

PARALEGAL EXAM SPECIFICATIONS FOR REAL ESTATE LAW

PURPOSE OF THE EXAM. The purpose of the certification exam is to require an applicant to demonstrate substantial knowledge of significant legal concepts and corresponding paralegal skills in real estate law.

EXAM FORMAT. The exam is 4 hours in length and is divided into two sessions. Part I consists of 3 essay questions with a total value of 150 points (50 points per essay). This portion of the exam requires the identification of critical or substantive issues and knowledge of procedures. Applicants will have 2-1/2 hours to complete Part I. Part II consists of 90 multiple-choice questions with a total point value of 90 points (1 point per question). Applicants will have 1-1/2 hours to complete Part II.

OVERALL KNOWLEDGE. An applicant in real estate law is expected to understand the process of the transfer and financing of real property. An applicant is expected to know some substantive law and statutory requirements for real estate law and be able to practically apply legal concepts in the area and should be able to conduct factual analyses, identify issues, solve problems, evaluate cases and effectively communicate about real estate law matters. A more detailed list of required knowledge is set out below.

ESSAY QUESTIONS. Essay questions consist of a fact pattern followed by a series of questions (usually 4-6) for an applicant to answer. Essays are designed to require an applicant to recognize and analyze issues in the fact pattern and explain how those issues should be resolved. The fact patterns will involve situations you would likely encounter in your work as a paralegal. Applicants should make sure to provide the specific information each question asks for and to communicate as clearly as possible. An organized, clearly written answer using complete sentences will almost always receive a higher score than a choppy, disorganized one. In order to pass the exam, applicants must be able to clearly express answers in a manner that would be persuasive to the decision-maker in a case.

MULTIPLE CHOICE QUESTIONS. These questions are designed to test a breadth of issues in the specialty area and require an applicant to select the **best** available answer option.

REQUIRED KNOWLEDGE, SKILLS AND ABILITIES. The knowledge, skills and abilities required of a real estate law applicant are set out below.

NOTE: NOT ALL TOPICS LISTED BELOW WILL BE COVERED ON ANY GIVEN EXAM. APPLICANTS WILL BE TESTED ON RULES AND LAWS IN EFFECT AT THE TIME OF THE EXAM UNLESS OTHERWISE SPECIFIED.

1. Purchase and Sale of Realty
 - a. Contract of Sale
 - (1) Identification of Parties
 - (2) Legal Description
 - (3) Representations and Warranties
 - (4) Enforcement
 - (5) Feasibility Study
 - (6) Statutory Seller Disclosures
 - (7) Conditions to Closing
 - b. Title Commitment
 - (1) Status of Title and Ownership
 - (2) Restrictive Covenants, Easements, Setback Lines and other Schedule B Items

- (3) Liens, Encumbrances, and other Schedule C Items
 - c. Survey
 - (1) Survey Types and Standards
 - (2) Sufficiency for Intended Purpose
 - (3) Accuracy and Completeness
 - d. Property Taxes, Tax Parcels, Exemptions and Rollbacks
 - e. Title and Survey Curative Matters
- 2. Conveyances
 - a. Deeds
 - (1) Forms of Deed
 - (2) Reservations and Exceptions
 - b. Assignments
 - c. Merger of Title
 - d. Authority, Execution, and Delivery
 - e. Acknowledgments and Recording
- 3. Financing
 - a. Types of Acquisition Loans
 - (1) Third Party Loans
 - (2) Seller Financing
 - (3) Assumption/Subject To
 - (4) Contract for Deed/Executory Contract
 - b. Construction Loans
 - (1) Mechanics' Lien Inception
 - (2) Guarantees of Payment and Completion
 - c. Financing Liens and Security Interests
 - (1) Deed of Trust
 - (2) Deed of Trust to Secure Assumption
 - (3) Security Interests in Fixtures and Personalty
 - (4) Assignment of Rents
 - (5) Vendor's Lien
 - (6) UCC Financing Statements
 - (7) Special Provisions
 - (a) Due on Sale
 - (b) Due on Encumbrance
 - (c) Dagnet/All Other Indebtedness/Cross Collateralization
 - (d) Cross Default
 - (8) Mechanic's Liens
 - (9) Required Disclosures
 - (10) Anti-deficiency Statutes
- 4. Closing
 - a. Settlement Statement
 - b. Prorations
 - c. Escrow Agreements

- d. Title Company Closing Documents
- e. Foreign Investment in Real Estate Disclosure Requirements
- f. Office of Foreign Asset Control Disclosure
- g. Powers of Attorney
- 5. Title Insurance
 - a. Owner Policies of Title Insurance
 - b. Loan Policies of Title Insurance
 - c. Interim Binder on Construction Loan
 - d. Endorsements
 - e. Exceptions
 - f. State Board of Insurance Regulations
 - g. Rates
- 6. Interests and Estates in Real Property
 - a. Fee Simple
 - b. Life Estates
 - c. Leasehold Estates
 - d. Surface and Mineral Estates
 - e. Ground Water Rights
 - f. Condominiums
 - g. Easements and Rights of Ways
 - h. Homesteads
 - i. Community Property
 - j. Probate/Intestacy Issues
 - k. Tenancies
 - (1) Tenancy in Common
 - (2) Joint Tenancy
 - l. Appurtenances
 - m. Fixtures
- 7. Construction
 - a. Residential
 - b. Commercial
 - c. Mechanic's Liens
 - d. Warranties
- 8. Landlord/Tenant Rights and Remedies
 - a. Residential Leases
 - b. Commercial Leases
 - c. Ground Leases
- 9. Zoning and Platting
 - a. Zoning Regulations
 - b. Platting requirements
- 10. Various Types of Entities
 - a. Authority to Act
 - b. Certificates of Existence and Account Status
 - c. Structure

- (1) General Partnerships
- (2) Limited Partnerships
- (3) Corporations
- (4) Limited Liability Companies
- (5) Limited Liability Partnerships
- d. Business Organizations Code
- 11. Foreclosure
 - a. Procedures
 - b. Federal Tax Liens
- 12. Texas Property Code Provisions and General Real Estate Terms
- 13. Ethics
 - a. Unauthorized Practice of Law
 - b. Confidentiality

STUDY MATERIALS. There is not an exam preparatory course provided by the TBLS. Past exams are not available for review. Applicants are encouraged to read the Texas Property Code, and to attend and/or read materials from advanced real estate law and drafting courses, and other comparable CLE seminars.

SCORING/RESULTS. TBLS has not predetermined the passing score. An applicant's score from Part I and Part II will be added together to determine the applicant's overall performance. Examination credits will be given for accuracy, clarity, brevity, reasoning, recognition of problems presented, knowledge of the principles of law involved and a correct application of those principles. Grades are established by using a variation of the bell curve, which measures an applicant's performance in relation to other applicants' performance. Exam results are mailed in late December. Due to the confidentiality of our applicants, exam results are not available over the phone or on the web site.