



DESCRIPTION OF EXAMINATIONS

EXAMINATION TYPE	PORTION	# OF ITEMS	TIME ALLOWED	PASSING SCORE
Salesperson	Uniform (General)	100		75%
Salesperson	State	30		75%
Salesperson	Total	130		
Broker	Uniform (General)	100		75%
Broker	State	30		75%
Broker	Total	130		

Content Outline

Guam law requires all applicants for an Original Salesman's and/or an Original Broker's License to complete a 30-hour pre-licensing course from an approved pre-licensing school or instructor. Upon completion, the applicant must successfully pass a pre-licensing examination approved by Guam's Real Estate Commissioner. The examination is divided into 2 sections: The Uniform portion which tests the applicant's knowledge of general real estate terminology and concepts, and the State portion which tests the applicant's knowledge and understanding of specific rules, regulations, and laws as they apply to the practice of real estate on Guam. Both portions of the examination will be graded separately and the applicant must demonstrate a passing score for each portion. The examination will be administered by the University of Guam and held on the first (1st) Friday of every month.

The following outline should serve as a representative guide for pre-examination review course material.

Uniform Portion

Introduction to Real Estate (Salesman 3 questions; Broker 1 questions)
1. Understand how supply and demand affect the real estate market
2. Understand factors that affect supply and demand
3. Understand who NAR is; who is GAR; Code of Ethics
Real Property (Salesman 5 questions; Broker 4 questions)
1. Definition and Understanding of Land, Real Estate, and Real Property; Ownership Rights; Bundle of Rights; Surface, Subsurface, Air, and Water Rights
2. Economic and Physical Characteristics of Real Property
3. Real Property vs Personal Property
4. Personal Property: Definition and Types of Personal Property; Fixtures; Trade Fixtures



Fair Housing (Salesperson 4 questions; Broker 4 questions)
1. Understanding of Equal Opportunity in Housing; Civil Rights Act of 1866; Fair Housing Act; Protected Classes Under the Fair Housing Act; Exceptions to Fair Housing Act; Americans with Disabilities Act
2. Blockbusting, Steering, Redlining
3. Enforcement of Fair Housing Act
Interests In Real Estate (Salesperson 5 questions; Broker 5 questions)
1. Estates in Land: Freehold, Fee Simple, Fee Simple Defeasible, Fee Simple Determinable, Life Estate, Remainder and Reversionary Interests, Homestead
2. Encumbrances: Liens, Covenants, Conditions & Restrictions (CC&R's), Easements, Licenses, Encroachments, Lis Pendens
3. Government Powers: Eminent Domain, Condemnation, Police Power, Taxation, Escheat
Forms of Real Estate Ownership (Salesperson 5 questions; Broker 5 questions)
1. Ownership in Severalty
2. Co-Ownership: Tenancy in Common, Joint Tenancy, Tenancy by the Entirety, Community Property, Rights of Survivorship, Partition
3. Corporations, Partnerships, Trusts
4. Condominiums, Cooperatives, and Time-Shares
Land Description (Salesperson 2 questions; Broker 2 questions)
1. Lot-and-Block Method, Plat Map
2. Survey: Datum, Monuments, Benchmarks, USGS
3. Units of Land Measurement: Mile, Acre, Meter, Square Foot
Title Transfer (Salesperson 5 questions; Broker 5 questions)
1. Definition of Title
2. Transfer of Title: Voluntary Alienation: Sale, Gift
3. Transfer of Title: Involuntary Alienation: Escheat, Condemnation, Foreclosure, Adverse Possession
4. Deeds: Definition and Purpose; Grantor, Grantee; Requirements for a Valid Deed
5. Legal Terminology for Transfer Documents and Recipients ("or vs ee")
6. Execution of Corporate Deeds: Corporate Resolution, Authorized Officer
7. Types and Differences between Deeds
8. Deed of Trust: Trustor, Trustee, Beneficiary, Reconveyance
9. Adverse Possession; Easement by Prescription
10. Dying Testate and Intestate
11. Wills
12. Probate



Title (Salesperson 5 questions; Broker 5 questions)
1. Public Records, Department of Land Management, Recordation, Constructive and Actual Notice, Priority of Liens, Subrogation
2. Chain of Title, Quiet Title Action
3. Title Search, Abstract of Title, Marketable Title, Certificate of Title
4. Title Insurance: Purpose of obtaining Title Insurance; Defect in Title; Preliminary Title Report; Types of Policies: Owner's and Lender's
5. Title Insurance Coverage: Standard, Extended, Items Not Covered. ALTA Policy
Real Estate Brokerage (Salesperson 3 questions; Broker 3 questions)
1. Purpose of License Laws
2. Definition of Real Estate Brokerage: Relationship of Broker and Sales/Broker Associate; Definition and Difference between Independent Contractor; Employee
3. Broker Compensation: Understand how, why, when Commissions are paid to the Broker; Procuring Cause; Understand and Calculate Commission Split with Sales Associate or Broker Associate
Real Estate Agency (Salesperson 4 questions; Broker 4 questions)
1. Understanding of and Definition of Agency: Relationship between Agent and Principal; Who is Agent and Who is Principal
2. Creation of Agency: Express Agency, Implied Agency, Compensation
3. Agent's Fiduciary Responsibilities
4. Types of Agents: General, Special, Universal
5. Agency Disclosure Requirements: Single Agency, Dual Agency, Difference between Buyer and Seller Representation, Disclosed vs Undisclosed Dual Agency
6. Termination of Agency
7. Difference between Agent's Responsibility to Client and to Customers; Who is a Client and who is a Customer
8. Opinion vs Fact: Puffing and Misrepresentation
9. Purpose and Use of Seller's Disclosures for Property Conditions: Latent Defects, Stigmatized Property, Megan's Law
Client Representative Agreements (Salesperson 4 questions; Broker 4 questions)
1. Listing Agreement: Contract between Agent and Principal
2. Types of Listing Agreements: Exclusive Right To Sell; Exclusive Agency; Open Listing
3. Net Listing Agreements: What are they and are they Legal on Guam
4. Multiple Listing Service: What is it and how does it work
5. Termination of Listing Agreements
6. CMA: What is it and how is it used with Listing Agreements
7. General Information needed to prepare Listing Agreement
8. Understand Buyer Representative Duties
9. Termination of Duties



Real Estate Contracts (Salesperson 5 questions; Broker 5 questions)
1. Definition of a Contract: 5 Elements that need to be present for a Valid Contract
2. Statute of Frauds
3. Types of Contracts: Express and Implied; Bilateral and Unilateral; Executed and Executory
4. Difference between Valid, Void, and Voidable Contract
5. Assignment and Novation
6. Contingencies, Amendments, and Addendums as they apply to Purchase Contracts
7. Breach of Contract; Termination of Contracts
8. Statute of Limitations
9. Offer, Counter-Offer, Acceptance
10. Earnest Money Deposit; Liquidated Damages
11. Equitable Title vs Legal Title
12. Concepts of Owner Financing
Real Estate Taxes and Other Liens (Salesperson 5 questions; Broker 5 questions)
1. Definition of Lien
2. Types of Liens: Voluntary, Involuntary, Statutory, Equitable
3. Lien Classification: Specific and General
4. Effects of Liens on Title to Property; Priority and Subordination of Liens
5. Real Estate Tax Liens: Ad Valorem Tax
6. Assessment, Equalization, Tax Rates, Calculating Tax Bills, Use of Mills
7. Enforcement of Tax Liens: Tax Sale, Statutory/Equitable Right of Redemption
8. Mortgage Lien: Type and Nature of Lien
9. Mechanic's Lien: Type and Nature of Lien
10. Judgment: Definition, Types, Effect on Property
11. Lis Pendens: Definition, How it Effects Property
12. Writ of Attachment: Definition, How if Effects Property
Real Estate Finance (Salesperson 7 questions; Broker 7 questions)
1. Pro's and Con's of Renting vs Owning Real Estate
2. Mortgage Terms and Payment Plans: Principal, Interest, Taxes, Insurance (PITI)
3. Understand importance of Credit; Credit Scores; FICO
4. Mortgage Qualification Terms: Debt to Income (DTI); Standard Qualifying Ratios: 28% and 36%; Be able to calculate
5. Mortgage Documentation: Promissory Note and Mortgage; Understand Features, Terms, and Relationship between Promissory Note and Mortgage
6. Loan Origination Fee vs Discount Points vs Points
7. Mortgagor vs Mortgagee
8. Lien Theory vs Title Theory



9. Deed of Trust: Trustor, Trustee, Beneficiary; Difference between Deed of Trust and Mortgage; Pro's and Con's of Each Security Instrument
10. Tax and Insurance Reserves: What are they and how are they calculated
11. Alienation Clause in Promissory Note
12. Priorities of Mortgages or Deeds of Trust: Understand related risk to lender
13. Types of Loans and their Key Features: Straight; Amortized; Adjustable; Balloon, Reverse; Under what conditions would you select each type of loan
14. Default: Types of Default: Monetary and Technical Default; Terms in Promissory Note that Trigger Default: Acceleration Clause
15. Foreclosure: Types of Foreclosure: Judicial, Non-judicial (power of sale), Strict Foreclosure; Deed in Lieu of Foreclosure; Redemption Rights; Deficiency Judgment; Short Sale
Government and Real Estate Financing (Salesperson 5 questions; Broker 5 questions)
1. Understand Federal Reserve System and Influence on Real Estate Industry; Discount Rate; Reserve Requirements
2. Understand difference between Primary Mortgage Market and Secondary Mortgage Market
3. Know who Fannie Mae, Ginnie Mae, and Freddie Mac are and their roles in Secondary Mortgage Market
4. Understand what a Loan to Value Ratio is, how it affects a loan, and how to calculate
5. Private Mortgage Insurance: What is it; How does it affect a loan
6. Understand difference between Conventional Loans, Insured Loans, and Guaranteed Loans
7. FHA Insured Loans: Understand History and Benefits
8. VA Guaranteed Loans: Understand History and Benefits; Notice of Reasonable Value or Certificate of Reasonable Value; Typical Closing Costs and who pays them; VA Funding Fee; Maximum Amount of VA loan on Guam; Maximum loan amount a military member qualifies for under the VA loan program; Assumption and Pre-Payment Rules for VA loans
9. USDA Rural Housing Loan Program
10. Understand basic terms and differences between Blanket Loan, Wraparound Loan, Open-End Loan, Construction Loan, Home Equity; Understand concept of Sale-and-Leaseback
11. Government Regulations: Truth-in-Lending (TILA); Regulation Z; 3-Day Right of Rescission; Trigger Terms; Equal Credit Opportunity Act (ECOA); Community Reinvestment Act of 1977 (CRA); Real Estate Settlement Procedures Act (RESPA); Fair Credit Reporting Act (FCRA)



Real Estate Appraisal (Salesperson 6 questions; Broker 6 questions)
1. Definition of an Appraisal
2. Comparative Market Analysis
3. Broker's Price Opinion
4. USPAP; FIRREA
5. Understand Appraisal Process
6. Definition and Characteristics of Value: Demand, Utility, Scarcity, Transferability (DUST)
7. Definition of Market Value; Difference between Market Value, Market Price, and Cost
8. Know the Basic Principles of Value; Law of Increasing and Diminishing Returns
9. Understand difference between Regression and Progression
10. Understand Substitution
11. Understand the Concept of Supply and Demand and its Impact on Real Estate; Buyer's and Seller's Market
12. Understand the 3 Approaches to Value and when each would be used: Sales Comparison (Market Data Approach), Cost Approach, Income Approach
13. Understand Depreciation: Physical Deterioration, Functional Obsolescence, External Obsolescence; Economic Life
14. Understand Net Operating Income; Capitalization
15. Reconciliation
Closing the Real Estate Transaction (Salesperson 5 questions; Broker 5 questions)
1. Definition of Closing
2. Identify Typical Buyer and Seller Issues That Need to be Satisfied Prior to or at Closing
3. Final Property Inspection or Walkthrough
4. Home Inspections
5. Agent's and Lender's Roles at Closing
6. Understand the Closing Procedure and Role of Escrow (Closing) Officer; Responsibilities of the Buyer and the Seller
7. RESPA: When does it apply
8. Mortgage Disclosure Improvement Act (MDIA)
9. Loan Estimate Form
10. What is a Closing Statement and What does it Contain
11. Understand what a Debit and Credit is; be able to determine items on Closing Statement as a Debit or Credit
12. Understand what a Proration is and how is it calculated; Accrued Items; Prepaid Items
13. How many title/escrow companies on Guam; Who are they/What is their purpose



Real Estate Leases (Salesperson 5 questions; Broker 5 questions)
1. Know definition of a Lease; Understand who A Lessor and Lessee is; Understand concept of Reversionary Right
2. Understand what the Statute of Frauds is and how it applies to a Lease
3. Know definition of Leasehold Estate and how it differs from a Freehold Estate
4. Know different types of Leasehold Estate: Estate for Years, Estate from Period to Period (Periodic), Estate at Will, and Estate at Sufferance
5. Know elements needed for Valid Lease
6. Understand what happens with an Assignment and a Sub-Lease
7. Understand First Right of Refusal and Option to Buy
8. Why should you record a Lease
9. Know the difference between the major types of Lease: Gross Lease, Net Lease, Percentage Lease, and Ground Lease
10. Understand the difference between Actual Eviction and Constructive Eviction
11. Understand Fair Housing and Civil Rights Laws as they apply to leases
Property Management (Salesperson 1 question; Broker 3 questions)
1. Understand the role of a Property Manager
2. Three types of Maintenance performed by Property Manager: Preventative, Repair or Corrective, Routine
3. How does ADA affect Property Management: Reasonable Repairs/Modifications
4. How does ECOA affect Property Management: Discrimination
5. How does Fair Housing Act affect Property Management: Discrimination
Land Use Controls (Salesperson 4 questions; Broker 4 questions)
1. Understand How Zoning affects property;
2. Understand difference between Conforming and Non-Conforming
3. Understand definition of Conditional Use Permit and Variance
4. Understand definition of Building Code; Certificate of Occupancy
5. Who regulates and approves Subdivisions on Guam
6. What are Private Land-Use Controls: Deed Restrictions, Restrictive Covenants (CC&R's)
Environmental Issues Affecting Real Estate (Salesperson 1 questions; Broker 2 questions)
1. Know what major hazardous issues affect real estate: Asbestos, Carbon Monoxide, Lead Based Paint, Radon, Mold, PCB's, Ground Water, Underground Storage Tanks and what kind of disclosures are required
2. Liability of Real Estate Agents with Respect to Environmental Issues
3. Definition and Purpose of Environmental Site Assessments and Environmental Impact Statements



Investing In Real Estate (Salesperson 1 Questions: Broker 1 Questions)
1. Know advantages and disadvantages of investing in Real Estate
2. Tax Benefits: Depreciation, Capital Gains, Basis, 1031 Tax Free Exchanges
3. Types of Investment Vehicles: Real Estate Investment Trust; Syndication
Real Estate Math: (Salesperson 10 questions; Broker 10 questions)
1. Be able to solve Commission problems: calculate real estate commissions to include split commissions; determine how much commission brokers and their agents receive in specific transactions; determine net purchase price of property that includes a commission; calculate listing amounts
2. Be able to solve Measurement problems: calculate size of property; determine construction costs based on size of property; calculate purchase price based on size of property; calculate purchase price based on front foot measurements; determine linear measurements of property or improvements; be able to convert measurements to other measurements; know standard measurements ie mile, acre, meter, foot, yard, square foot, square yard, etc.
3. Be able to determine Value of income producing properties: be able to calculate capitalization rates for income producing properties; be able to determine price of property using net operating income and a capitalization rate
4. Be able to calculate Depreciation and Appreciation problems: be able to determine original cost of property and estimated cost of property;
5. Be able to calculate Profit/Loss problems: be able to determine dollar amount or percentage of profit or loss on the sale of property; be able to calculate net price to seller after taking into consideration commission and closing costs
6. Be able to calculate Interest problems: be able to determine how much interest a borrower owes on a specific loan balance; Amortization; understand loan lending ratios (28/36) and how to calculate
7. Be able to calculate problems involving Discount Points and Loan Origination Fees
8. Be able to calculate Loan-To-Value Ratios based on specific loan amounts
9. Be able to calculate Pro-ration problems that include information on loan balances, interest, insurance, rent, taxes, etc.

State Portion

Professional Practice and Conduct:
1. When is it legal to sell property on Guam without a license; Who can sell property on Guam without a license; Who is exempt from obtaining a license
2. When is it legal to engage in the business of a real estate broker or salesperson without a license
3. What is the penalty for paying an unlicensed person performing any acts related to real estate law



4. Any natural person acting as a real estate broker/salesman without a license is guilty of what
5. A corporation acting as a real estate broker without a license is guilty of what
6. Understand Real Estate Commission: Purpose, Function, Composition of Members
7. Who is Real Estate Commissioner on Guam
8. What are requirements for obtaining Original Salesman License on Guam; What is term of an Original Salesman License; What is the term of a Renewal Salesman License; What is Continuing Education Course Hours Requirement for Original and Renewal Salesman Licenses
9. What is the fee for obtaining an Original Salesman's License; What is the fee for obtaining a Renewal Salesman's License
10. What are requirements for obtaining Original Broker's License on Guam; What is term of an Original Broker's License; What is the term of a Renewal Broker's License; What is Continuing Education Course Hours Requirement for Original and Renewal Broker's Licenses
11. What is the fee for obtaining an Original Broker's License; What is the fee for obtaining a Renewal Broker's License
12. Understand that all new licensees are required to take a 30-hour pre-licensing course and successfully complete a written examination; how is examination presented; what are passing rates; what are requirements for those that fail one or both parts of examination; what is cost of taking the exam; what is the purpose of the examination
13. How much is the Real Estate Examination Fee
14. Rules on the display of real estate licenses
15. Upon withdrawal from a real estate broker's office, when should a salesman's or associate broker's license be returned to the Real Estate Commissioner for cancelation
16. Definition, Duties, and Responsibilities of a real estate licensee
17. What can a holder of an inactive real estate license do or not do
18. Understand the concepts of commingling and conversion
19. Know and understand various reasons for the suspension or revocation of a real estate license; Who can suspend or revoke a real estate license on Guam
20. What is the fee to Transfer a License; Duplicate a License; Re-instate a License
21. Understand purpose and use of Broker Trust Accounts
Land Use and Zoning:
22. Understand primary purpose of Guam's Zoning Law
23. Know Guam's 8 zone classifications to include permitted use and conditional use for each zone
24. Understand concept of Non-Conforming Building/Use; Legal Non-Conforming



25. Understand Setbacks (front yard depth; rear yard depth; side yard depth; lot width) and how they apply to each zone classification; Corner lot requirements; Minor Setback Variance Applications; Dates of period of grandfathering of variance exceptions (November 1991 through June 1997); Who can approve
26. Understand Lot Area Requirements for each Zone Classification
27. Guam Land Use Commission: How many members; How is it formed; What is it responsible for ie. Subdivision Approvals, Zone Changes, Conditional Use Permits, Variances, etc.
28. Understand Concept of Conditional Use and when it is appropriate
29. Understand Concept of Variance and when it is appropriate
30. Application Review Committee (ARC): Who are members of the Committee and what is its purpose and responsibility
31. Understand what constitutes Wetlands
32. Understand what constitutes a Parental Subdivision
33. Understand concept of Planned Unit Development (PUD)
34. Understand what a Horizontal Property Regime (HPR) is and when it is used
35. Understand Parking Requirements for professional office: # of stalls for every # of square feet of floor area; Understand size of compact and standard automobile parking stalls
36. How long is the contractor homeowner's warranty period for new homes on Guam: 5GCA Chapter 32 Article 5 Section 32501 (4) and (4c)
37. What is Guam System and Development Fee
Property Tax:
38. How are property taxes on Guam calculated; When are they paid; Assessed Value
39. What properties on Guam are exempt from real property tax
40. Senior Citizen Discounts on Property Tax
41. Board of Equalization: Its Purpose
42. Homestead Exemption
Guam Statutes:
Title 21: Chapter 24: Real Property Tax
Title 21: Chapter 43: Homesteads
Title 21: Chapter 45: Horizontal Property Act
Title 60: Chapter 60: Land Management
Title 21: Chapter 61: Zoning Law
Title 21: Chapter 62: Subdivision Law
Title 11: Chapter 24: Property Tax
Title 21: Chapter 100: General Provisions
Title 21: Chapter 102: Administration
Title 21: Chapter 104: Real Estate Regulations