Free Real Estate
EXAM PREP

FREE CHEAT SHEET

Real Estate Exam Cheat Sheet and Math Formulas

Everything worth reviewing on the last day: content weights, the pairs of terms the exam asks you to tell apart, the terms worth knowing cold, the national numbers and every math formula.

Source: freerealestateexamprep.com. Sources and the dates they were checked are listed at the end.
Study it online: freerealestateexamprep.com/questions/cheat-sheet/

What the exam is made of

The 11 content areas of the national portion and what each is worth of the 80 scored questions. If you only have an hour, spend it on the top four.

AREA	%	QUESTIONS
Contracts	19	15
Agency	13	10
Practice of real estate	12	10
Property ownership	10	8
Financing	10	8
Valuation	8	6
Property disclosures	7	6
Real estate math (calculations)	7	6
Transfer of title	6	5
Land use controls	5	4
Property management	3	2

From PSI's published outline. Pearson VUE publishes a different one with eight areas, and the two are not interchangeable.

The pairs that decide your score

The exam is built on distinctions, not definitions. You can know both terms in a pair and still miss the question, because the stem is written so the more familiar one is wrong.

THIS	NOT THIS
Quitclaim deed	Special warranty deed
Periodic tenancy	Estate for years
Dual agency	Designated agency
Eminent domain	Escheat
Leasehold estate	Fee simple
Easement appurtenant	Easement in gross
Trade fixture	Chattel
Adverse possession	Quiet enjoyment
Encroachment	Easement appurtenant
Inverse condemnation	Eminent domain
Fee simple	Life estate
Lien	Easement appurtenant
Transaction broker	Dual agency
Puffing	Misrepresentation
Marketable title	Equitable title
Functional obsolescence	External obsolescence
Spot zoning	Conditional use permit
Riparian rights	Littoral rights

Terms worth knowing cold

Ranked by how often candidates search for them, which tracks closely with how often they trip people up.

TERM	WHAT IT MEANS
Quitclaim deed	A quitclaim deed transfers whatever interest the grantor happens to hold, with no warranties at all and no promise that any interest exists.
Fair Housing Act	The Fair Housing Act is the federal law that prohibits discrimination in the sale, rental, financing and advertising of housing on the basis of seven protected classes.
Periodic tenancy	A periodic tenancy is a leasehold that runs for successive intervals of the same length and renews automatically until one party gives notice.
Dual agency	Dual agency is one broker representing both the buyer and the seller in the same transaction, lawful only with the informed written consent of both and stripped of full loyalty and advocacy.
Conditional use permit	A conditional use permit is approval that lets an owner put land to a use the ordinance already lists as permissible in that district subject to review, such as a church or day care in a residential zone.
RESPA	RESPA is the federal law governing settlement costs and closing disclosures on residential mortgages.
Eminent domain	Eminent domain is the government power to take private property for public use, provided the owner receives just compensation.
Leasehold estate	A leasehold estate is a tenant's right to exclusive possession and use of real property for a limited term while the landlord keeps ownership.
Easement appurtenant	An easement appurtenant is the right to use a neighboring parcel that belongs to the land itself rather than to a person, so it transfers automatically with either property.
Easement in gross	An easement in gross is the right to use someone else's land that belongs to a person or company rather than to an adjoining parcel.
Trade fixture	A trade fixture is an item a commercial tenant installs to conduct business, which stays the tenant's personal property and may be removed before the lease ends.
Escheat	Escheat is the government power that transfers ownership of property to the state when an owner dies intestate (without a will) and leaves no discoverable heirs, or when property is legally abandoned.
Adverse possession	Adverse possession is a way of acquiring title by occupying someone else's land openly and without permission for a period set by state law.
Encroachment	An encroachment is a structure or improvement that physically intrudes onto a neighbor's land, such as a fence, driveway or roof overhang crossing the boundary.

TERM	WHAT IT MEANS
Equitable title	Equitable title is the buyer's beneficial interest in the property, which arises the instant a valid purchase contract is signed while the seller keeps legal title until closing.
Market allocation	Market allocation is an antitrust violation in which competing brokerages agree to divide up territories, property types or classes of customer so that they stop competing.
Inverse condemnation	Inverse condemnation is an action brought by an owner to force the government to pay for property it has effectively taken or made unusable without ever filing a condemnation suit.
Fee simple	Fee simple is the largest ownership interest in real property: full title of unlimited duration that passes to heirs.
Lien	A lien is a creditor's claim against real property as security for a debt, giving the creditor the right to force a sale if the debt is unpaid.
Designated agency	Designated agency is the broker appointing one licensee to represent the seller and a different licensee to represent the buyer in the same in-house sale, so each client keeps a full fiduciary advocate while the supervising broker stays neutral.
Transaction broker	A transaction broker is a licensee who helps both parties close a sale without representing either one, owing honesty, accounting and disclosure of material facts but no loyalty or advocacy.
Puffing	Puffing is a licensee's exaggerated opinion used to promote a property, such as calling a view the best in town, and it stays legal because it asserts no verifiable fact.
Marketable title	Marketable title is title free of reasonable doubt and serious defects, so an informed buyer would accept it and a lender would lend on it.
Estate for years	An estate for years is a leasehold that runs for a fixed term with a definite beginning and ending date, so it expires on its own without any notice.

Numbers that are genuinely national

Most numbers candidates try to memorize are state-specific. These hold everywhere.

NUMBER	WHAT IT IS
43,560	Square feet in an acre. One of only two conversions the providers actually name as required.
5,280	Feet in a mile. The other one.
80	Scored questions on the national portion, both providers.
1978	Lead-based paint disclosure applies to housing built before this year.

NUMBER	WHAT IT IS
10 days	The lead-paint inspection opportunity a buyer gets, unless waived in writing.
1%	One discount point, as a share of the **loan** amount, never the price. The commonest math trap on the exam.
78 / 80	PMI ends automatically at 78% loan to original value, and a borrower may request cancellation at 80%.
3 days	The Closing Disclosure must be received at least three business days before consummation. The same three-day count is the rescission right on a refinance of a principal dwelling, and it does **not** apply to a purchase.

Every math formula, with the outline reference for both providers

PSI numbers its calculations area XI. Pearson VUE numbers its math area VIII. Where a cell says "Not named", that provider does not list the topic in its math area.

TOPIC	THE RELATIONSHIP	PSI	PEARSON VUE
Commission	Sale price × rate = gross commission. The rate applies to the price the property sold for.	Not named	VIII.C
Commission split	Gross commission × brokerage share × agent share. Two sequential multiplications, never a sum.	Not named	VIII.C
Seller's net proceeds	Sale price − commission − seller-paid closing costs − loan payoff.	XI.A.1	VIII.E.3
Net to seller, in reverse	(required net + seller costs) ÷ (1 − commission rate) = sale price. Divide, never add the rate back.	XI.A.1	VIII.E.3
Buyer funds at closing	Purchase price − loan amount − earnest money + buyer-paid costs and prepaids.	XI.A.2	VIII.E.1 and VIII.E.4
Area	Length × width for a rectangle; ½ × base × height for a triangle. Decompose irregular shapes, and convert units before multiplying.	Not named	VIII.A.1
Acreage	Square feet ÷ 43,560 = acres.	Not named	VIII.A.2
Capitalization rate	NOI ÷ value = rate. Value = NOI ÷ rate. NOI is after operating expenses and vacancy, before debt service and depreciation.	XI.B.2	VIII.B.2 and VIII.B.3
Equity	Market value − all liens. Not value minus the original purchase price.	XI.B.1	VIII.B.4

TOPIC	THE RELATIONSHIP	PSI	PEARSON VUE
Loan-to-value	Loan ÷ value, where a lender uses the lower of price and appraised value. Down payment percent = 100% − LTV.	XI.B.3	VIII.D.2
Discount points	Points × 1% × loan amount. One point is 1% of the loan, never of the sale price. Origination fees are computed the same way on a separate line.	XI.B.4	VIII.D.4
Per-diem interest	Balance × annual rate ÷ days in the year = daily interest, then × days. Mortgage interest runs in arrears.	Not named	VIII.D.1
Amortized payment	(loan ÷ 1,000) × the payment factor given in the question. The factor is per $1,000 and you are not expected to derive it.	XI.A.5 implies it	VIII.D.4
PITI	Principal + interest + (annual tax ÷ 12) + (annual insurance ÷ 12). Mortgage insurance, where present, is a fifth line and is not in the acronym.	XI.A.5	VIII.E.2
Proration	Annual amount ÷ days in the year × days owed. Divisor and day count must come from the same convention.	XI.A.3	VIII.E.5
Ad valorem tax	Assessed value ÷ 1,000 × mill rate. Assessed value after exemptions, not market value.	XI.A.3	VIII.B.6
Transfer or documentary tax	Taxable consideration ÷ the unit, rounded up to a whole unit, × the rate per unit.	XI.A.4	VIII.E.7
Debits and credits	A prepaid item used by the buyer credits the seller and debits the buyer. An item in arrears runs the other way.	Implied by XI.A.3	VIII.E.6
Appreciation	Straight line: original × (1 + n × rate). Compounding: original × (1 + rate) to the power n. Read the question to see which it wants.	Not named	VIII.F.2
Depreciation, straight line	Improvement cost ÷ economic life = annual; × effective age = accrued. Land does not depreciate, so strip the site value out first.	Not named	VIII.F.3
Return on investment	Annual return ÷ amount invested. Where a loan is involved, invested means cash in, not purchase price.	Not named	VIII.F.1
Effective gross income	Potential gross income − vacancy and collection loss. Operating expenses come off after that to reach NOI.	Not named	VIII.G.1
Rent and tenancy calculations	Monthly rent ÷ days in the month for a daily rate; percentage leases add a rate on sales above a stated breakpoint.	Not named	VIII.G.2

TOPIC	THE RELATIONSHIP	PSI	PEARSON VUE
Gross rent multiplier	Price ÷ gross monthly rent. Gross income multiplier uses annual gross income instead, so the two differ by a factor of 12.	Not named	Not named for salespeople. Broker math VIII.B; salespeople meet it at III.C.4, under appraisal
Profit or loss percentage	(new − old) ÷ old. The denominator is always the earlier figure.	Not named	Not named. Nearest is VIII.F.1
Qualifying ratios	Housing expense ÷ gross monthly income; total fixed payments ÷ gross monthly income. Income is gross, not net.	Not named	Not in the math area at all. VII.B.5, under Financing and Settlement

The numbers you have to memorize

Pearson VUE publishes two conversions under the heading "The following information is NOT available at the test center and SHOULD be memorized".

CONVERSION	VALUE	STATUS
Square feet per acre	43,560	Declared must-memorize by Pearson VUE
Feet per mile	5,280	Declared must-memorize by Pearson VUE

Commonly taught, not required

Neither provider names these four, in the math outline or in the math notes. They come from the Bureau of Land Management. Learn them anyway, because area questions use the vocabulary.

FIGURE	VALUE	WHO ACTUALLY SAYS SO
Acres per section	640	Bureau of Land Management, which writes that each section is “usually 640 acres”
Sections per township	36	Bureau of Land Management: “Each township is broken down into 36 sections”
Township dimensions	6 miles square, 36 square miles	Bureau of Land Management: townships are “for the most part 36 square miles or 6 miles square”
Quarter-quarter section	40 acres	Bureau of Land Management: dividing a section into sixteen gives 40 acres each

Prorations: the question tells you which convention to use

Pearson VUE, Notes on Math Calculations: "If a question requires the calculation of prorated amounts, the question will specify whether the calculation should be made on the basis of 360 or 365 days a year; and/or whether the day of closing belongs to the buyer or the seller for purposes of prorations."

CONVENTION	DIVISOR	MONTH LENGTH	WHEN YOU SEE IT
360-day statutory year	360	Every month counts 30 days	Questions that say "360-day year"
365-day actual year	365	Real calendar days, so February counts 28	Questions that say "365-day year", and nearly every real closing

Whose day is the closing day

- **Day of closing to the seller.** The seller is charged through and including the closing date. The seller-side day count includes closing day; the buyer's begins the next day.
- **Day of closing to the buyer.** The seller is charged up to but not including the closing date. The buyer-side count includes closing day.

The four rules for the room

1. **Never leave a blank.** No state exam uses negative marking, so a blank and a wrong answer score identically.
2. **Say the word NOT to yourself** when you see a negative stem. Under time pressure the eye skips it and picks the first true statement, which is guaranteed wrong.
3. **When two options both look right**, the question is about the difference between them. Do not re-read the stem for new information, ask what distinguishes the pair.
4. **Landing exactly on an option does not mean you are right** on a math question. The distractors are built from the specific wrong turns.

Sources

Every figure here was read from the source listed beside it on the date shown. Candidate handbooks are revised without notice, so check yours before you rely on a number.

- PSI examination candidate handbook, national content outline, checked 2026-07-30
- Pearson VUE Nevada real estate content outlines (#092901), math area VIII and the Notes on Math Calculations block, checked 2026-07-31
- Pearson VUE Arizona real estate content outlines (#090301), independent copy of the same outline and notes, checked 2026-07-31
- Pearson VUE Texas real estate content outlines (#094401), third copy of the memorized-constants list, checked 2026-07-31

- Pearson VUE Nebraska real estate candidate handbook (#092800), handbook wording of the proration note, checked 2026-07-31
- Pearson VUE national/general content outline for salespersons and brokers (#099913), broker math area, checked 2026-07-31
- PSI / Iowa Real Estate Commission licensing information bulletin, area XI Real Estate Calculations, checked 2026-07-31
- PSI / New Hampshire examination candidate handbook, confirming the same sub-topics, checked 2026-07-31
- Bureau of Land Management, land legal descriptions (sections, townships and the "usually 640 acres" hedge), checked 2026-07-31
- Consumer Financial Protection Bureau, what are discount points and lender credits, checked 2026-07-31
- Consumer Financial Protection Bureau, what is a loan-to-value ratio, checked 2026-07-31
- Florida Department of Revenue, a Florida homeowner's guide to millage, checked 2026-07-31
- Florida Department of Revenue, documentary stamp tax, checked 2026-07-31