

***Illinois Proficiency Exam Prep: Broker to Managing Broker***  
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**Editor's Note**

At Dearborn™ Real Estate Education, we are proud of our reputation for providing the most complete, current, and accurate information in all our products. We are committed to ensuring the kind of quality you rely on. Please note the following changes, which will be reflected in the next printing of *Illinois Proficiency Exam Prep: Broker to Managing Broker*.

**Chapter 1**

**Laws and Regulations**

Page 2

I.A.1.(b) currently states, “Managing brokers must identify themselves in any advertising where their name(s) appears.”

To clarify this statement, we are changing it to read as follows:  
Those individuals licensed as a managing broker and designated with the Department as a managing broker by their sponsoring broker shall identify themselves to the public in advertising as a managing broker.

Page 3

I.B.3.(b) currently states, “Disclosure if the property is located in a state where the agent or sponsoring broker is not licensed”

To clarify this statement, we are changing it to read as follows:  
Disclosure if the property is located in a state where the agent or sponsoring broker is not licensed (e.g., a property located in Wisconsin being sold by an Illinois brokerage).

Page 3

I.C heading is currently, “Disclosure requirements—property.”

To more accurately describe this section, we are changing the heading to read as follows:  
Disclosure requirements—licensee interest in the property

Page 3

I.C.5 and its example currently state “A sponsoring broker/owner can use a company sign as long as the public is not confused. For example, if Dave Brown is the sole owner of Brown Real Estate, he can use a company sign on his personal rental properties.”

To clarify this statement, we are changing it to read as follows:  
A sponsoring broker/owner selling or leasing property in which he has an interest can use his company sign as long as it is clear to the public whether the services of the real estate company are being used and whether the real estate company has an ownership interest in the property. For example, if Dave Brown is the sole owner of Brown Real

Estate, he can use a Brown Real Estate sign on his personal rental properties.

### **Chapter 1 Quiz**

Page 12

Currently, question 15 can have two correct answers. Current answer choices b and c are as follows:

- b. A studio apartment
- c. A foreclosed home

We are changing these answer choices to read as follows:

- b. A zero-bedroom dwelling unit built in 1972
- c. A one-bedroom condo built in 1959

Note: “b” is the correct answer.

### **Chapter 1 Answers**

Page 21

Question 15 answer currently states, “There are exemptions from lead-based paint disclosure rules generally for dwellings where young children will not spend a lot of time, such as a studio apartment or a nursing home.

We are changing this to read as follows:

There are exemptions from lead-based paint disclosure rules. A zero-bedroom dwelling unit, including a single room occupancy (SRO) dwelling unit, is exempted.

### **Chapter 4 Answers**

Page 71

Question 5 answer currently states, “Although the act indicates that earnest money should be deposited the next business day, parties to a transaction could agree to a different schedule. The escrowee should follow those instructions.”

To clarify this statement, we are changing it to read as follows:

The agents should honor the party’s instructions. However, a real estate broker acting as an escrowee *must* deposit the funds within one business day of *receipt*. Therefore another escrowee should be found, or perhaps the buyer’s agent should hold the check until the date for deposit.

Page 71

The correct answer to question 17 is “a” and not “d.”

### **Sample Exam 1**

Page 77

Answer choice “c,” which is the intended answer, currently states, “can own less than 51 percent of the company.”

To be the correct answer, answer choice “c” should read as follows:  
can own less than 49 percent of the company.

### **Sample Exam 1 Answers**

Page 85

The correct answer to question 8 is “b” and not “d.”

### **Sample Exam 2**

Page 94

Answer choice “d,” which is the intended answer, currently states,  
“\$30,000 lien against the property before January 30.”

To be the correct answer, answer choice “d” should read as follows:  
\$30,000 lien against the property before June 30.

### **Sample Exam 2 Answers**

Page 97

Question 10 answer currently states, “Sex offenders are not protected  
under fair housing laws, but situations like this could be covered in an  
office policy manual.”

To clarify this statement, we are changing it to read as follows:  
Sex offenders are not protected under fair housing laws, but an office  
policy manual might have specific instructions for a situation like this.

Page 98

Question 42 answer currently states, “RESPA prohibits payments from  
one settlement service provider to another for services that are  
“unearned.” However, delivering documents would be considered and  
“earned” fee.”

To clarify this statement, we are changing it to read as follows:  
RESPA prohibits payments from one settlement service provider  
(lender, real estate agent, inspector, attorney, title company, etc.) to  
another for services that are *unearned*, such as just giving a referral. A  
fee that is *earned*, such as delivering documents across town, would be  
legal.

Page 98

Question 44 answer currently states, “The goal in this situation should  
be to get the property under contract but still allow for the parents to  
give input, especially if they are providing down payment funds.”

To clarify this statement, we are changing it to read as follows:  
Since the property has had a lot of showings, the first goal is to get it  
under contract. Since the parents are providing the down payment  
money, it would be foolish to ignore their role. To accomplish both,  
there could be an addendum or rider added allowing a third party, such  
as the parents, to approve the sale within a given time period.

Question 58 answer currently states, “Without other instructions, escrow funds must be deposited the next business day. However, the parties can agree to a different schedule, and the escrowee must follow their wishes.”

To clarify this statement, we are changing it to read as follows:  
The agents should honor the party’s instructions. However, a real estate broker acting as an escrowee *must* deposit the funds within one business day of *receipt*. Therefore another escrowee should be found, or perhaps the buyer’s agent should hold the check until the date for deposit.