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Questions

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**PRACTICE
QUESTIONS**
2025



Course 1

**REAL ESTATE
ESSENTIALS**

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REAL ESTATE ESSENTIALS

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With

DETAILED ANSWERS

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MiniCram® Real Estate Exam Practice Questions
Course 1 - Real Estate Essentials

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TRESA and Humber Courses

The Trust in Real Estate Services Act, 2002 (TRESA) replaced the Real Estate and Business Brokers Act, 2002 (REBBA) effective December 1, 2023.

For Current Students: According to Humber Polytechnic website, the changes to real estate courses will take place '*at a later date*'.

- Students currently enrolled in salesperson courses will be notified when there are any changes to the topics covered in their courses.
- To avoid any interruptions or complications to learner studies, notifications will also provide the exact date when each change is scheduled to come into effect.
- *Until that time, learners should learn current course materials to prepare for their exams.*
- Currently, the real estate students are provided with TRESA updates in *Course 5: Getting Started*.

MiniCram® will ensure that Study Notes and Practice Questions for each course are appropriately updated in a timely manner.

Humber College TRESA FAQ: <https://humber.ca/realestate/news/tresa.html>

RECO FAQ on TRESA: <https://reco.on.ca/agents-and-brokerages/tresa-explained/tresa-faqs>

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INTRODUCTION

Dear Reader,

Congratulations on purchasing our **MiniCram®** for Ontario Real Estate License Exam preparation. The purpose of this book is to provide you with last minute review of important theory and math concepts for the exam. **MiniCram®** has compiled this booklet so that you can focus on key areas of study as well as prepare to overcome the most common mistakes that students make on the actual test day.

How to Use This **MiniCram®**

We understand that you do not have enough time for studying the online content of the official real estate courses. This **MiniCram®** booklet is designed in such a way that your review for the exam is fast paced. It is suggested that you go through each topic one by one. However, it is assumed that you have already covered the official course content in either the actual class or by self-study.

We Want to Hear from You

This book is written by a practicing Real Estate Broker who is also a trained adult trainer. If you have feedback for the author, need more information, or have general comments, please send an email to minicram@outlook.com.

We hope you enjoy your review. Good luck for the exam!

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1. THE REAL ESTATE PROFESSION

Take a blank sheet of paper to write your answers. The [Quick Answer Key](#) is located after the last question followed by [Detailed Answers](#).

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M1.1. In a real estate brokerage, the registrant responsible to ensure compliance with REBBA and other related legislations is designated as:

- A. Broker of Compliance.
- B. Broker of Record.
- C. Associated Broker.
- D. Broker Manager.

M1.2. Jenny has just joined Cram Realty Inc. and applied to RECO for her registration as salesperson. After obtaining her registration, which of the following activities she cannot legally perform?

- A. Work for two brokerages at the same time.
- B. List resale homes in the neighbouring towns.
- C. Sell the properties listed by other brokerages.
- D. List and rent commercial office and retail space.

M1.3. Jenny is working with Cram Realty Inc. as a salesperson. She listed a property owned by seller Smart, which is later sold by salesperson Jim of Square Real Estate Ltd. Jenny will receive her remuneration cheque from:

- A. Directly from the seller.
- B. The seller's lawyer.
- C. Cram Realty Inc.
- D. Square Real Estate Ltd.

M1.4. Registered salespersons and brokers in Ontario have the authority to trade in real estate because:

- A. Membership in the local real estate board provides them the necessary authority to represent buyers and sellers.
- B. REBBA authorizes registered brokerages to delegate the agency duties to its salespersons/brokers.
- C. The Agency Law specifically provides this authority to registered salespersons and brokers.
- D. Seller and buyer clients provide this authority in representation agreements.

M1.5. According to the *Real Estate and Business Brokers Act (REBBA)*, a registered real estate brokerage in Ontario is NOT required to have:

- A. A Broker of Record.
- B. A Real Estate Trust Account.
- C. Registration as a corporation.

D. An address in Ontario.

M1.6. Salesperson Kim of Cram Realty Inc. has signed a *Listing Agreement* with seller Bright. In this agency relationship, which of the following statements is correct?

- A. Bright is the client of salesperson Kim and Cram Realty Inc. is a third party.
- B. Kim is the client of Cram Realty Inc. while Bright is a third party.
- C. Cram Realty Inc. has no relationship with Bright as Kim is the agent.
- D. Bright is the client of Cram Realty Inc. and Kim is an employee of the brokerage.

M1.7. Real estate brokerages in Ontario are required to maintain a real estate trust account. The individual within a brokerage responsible to authorize transactions from this account is the:

- A. Office Manager.
- B. Broker of Record.
- C. Accounts Manager.
- D. Administrator.

M1.8. Salespersons and brokers are required to keep their registration certificate with them when providing real estate trading services. If requested, they must be able to show it. Which of the following authorities grants this certificate?

- A. Broker of Record.
- B. OREA.
- C. RECO.
- D. Real Estate Board.

M1.9. The *Real Estate Council of Ontario (RECO)* regulates the *Real Estate and Business Brokers Act (REBBA)*. Under the Act, which of the following is NOT a responsibility of RECO?

- A. Holding hearings to investigate the conduct of registrants.
- B. Determining the information required on a registration application.
- C. Enforcing the provisions of the CREA Code of Ethics.
- D. Providing educational standards and requirements for registration.

M1.10. Which of the following activities is NOT mandatory for a Broker of Record under the *Real Estate and Business Brokers Act (REBBA)*?

- A. Managing and supervising the brokerage offices.
- B. Authorizing transactions from real estate trust account.
- C. Be responsible for compliance with REBBA.
- D. Be responsible for all activities of the salespersons and brokers.

M1.11. Under the *Real Estate and Business Brokers Act (REBBA)*, which of the following is considered an *agent* of the client?

- A. A real estate salesperson.
- B. A real estate broker.
- C. A real estate brokerage.
- D. A broker designated as Broker of Record.

M1.12. Which of the following statements is correct about disclosures in a salesperson's registration application?

- A. The applicant is required to provide RECO with a police clearance certificate and a copy of the Consumer Report.
- B. If the applicant was tried but not convicted for a criminal offence, he need not make any disclosure.
- C. If a bankruptcy was filed more than 5 years ago, it need not be disclosed.
- D. The applicant must disclose any bankruptcies and any current or pending criminal charges.

M1.13. Real estate registrants must be careful that their registration is in good standing at all times during the time they are involved in real estate trading. There are several legal requirements in order to maintain an individual's registration. Which of the following is NOT one of them?

- A. Paying RECO Insurance premiums on time.
- B. Obtaining the Broker registration within 2 years after completion of post-registration courses.
- C. Completing post-registration courses with 2 years of initial registration.
- D. Completing Mandatory Continuing Educational courses every 2 years after the Articling Period.

M1.14. From the following options, identify the correct statement with respect to registration as a salesperson.

- A. The applicant must apply for registration within 12 months of completing the pre-registration courses.
- B. All five pre-registration courses must be passed with a minimum of 75% marks.
- C. The applicant must join a registered brokerage within 30 days of approval of registration application.
- D. The Criminal Record Check from the local police must have been obtained within the previous 12 months.

M1.15. A salesperson cannot claim remuneration for a real estate transaction unless he/she has paid:

- A. Brokerage desk fees.
- B. Local board fees.
- C. OREA® and CREA® fees.
- D. RECO Insurance premiums.

M1.16. A buyer paid \$20,000 as deposit for purchase of a two-storey home. The closing was set for 2 months but the listing brokerage filed for bankruptcy and refused to pay back the buyer. Which of the following will help the salesperson in getting back the buyer's funds?

- A. The business insurance of the listing brokerage.
- B. The Errors and Omissions insurance of the listing salesperson.
- C. The Consumer Deposit Protection insurance.

D. The real estate trust account of the listing brokerage.

M1.17. Once registered with RECO as a salesperson, the registration must be renewed:

- A. On September 1st of every year.
- B. Once every two years.
- C. When the insurance premium is paid.
- D. Immediately after completing the post-registration courses.

M1.18. Which of the following statements is correct with respect to disclosures in a registration application?

- A. An application for brokerage registration must include a disclosure of all its salespersons and brokers.
- B. A brokerage registration application must disclose the name of the lender providing financial assistance for the business.
- C. Both salesperson and broker applications must include disclosure of any previous or current bankruptcy and/or criminal records.
- D. A broker application must include disclosure about the numbers of transactions completed till the time of application.

M1.19. The *Real Estate and Business Brokers Act (REBBA)* requires real estate registrants to complete the *Mandatory Continuation Educational (MCE)* courses. Which of the following statements is NOT correct in this regard?

- A. Registrants who have completed their initial 2 years of registration must complete mandatory continuing education courses after renewal of registration.
- B. The requirement of mandatory continuing education is for salespersons and not for brokers.
- C. If mandatory continuing education requirements are not met, the registrar may refuse renewal of registration.
- D. Completion of additional articling courses is not a substitute for mandatory continuing educational courses.

M1.20. Salesperson Jenny of Cram Realty Inc. has just sold her brother's property. Jenny made a negligent mistake, and it seems that the buyers are not happy. They have threatened legal action against Jenny. Salesperson Jenny may not be covered under which policy of the RECO Insurance program?

- A. Consumer Deposit Protection.
- B. Commission Protection.
- C. Errors and Omissions.
- D. The salesperson will not be covered at all.

M1.21. Registrants are required to have RECO Insurance for maintaining their registration with RECO. Which of the following statements is correct in this regard?

- A. Insurance requirements is only for salespersons and not brokers.
- B. The insurance premium must be paid annually to maintain registration.
- C. The insurance premium is paid every 2 years of registration cycle.

D. The Broker of Record of a brokerage is exempt from RECO insurance.

M1.22. When a seller lists a property for sale with a brokerage, the remuneration charged may be in several forms. Which of the following is a permitted method of charging remuneration?

- A. The difference in list price and actual sale price.
- B. A percentage of the sale price, a flat fee, or a combination of both.
- C. A percentage of the list price or the sale price, whichever is higher.
- D. A percentage of the sale price or a flat fee, whichever is higher.

M1.23. The real estate market is diverse and comprises of different types of properties. Which of the following is a correct statement in this regard?

- A. Commercial real estate can be broadly defined to include sale and leasing of industrial, commercial, and investment properties.
- B. Knowledge of land values and permitted uses is rarely required when selling land for redevelopment within urban centres.
- C. Industrial real estate typically includes the listing and sale of warehousing, but not manufacturing facilities.
- D. The CCIM designation is awarded by the Society of Office and Industrial REALTORS®.

M1.24. In a typical residential real estate transaction, which of the following is authorized to represent the seller?

- A. The Broker of Record.
- B. The real estate salesperson.
- C. The seller's lawyer.
- D. The listing brokerage.

M1.25. Which of the following is NOT a correct statement as it relates to real estate trading in Ontario?

- A. The *Real Estate and Business Brokers Act* is an example of the legislation that imposes duties and limitations on real estate registrants.
- B. A listing is taken in the name of the salesperson, who then legally represents the seller.
- C. A real estate brokerage can be registered as a corporation, a partnership, or a sole proprietorship.
- D. A real estate salesperson acts as an authorized representative of the brokerage.

M1.26. After passing her final real estate exam, Maria is talking to her future brokerage regarding possible employment as a salesperson. Broker of Record Johnson has asked Maria a few questions on her marketing skills. Which of the following statements is NOT correct in this regard?

- A. When mathematics is not a strong point, it is not good to go for appraisals and mortgage financing activities.
- B. If more structure, focus, and timelines are desired, new home sales can be a good choice.
- C. Commercial real estate demands more complex negotiations, longer closings but also large remunerations.

D. For residential resale, face-to-face negotiations are a great challenge.

M1.27. A salesperson wants to do an open house and suggests the sellers that there are several ways to secure the property during the open house. The sellers feel confident that the salesperson understands their concerns. Which of the following best describes the specific skills shown by the salesperson?

- A. People skills.
- B. Negotiating skills.
- C. Problem solving skills.
- D. Self-discipline skills.

M1.28. Salespersons must have the ability to ask relevant and open-minded questions from the seller and buyer clients in order to understand their needs and wants. Which of the following skills best addresses this requirement?

- A. People skills.
- B. Problem solving skills.
- C. Interview techniques.
- D. Research.

M1.29. At the time of listing presentation, the salesperson explains how the property will be promoted using social media, demonstrates how a virtual tour of the property will be made available through a link on their website, and explains how documents can be created and signed electronically. The salesperson is doing so:

- A. Is demonstrating his technology proficiency for promoting the seller's property.
- B. Is showing his problem-solving skills to the seller.
- C. Is trying to convince the seller to pay a higher rate of remuneration.
- D. Is communicating with the seller in order to understand their needs.

M1.30. Broker of Record Binny is providing training to new salespersons. After a briefing on skills required by salespeople, he asks Jacob if he can explain how a salesperson can demonstrate confidence and persistence in real estate transactions. From the following options, identify the incorrect statement.

- A. A salesperson should be able to support his opinions and conclusions despite disagreement with others.
- B. A salesperson should provide advice to others in an honest, professional, and competent manner.
- C. A salesperson should be able to identify and prioritize tasks to be completed based on importance.
- D. A salesperson should remain positive and confident even when dealing with setbacks and disappointments.

M1.31. The ability of a salesperson to use a variety of tools and sources to gather information and verify the pertinent facts related to a transaction is best described as:

- A. Problem solving skills.
- B. Research skills.

- C. Confidence and persistence.
- D. Organizational skills.

M1.32. A salesperson working in a builder's sales office and employed by that builder is typically involved in various promotional/marketing activities. Which of the following is NOT one of them?

- A. Demonstrating homes through the use of brochures, diagrams, and plans.
- B. Showing models homes or fully completed houses.
- C. Describing pre-packaged financing options available to new home buyers.
- D. Providing information about resale homes in the area.

M1.33. In order to be successful in real estate trading profession, the salesperson:

- A. Should be able to properly understand the needs and wants of the clients.
- B. Must make sure that clients select only the houses made by a specific builder.
- C. Should be proficient in all information related to residential as well as commercial structures.
- D. Must make sure that any information that harms personal interests of the salesperson is not disclosed.

M1.34. In real estate business, registrants are required to ensure that the best interests of their clients are protected. Which of the following statements correctly describes an acceptable activity by a salesperson?

- A. A salesperson advises his buyer client that new homes are already inspected, and they need not spend money on another home inspection.
- B. A salesperson advises a seller client that they need to disclose material facts about the property only if the buyer requests.
- C. A salesperson asks the buyer client to use only that lawyer which he recommends to every client.
- D. A salesperson asks several questions from the seller client during listing agreement and discloses the role of his brokerages in the transaction.

M1.35. Which of the following statements is correct about remuneration in a real estate transaction?

- A. Remuneration is paid by the seller to the listing brokerage and then it is forwarded to lawyers for distribution.
- B. Remuneration split refers to the division of remuneration between a brokerage and its salesperson.
- C. Remuneration allocation is decided by the seller's lawyer based on the sale price.
- D. Gross remuneration to a brokerage is also known as the total remuneration paid by the seller.

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ANSWER KEYS – MODULE 1

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DETAILED ANSWERS

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M1.1. Answer B.

The *Broker of Record* is a designated employee of the brokerage. He/she is responsible to ensure that the activities of the brokerage and its employee salespersons and brokers are in compliance with REBBA and other related statutes that affect real estate trading.

M1.2. Answer A.

A salesperson can only be an employee of a single brokerage. As such, it would be illegal for a salesperson to work for two brokerages simultaneously. A registered salesperson can be involved in selling properties listed by his/her own brokerage or any other registered brokerage in Ontario. He/she can also be involved in listing and renting (leasing) commercial office or retail space.

M1.3. Answer B.

Salesperson Jenny can only be paid remuneration by her employing brokerage, which is Cram Realty Inc. in the given scenario. The seller pays the remuneration to the listing brokerage (Cram Realty Inc.), which first distributes the remuneration to the co-operative brokerage (Square Real Estate Ltd.) and then splits the remuneration with the salesperson.

M1.4. Answer B.

The *Real Estate and Business Brokers Act (REBBA)* authorizes registered real estate brokerages to delegate the agency duties to its employee salespersons and brokers.

This authority is not granted by the local real estate board, by the *Agency Law*, or by any buyer or seller client in the representation agreement. The representation agreement is signed between the seller or buyer and the brokerage.

M1.5. Answer C.

A real estate brokerage in Ontario need not necessarily be a registered corporation. Partnerships and sole proprietorships may also be registered as real estate brokerages.

A registered real estate brokerage in Ontario must designate a Broker of Record, must maintain a real estate trust account, and must have a service address in Ontario.

M1.6. Answer D.

In an agency relationship with a seller, the brokerage is the *agent*, and the seller is a *client*. A *client* is that party which has signed a *Representation Agreement* with the brokerage, such as a *Listing Agreement* or a *Buyer Representation Agreement*.

Salesperson Kim is only an employee of the brokerage Cram Realty Inc. The agency duty is delegated to the salesperson under the provisions of REBBA. A third party is that party which is not directly connected with the transaction at the time of signing a representation agreement.

Update: The term 'Agent' can now be used for advertising by real estate salespersons and brokers, except the broker of record.

M1.7. Answer B.

The Broker of Record of a brokerage has the responsibility to authorize transactions from the real estate trust account. This account is mandatory for every real estate brokerage to keep the deposit funds involved in a transaction. All deposits and withdrawals from the real estate trust account must be authorized by the Broker of Record.

The office manager, accounts manager, or the administrator in a brokerage office cannot authorize any transactions from the real estate trust account.

M1.8. Answer C.

The *Real Estate Council of Ontario (RECO)* administers the *Real Estate and Business Brokers Act (REBBA)* and is authorized to grant real estate registrations under the Act. REBBA requires that salespersons and brokers must keep their registration certificate (*license*) with them at all times when they are trading in real estate. This may be in the form of a paper certificate or in electronic format.

The Broker of Record of a brokerage, the *Ontario Real Estate Association (OREA)*, or the *Canadian Real Estate Association (CREA)* do not have the authority to grant real estate registration in Ontario.

M1.9. Answer C.

Enforcing the provisions of the *Code of Ethics* of a professional association (such as *CREA Code of Ethics*) is not the responsibility of the Real Estate Council of Ontario (RECO). This Code is for members of organized real estate only and enforced by the local real estate Board.

RECO enforces the *REBBA Code of Ethics* on all registrants. It is responsible for holding hearings to investigate the conduct of the registrants and carry out investigations into complaints. The Council is also responsible for standardizing the educational programs for registrants.

M1.10. Answer A.

The *Real Estate and Business Brokers Act (REBBA)* does not require a Broker of Record to personally manage and/or supervise the brokerage office(s). This responsibility may be delegated to some other individual within the brokerage office.

The Broker of Record is responsible to authorize transactions from the real estate trust account and compliance with REBBA and Regulations. The Broker of Record has the ultimate responsibility for all activities of salespersons and brokers with respect to trading in real estate.

M1.11. Answer C.

As per the *Real Estate and Business Brokers Act (REBBA)*, the *agent* of a client is the real estate brokerage with which the seller or the buyer has signed a representation agreement. Salespersons, brokers, and the broker of record are considered employees of the brokerage. Some consumers may mistakenly assume that the salesperson or broker they are dealing with is their agent, which is technically incorrect.

Update: The term 'Agent' can now be used for advertising by real estate salespersons and brokers, except the broker of record.

M1.12. Answer D.

REBBA and Regulations require an applicant to disclose any bankruptcies and previous or pending criminal charges in the registration application.

A copy of current *Criminal Record Check* is required with the application, but a consumer report is not required. The applicant must disclose any current or past criminal charges whether he/she was convicted or not. Similarly, current, or previous bankruptcies must be disclosed, irrespective of the date of filing or the date of discharge.

M1.13. Answer B.

It is not mandatory that an individual obtains the broker registration within 2 years after completing his or her post-registration courses. There is no such requirement under the *Real Estate and Business Brokers Act (REBBA)*. Only those salespersons who wish to obtain a broker registration are required to complete the broker course.

However, a salesperson must pay the mandatory RECO insurance premiums; complete the required post-registration courses within first 2 years of initial registration; and must complete the *Mandatory Continuing Educational (MCE)* courses every 2 years after the initial articling period.

M1.14. Answer A.

The only correct statement is that the applicant must apply to RECO for registration within 12 months of completing the pre-registration courses. If more than 12 months have lapsed, the applicant may lose eligibility for registration.

Only 4 out of the 5 pre-registration courses have exams, which must be passed with minimum 75% marks. The last course '*Getting Started*' currently does not involve an exam. The applicant must have joined a registered real estate brokerage *before* applying for registration. The Criminal Record Check must have been obtained within the previous 6 months.

M1.15. Answer D.

Payment of RECO insurance premiums is mandatory for every registered salesperson and broker. Non-payment may result in immediate suspension of registration and the salesperson may not be entitled to claim a remuneration for a real estate transaction.

Payment of other fees, such as brokerage desk fee, local board fees, or OREA® and CREA® dues, may not affect the payment of remuneration earned by a salesperson.

M1.16. Answer C.

The objective of the *Consumer Deposit Protection* insurance is to protect buyer's deposits in the event of fraud by a registrant, misappropriation of funds, and insolvency (*bankruptcy*) of a brokerage.

The business insurance of the listing brokerage is for protecting the brokerage, and not its employees or buyer's deposits. The *Errors and Omissions* insurance protects individual registrants for negligent acts during real estate trading activities. The real estate trust account is for keeping the deposit funds separate from the general operating funds of a brokerage.

M1.17. Answer B.

The RECO registration is renewed every two years from the date of initial registration. The registrant is usually notified about renewal 60 days before the due date.

RECO insurance policy period is from September 1st to August 31st of the following year. The insurance premium is paid in August every year. The registrant need not apply for renewal immediately after completing the post-registration courses. However, the post-registration courses must be completed before the renewal date.

M1.18. Answer C.

REBBA requires an individual to make a disclosure of any previous or current bankruptcy or any criminal charges in the registration application. This requirement is for individuals applying for registration as a salesperson as well as a broker.

A brokerage cannot disclose the name of its salespersons or brokers because they are hired *after* the brokerage is registered. Also, a brokerage need not disclose the name of the lender which provides financial assistance for starting the brokerage business. An application for registration as a broker does not require the salesperson to disclose the numbers of transactions that he/she has completed up to the time of application.

M1.19. Answer B.

The statement that mandatory continuing education is for salespersons only and not for brokers is not correct. In fact, every salesperson and broker must complete mandatory continuing education after the initial 2 years of *articling period*. If these courses are not completed, the registrar may refuse renewal of registration. Completion of additional articling courses is not a substitute for mandatory continuing educational courses.

M1.20. Answer C.

When a salesperson has a direct or indirect interest in a real estate trade and commits a negligent mistake, the RECO Errors and Omissions Insurance *may or may not* protect the salesperson. Coverage largely depends on the nature of negligent activity that the salesperson is found to be involved in.

The *Consumer Deposit Protection* coverage is for the protection of deposit funds given by the buyers. It is incorrect that the salesperson will not be covered '*at all*' because the coverage depends on the nature of negligent activity.

M1.21. Answer B.

RECO Insurance premiums must be paid annually by all registrants (salespersons and brokers) to maintain their registration status. Failure to renew insurance may result in termination of registration. RECO insurance is mandatory for all registered salespersons and brokers, including the Broker of Record.

M1.22. Answer B.

A brokerage may charge remuneration based on a flat fee, a percentage of sale price, or a combination of both. Remuneration may also be calculated as a series of percentages, but the percentage must decrease as the sale price goes up.

Brokerages are not permitted to charge the difference between the list price and the sale price. They can only charge a percentage of sale price but not a percentage of list price. Also, the remuneration cannot be the higher amount between the percentage of sale price and a flat fee.

M1.23. Answer A.

Commercial brokerages are typically involved in sale and leasing of commercial office and retail, industrial, and investment properties.

Land values and permitted uses of land are vital considerations when buying or selling redevelopment land. Industrial real estate generally includes warehousing, manufacturing, and related facilities. The CCIM (*Certified Commercial Investment Member*) designation is awarded by the CCIM Institute.

M1.24. Answer D.

In a typical residential real estate transaction, the seller is represented by the listing brokerage. This duty is typically delegated to a salesperson or broker, who is an employee of the listing brokerage.

The Broker of Record is a designated employee of the brokerage who is responsible for all activities of the brokerage and its employees. A real estate salesperson is treated as an employee of the brokerage, which may be representing the buyer or the seller. The seller's lawyer helps the seller in transferring the title of the property at the time of closing.

M1.25. Answer B.

It is the real estate brokerage that represents the seller in a real estate transaction. In other words, the listing agreement is between the seller and a real estate brokerage. However, the listing is usually taken by a salesperson, who is an employee of the brokerage. Some consumers may mistakenly assume that the salesperson or broker they are dealing with is their agent, which is incorrect.

Update: A real estate salesperson or broker, except the broker of record, is now permitted to use the term 'agent' in advertisements.

M1.26. Answer C.

Commercial real estate transactions are complex as compared to most residential transactions. They involve longer timeframes for due diligence matters and satisfaction of conditions. As such, the closing may be several weeks or months away from the date of acceptance of the offer. However, a positive aspect of commercial real estate is that the remuneration may be higher as compared to residential transactions.

M1.27. Answer A. The activity described in the scenario indicates that the salesperson has good people skills, which means that the salesperson was able to gain the trust, respect, and confidence of the seller client.

Negotiating skills are utilized at the time of bargaining and negotiating offers for the seller or buyer client. Problem solving skills are related to addressing difficulties as they arise in real estate transactions. Self-discipline is a requirement when a salesperson works independently to accomplish a variety of tasks with self-motivation and personal commitment.

M1.28. Answer C.

Interview techniques are utilized to listen and ask relevant questions from the seller and buyer clients in order to understand their needs and wants. Salespersons must ask relevant and right questions at right time with an open mind. Active listening demonstrates that the salesperson understands what has been heard.

People skills help a salesperson develop and maintain strong relationships. Problem solving skills are related to addressing difficulties as they arise in real estate transactions. Research refers to the ability of a salesperson to gather and verify information related to a particular transaction.

M1.29. Answer A.

The given scenario indicates that the salesperson is demonstrating his ability and willingness to utilize technology to promote the seller's property more effectively. This activity comes under the 'technology proficiency' category of skills required for a successful real estate career.

M1.30. Answer C.

The question is about confidence and persistence required by a salesperson when trading in real estate. Being able to identify and prioritize tasks to be completed based on importance is related to 'organizational skills' of a salesperson. This helps the salesperson with the ability to work efficiently and proactively.

Other statements correctly describe some of the aspects of confidence and persistence that a salesperson must have for real estate trading.

M1.31. Answer B.

Salespersons need to have research skills in order to use a variety of tools and sources to gather information and verify facts related to a real estate transaction. Research in real estate is used to locate, read, and understand legal and other documents involving property ownership.

M1.32. Answer D.

A site salesperson working in builder's office would not get involved with any information concerning resale homes in the area. This salesperson is representing the builder for marketing and selling of new homes.

Other statements describe some of the typical duties of a salesperson working at a builder's site office.

M1.33. Answer A.

A salesperson can provide better services if he has good understanding of the needs and wants of the clients. For example, a salesperson representing a buyer can get to know the buyer's personal and financial situation, which may be used to locate an appropriate property according to buyer's search criteria.

Salespersons must not force the clients to buy a home from a particular builder. They are not required to be expert in all matters related to residential and commercial building structures. Salespersons must not let their personal interests interfere with the interests of the client. The best interests of the client must be protected, promoted, and kept above all (*except law*).

M1.34. Answer D.

By asking several questions at the time of listing a home for sale, the salesperson is trying to protect the best interests of the seller client. Salespersons should obtain as much information as possible about the property for marketing purposes as well as making necessary disclosures to potential buyers. At the same time, the salesperson must disclose the role of the brokerage in the transaction to comply with REBBA Code of Ethics.

Salespersons must not advise any buyer that new homes do not need inspection. Material facts about the property must be disclosed by sellers. The salesperson must not force any client to hire a particular lawyer, home inspector, or any other professional. Clients should be given a list of third-party professionals so that they can make a selection.

M1.35. Answer B.

In a typical real estate transaction, the *gross* remuneration to a brokerage is *split* with its salesperson. Gross remuneration to the brokerage is the remuneration amount before the split.

Remuneration is first collected and distributed by the listing brokerage, not by lawyers. Further, the rate of remuneration is not decided by the lawyers but is mutually agreed between the listing brokerage and the seller at the time of signing the listing agreement. Gross remuneration to a brokerage refers to the remuneration it receives after distribution and before it is split with the salesperson.

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