. Land trust
5. Planned Unit Development

Property Management (Salesperson 5 items, Broker 5 items)

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

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

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

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

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

Contracts (Salesperson 5 items, Broker 7 items)

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

Financing (Salesperson 2 items, Broker 2 items)

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

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

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

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

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

INSTRUCTOR EXAMINATION

I. Property Ownership (Instructor 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 (Instructor 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 (Instructor 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 (Instructor 10%)

A. Basic Concepts and Terminology

1. Loan financing (for example, points, LTV, PMI, interest, PITI)
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4. Equal Credit Opportunity Act
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V. Contracts Instructor 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
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6. Void, voidable and unenforceable contracts
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8. Nature and use of option agreements
9. Notice, delivery, acceptance and execution of contracts
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C. Proper handling of multiple offers and counteroffers

VI. Agency (Instructor 13%)

A. Agency and non-agency relationships

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B. Agent Duties

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

C. Agency Disclosures

3. Disclosure of agency/representation
4. Disclosure of possible conflict of interest or self-interest

VII. Property Disclosures (Instructor 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 (Instructor 3%)

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 (Instructor 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 (Instructor 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)
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1. Protection of confidential personal information (written, verbal or electronic)
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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 Instructor 7%)

C. 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

D. General Concepts

1. Equity
2. Rate of return/Capitalization rate
3. Loan-to-Value ratio
4. Discount points and loan origination fees

INSTRUCTIONAL METHODOLOGY

Instructional Methods and Techniques (10 Items)

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

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.

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)