

## **Examination Accreditation Program**

### **Top Ten Questions and Complaints on Real Estate Licensing Examinations**

This information is intended to give regulatory administrators, education directors, commissioners, and pre-licensing course developers and instructors non-technical responses to the top ten questions and complaints on the national (uniform or general) portion of real estate licensing examinations accredited by ARELLO®. These responses are meant only to support an understanding of the concepts and to facilitate communication and resolve misunderstanding. They are not sufficient to address legal challenges to examination validity, reliability, or other characteristics.

**#1** *Nothing on the exam tests on what is important to know to be successful in the real world of real estate. Even the broker I want to work for (who said I'd be a good agent), said the exam doesn't test what it should.*

- This is true in part, and a matter of perspective. The exam does not test on what it takes to be successful in the business of real estate. Licensing exams test only knowledge and abilities directly related to what is necessary for safe practice and public protection. Regulatory agencies exist to protect the public and ensure that those who practice a profession or occupation have and maintain the knowledge and ability necessary to protect the public's interest. Although many factors are important and directly related to personal success in an occupation, the lack of these skills may not present a clear and present danger to the public.
- The critical question is, "Whose interest is directly affected?" For example, the knowledge and ability necessary to prepare a listing contract competently is directly related to public safety. The ability to promote and market one's self to get the listing (although critical for personal success in business) does not affect the public's interest.

**#2** *Is the exam valid? How is it determined what subject areas go on the test and that they are relevant to what is necessary to know?*

- To be valid and legally defensible, the content (subject areas, categories of knowledge and ability) being tested must come from activities and tasks practicing professionals perform, and the knowledge related to them determined essential for an entry-level practitioner. The accepted method of determining subject area content of an exam is to perform a detailed job/task and knowledge/skills analysis process that involves a study (often a survey) of licensed real estate professionals. The study focuses on determining the activities and tasks performed by real estate licensees and the relative frequency and importance of such tasks. Using the results, experts identify the subject matter related to those tasks that an entry-level licensee needs in order to protect consumers, the relative importance of the various topics, and the level of competence (e.g. recall, application or analysis) needed by such licensees for each topic. Based on job/task analysis results, subject matter experts\* and test development specialists develop content specifications that serve as the basis for developing questions and assembling multiple forms of the examination. These specifications outline the categories and topics to be tested and indicate the number of questions on each topic to be included in each form of the examination based on the relative importance and nature of the topic. For example, for the task "Assist clients in negotiating leases," the general subject area might be "Landlord and Tenant," a major sub-topic might be "Leases," and a minor sub-topic might be "Types and Characteristics of Leases."
- As part of the accreditation process, the ARELLO® Examination Accreditation Committee performs independent reviews to determine that the topic areas in the examination content outline are linked to job-related activities (as identified through the job/task analysis), the

subject matter is appropriate under the “consumer protection” requirement, the relative emphasis of topics is consistent with the job/task analysis results with regard to the relative importance of topics, and the level of knowledge or skill required.

**#3** *I have failed the licensing exam twice. I think it's because there were so many trick questions, and a lot of the questions had two answers that could be correct. It's not fair to test on the ability to answer trick questions.*

- Often questions will seem tricky to those who do not have the minimal knowledge of terminology or principles, or lack the ability to apply knowledge to a practical situation. This can make a straightforward question seem like a puzzle.
- Questions may appear to have two or more correct answers to a person who does not have the required level of knowledge because ARELLO® and professional guidelines for writing exam questions require that the incorrect answer choices for multiple-choice questions be plausible to the candidate who does not have the required knowledge.
- In addition to many other requirements, ARELLO® guidelines for writing examination questions specifically state: “Exam questions must be free of extraneous, ambiguous, non sequitur, illogical or confusing material and free of tricky expressions, slang, and other tricky requirements.”
- Several methods and processes are employed to make sure that the exam questions are written as clearly as possible for those who have the necessary knowledge:
  - Those who write the questions are given explicit guidelines and trained to be clear in their writing (see the Examination Accreditation Program pages on the ARELLO® website).
  - A panel of subject matter experts\* evaluates the questions for conformity to ARELLO® principles and guidelines.
  - Examination questions are pretested with actual licensing candidates (not used for computing candidates’ scores) and the results reviewed to be sure they are appropriate for the examination (some results, like too many people selecting a wrong answer could indicate a potentially tricky question).
  - In addition, when ARELLO® reviews the sample exams of accredited examination providers, reviewers identify and report to the provider any question they think might be confusing, “tricky,” or deficient in any other manner.

**#4** *How is the passing score for the exam determined, and what is the justification?*

- For a real estate licensing examination, the minimum level of performance required to pass (minimum passing score, cut score) is used to determine whether a particular score is sufficient for licensing. This score must be high enough to protect the public but not so high as to unreasonably limit the number of those who should be licensed to practice.
- Setting cut scores for these examinations must be based on a method that systematically collects and combines the judgments of qualified people – subject matter experts\*, measurement professionals, regulators, and others. There are several methods for obtaining these judgments, and all involve comprehensive discussion and description of the minimum performance required to perform tasks in a way that protects the public’s interest.
- In one method typically used in real estate licensing, subject matter experts estimate what percentage of “minimally competent” practitioners entering the field would answer the question correctly.
- These estimates for each question are combined to determine a recommended minimum passing score for the examination. Some regulatory jurisdictions require (by statute or rule) a particular cut score on the examination (e.g., 75%); in these cases examination questions may be selected not only to match the content (subject area) distribution, but also to match the recommended cut score and equal 75%.
- The passing score study is not repeated for each form of the examination; instead, a statistical process known as equating is usually used to help ensure that the cut score point represents

the same amount of knowledge regardless of which form of the examination a candidate takes.

- It is important to note that candidates' scores are not compared to other candidates' scores, so it does not matter to the real estate regulatory agency how many candidates pass; what matters is the amount of knowledge they have.

**#5** *I've heard that there are multiple versions of the exam and that some of them have questions that are more difficult than on other exams. I got the difficult version and failed; that's not fair to have versions of the exam that are not equal in difficulty.*

- It is true that a particular version (form) of the examination may have questions that are more difficult than those in another form. However, examination forms are carefully constructed using statistical data on each question to help ensure consistency in difficulty levels across forms. Slight variations are possible due to the particular selection of questions in the forms. This is taken into account when test forms are equated and minimum passing scores are set.
- Equating places scores from each form onto a common scale by adjusting for differences in difficulty. In scaled score reporting, a candidate's raw score (number correct) is converted to a number in a predefined score range on the scale to which all forms are equated.

**#6** *I've been told that there are several versions of the exam that are different, and that I would have to take a different version on a second attempt if I fail the first time. How can you expect me to pass if you keep changing the exam? It's not fair to have versions of the exam that are different.*

- There are multiple forms of the examination that contain different questions. They are not "different" examinations and are interchangeable in that they are built to measure the same thing in the same way and have the same properties. These interchangeable or alternate forms are consistent in the number of questions, the passing score requirement, subject (content) areas, and knowledge (cognitive) level requirements. Equating and scaling procedures are used to adjust for differences in form difficulty.
- If there were only one examination form with 80 questions, it would not take long before word would get out about the exact items. Examination developers use a large number of questions in each of the topic areas to assemble alternate forms of the examination to provide security and avoid overexposure of the individual questions.

**#7** *The licensing examination is too hard! I made 90% on my school exam, but I have failed the licensing exam two times. I also see that only about 60% of candidates pass the license exam.*

- Regulatory agencies are concerned about whether those who pass the licensing examination have the knowledge to protect, and not be likely to harm, the public. It is not their goal to have a certain percentage of candidates pass the examination. For examinations accredited by ARELLO®, all questions are written and reviewed by groups of real estate practitioners with substantial real estate brokerage experience and have been found to meet the goal of testing for minimum competence.
- The school's role is to teach the job knowledge and skills linked to the real estate content (subject areas) in the examination outline derived from the job/task analysis. Schools and candidates receive a detailed outline of the subject areas in the examination, the number of questions in each area, and a list of references (textbooks, study guides, and other resources) that can be used to develop curriculum and prepare candidates.
- There are several possible reasons for the different score on the school exam and the licensing examination, such as: 1) The school curriculum may not have covered the full subject area content in sufficient detail at the sub-category level or placed sufficient emphasis on particular subject areas; 2) Candidates may need to study more than the minimum in-class time set by the regulatory agency because of the breadth and depth of content covered by the exam; 3) the school exam may not be difficult enough to determine competency; and 4)

Candidates may be more nervous taking the licensing examination and not exhibit their best performance.

- Before retaking the examination, candidates should try to learn from their previous experience – the examination score report should provide feedback on candidate subject area strengths and weaknesses, and before testing again, it would be wise to study in content areas showing weakness.

**#8** *How do I know the test is reliable? I have taken the exam five times and all my scores were between 72 and 74, and the passing score is 75.*

- Think of “reliability” as how consistently an examination measures performance. Administering an examination with high reliability to the same people on separate occasions most likely would yield consistent results. A measurement specialist would say that the five scores grouped so tightly between 72 and 74 is likely evidence of a high degree of reliability. You should be concerned about reliability if the scores ranged more widely.
- The licensing examination is reliable when the scores among those who take its forms over all administrations over an extended period of time are consistent.
- Note that the performance of examination “repeaters” is considerably lower than the performance of first-time examinees, and the success rate of examinees declines with time between completing the pre-licensing course and taking the examination. Unless a candidate who fails takes steps to improve subject matter knowledge before the next attempt, examination performance is likely to decline rather than improve.

**#9** *I heard there are experimental questions on the exam. How do I know which ones they are and that I'm not being scored on experimental questions? Why should I have to spend my time answering questions that don't count anyway?*

- There are experimental (pretest) questions on the examination, and candidates are informed of how many there are before taking the examination. These questions are not counted in a candidate's score. The time it takes to answer the pretest questions is considered in establishing the amount of time allowed to complete the examination.
- New questions need to be developed to address changes in real estate and to increase examination security by replacing questions that have had a lot of exposure. The questions need to be tried before they are used in computing actual candidate scores to gather information that helps to ensure that they are appropriate and that scores on different forms are equivalent.
- The best way to do this is with candidates who are prepared and motivated to apply their best efforts in answering them. It is important that candidates not know which questions are pretest questions so that they will make a conscientious effort to answer these questions and not just mark an answer without thought or skip the questions.

**#10** *I heard that the real estate agency uses the exam to limit the number of people who enter the profession so that there will be less competition and more money for the existing licensees. I think it's a conflict of interest that people who are already licensed should be controlling who enters the business.*

- It is a governmental regulatory agency that requires the examination. That is not to be confused with professional trade organizations, such as REALTORS®. Governmental regulatory agencies are charged with enforcing laws necessary to protect the public and have no interest in the number of people who participate in the marketplace. Their goal is to ensure that those who pass the examination have demonstrated the minimum required qualifications.
- Many real estate regulatory bodies use practicing licensees (sometimes called commissioners) to serve as policy advisors and hear disciplinary cases against licensees. The benefits of the involvement of active practitioners in licensing and regulation is considered to greatly outweigh any slight risk of misusing their position to restrict competition.

\*A **Subject Matter Expert** (SME) is generally recognized as an authority in a particular content (subject) area. All examination programs accredited by ARELLO® make use of SMEs, whether they call them that or by another name. SME committees for real estate licensing exams typically include individuals with experience in: (1) teaching and/or developing pre-licensing education courses relevant to the examination content areas, (2) authorship of principles and practices, law, or reference books relevant to the examination content areas, (3) the practice of real estate brokerage as a licensee, (4) the regulation of relevant real estate practice, or (5) other profession or occupation relevant to the examination content area, such as experience as an attorney-educator.