

SALES ASSOCIATE CLASS STUDY GUIDE 40TH EDITION

1. A buyer cannot waive right to void a contract. [11] (247)
2. The clause "Seizin" in a deed means "I own the property and have the right to sell it". [9] (196)
3. Increasing the reserve requirement reduces the supply of money in circulation. [13] (304)
4. The exclusive agency listing allows the seller to sell without paying a commission. [11] (240)
5. Loan to Value Ratio, loan amount divided by the purchase price = LTV. [12] (266)
6. A licensee who is a broker for more than one company has a "Multiple License". [3] (54)
7. Upon license suspension, and during the appeal process, an attorney may request a Stay of Enforcement. [6] (125)
8. A will is a "Devise". A Person who receives property by a will is the "Devisee". [9] (189)
9. Hazard insurance is not a deductible expense. [18] (401-2)
10. A sales associate can do a CMA, not an appraisal. [1] (7)
11. If an EDO is requested, but settled by the parties before EDO is issued, how many days does the broker have to notify FREC? "Ten Days". [5] (91, 95)
12. The "Due on Sale" clause means a loan is not assumable. [13] (288- 90)
13. Life estate means you have the right to live and maintain the home during your lifetin only. It then reverts to a remainderman. [8] (172)
14. "Power of Attorney" is authorizing another to act on ones behalf. [11] (245)
15. Overhead costs plus profit equals the lender's margin. [13] (283)
16. Contacting the county prop appraiser is the first step in protesting assessed value. [18] (391,
17. The buyer withdrawing an offer will not terminate a "Single Agent Relationship" [4] (76)
18. A person or group of persons occupying a seperate housing space is a household. [15] (340)
19. Interest on an assumed mortgage appears as a debit to seller / credit to buyer. [14] (321)
20. Max amount a landlord can pay a tenant for a referral is \$50.00. [5] (100)
21. Planning commission's final authority does not include special exceptions. [19] (414)
22. Property price devided by 43,560 sq. ft. = price per Sq. ft.. [10] (223)
23. Sale price divided by goss annual income = "Gross Income Multiplier". [16] (369)
24. An "Assignment of Mortgage" will transfer a mortgage from one person to another. [12] (267)
25. You cannot renew a "Temporary License" for armed forces. [3] (50)
26. An appraisal indicates today's market value. Not previous values. [16] (350)
27. How are the Doc Stamps on a promissory note entered on a closing statement. (Debit to Buyer Only) [14] (323)
28. With the "Designated Sales Associate", the buyer and seller must sign the "Designated Sales Associate Notice." [4] (74)
29. Understand "fixtures" in a home. (Such as "Recessed Lighting"). [8] (169)
30. You don't need to disclose minor traffic violations on the application. [2] (20)

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31. FREC's "Quasi-Judicial" authority means it is not a "True" court, but just an administrative court. [3] (48)
32. Understand "Tenant in Common", "Joint Tenant" and "Tenant By the Entirety". Tenant in Common does not have "Right of Survivorship". [8] (175)
33. "Homestead Exemptions" If assessed value is greater than \$75,000. the homeowner will automatically receive both \$25,000's. [18] (394-5)
34. Someone with Power of Attorney is exempt from having a real estate license. [2] (34)
35. Principle and interest works in an amortization formula. The interest portion decreases each month and the principle (amortization) increases each month.[13] (280)
36. The "Declaration" must be recorded to create a condominium. [8] (178)
37. The Civil Rights Act of 1866 prevents discrimination against "Race" only. [7] (145)
38. A deed is effectively conveyed once it's Voluntarily Delivered and Accepted. [9] (194)
39. Range and Townships lines are spaced 6 miles apart from each other in Government Survey System. [10] (216-7, 219)
40. Statute of Frauds does not apply to contracts that are less than a year. [11] (232)
41. "Follow Up" is what we do for buyers and sellers after the sale. [1] (4)
42. Inefficient architectural design is considered "Functional Obsolescence". [16] (360-1)
43. Automatic suspension if the have to dip into the "Recovery Fund" [6] (134)
44. "Right of Survivorship" is in Joint Tenancy and Tenancy by the Entireties. [8] (175)
45. Understand the quarters in the "Government Survey System". [10] (222-3)
46. "Compensatory Damaged", paid back for exactly what you lost only. [11] (238)
47. Know the 3 license categories, Sales Associate, Broker, Broker Associate. NOT Certified Appraiser. [2] (18)
48. Understand the PGI formula. [16] (363-4)
49. "Contract for Deed" Lets seller keep title, buyer has an equitable interest. [12] (269)
50. In an "Eminent Domain", condemnation determines fair price. [9] (199)
51. 15 days to take corrective action on a notice of non-compliance. [6] (128)
52. Understand "Blockbusting". [7] (150)
53. Know what is "Required" on an office sign. [5] (83-4)
54. Understand how "Township and Range lines" are numbered. [10] (217, 218, 219)
55. "Hypothecation" is pledging real estate as security for the debt. [12] (260-1)
56. A landlord has 30 days to notify intentions to keep sec. Deposit. [7] (158)
57. Understand "Bait & Switch" advertising. [13] (299)
58. The "Comprehensive Plan" is implemented by zoning ordinances. [19] (415)
59. "Mutual Recognition." Must pass a state law exam with a score of 75%. [2] (22)

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60. Understand “Title Insurance policy is transferrable.” [9] (192, 193)
61. Understand Cancellation periods and conflicting demands. [5] (96)
62. Benefits of homesteading. Assesed value cannot increase more than 3% per year. [18] (396)
63. IRS has a standard economic life for residential (27.5 years), and non-residential income properties, (39 years). [18] (405)
64. A court will uphold an “Enforceable” contract. [11] (232,
65. How long to get a binder deposit into your broker's hand. 2 business days. [5] (90)
66. A complaint must be “legally sufficient” to be investigated. [6] (121)
67. The purchase price appears as a “Credit to Seller / Debit to Buyer” on a closing statement? [14] (326)
68. An “Executory” contract is where something remains to be completed). [11] (235)
69. Understand “Equity”. Your down payment is also equity. [17] (376)
70. Brokers must retain files and disclosure in their office for five years. [4] (71)
71. Appraisal methods unique to business' include Liquidation, Reproduction and Income Capitalization Analysis. [17] (383)
72. The term “Plottage” describes the added value created by combining smaller lots together. [16] (353-4)
73. Understand Intangible tax on new mortgages. Multiply by .002 [14] (324)
74. Pertaining to Lien priority, income tax lien is a “Junior” lien. [9] (206)
75. An “Enforceable Contract” must be in writing and signed. [11] (232)
76. Price fixing is an illegal schemes. [5] (98)
77. Understand “Riparian and Littoral” water rights. (Remember; R for rivers, and L for lakes and larger bodies). [8] (167)
78. Monetary penalties for violators of the Florida TCPA, (10,000. fine). [5] (87, 88)
79. You will not be disciplined for voluntarily relinquishing your license. [3] (52)
80. “Investment Value” takes into consideration an individuals equity and income tax implications. [16] (350-1)
81. Selling lots in a subdivision of 100 or more will require registering with the “Bureau of Consumer Financial Protection”. [7] (154-5)
82. A “Non-Conforming Use” is a property that was zoned for that use at one time but no longer is. [19] (418-9)
83. Your application for the state is good with the DBPR for 2 Years. [2] (25)
84. A “Corporation Sole” is a church, and may not register as a brokerage [5] (106)
85. Purchasers of resale condos must receive a copy of the FAQ. [8] (179, 180)
86. If a broker is sued after following instructions on FREC's EDO and loses money as

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a result, FREC will allow the broker to dip into the recovery fund to be reimbursed.
[6] (132-4)

87. Understand the term “Caveat Emptor”, (Let the buyer beware). [4] (60)
88. Secondary market participants are, such as Ginnie May (GNMA). [13] (295)
89. In a rental community, an agent must put security deposits and advanced rents into the broker's “Escrow Account”. [7] (156)
90. FREC cannot impose “Restitution” to the injured party. [6] (126)