



CALIFORNIA REAL ESTATE / SALESPERSON EXAM

California real estate exam: rules, deadlines and disclosures

Use California's licensing, agency and disclosure rules when a scenario turns on jurisdiction.

Original exam-preparation material. DRE controls the examination. Read the full lessons for context and use current official sources for a live transaction. This reference does not establish exam readiness.

Find the rule you need

- 01** Creation of Agency and Agency Agreements
- 02** Disclosure of Agency
- 03** Disclosure of Acting as Principal or Other Interest
- 04** Trust Account Management: classify, place, record, and reconcile
- 05** Permitted Activities of Unlicensed Sales Assistants
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- 07** Property Management: licensing, money, tenants, and habitability
- 08** Natural Hazard Disclosure Statements: the six disclosure lines

Use this reference actively

Name the relationship or activity first. Read the rule and its exception together. Then cover the page and explain which fact would change the answer.



01 / AGENCY AGREEMENTS

Creation of Agency and Agency Agreements

A written listing or buyer representation agreement documents the broker's employment and its terms. Agency duties can also arise through conduct, ratification, or estoppel. Missing paperwork does not erase duties the agent has undertaken.

Civil Code 1670.50 and DRE Regulations 2906.1 through 2906.3 govern required buyer-broker agreements. Keep the execution deadline, term limit, renewal rule, and actual agency relationship separate.

AB 2992 changed the order of operations: Identify who the agent represents, then apply the timing rule. A buyer's agent should normally obtain the agreement before a showing because the regulation presumes that is practicable. The statute sets an outside deadline at execution of the buyer's offer. An agent acting solely for the seller does not become the visitor's buyer's agent merely by showing the seller's property.

The buyer representation agreement is now mandatory:

A buyer's broker must obtain the agreement as soon as practicable and no later than execution of the buyer's offer. Regulation 2906.2 creates a rebuttable presumption that signing before an in-person or virtual showing is practicable. The rule concerns buyer representation in purchases, not a seller-only agent showing a listing to an unrepresented visitor. Do not substitute separate MLS or association rules for the statutory timing rule.

Three months means 90 days, counted precisely:

The agreement may not run longer than three months from the date it was made. Three months means 90 calendar days, with the first day being the day after the last party signs, unless the agreement sets a delayed effective date, in which case the 90 days run from that date. The limit does not apply where the client is a corporation, limited liability company, or partnership.



Compensation must be negotiated, not pre-printed:

For covered sales of one-to-four-unit residential property and mobilehomes, Business and Professions Code 10147.5 requires a negotiability notice in at least 10-point bold type in a printed or form compensation agreement. The amount or rate may not be preprinted. Compensation remains negotiable in other transactions too, but this form requirement has a defined statutory scope.

Listing agreements:

An exclusive right to sell entitles the broker to a commission whoever sells. An exclusive agency entitles the broker unless the seller sells it themselves. An open listing pays only the broker who produces the buyer. A net listing is lawful in California, but the licensee must disclose the selling price and their own profit to the principal before the principal is bound.

The definite termination date:

An exclusive listing must contain a definite, specified termination date. A listing with no end date, or one that renews automatically, is a ground for discipline under Business and Professions Code 10176(f). Check the termination date separately from any protection clause.

Writing is required for the commission:

Under the statute of frauds at Civil Code 1624, an agreement authorizing or employing an agent to buy or sell real estate for compensation must be in writing to be enforceable. An oral listing may create an agency relationship with real duties, and it will not support a suit for the fee.

Ratification and estoppel:

Agency may arise through informed ratification or the principal's conduct creating reasonable reliance. Compensation enforcement remains a separate statute-of-frauds question; do not assume an agency relationship alone proves an enforceable commission agreement.

Who signs:

The listing is between the seller and the BROKER, signed by the broker or by a salesperson on the broker's behalf. A salesperson cannot take a listing in their own name, and a listing does not follow a salesperson who changes firms; it belongs to the broker.

An agency can exist with no contract at all:

Conduct can establish an agency even when the required employment paperwork is missing. Determine the parties' relationship from the facts, then consider fiduciary duties, required writings, discipline, and compensation enforceability separately.



Delivery and acceptance of the agreement:

Check agreement and acceptance, not signatures alone. A compensation writing generally must be signed by the party to be charged. Acceptance can depend on conduct and the contract's terms; do not declare every listing invalid simply because the broker's signature is absent. Required buyer-agreement execution and renewal rules must also be followed.

What the agreement should fix:

The parties, the property or the search parameters, the term with a definite end date, the compensation as a negotiated figure, the scope of authority, any dual agency consent, and the dispute resolution provisions. A gap in any of these is where a later argument starts.

Four listing types and who earns the fee

Listing	Broker is paid when	Seller sells it themselves
Exclusive right to sell	The property sells, by anyone	Broker still paid
Exclusive agency	Anyone but the seller sells it	No commission
Open	That particular broker produces the buyer	No commission
Net	Anything above the seller's stated net	Lawful in California, with disclosure before the seller is bound



02 / AGENCY DISCLOSURE

Disclosure of Agency

Keep three requirements distinct: delivery of the general statutory agency disclosure, disclosure of the actual agency relationship, and timely written confirmation of that relationship. There is no separate statutory election step. Dual agency also requires informed consent from both principals.

The Disclosure Regarding Real Estate Agency Relationships form uses the text in Civil Code 2079.16. It explains seller, buyer, and dual-agent duties. It applies to the real property transactions defined in section 2079.13, including residential and commercial property and vacant land. Single agency does not remove the disclosure requirement.

Disclosure and confirmation are not the same event: The statutory disclosure form explains possible relationships. The actual relationship must separately be disclosed and confirmed in the purchase contract or another writing at the statutory time. A signed general form alone is not confirmation or consent to dual agency.

General disclosure:

section 2079.14: The seller's agent provides the form to the seller before the listing. The buyer's agent provides it to the buyer as soon as practicable before the representation agreement and offer. If the buyer's agent did not prepare the offer, section 2079.14 requires delivery no later than the next business day after that agent receives it from the buyer.

Actual relationship:

section 2079.17: State the actual agency relationship as soon as practicable. The parties' agreement and conduct determine representation; a licensee cannot erase duties undertaken simply by choosing a different label.

Written confirmation:

section 2079.17: Section 2079.17 requires actual-role disclosure as soon as practicable. Confirm the buyer's agent's relationship in the purchase contract or a separate writing before or when the buyer and seller respectively execute the contract. The seller's agent's relationship is confirmed before or when the seller executes it. Confirmation is separate from the general statutory explanation of agency duties.



Disclosure is not the same as confirmation:

Under current section 2079.14, the seller's agent provides the statutory form to the seller and the buyer's agent provides it to the buyer. Do not add an obsolete requirement for the buyer's agent to deliver that form separately to the seller. Section 2079.17 separately governs disclosure and written confirmation of the actual agency relationship to the parties.

Dual agency consent must be written and informed:

A dual agency is lawful only where both principals give written consent after disclosure. Undisclosed dual agency is a ground for discipline under Business and Professions Code 10176(d) and lets a principal rescind and refuse the commission.

What a dual agent may not say:

A dual agent needs the respective client's express permission before sharing confidential financial position, motivation, bargaining position, or other personal information that may affect price. Price limits are examples, not the whole rule. This does not excuse concealment of known material property facts that the agent must disclose.

The form does not create the agency:

The disclosure describes a relationship the listing or representation agreement created. Signing the form does not make someone your agent, and failing to sign it does not undo an agency that exists. This distinction is worth holding, because questions are written to blur it.

It is not only for sales:

Section 2079.13 includes exchanges, real property sales contracts, and creation of leaseholds exceeding one year within its definition of sale. Its property definition also reaches larger residential buildings, commercial property, and vacant land. A twelve-month lease does not satisfy that exceeding-one-year definition, but other disclosure and agency duties can still apply.

Get the receipt signed:

Obtain a signed acknowledgment of receipt. If the buyer or seller refuses, section 2079.15 requires the agent to set out the facts of the refusal in a signed and dated written declaration. A refusal does not permit the agent simply to omit delivery or leave the file unexplained.

What failure costs:

Incomplete or mishandled agency disclosure can support rescission of the agreement, forfeiture of the commission, and civil liability. The broker can end up having performed the whole transaction and be entitled to nothing for it, which is why this is a compliance step rather than a formality.



Where a single agent represents both in substance:

Dual agency does not require two salespersons. One licensee who lists a property and then writes an offer for their own buyer is a dual agent, and the same written consent from both principals is required. Following Horiike, the position is identical where two salespersons in the same firm are involved.

Consent must be informed, not merely signed:

Explain the limits of dual representation before obtaining informed consent. The agent must not sacrifice one principal's interests to the other or share protected bargaining information without permission. A principal who wants exclusive advocacy should consider separate representation.

The commercial disclosure requirement:

SB 1171 extended the statutory agency disclosure framework to commercial real property transactions. Noncompliance can expose a licensee to discipline and civil claims, including a disputed commission or rescission claim when legally supported. These are possible consequences, not automatic remedies for every omission.

Disclosure and confirmation requirements

Requirement	When	Where it lives
Disclose	Seller before listing; buyer as soon as practicable before representation agreement and offer	The statutory agency disclosure form
Disclose actual relationship	Disclose the actual role as soon as practicable	Actual-role disclosure, distinct from the general statutory form
Confirm	Before or when the respective parties execute the purchase contract	The purchase contract or a separate writing



03 / PERSONAL INTERESTS

Disclosure of Acting as Principal or Other Interest

A licensee who has a stake of their own in a transaction must disclose it in writing. The rule is not about whether the licensee behaved well; it is about the principal's right to know that the person advising them is also on the other side of the table.

Business and Professions Code 10176(d) reaches acting for more than one party without the knowledge or consent of all, and 10176(g) reaches taking an undisclosed profit. Between them they cover nearly every fact pattern in this sub-topic.

Acting as a principal does not switch the license off: The tempting answer says that a licensee buying for their own account is just a private buyer with no special obligations. The opposite is true. The disclosure duty exists because they are a licensee, the higher standard follows from the license, and where they also represent the seller the fiduciary duties continue to run in full while they sit on the other side of the deal.

Buying or selling for your own account:

A licensee purchasing a listed property, or selling property they own, discloses both their licensed status and that they are acting as a principal. A licensee is held to a higher standard when dealing with a consumer precisely because of the license.

Indirect interests count:

An interest held through a spouse, a relative, a business partner, a corporation, a limited liability company, or a trust is still an interest. Structuring the purchase through an entity does not remove the duty; it is usually what makes a question a violation rather than a judgment call.

Undisclosed profit:

Buying from a principal at one price and reselling at a higher one without disclosure is a secret profit, and it is disciplinable whether or not the principal can show a loss. The same applies to an undisclosed markup on a service arranged for the principal.



Referral income from service providers:

A fee, rebate, or other consideration received from a lender, escrow, title, home warranty, inspector, or contractor recommended to a client must be disclosed. In a federally related mortgage transaction, RESPA Section 8 goes further and prohibits the payment outright where nothing was earned for it.

Ownership in an affiliated business:

Where the brokerage holds an interest in the escrow or title company it recommends, that is an affiliated business arrangement and requires written disclosure of the relationship and of the fact that the consumer is free to shop elsewhere.

Written, and before the principal commits:

Disclosure after the fact is not disclosure. It must reach the principal in time for them to act on it, which in practice means before they sign.

Three interests, and what each one requires

The interest	Disclose	Also
Licensee buys the listed property	Licensed status and principal role, in writing	Fiduciary duties still run to the seller
Licensee's LLC makes the offer	The licensee's interest in the entity	Naming the entity is not enough
Referral fee from a recommended lender	The fee and its source	RESPA may prohibit it entirely



04 / TRUST ACCOUNTS

Trust Account Management: classify, place, record, and reconcile

Trust funds belong to someone other than the brokerage. Study classification, permitted placement, timing, withdrawal authority, beneficiary records, and reconciliation together. A mistake in any one of those steps can create a violation.

Trust funds include money or other things of value received on another's behalf in licensed work, such as deposits, collected rent, and unearned advance fees. A broker acting solely as the owner of rental property is not receiving those funds as an agent, but remains subject to landlord security-deposit and other applicable laws.

A salesperson never holds trust funds independently. On receipt, the salesperson delivers them to the broker or, if the broker so directs, places them with the broker's principal, a neutral escrow depository, or the broker's trust account. A personal account is never an option, and neither is a desk drawer. The salesperson has no authority to invent a holding arrangement.

Assume no holiday. A salesperson receives a buyer's deposit check on Friday. Without a valid holding arrangement, the general three-business-day placement deadline is Wednesday. If a qualifying check is held under Regulation 2832(c), with the required offeror instruction or nonnegotiability and disclosure to the offeree, acceptance on Tuesday starts the separate placement period ending Friday. Continuing the hold after acceptance requires the offeree's written authorization.

Classify the funds, identify the permitted destination, calculate the deadline, confirm withdrawal authority, and retain records showing each step.

Commingling is not conversion, and both can be true at once: Commingling is the mixing. Conversion is the spending. A broker who deposits a buyer's deposit into the general business account has commingled, and has committed a disciplinable act even if every cent is later returned intact. If the broker then pays office rent out of that account, the same facts also show conversion. When a question describes money going into the wrong account, look for whether it was also used. That single fact decides which answer is correct.



The general placement deadline:

No later than three business days following receipt by the broker or the broker's salesperson, the funds must be placed with the owner of the funds, into a neutral escrow depository, or into the broker's trust account. Three business days is not three calendar days, so weekends and holidays do not count against the clock.

The escrow exception:

A broker acting as an escrow holder under the narrower rule in Regulation 2832(e) faces a next business day deadline rather than three. If a fact pattern puts the broker in the escrow seat, the clock tightens.

Holding an offeror's check:

A broker may hold an offeror's check uncashed until the offer is accepted, but only if the check is not negotiable by the broker or the offeror gives written instructions to hold it, and the offeree is told about the arrangement before or when the offer is presented. After acceptance, continuing to hold the check requires the offeree's written authorization. Otherwise placement is due within three business days after acceptance.

The account itself:

The account is held in the name of the broker as trustee, at a bank or other financial institution located in California, and is not an interest-bearing account for which prior written notice can be required as a condition of withdrawal. A qualifying interest-bearing account may be used at the request of the owner or the principals only when the statutory safeguards are met, and no interest may benefit the broker or a licensee employed by that broker.

The \$200 allowance:

Regulation 2835 permits up to \$200 of broker money for bank service charges. It is not a general overdraft cushion. Separately identify the rule for an inseparable mixed receipt or another statutory exception before classifying broker money left in trust.

The 25 day rule:

When one inseparable receipt contains both trust funds and an undisputed broker-owned portion, Regulation 2835 permits deposit of the whole amount into trust but requires withdrawal of the broker-owned portion within 25 days after deposit. The clock does not restart when a fee becomes due. A disputed portion stays in trust until the dispute is resolved; keep the records current.



The records:

Regulation 2831 requires a columnar record of all trust funds received and disbursed. Regulation 2831.1 requires a separate record for each beneficiary or transaction, showing that beneficiary's running balance. Regulation 2831.2 requires those two records to be reconciled to each other at least monthly, except in a month with no activity, and the reconciliation itself must be retained.

Who may withdraw:

An individual broker, or an authorized officer of a corporate broker, may sign. The broker may specifically authorize qualifying affiliated licensees in writing. An unlicensed employee requires the statutory fidelity bond or qualifying insurance protection for the maximum funds accessible, with the applicable safeguards. The broker remains responsible for trust handling.

Advance fees:

An advance fee collected before services are rendered is trust money. Business and Professions Code 10146 requires it to go into a trust account, and amounts may be withdrawn only as actually expended for the principal's benefit or five days after the required verified accounting has been mailed to the principal. A verified accounting goes to the principal at least quarterly, at the end of the arrangement, and on demand.

Retention:

Section 10148 requires retention of covered trust and transaction records for three years from closing, or from the listing date if the transaction is not consummated. Records must be available after notice during regular business hours. An audit may proceed without further notice on sufficient cause and must not be harassing.

Three trust fund failures to distinguish

Failure	What actually happened	The signal in the question
Commingling	Trust money and broker money were improperly mixed	Deposited to the wrong account, or broker funds beyond \$200 left in the trust account, or earned fees left past 25 days
Conversion	Someone else's money was used without authorization	The money was spent, withdrawn, or applied to the broker's own purpose
Trust fund shortage	The account holds less than the beneficiaries are owed	A reconciliation that does not balance, or one beneficiary's money used to cover another's disbursement



05 / UNLICENSED ASSISTANTS

Permitted Activities of Unlicensed Sales Assistants

An unlicensed assistant may support a brokerage without crossing into activity that requires a license. The exam asks what the person actually does, not the assistant's job title, pay method, experience, or the fact that a licensee is nearby.

Directed clerical support is different from showing property, explaining transaction terms, advising, negotiating, or inducing a person to use brokerage services. DRE permits limited general-interest canvassing, with interested people referred promptly to a licensee. That is not permission to solicit a particular property, transaction, or product.

Ask what judgment the task requires: A task that requires choosing, persuading, showing, explaining, recommending, or negotiating usually belongs to a licensee. A directed mechanical task may be clerical.

Administrative and document work:

An assistant may schedule appointments, obtain public information, order reports at a licensee's direction, prepare advertising for approval, complete documents under direction for licensee review, and deliver documents without explaining them.

Telephone and factual information:

With broker knowledge and consent, an assistant may canvass for general interest in brokerage services and refer an interested person to a licensee or schedule an appointment. The assistant may give facts from licensee-approved writings, but may not induce use of the broker, solicit a specific property or transaction, qualify or advise a prospect, or negotiate.

Open-house boundary:

With the principal's consent, the assistant may greet visitors, provide approved preprinted material, and arrange appointments. Only a licensee may show or exhibit the property or discuss its terms, features, neighborhood, or schools in a sales context.



Trust-fund boundary:

DRE guidelines allow an assistant to accept, account for, or provide a receipt for trust funds. The assistant does not decide where funds go. Trust-account signature authority requires separate written authorization and the applicable fidelity bond or insurance protection.

No negotiation or explanation:

The assistant may not communicate or negotiate price, terms, conditions, concessions, or changes, and may not interpret a contract or disclosure for a consumer.

Compensation cannot cure the activity:

Section 10137 prohibits employing or compensating an unlicensed person to perform an act requiring a license. Calling a payment salary, bonus, referral compensation, or administrative pay does not legalize licensed activity.

Neither the pay nor the supervision settles it:

Business and Professions Code 10137 prohibits compensating an unlicensed person for an act requiring a license, and calling the payment salary, bonus, or administrative pay changes nothing. A payment tied to a transaction, or calculated as a share of commission, is a strong signal on its own. The second trap is proximity: a fact pattern will often mention that a licensee was nearby, which does not convert a licensed act into a clerical one. Ask only what the assistant actually did.

The same setting, on both sides of the line

Setting	An unlicensed assistant may	This requires a license
At an open house	Greet visitors, hand out approved material, book appointments	Show the property, or discuss its features, terms, neighborhood, or schools
On the telephone	Give approved factual information or canvass general interest and refer to a licensee	Qualify the caller, ask about motivation, or solicit the listing
With documents	Deliver them and collect signatures under direction	Explain a term, interpret a disclosure, or advise on a change



06 / LICENSING AND RENEWAL

Licensing and Continuing Education Requirements and Procedures

Separate examination eligibility, initial licensing, active authority to work, and renewal. The numbers answer different questions and must be checked against the current DRE requirements.

The structure is: qualify, examine, license, operate under a broker, renew every four years with continuing education, and keep the DRE informed of changes.

A lapsed license is not a license: The two-year late renewal window lets a licensee restore the license, not act during the gap. Any transaction conducted while expired is unlicensed activity, and the commission earned is not recoverable. A question describing a licensee who 'renewed a few months late' is asking what happened in those months, not whether the renewal was allowed.

Prelicense education:

Three college-level courses of at least 45 hours each: Real Estate Principles, Real Estate Practice, and one elective from a listed set including legal aspects, finance, appraisal, economics, accounting, property management, escrows, and common interest developments. Since January 1, 2024 the Practice course must include fair housing and implicit bias components. Members of the California State Bar are exempt from the course requirement.

Eligibility:

Applicants must be at least 18, meet the education and examination requirements, and satisfy DRE's honesty and truthfulness requirements. California residency and proof of legal presence are not licensing requirements. DRE accepts an SSN or ITIN; out-of-state applicants must meet applicable service-of-process and other application requirements.

The license itself:

A license runs four years. A salesperson license does not authorize independent activity: the salesperson must be employed by a responsible broker, and a license held with no broker is inactive. A conditional salesperson license is no longer the route; the courses come first.



Keeping the DRE current:

A change of business or mailing address, or a change of employing broker, must be reported to the DRE promptly. The broker files the notice when a salesperson joins or leaves, and the salesperson's license is not transferable by agreement between brokers.

First renewal:

For a salesperson's first renewal, DRE generally requires 45 hours: five three-hour subjects (ethics, agency, trust funds, risk management, and interactive fair housing), two hours of implicit bias, at least 18 hours of consumer protection, and permitted consumer service or protection hours for the balance. A broker or officer's first renewal also includes management and supervision.

Subsequent renewals:

Subsequent renewals generally require 45 hours, including either the nine-hour survey covering seven mandatory subjects or the separate required courses, plus at least 18 consumer-protection hours. Management and supervision is included; it is also required at a broker's first renewal, though not at a salesperson's first renewal.

Late renewal:

A licensee may renew late for up to two years after expiration, on payment of a late fee, but may not conduct licensed activity during the lapse. After two years the license cannot be renewed and the person must qualify again, including re-examination.

Fees:

As adjusted in July 2024: salesperson examination \$100, original salesperson license \$350, and a combined examination and license application \$450. On-time salesperson renewal is \$350.

The 70/30 continuing-education exemption:

A licensee aged 70 or older with 30 continuous years of licensure in good standing may request DRE approval of the continuing-education exemption. It is not an automatic waiver of renewal, fees, or good-standing requirements.



A salesperson's first renewal compared with subsequent renewals

Requirement	First renewal	Subsequent renewals
Total hours	45	45
Mandatory subjects	5 three-hour courses plus 2-hour implicit bias	9-hour survey covering 7 subjects, or the courses individually
Management and supervision	Not required	Included in the seven
Consumer protection minimum	18 hours	18 hours



07 / PROPERTY MANAGEMENT

Property Management: licensing, money, tenants, and habitability

Property management is a licensed activity. Leasing, renting, or collecting rent for another for compensation requires a real estate license, and a salesperson performing it works under a broker exactly as in a sale. The common exception is a resident manager employed by the owner of the property they manage, who does not need a license.

Money a property manager holds for an owner or tenant is trust money. Apply lawful placement, a control record, separate beneficiary records, and monthly reconciliation. Frequent rent receipts, deposits, and vendor payments make accurate running balances especially important.

The management agreement itself is a written contract between the owner and the broker. It sets the scope of authority, the compensation, the duration, and what the manager may do without further approval. A manager who exceeds that authority is acting outside the agency, whatever the owner might have wanted.

A property manager must apply both agency duties and the rules for the particular tenancy. Identify residential or commercial use, statutory exemptions, local protections, and the relevant dates before choosing a notice or collecting money.

The single-family exemption from rent caps is conditional, not automatic: The separately alienable single-family-home exemption from AB 1482 depends on ownership and the required notice. The owner must not be a corporation, a real estate investment trust, or an LLC with a corporate member. And the tenant must have been given the specific statutory notice of the exemption. Without the required notice, that particular exemption is unavailable. Check any other statutory exemption and applicable local law separately.

Security deposit limit:

Since July 1, 2024, AB 12 caps the security deposit at one month's rent for most residential tenancies, whether the unit is furnished or unfurnished. The narrow exception permits two months' rent where the landlord is a natural person, or an LLC whose members are all natural persons, and owns no more than two residential rental properties containing no more than four dwelling units in total. That exception never applies to a servicemember tenant.



Returning the deposit:

Return the remaining deposit and itemized deductions within 21 days after the tenant vacates, subject to the statutory good-faith estimate procedure where work cannot reasonably be completed. Deductions must be lawful and documented. Current law adds required move-in/move-out and repair photographs and qualifying electronic-return rules. Ordinary wear and tear is not deductible.

Rent caps under AB 1482:

The Tenant Protection Act limits an annual increase to 5 percent plus the local Consumer Price Index change, capped at 10 percent in total, whichever is lower. It applies to most residential property more than 15 years old. Single-family homes and condominiums are exempt only where the owner is not a real estate investment trust, corporation, or LLC with a corporate member, and the required exemption notice has been given to the tenant. Missing that notice loses the exemption.

Just cause termination:

For covered housing, section 1946.2 generally applies after 12 months of lawful continuous occupancy. When additional adults join earlier, examine whether all tenants have occupied for 12 months or one has for 24 months. At-fault and no-fault grounds, exemptions, notices, and local laws matter. Qualifying no-fault termination requires one month's rent in relocation assistance or a written final-month waiver.

Notice periods:

Under section 1954, 24 hours is presumed reasonable notice for many entries, not an inflexible minimum in every case. Emergencies and other statutory exceptions differ. Periodic-tenancy termination commonly requires 30 or 60 days from the landlord based on occupancy, but just-cause, exemptions, special sale provisions, and local rules also apply. A tenant ordinarily gives 30 days for a month-to-month tenancy.

Habitability:

Every residential tenancy carries an implied warranty of habitability. The unit must have effective weather protection, working plumbing, hot and cold running water, heating, safe electrical, clean and sanitary premises, adequate rubbish receptacles, and working smoke and carbon monoxide alarms. A tenant whose landlord fails to repair a substantial habitability defect after reasonable notice may repair and deduct up to one month's rent under Civil Code 1942, no more than twice in any 12 months.



Disaster remediation, new for 2026:

Civil Code 1941.8 requires remediation of disaster-related dilapidations, including debris removal and hazard mitigation. Disaster debris at a rental unit is presumed to make it untenable until a local public health agency or official determines that the debris does not contain toxic substances. This is a defined debris presumption, not a general certification that every affected property is safe. The statute defines the qualifying declared disaster.

Fair housing applies at every step:

Screening criteria must be applied consistently, source of income including a Section 8 voucher is protected, and an assistance animal is an accommodation rather than a pet, so no pet deposit may be charged for it. Occupancy standards must be reasonable and must not operate as a proxy for familial status discrimination.

Fees and applications:

Screening fees are limited by actual permitted costs and the annually adjusted statutory cap. Current section 1950.6 imposes written screening-process or refund conditions and requires a credit-report copy within seven days when a report was obtained. Review availability, application-order, receipt, and refund requirements rather than treating payment as a nonrefundable reservation.

Stove and refrigerator requirements:

For covered agreements entered into, amended, or extended on or after January 1, 2026, section 1941.1 requires a working stove and refrigerator, subject to specified housing exceptions and the documented tenant-provided-refrigerator option. A landlord cannot simply require every tenant to supply a refrigerator.



The four deadlines a property manager works to

Event	Deadline	Authority
Place trust funds received	3 business days	10 CCR 2832
Return the security deposit with an itemized statement	21 days after the tenant vacates	Civil Code 1950.5
Notice before entering the unit	24 hours is presumed reasonable in ordinary covered entries; statutory exceptions apply	Civil Code 1954
Notice to terminate a periodic tenancy	30 days under a year, 60 days at a year or more	Civil Code 1946.1



08 / HAZARD DISCLOSURES

Natural Hazard Disclosure Statements: the six disclosure lines

For covered transfers, the NHD form identifies six statutory hazard categories. Read the current form and maps, any exemption, and the applicable actual-knowledge and mapping rules.

The duty is triggered by the maps, not by the seller's opinion of the risk. If the property is in the zone, the answer is yes, whether or not anything has ever happened there.

Keep all six disclosure lines separate: Distinguish flood and dam inundation; high or very high fire severity and wildland fire risk; earthquake fault and seismic hazard. A fire-severity designation is not interchangeable with the separate wildland line. Read the current form's state and local responsibility classifications.

The six zones:

The six NHD lines address special flood hazards, potential flooding from dam failure, high or very high fire hazard severity, wildland fire risk, earthquake fault zones, and seismic hazard zones. The current fire-severity line distinguishes applicable state and local responsibility classifications. Use the current statutory form rather than an older checklist that mentions only very high fire severity.

Who prepares it:

The duty is the seller's. In practice a third-party natural hazard disclosure company produces the report and the seller and agents rely on it, which the statute permits. Delegating the research does not delegate the disclosure: the seller and the agents still sign.

Delivery and the right to terminate:

Apply the statutory delivery standard for the transaction. Late delivery after execution of an offer, or a material amendment, can create three days after personal delivery or five days after mail deposit or agreed electronic delivery to give written termination notice.

It travels with the TDS but is not the TDS:

TDS addresses property condition; NHD addresses statutory hazard categories. Their coverage and exemption provisions are not identical. Check Civil Code 1102.2 and 1103.1 separately rather than assuming an exemption from one automatically removes the other.



The 2025 fire maps changed the answer for many properties:

CAL FIRE issued updated recommended Local Responsibility Area maps in phases in 2025. Local adoption dates and applicable classifications matter; there was not one universal July 1 effective date for every local map. Check the current adopted map for the property rather than reuse an old report.

Defensible space travels with the fire zone:

For covered transfers in high or very high fire hazard severity zones, Civil Code 1102.19 specifies documentation or agreement requirements based on local ordinances and available inspections. Do not assume every parcel or every fire-map line triggers an identical document.

What it is not:

The report is not an insurance quote, not a guarantee the property is safe, and not a substitute for the buyer's own investigation. The statutory statement addresses six hazard categories; a commercial report may include additional separately identified information.

Two disclosure forms with different jobs

	Transfer Disclosure Statement	Natural Hazard Disclosure
Statute	Civil Code 1102	Civil Code 1103
Question answered	What condition is the property in	Where does the property sit
Usual source	Seller knowledge plus agent inspection	A third-party mapping report



FROM READING TO PRACTICE

Continue with the full lesson or practice

Read California practice and disclosures

Scan to open the complete lesson, or use the link below.

<https://www.passcaliforniarealestate.com/content-areas/practice-disclosures>



Controlling sources and further reading

DRE salesperson examination content

<https://www.dre.ca.gov/examinees/SalesExamContent.html>

DRE current real estate law and regulations

<https://www.dre.ca.gov/Publications/RealEstateLaw.html>