

# STATE OF COLORADO



## REAL ESTATE MANUAL

DEPARTMENT OF REGULATORY AGENCIES

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Compiled by

THE COLORADO DIVISION OF REAL ESTATE

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## PREFACE

The Colorado Real Estate Commission and the Colorado Board of Real Estate Appraisers have prepared this manual. The Commission and Board gratefully acknowledge the help of the many who have contributed, without compensation, their knowledge and experience.

We hope this manual will be helpful to the new applicant for licensure and also a benefit to the practicing real estate and appraisal professional as a ready reference.

The information contained in this manual is fundamental to a sound introduction to real estate and real estate appraisal business. It is admittedly inadequate as an all-inclusive real estate text. Many colleges and universities offer four-year programs leading to a degree in real estate and related fields. Many classes and courses of instruction are available throughout the State of Colorado for those who desire to increase their educational and professional competency. There are also many books and pamphlets written on the subject of real estate. In addition, to better protect the public interest, the employing broker should spend considerable time instructing employed licensees on the application of license law and proper business procedure.

Suggestions, corrections and criticisms for and of this publication are solicited and will receive careful consideration.

**Disclaimer:** The statutes (Colorado Laws) that are reprinted in this real estate manual are not the official Colorado Revised Statutes (pursuant to Section 2-5-118 (6)(a) C.R.S.), and are printed herein only as: a reference for broker practitioners, an aid to those preparing for licensure and others with an interest in a digest of real estate related laws and information. The Real Estate Commission makes every effort to maintain accurate information; however the State makes no warranties whatsoever in relation to the contents of this manual, and users rely upon the information contained herein it at their own risk. Official statutes are maintained on the Colorado General Assembly website at: <http://www.leg.state.co.us/>

Official rules of Real Estate Commission are compiled and published by the Secretary of State in the Code of Colorado Regulations at: <http://www.sos.state.co.us/CCR/Welcome.do>

## REAL ESTATE EXAMINATIONS

Applicants for licensing under the Colorado real estate broker license law are required to take an examination for the purpose of raising the educational standards and professional competency of the real estate industry and in order to protect the public interest in real estate transactions. The law imposes upon the real estate commission the responsibility of regulating and controlling the issuance, revocation or suspension of licenses. This authority includes the investigation of complaints against licensees for fraud, misrepresentation, secret profits, commingling of deposit funds, false advertising, failure to maintain proper trust accounts and other causes.

The real estate broker examination has been prepared to determine whether the applicant is well grounded in the fundamentals of real estate principles and practices and is a measure of a candidate's knowledge and qualification for minimum competency.

The examination is in two parts. The general portion covers real estate practice common to most states. The state portion of the examination is devoted to real estate practice in Colorado.

Although examinations are based primarily on material covered by the Colorado real estate manual, the applicant is expected to be informed as to the usual and current activities and practices in the real estate field. The statutory educational and experience requirements for broker applicants are listed in this manual. Examinations are given by a testing service designated by the real estate commission.

Passing the examination is only the first step in pursuing a successful career in real estate. The employing broker should continually instruct the licensees operating under his or her brokerage in proper and ethical business procedures.

## **REAL ESTATE APPRAISAL EXAMINATIONS**

Applicants for all levels of real estate appraiser licensing must successfully complete an appropriate examination administered by the designated testing contractor. Examinations test for understanding and ability to apply real estate fundamentals, appraisal principles, appraisal procedures and standards of appraisal practice.

At the registered and licensed appraiser levels, applicants must successfully complete the licensed appraiser (Level A) examination. Certified residential appraiser applicants must pass the certified residential appraiser (Level B) examination. The certified general appraiser (Level C) examination is required to apply for certified general appraiser. A passing score on an appropriate examination will be accepted for one year from the date of testing.

Colorado has open examinations. Anyone may take any level of examination at any time, without pre-qualification as to education or experience. Colorado examinations are open to residents of other states. Check to see if the other state will accept the Colorado examination.

Successful completion of the examination is only one step in the process of qualifying for licensing. Applicants must also demonstrate successful completion of the education required by Colorado statute and board rules. At the licensed and certified levels applicants must also document completion of real estate appraisal experience requirements.