

2009 PARALEGAL EXAM SPECIFICATIONS FOR REAL ESTATE LAW

The intent of the exam is to fairly test an applicant's ability to display special knowledge, skills and proficiency in the residential, commercial, and farm and ranch real estate law, which could include factual analysis, issue identification, problem solving, case evaluation, and strategies for communication. It will require knowledge of substantive areas of the law, statutory requirements and practical application of legal concepts and theories. The reason this emphasizes legal theory is because "Board Certified" paralegals need to understand "why" they do what they do, not just "how" and "when". This test is not designed to solely test a paralegal on procedural processes. Applicants will be required to demonstrate an understanding of legal analysis and the elements of various causes of action. Applicable law is as of the exam date, unless otherwise indicated.

DEFINITION. Real estate law involves responsibilities and duties related to the acquisition, ownership, use, financing, development, leasing and disposition of land and improvements of all types, including residential, commercial and farm and ranch. Paralegal duties and responsibilities include, without limitation, assisting attorneys with review and analysis of surveys, title information and related documents and preparation and analysis of real estate documents.

EXAM FORMAT. The exam is 4 hours in length and is divided into two sessions. The exam consists of objective questions and short answer questions, together with a comprehensive review and analysis of an actual survey plat and title commitment for a commercial transaction. Applicants will have 2-1/2 hours to complete Part I. Part I is worth a total value of 150 points. Applicants will have 1-1/2 hours to complete Part II. Part II is worth a total point value of 90 points.

KNOWLEDGE. The following are areas of real estate law which may be tested. **Not all of the following exam topics will be covered on the exam. Applicant will be tested on all laws currently in effect at the time of the exam.**

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) Dragnet/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 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.