Pennsylvania Real Estate Salesperson Cheat Sheet 2026

The night-before summary, built like the exam.

120 Scored questions	**3h 30m** Time limit	**75% on each portion (80 …** Passing score
$52 Exam fee	**Pennsylvania Real Estat…** Governing body	**—** Pass rate

Agency & Fiduciary Duties

Agency = a principal authorizes an agent to act on their behalf in dealings with third parties.

- OLD CAR = the core fiduciary duties: O bedience, L oyalty, D isclosure, C onfidentiality, A ccounting, R easonable care.
- Loyalty: put the principal's interests above your own; avoid conflicts of interest.
- Confidentiality survives termination — never reveal the seller's lowest acceptable price.
- Accounting: safeguard entrusted funds; no commingling of client money with your own.
- Clients vs. customers: customers get only honesty, fair dealing, and disclosure of known material defects — not fiduciary duties.
- Dual agency: legal only with informed written consent of both parties; the dual agent cannot advocate for one party against the other.
- Termination: completion, expiration, mutual agreement, revocation, renunciation, or operation of law (death/incapacity).

Listing Agreements

A listing is an employment contract authorizing a broker to market a property and find a ready, willing, and able buyer.

- Exclusive-right-to-sell: broker is paid if the property sells during the term, no matter who procures the buyer (even the seller).
- Exclusive-agency: broker earns no commission if the seller personally finds the buyer.
- Open listing: non-exclusive; only the broker who procures the buyer is paid; seller may list with multiple brokers.

Contracts (Listing & Purchase)

- Essential elements: competent parties, mutual assent, consideration, lawful object, and a writing (Statute of Frauds).
- Counteroffer: any change to the terms rejects and terminates the original offer.
- Earnest money: good-faith deposit held in the broker's trust account.
- Contingencies (financing, inspection, appraisal): let the buyer cancel and recover the deposit if a condition isn't met.
- Time is of the essence: deadlines are strictly enforceable; missing the date is a breach.

Deeds & Title Transfer

A deed conveys title from grantor to grantee.

- Valid deed: competent parties, words of conveyance, adequate legal description, grantor's signature — plus delivery to and acceptance by the grantee.
- General warranty deed: greatest protection — warrants against all title defects at any time, even before the grantor owned the property.
- Special warranty deed: warrants only against defects during the grantor's ownership.

- Quitclaim deed: conveys only whatever interest the grantor has, no warranties; used to clear clouds on title.
- Recording: gives constructive notice to the world; establishes priority — generally protects the first to record.
- Title insurance: covers losses from defects that existed but were unknown when the policy issued.
- Marketable title: free from reasonable doubt or serious defects a prudent buyer would accept.

Financing Basics

- Mortgage / deed of trust: pledges the property as security for a promissory note.
- Lien vs. title theory: lien-theory — borrower keeps title, lender holds a lien; title-theory — lender/trustee holds title until the debt is repaid.
- Loan types: Conventional = not government-backed; FHA insured by the FHA; VA guaranteed by the VA for eligible veterans.
- PMI: generally required on conventional loans when the down payment is < 20% of the purchase price.
- Fixed vs. ARM: fixed keeps one rate for the term; an ARM changes periodically based on an index + margin.
- Amortization: early payments are mostly interest, later payments mostly principal.
- Due-on-sale clause: lender can demand full repayment on sale — blocks loan assumption without lender approval.
- Discount points: prepaid interest paid at closing to lower the note rate; 1 point = 1% of the loan amount.

Fair Housing Law

- Fair Housing Act (Civil Rights Act of 1968, amended 1988): bans discrimination in the sale, rental, and financing of housing.
- 7 protected classes: race, color, religion, national origin, sex, familial status, disability.
- Familial status: protects households with children under 18 and pregnant persons.
- Steering: channeling buyers toward/away from neighborhoods based on a protected class.
- Blockbusting: inducing owners to sell by suggesting a protected class is moving in.
- Redlining: denying loans or insurance in certain areas based on protected characteristics.
- Advertising a preference/limitation based on a protected class is illegal even if the transaction would be exempt.
- Civil Rights Act of 1866: bans all racial discrimination in property transactions — no exemptions.
- Mrs. Murphy exemption (owner-occupied, <=4 units): never applies to race, and can't be used with discriminatory advertising or a licensee.

Real Estate Math

- Commission = sale price × rate. Ex: $300,000 × 6% = $18,000.
- LTV = loan ÷ lesser of appraised value or price. Ex: $240,000 loan on a $300,000 property = 80% LTV (down payment = remaining 20%).
- Proration: splits shared expenses (taxes, rent, interest) between buyer and seller using the closing date as the dividing point.
- Banker's year: many exams use a 360-day year with 30-day months; daily rate = annual amount ÷ 360.
- Prepaid vs. arrears: prepaid — buyer reimburses seller for the unused portion; arrears — seller credits buyer for the seller's share.
- Gross Rent Multiplier = sale price ÷ monthly gross rent.
- Income capitalization: Value = NOI ÷ cap rate.

Official sources

- Pearson VUE / Pennsylvania Real Estate Commission — Pennsylvania Real Estate Candidate Handbook: https://www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/093900.pdf
- Pennsylvania Department of State — Real Estate Salesperson Licensure Requirements Snapshot: https://www.pa.gov/agencies/dos/department-and-offices/bpoa/boards-commissions/real-estate-commission/real-estate-s

alesperson-licensure-snapshot

- U.S. Bureau of Labor Statistics — Occupational Employment and Wage Statistics, May 2025 — Real Estate Sales Agents (SOC 41-9022): https://www.bls.gov/oes/current/oes419022.htm

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Free practice questions for this exam: www.everyexamprep.com/practice/exams/real/pennsylvania-real-estate-salesperson