



Texas Contracts and Promulgated Forms Exam Cheat Sheet

Texas State Law | 9 scored items | about 8% of all scored items

STUDY RULE

Identify the transaction, choose the approved form or addendum, and stay inside the blanks.
If the requested change requires legal drafting, the client needs an attorney.

What Pearson Tests

- TREC-promulgated contracts, forms, addenda, required use, and permitted completion
- Statute of Frauds, offer and acceptance, earnest money, option fees, notices, and deadlines
- Seller's Disclosure Notice and the distinction between disclosure notices and contract forms

Exam Traps

- The Broker-Lawyer Committee drafts recommended forms. TREC promulgates the forms.
- Earnest money supports the transaction but is not required consideration for every valid sales contract.
- The termination option depends on the contract language, timely payment, and the deadline. Do not rely on a memorized generic clock when the form supplies the terms.

Essential Vocabulary

- Promulgated form: A form adopted by TREC for required use by license holders when the rule applies.
- Addendum: A document added to a contract to address extra terms or required subject matter.
- Amendment: A later agreement that changes an existing contract.
- Earnest money: Money delivered under the contract as evidence of the buyer's intent and handled under the contract terms.
- Option fee: The separately stated payment tied to the buyer's unrestricted termination right under the contract terms.
- Termination-option period: The contractual period during which the buyer may terminate under the option provision.
- Seller's Disclosure Notice: The Texas statutory property-condition notice required in covered residential transfers.
- Statute of Frauds: The rule requiring specified contracts, including most real estate sale agreements, to be written and signed.

Recall Check

- Who promulgates the standard contract forms used under TREC rules? Answer: TREC.
- Who drafts the forms recommended to TREC? Answer: The Broker-Lawyer Committee.
- May a license holder write a custom legal clause for a party? Answer: No. That can be unauthorized practice of law.

My Miss Log

Write the rule you missed, then schedule the next rep.
