Free Real Estate
EXAM PREP

FREE PRACTICE TEST

Real Estate Exam Questions and Answers: 110 Practice Questions

110 practice questions for the national portion of the real estate exam, 10 from each of the 11 content areas, mixed together. Answer key with explanations at the end.

Source: freerealestateexamprep.com. Questions written by us to match the PSI national content outline.
Study it online: freerealestateexamprep.com/questions/

What's inside

- 110 multiple-choice questions across the 11 content areas (pages 4 to 24).
- A one-page bubble answer sheet to print and fill in (page 3).
- A quick answer key, a score tally by content area, and an explanation for every question (pages 25 to 33).

How to use it

1. Print the answer sheet on page 3, or number a blank sheet of paper from 1 to 110.
2. For exam conditions, set a timer. Time limits vary by state: freerealestateexamprep.com/exam/length/.
3. Work straight through without notes. Answer every question: no state exam uses negative marking, so a blank and a wrong answer score the same.
4. Score yourself with the quick key, then read the explanation for every question you missed or guessed.
5. Use the tally to find your weakest content area, then practice it with its topic quiz, listed at freerealestateexamprep.com/questions/.

Content weights

CONTENT AREA	SHARE OF EXAM	QUESTIONS HERE
Contracts	19%	10
Agency	13%	10
Practice of real estate	12%	10
Property ownership	10%	10
Financing	10%	10
Valuation	8%	10

CONTENT AREA	SHARE OF EXAM	QUESTIONS HERE	
Property disclosures	7%	10	
Real estate math (calculations)	7%	10	
Transfer of title	6%	10	
Land use controls	5%	10	
Property management	3%	10	

The national portion has 80 scored questions with both providers. Weights are from the PSI national content outline, checked 2026-07-30. Pearson VUE publishes a different outline with eight areas, and the two are not interchangeable.

This practice test is a study aid, not the real exam. Our questions are written by us to match the published content outline. They are not actual exam questions, no score here predicts a pass, and this site is not affiliated with, endorsed by, or sponsored by PSI, Pearson VUE, ARELLO, any state real estate commission, or any government agency. Your state commission and your candidate handbook are the only authoritative sources.

Answer sheet

Fill in one bubble per question, 110 questions in all.

Name _____ Date _____ Start time _____ Finish time _____

1 A B C D	29 A B C D	57 A B C D	85 A B C D
2 A B C D	30 A B C D	58 A B C D	86 A B C D
3 A B C D	31 A B C D	59 A B C D	87 A B C D
4 A B C D	32 A B C D	60 A B C D	88 A B C D
5 A B C D	33 A B C D	61 A B C D	89 A B C D
6 A B C D	34 A B C D	62 A B C D	90 A B C D
7 A B C D	35 A B C D	63 A B C D	91 A B C D
8 A B C D	36 A B C D	64 A B C D	92 A B C D
9 A B C D	37 A B C D	65 A B C D	93 A B C D
10 A B C D	38 A B C D	66 A B C D	94 A B C D
11 A B C D	39 A B C D	67 A B C D	95 A B C D
12 A B C D	40 A B C D	68 A B C D	96 A B C D
13 A B C D	41 A B C D	69 A B C D	97 A B C D
14 A B C D	42 A B C D	70 A B C D	98 A B C D
15 A B C D	43 A B C D	71 A B C D	99 A B C D
16 A B C D	44 A B C D	72 A B C D	100 A B C D
17 A B C D	45 A B C D	73 A B C D	101 A B C D
18 A B C D	46 A B C D	74 A B C D	102 A B C D
19 A B C D	47 A B C D	75 A B C D	103 A B C D
20 A B C D	48 A B C D	76 A B C D	104 A B C D
21 A B C D	49 A B C D	77 A B C D	105 A B C D
22 A B C D	50 A B C D	78 A B C D	106 A B C D
23 A B C D	51 A B C D	79 A B C D	107 A B C D
24 A B C D	52 A B C D	80 A B C D	108 A B C D
25 A B C D	53 A B C D	81 A B C D	109 A B C D
26 A B C D	54 A B C D	82 A B C D	110 A B C D
27 A B C D	55 A B C D	83 A B C D	
28 A B C D	56 A B C D	84 A B C D	

Score: _____ / 110

Answer key on page 25

1 **A listing closes but the brokerage keeps running the advertisement to attract additional buyer calls. The objection to this is that:**

A B C D

- **A.** the multiple listing service imposes a fee for carrying stale listing data
- **B.** the seller has stopped paying for any part of the marketing campaign
- **C.** the listing photographs remain the property of the photographer who took them
- **D.** the advertisement is now misleading about what is actually available

2 **Which statement about compensation and agency is correct?**

A B C D

- **A.** A broker may not lawfully be paid by a party she does not represent
- **B.** Payment of compensation, by itself, does not create an agency relationship
- **C.** Compensation converts a customer into a client automatically
- **D.** Whoever pays the commission is the party the broker represents

3 **A newly built specialized public-use building has few comparable sales. Which approach may provide useful additional evidence?**

A B C D

- **A.** The cost approach, with appropriate land and depreciation analysis
- **B.** Averaging nearby asking prices without considering use
- **C.** Capitalizing rent from unrelated property types without adjustment
- **D.** Using the owner's desired profit as the entire value indication

4 **A tenant transfers the remaining 6 months of a 12-month lease to a third party, retaining no interest. This is a(n):**

A B C D

- **A.** Novation
- **B.** Surrender
- **C.** Sublease
- **D.** Assignment

5 **Before lots in a new subdivision may be conveyed by lot and block number, the developer normally must:**

A B C D

- **A.** Prepay the next year of property taxes
- **B.** Obtain a certificate of occupancy for each lot
- **C.** Record a plat approved by the local authority
- **D.** Secure a use variance for the tract

6 **With whom may a broker lawfully discuss the commission rate the brokerage charges?**

A B C D

- **A.** with competing brokers at an association meeting, to keep the local market orderly
- **B.** with any licensee in the market, provided no written agreement is ever signed
- **C.** with the brokerage's own clients and its affiliated licensees
- **D.** with the local MLS, which can then publish a recommended rate

7 **A written easement permits pedestrian access only. The holder starts running delivery trucks over it. What question arises?**

A B C D

- **A.** Whether the use exceeds the easement's scope
- **B.** Whether any granted access includes unlimited commercial traffic
- **C.** Whether ownership of the dominant parcel eliminates the written restriction
- **D.** Whether paying maintenance automatically expands the grant

8 **An ARM has a 3% index, a 2.25% margin and no binding cap at adjustment. What is its fully indexed rate?**

A B C D

- **A.** 0.75%
- **B.** 3%
- **C.** 5.25%
- **D.** 6.75%

9 **Which feature most distinguishes a planned unit development from conventional lot-by-lot zoning?**

A B C D

- **A.** Every dwelling must satisfy the same setbacks as a detached house
- **B.** Density is computed for the entire tract rather than lot by lot
- **C.** The tract is exempt from building codes and permit review
- **D.** Only industrial uses may be mixed within the boundary

10 **RESPA prohibits a licensee in a federally related mortgage transaction from:**

A B C D

- **A.** mentioning a lender interest rate in a printed listing flyer
- **B.** receiving a fee or thing of value for referring settlement service business
- **C.** charging a commission that exceeds the average rate in the local market
- **D.** accepting a cooperative split paid by another licensed brokerage

11 **The EPA recommends that corrective action be taken when indoor radon reaches or exceeds:**

A B C D

- **A.** 40 picocuries per liter of air
- **B.** 400 picocuries per liter of air
- **C.** 0.4 picocuries per liter of air
- **D.** 4 picocuries per liter of air

12 **A stadium sells a season parking pass allowing a car in any open space on event days. The pass creates:**

A B C D

- **A.** A license
- **B.** A ground lease
- **C.** An estate for years
- **D.** A periodic tenancy

13 **A contract permits cancellation after a failed inspection only if notice identifies the failed item. The buyer sends a blank cancellation form. What is the concern?**

A B C D

- **A.** The notice may omit contractually required information
- **B.** The assumption that a blank notice identifies every failed item
- **C.** The assumption that a timely blank form always satisfies specific content requirements
- **D.** The seller unilateral power to rewrite the cancellation clause

14 **An owner whose transaction otherwise qualifies for a Fair Housing Act exemption may still be liable if the owner:**

A B C D

- **A.** refuses to negotiate with a prospect over the telephone rather than in person
- **B.** declines to pay a commission to a buyer broker
- **C.** sells to the highest bidder rather than the first bidder
- **D.** publishes an advertisement stating a preference based on a protected class

15 **A seller authorizes advertising a home at $430,000. The agent privately advertises $410,000 to create more calls. Which duty is implicated?**

A B C D

- **A.** A duty to treat an asking price as confidential even after public authorization
- **B.** Following the client's lawful authorized instructions
- **C.** A duty to change the asking price whenever more inquiries might result
- **D.** Authority to substitute the agent preferred price for client instructions

16 **A Phase I assessment identifies a recognized environmental condition on the site. The logical next step is:**

A B C D

- **A.** filing a claim under the title insurance policy
- **B.** recording a notice of possible contamination in the public land records
- **C.** a Phase II assessment involving sampling and laboratory testing
- **D.** immediate demolition of all improvements

17 **The most common method of reducing elevated radon levels in an existing house is:**

A B C D

A. replacing the water heater and the furnace with sealed combustion appliances
B. a sub-slab depressurization system that vents soil gas above the roofline
C. covering the foundation walls with vinyl siding
D. sealing the attic and adding roof vents

18 **Which contact most clearly falls inside the established business relationship exemption to the do-not-call rules?**

A B C D

A. a past client who closed a purchase with the brokerage a few months ago
B. a for sale by owner whose yard sign displays a telephone number
C. a homeowner whose neighbor suggested that the licensee give them a call
D. a registered telephone number copied from an expired listing sheet

19 **Which event must an affiliated licensee report promptly to the employing broker?**

A B C D

A. a personal decision to change mobile telephone carriers
B. the purchase of a new vehicle used to show property to buyers
C. attendance at an optional evening continuing education seminar
D. a consumer complaint or lawsuit arising out of a transaction

20 **A brokerage owns an interest in a mortgage company and refers its buyers there. RESPA allows this only if:**

A B C D

A. The brokerage collects a $300 referral fee from the affiliate for each closing
B. The buyer signs a written waiver of RESPA protections
C. The referral is limited to buyers paying cash for the property
D. It is disclosed, use is not required, and payment is only a return on ownership

21 **Which duties does a licensee owe to a customer (a party she does not represent)?**

A B C D

A. The same six fiduciary duties owed to a client
B. Honesty, fair dealing and disclosure of known material facts
C. No duties whatsoever until a written agreement is signed
D. Loyalty, obedience and confidentiality

22 **A city charges each new house in a subdivision a sum earmarked for expanding school and sewer capacity. That charge is a:**

A B C D

A. Ad valorem levy
B. Impact fee
C. Documentary transfer tax
D. Special assessment against existing owners

23 **Under a contract for deed used as a financing device, during the payment period the buyer holds:**

A B C D

A. Legal title, with the seller holding only a lien
B. Equitable title, with the seller retaining legal title until payment is complete
C. No interest of any kind in the property until the final installment payment has been made and accepted
D. A leasehold interest with an option to purchase

24 **A parent sells a house worth $340,000 to an adult child for $200,000, both signing willingly. A disappointed relative challenges the contract for lack of consideration. The likely outcome is that the contract is:**

A B C D

A. void, because the price is far below market value.
B. voidable, because an unequal exchange implies undue influence.
C. unenforceable until an appraisal supports the price.
D. upheld, because courts do not weigh the adequacy of consideration.

25 **Which feature distinguishes a VA-guaranteed loan from an FHA-insured loan?**

A B C D

A. A minimum 3.5% down payment is required
B. Monthly private mortgage insurance is always required
C. An eligible veteran may finance up to 100% of the purchase price
D. The secured property must be in a designated rural area

26 **The secondary mortgage market is where:**

A B C D

A. Borrowers apply to lenders for new mortgage loans
B. Only second mortgages and home equity lines are originated
C. Jumbo borrowers are underwritten by portfolio lenders
D. Existing loans are bought and sold among lenders and investors

27 **Under a triple net lease, the tenant typically pays:** A B C D

A. Rent plus utilities
B. Rent plus taxes, insurance and maintenance
C. A percentage of gross sales
D. Rent only

28 **A buyer intends to add a sign to a commercial building. Why should sign rules be checked separately?** A B C D

A. Only signs placed on public land need approval
B. A conforming building height proves every proposed sign is permitted
C. Commercial use approval may not authorize every sign
D. Every permitted commercial use carries unlimited sign rights

29 **A seller wants to net $250,000 after paying a 6% commission and $3,500 in closing costs. What must the property sell for, to the nearest dollar?** A B C D

A. $253,500
B. $268,710
C. $269,681
D. $272,340

30 **The clause in a deed containing the actual words of conveyance, such as convey and warrant, is the:** A B C D

A. Reddendum clause
B. Defeasance clause
C. Habendum clause
D. Granting clause

31 **A lender will make an 85% loan on a home that sold for $370,000 and appraised at $360,000. The buyer's minimum cash down payment is:** A B C D

A. $54,000
B. $55,500
C. $64,000
D. $74,000

32 **A brokerage maintains two distinct trust bank accounts. Why should each have a corresponding set of beneficiary records?** A B C D

A. So each bank account can be reconciled with its own liabilities
B. So one accounts shortages can be hidden by the others excess
C. So the broker can dispense with all transaction identifiers
D. So both accounts can report the same cash twice

33 **A 30-year-old roof at the end of its useful life represents:**

A B C D

A. Economic appreciation
B. Curable physical deterioration
C. Incurable functional obsolescence
D. External obsolescence

34 **For a covered new multifamily dwelling, what does the federal adaptive-design provision expressly require concerning bathroom grab bars?**

A B C D

A. A rule prohibiting future grab-bar installation
B. Only a statement that tenants may request stronger walls later
C. Wall reinforcement to allow later installation
D. Installed grab bars on every wall in every unit regardless of use

35 **A purchase agreement says a lender's appraisal is not a home inspection. Which assumption should the buyer avoid?**

A B C D

A. That the appraisal replaces a condition inspection
B. That an appraisal can address collateral value
C. That an inspector can evaluate building systems
D. That separate professionals have different scopes

36 **An agent purchases a client's listed property through an entity the agent controls. What fact should be disclosed?**

A B C D

A. The agent's beneficial ownership and conflict of interest
B. Only the entity name without revealing the agent controlling interest
C. Only the commission rate while concealing beneficial ownership
D. Nothing if title will be placed in an entity instead of the agent name

37 **A lease contains a renewal option requiring notice six months before expiration. The tenant wants to renew one month before expiration. What should be examined?**

A B C D

A. Whether interest in renewal replaces the required notice
B. Whether the option's exercise requirements were met or another agreement is possible
C. Whether continued possession necessarily exercises the option on time
D. Only whether rent was paid during the original term

38 **Dual agency exists when:**

A B C D

- **A.** A cooperating broker is compensated by the listing broker
- **B.** Two salespeople from different firms cooperate on one sale
- **C.** One broker represents both the buyer and the seller in the same transaction
- **D.** A broker lists two properties for the same seller

39 **A general warranty deed promises broader title protection than a special warranty limited to the grantor's ownership period. Which distinction matters?**

A B C D

- **A.** The assumption that both deeds warrant only the physical building condition
- **B.** The assumption that a special warranty covers every earlier owner equally
- **C.** The assumption that recording makes all deed covenants identical
- **D.** The scope of the grantor's title covenants

40 **A written lease runs from January 1 through December 31 and contains no renewal clause. Which leasehold estate does the tenant hold?**

A B C D

- **A.** Estate at sufferance
- **B.** Periodic tenancy
- **C.** Estate at will
- **D.** Estate for years

41 **After an agency relationship ends, which duties continue to bind the former agent?**

A B C D

- **A.** Confidentiality and accounting
- **B.** Disclosure of new offers and obedience
- **C.** All six fiduciary duties, indefinitely
- **D.** Loyalty and obedience

42 **An owner of a single-family home sells it privately without an agent and refuses an offer solely because the buyer is Black. Which statement is correct?**

A B C D

- **A.** No violation, because the sale qualifies for an exemption
- **B.** A violation of the Civil Rights Act of 1866, which has no exemptions
- **C.** A violation only if the property was advertised
- **D.** A violation of RESPA

43 **The phrase misappropriation of trust funds most nearly means:**

A B C D

- **A.** the deposit of a small amount of broker money to cover bank service charges
- **B.** the payment of accrued interest to the wrong party through a clerical mistake
- **C.** the improper use or handling of money entrusted to a licensee
- **D.** the failure to reconcile the trust account at the end of each month

44 **A borrower assumes the described conventional PMI cancellation rules automatically govern FHA mortgage insurance as well. What is correct?**

A B C D

- **A.** All mortgage insurance programs have identical cancellation rules
- **B.** A conventional PMI request automatically cancels FHA insurance
- **C.** No insurance rules apply to any government-backed loan
- **D.** FHA and VA loans have different requirements and should be checked separately

45 **Under a cumulative or pyramidal zoning scheme, which of the following is permitted?**

A B C D

- **A.** A residential use is allowed in a commercial district
- **B.** A commercial use is allowed in a residential district
- **C.** Districts may be mixed only by variance
- **D.** Each district permits only the use for which it is named

46 **A buyer submits an offer that expires at 5:00 p.m. Friday. At 3:00 p.m. Friday the buyer telephones the seller and revokes. At 4:00 p.m. the seller signs and delivers acceptance. The result is:**

A B C D

- **A.** No contract, because the offer was revoked before acceptance
- **B.** A binding contract, because revocation must be in writing
- **C.** An option contract lasting until 5:00 p.m.
- **D.** A binding contract, because acceptance was within the deadline

47 **An easement appurtenant requires:**

A B C D

- **A.** A dominant tenement and a servient tenement
- **B.** A written license renewed annually
- **C.** Payment of an annual fee to the servient owner
- **D.** Two parcels held by the same owner

48 **A clause states, "Time is of the essence in every provision of this agreement." Its practical effect is that:**

A B C D

- **A.** Deadlines become strict, and even a short delay in performance can be a material breach
- **B.** The contract automatically extends whenever a lender is slow in issuing its final loan documents
- **C.** Deadlines become advisory, since courts allow a reasonable grace period
- **D.** Only the seller's deadlines are enforced strictly

49 **A buyer puts 15% down on a $384,000 home. Two years later the home is worth $415,000 and the loan balance is $318,600. Equity has grown by:**

A B C D

A. $28,800
B. $38,800
C. $67,600
D. $96,400

50 **A property manager is leasing a unit in a 1962 building to a family with young children. Regarding the lead-based paint rule, the manager must:**

A B C D

A. obtain from the tenant a signed written waiver of all future lead-related claims and liability
B. give the lead disclosure and pamphlet, but need not offer a 10-day inspection period
C. give the tenant a 10-day period to inspect for lead before the lease is signed
D. do nothing, because the rule applies only to sales

51 **With two years left on a five-year lease, a tenant transfers the entire remaining term to a new occupant and keeps no right of return. What has occurred, and who remains liable?**

A B C D

A. A novation that automatically substitutes the new occupant
B. A sublease, with the original tenant still liable to the landlord
C. An assignment that releases the original tenant entirely
D. An assignment, with the original tenant still liable

52 **At each adjustment on an adjustable-rate mortgage, the new interest rate is determined by:**

A B C D

A. The index alone
B. Adding the margin to the current index
C. Averaging the original note rate with the current index
D. The margin alone

53 **A pre-1978 vacation lease lasts 80 days and cannot be renewed or extended. Which federal lead-rule exception may apply?**

A B C D

A. An exception for leases under 1 year even when renewable
B. An exception based solely on collection of prepaid rent
C. The short-lease exception of 100 days or less with no renewal or extension
D. A blanket exception for every vacation property

54 A residential rental cost $565,000, of which $115,000 is land. Using a 27.5-year recovery period, the annual straight-line depreciation is: (A) (B) (C) (D)

A. $16,363.64
B. $20,545.45
C. $20,909.09
D. $24,347.83

55 A zoning rule permits floor area equal to 1.5 times a 20,000-square-foot lot. What maximum floor area does that ratio allow? (A) (B) (C) (D)

A. 13,333
B. 20,000
C. 30,000
D. 40,000

56 A 20,000-square-foot lot sits in a district with a maximum floor area ratio of 1.5. What is the largest total floor area the ordinance allows? (A) (B) (C) (D)

A. 13,333 square feet
B. 20,000 square feet
C. 45,000 square feet
D. 30,000 square feet

57 A buyer can obtain an equally useful nearby property for less money. Which principle explains pressure on the subject's price? (A) (B) (C) (D)

A. The principle of contribution
B. The principle of conformity
C. Substitution
D. The principle of anticipation

58 Depreciation is properly classified as curable when: (A) (B) (C) (D)

A. The cost to correct the item is no more than the value the correction adds
B. The cause of the loss originates outside the boundaries of the property
C. The improvement has passed the midpoint of its total economic life
D. The defect can be repaired by the owner without hiring a licensed contractor

59 A buyer records a deed after closing. What should be checked in the recorded copy? (A) (B) (C) (D)

A. Only the index date without reviewing the recorded instrument
B. Correct parties, legal description and recording information
C. Only the receipt showing that a recording fee was paid
D. Only the seller signature without checking the described parcel

60 **Two interests compete for priority, and the agent remembers a rule from another state. What should determine the analysis?**

A B C D

- **A.** A universal first-signed rule without regard to the governing statute
- **B.** The later purchase price without examining notice or recording
- **C.** The assumption that every state follows identical priority rules
- **D.** The applicable recording statute and transaction facts

61 **A broker representing both the seller and the buyer in the same transaction has obtained a signed dual agency consent from each party. What may the broker still NOT do?**

A B C D

- **A.** Disclose to the buyer a known crack in the foundation slab
- **B.** Explain financing options and loan programs to the buyer
- **C.** Prepare the offer and the counteroffer paperwork for both sides
- **D.** Tell the buyer the lowest price the seller confided she would accept

62 **A standard township contains 36 sections. How does a section relate to the township?**

A B C D

- **A.** It is one of the township's square-mile divisions
- **B.** It is the entire six-mile-square township
- **C.** It is one-quarter of the township
- **D.** It is always an irregular government lot

63 **A property rents for $2,000 a month in a market where the gross rent multiplier is 140. Its indicated value is:**

A B C D

- **A.** $140,000
- **B.** $240,000
- **C.** $280,000
- **D.** $336,000

64 **A comparable sold for $275,000 and has one bathroom, while the subject has two. The market shows the second bathroom is worth $9,000. What value does this comparable indicate for the subject?**

A B C D

- **A.** $266,000
- **B.** $275,000
- **C.** $284,000
- **D.** $293,000

65 **A listing agent secretly buys the property through a relative at below market value and resells it a month later at a large profit. The seller sues. The seller's strongest set of remedies includes:**

A B C D

- **A.** A license complaint alone, since money damages require a specific clause in the listing agreement
- **B.** Reformation of the listing agreement to add a higher price
- **C.** Only a claim for the difference in the two sale prices
- **D.** Rescission, disgorgement of the secret profit, and forfeiture of the commission

66 **Which materials belong in a complete brokerage transaction file?**

A B C D

- **A.** the executed purchase agreement and nothing further
- **B.** only the records for transactions that actually reached closing
- **C.** only the documents the seller specifically asks the brokerage to preserve after closing
- **D.** agency agreements, offers, disclosures, and the trust records for the transaction

67 **A promissory note is properly signed at closing, but the lender never records the mortgage securing it. Which statement is most accurate?**

A B C D

- **A.** The loan automatically becomes an unsecured lease of the property
- **B.** The debt is unenforceable because the security instrument was not recorded
- **C.** The borrower still owes the debt, but the lender's lien priority against later recorded interests is at risk
- **D.** Recording the promissory note instead would have preserved the lien

68 **A contract says an earnest deposit will be credited toward the purchase price. How should that deposit be treated at closing?**

A B C D

- **A.** As money already paid toward the buyer's required funds
- **B.** As an additional charge above the purchase price
- **C.** As money automatically returned without reducing required closing funds
- **D.** As an automatic reduction in the seller agreed price rather than a buyer credit

69 **A lender making a federally related mortgage loan needs an opinion of value for underwriting. The lender must obtain:**

A B C D

- **A.** A comparative market analysis prepared by the listing broker
- **B.** An appraisal from a state-licensed or state-certified appraiser
- **C.** A broker price opinion from any actively licensed salesperson
- **D.** The assessed value shown on the county tax roll

70 **A licensee tells a prospect, "This is the most charming kitchen on the whole street." This statement is best characterized as:**

A B C D

- **A.** puffing, a non-factual opinion that is generally not actionable
- **B.** an implied warranty of habitability
- **C.** actionable fraud, because the comparison to other homes on the street cannot be objectively proven
- **D.** a latent defect disclosure

71 **A buyer finds both a restrictive covenant and a mortgage in the title report. Are both potentially relevant encumbrances?**

A B C D

- **A.** Yes, but both necessarily transfer possession
- **B.** Yes, restrictions and liens can both burden ownership
- **C.** No, only unpaid taxes can encumber land
- **D.** No, restrictions are always unenforceable

72 **A neighbor gives verbal permission to launch a boat from her shoreline whenever the weather allows. This permission is:**

A B C D

- **A.** An easement in gross that runs with the land
- **B.** A prescriptive easement
- **C.** A revocable license
- **D.** A profit a prendre

73 **A modest home stands in a block of much larger and more expensive homes, and it is worth more than it would be among similar modest homes. This illustrates:**

A B C D

- **A.** Regression
- **B.** Progression
- **C.** Plottage
- **D.** Conformity

74 **A deed executed solely to fix a misspelled name or an error in the legal description contained in an earlier deed is a:**

A B C D

- **A.** Special warranty deed
- **B.** Trustee deed given at foreclosure
- **C.** Quitclaim deed
- **D.** Correction deed

75 **A lender policy of title insurance protects:**

A B C D

- **A.** The lender up to the outstanding balance of the secured loan
- **B.** Both parties for the full market value of the property
- **C.** The seller against claims later brought by the buyer
- **D.** The borrower up to the full purchase price of the property

76 **A developer buys the right to build a tower in the space above an existing two-story building without buying the building. What was acquired?**

A B C D

A. Subsurface rights
B. Air rights
C. Littoral rights
D. A mechanic's lien

77 **A contract gives the seller five days to cure a title objection before cancellation. The buyer objects today. What should be checked before declaring termination?**

A B C D

A. Whether the buyer may bypass the agreed cure period merely by objecting
B. Whether the objection itself automatically ends the agreement
C. Whether the broker can shorten the cure period without party authority
D. Whether the seller's cure period has expired

78 **Which of the following is NOT part of the bundle of rights?**

A B C D

A. The right of disposition
B. The right to violate zoning ordinances
C. The right of possession
D. The right to exclude others from the property

79 **An ordinance lists a small machine shop as neither a permitted nor a conditional use anywhere in the district. What relief must an applicant seek to operate one there?**

A B C D

A. A use variance
B. An area variance from the bulk table
C. A certificate of occupancy from the building official
D. A conditional use permit or special exception

80 **Hoping long-time tenants will not renew so units can be upgraded, an owner tells them minority families are moving in and the area is going downhill. This conduct is:**

A B C D

A. Blockbusting, prohibited by federal fair housing law
B. Legal, because no sale is involved
C. Legal, because the statements are opinions
D. Steering, but lawful for rentals

81 **A developer offers a strip for a public street. What should be checked before assuming it is an accepted public road?**

A B C D

- **A.** Only whether private owners already use the strip
- **B.** Only whether lots have street addresses
- **C.** The applicable dedication and acceptance requirements
- **D.** Only whether the developer labels the road public

82 **Title to real property passes from grantor to grantee at the moment the deed is:**

A B C D

- **A.** Signed by the grantor
- **B.** Acknowledged before a notary public
- **C.** Delivered to and accepted by the grantee
- **D.** Recorded in the public records

83 **An agent tells buyers, "This is the most charming street in the whole county." This statement is:**

A B C D

- **A.** A material fact requiring written support
- **B.** Puffing, which is generally not actionable
- **C.** Negligent misrepresentation
- **D.** Fraud, because it cannot be verified

84 **Under traditional conventional qualifying guidelines written as 28/36, the second number refers to:**

A B C D

- **A.** Total monthly debt including housing as a percentage of gross monthly income
- **B.** Housing expense as a percentage of gross monthly income
- **C.** The maximum loan term expressed in years
- **D.** The maximum loan-to-value ratio permitted without mortgage insurance

85 **Which statement belongs in the federal Lead Warning Statement documentation besides the hazard warning?**

A B C D

- **A.** A guarantee that the property contains no lead
- **B.** A guarantee that every future renovation is safe
- **C.** A promise that the warning replaces professional inspection
- **D.** Confirmation of the seller or landlord's compliance with the Disclosure Rule

86 **A five-year lease provides that rent increases by 200 dollars on each anniversary date. This is best described as:**

A B C D

- **A.** A graduated lease
- **B.** An index lease
- **C.** A percentage lease
- **D.** A net lease

87 **A building earns $180,000 potential gross income, loses 6% to vacancy and receives $4,000 other income. What is effective gross income?**

A B C D

- **A.** $169,200
- **B.** $173,200
- **C.** $176,000
- **D.** $184,000

88 **A qualified mortgage is best described as a loan that:**

A B C D

- **A.** Meets defined product and underwriting standards and gives the lender liability protection
- **B.** Is guaranteed against borrower default by a federal agency
- **C.** Has been sold to a government-sponsored enterprise within a set number of days after the closing takes place
- **D.** Carries an interest rate below the current market average

89 **A tenant assigns a lease, but the landlord does not release the original tenant. What should the original tenant avoid assuming?**

A B C D

- **A.** That the lease's assignment clause matters
- **B.** That consent may be required
- **C.** That the incoming tenant can receive lease rights
- **D.** That assignment alone eliminates every remaining obligation

90 **Planned remodeling will disturb suspected asbestos insulation. What professional step fits EPA guidance before the work proceeds?**

A B C D

- **A.** Proceed because remodeling always eliminates asbestos risk
- **B.** Consult a trained and accredited asbestos professional about repair or removal
- **C.** Treat ordinary renovation labor as sufficient for asbestos handling
- **D.** Have the listing agent cut the insulation to inspect underneath

91 **An appraiser estimates the cost of an exact replica of an ornate historic building. Which cost concept fits?**

A B C D

- **A.** Reproduction cost
- **B.** Replacement cost using equivalent modern utility
- **C.** Original historic construction cost
- **D.** Market extraction of land value

92 **A tenant leases 2,400 square feet at $23 per square foot per year, plus a $0.85 per square foot monthly common-area charge. Total annual rent is:**

A B C D

- **A.** $55,200
- **B.** $57,240
- **C.** $79,680
- **D.** $99,600

93 **Recording a deed in the public records gives:** A B C D

- **A.** Priority over every interest recorded earlier in time
- **B.** Actual notice to the grantee alone
- **C.** Constructive notice to the world of the grantee's interest
- **D.** A warranty of title issued by the county

94 **Chain of title is best described as:** A B C D

- **A.** The record of successive conveyances of a parcel from owner to owner over time
- **B.** A list of every lien presently encumbering the parcel
- **C.** The insurance policy that protects a lender against undiscovered defects in title
- **D.** The legal description tracing the boundary lines of the parcel

95 **A contract required the seller to deliver a subdivided parcel, but a change in law made the subdivision legally impossible before closing. The seller's duty is most likely discharged by:** A B C D

- **A.** Impossibility of performance
- **B.** Anticipatory repudiation by the seller
- **C.** Accord and satisfaction
- **D.** Failure of consideration by the buyer

96 **A shopping center tenant pays a minimum monthly rent plus six percent of gross sales above a stated breakpoint. This is a:** A B C D

- **A.** Ground lease
- **B.** Gross lease
- **C.** Percentage lease
- **D.** Index lease

97 **A client authorizes an agent to reveal a relocation deadline but not a minimum acceptable price. Which disclosure is authorized?** A B C D

- **A.** The relocation deadline only
- **B.** Both facts because one was authorized
- **C.** The minimum price only
- **D.** Neither fact can ever be disclosed with consent

98 **A buyer and seller sign an enforceable purchase agreement on May 1 and will close on June 12. During that interval the buyer holds:**

A B C D

A. a leasehold interest in the property.
B. equitable title to the property.
C. legal title, subject to a lien retained by the seller.
D. no interest in the property whatsoever.

99 **A noisy industrial operation opens next to a residence and reduces demand for it. Which depreciation category is most relevant?**

A B C D

A. External obsolescence
B. Physical deterioration of the residence
C. Functional obsolescence from its internal layout
D. A difference between actual and effective age

100 **How many sections are there in a township?**

A B C D

A. 16
B. 36
C. 40
D. 64

101 **Which document transfers ownership of chattel?**

A B C D

A. A quitclaim deed
B. A title commitment
C. A general warranty deed
D. A bill of sale

102 **A contract to sell real estate signed by a person who has been formally adjudicated mentally incompetent by a court is best described as:**

A B C D

A. Unenforceable but valid
B. Voidable by the incompetent party
C. Void
D. Valid and fully binding

103 **A building cost $900,000 with $150,000 attributable to land. Using straight-line depreciation over a 39-year recovery period, the annual depreciation deduction is:**

A B C D

A. $19,230.77
B. $23,076.92
C. $38,461.54
D. $45,000

104 **What does a tenant under an estate for years actually hold?**

A B C D

A. The right of possession for a definite term
B. A remainder interest in the fee
C. An undivided fee simple share
D. Legal title to the land during the lease term

105 **A zoning map places a site in an R-2 district, but the buyer does not know what R-2 permits locally. What should be reviewed?**

A B C D

- **A.** The jurisdiction's actual zoning text and map
- **B.** Only the district label used by a neighboring jurisdiction
- **C.** Only the current owner's previous use
- **D.** An assumption that the same code always has the same meaning nationally

106 **An ARM rate is 5%, with a 1.5-percentage-point periodic increase cap. Its uncapped new rate is 7.25%. Ignoring other limits, what rate applies?**

A B C D

- **A.** 5.75%
- **B.** 6.5%
- **C.** 7.25%
- **D.** 8.5%

107 **A tenant with a visual impairment asks the landlord to waive a building no-pets policy so the tenant may keep a guide dog. This request is for:**

A B C D

- **A.** a variance from the local zoning authority
- **B.** a lease amendment that the landlord is free to refuse for any legitimate business reason
- **C.** a reasonable modification, payable by the tenant
- **D.** a reasonable accommodation, which the landlord must grant without charging a pet fee

108 **In a Torrens jurisdiction, an interest in the land that is not noted on the certificate of title generally:**

A B C D

- **A.** Automatically becomes a lien against the registered parcel
- **B.** Remains fully enforceable against the registered owner
- **C.** Does not affect the registered title
- **D.** Must be separately insured by the buyer before closing

109 **A property returns $31,500 annually and sold for $450,000. If a comparable property returns $28,000, what should it sell for at the same rate?**

A B C D

- **A.** $350,000
- **B.** $400,000
- **C.** $402,500
- **D.** $450,000

110 **A city condemns homes and conveys the land to a private developer under a redevelopment plan expected to create jobs and tax revenue. Under federal constitutional analysis:**

A B C D

A. Private transfers are always outside eminent domain

B. Economic redevelopment under a plan can satisfy public use

C. No compensation is owed when a private party benefits

D. Public use requires the public to physically occupy the land

Answer key

Check your sheet against the quick key, then tally your score by content area. Click a number to jump to its explanation.

1. **D**	20. **D**	39. **D**	58. **A**	77. **D**	96. **C**
2. **B**	21. **B**	40. **D**	59. **B**	78. **B**	97. **A**
3. **A**	22. **B**	41. **A**	60. **D**	79. **A**	98. **B**
4. **D**	23. **B**	42. **B**	61. **D**	80. **A**	99. **A**
5. **C**	24. **D**	43. **C**	62. **A**	81. **C**	100. **B**
6. **C**	25. **C**	44. **D**	63. **C**	82. **C**	101. **D**
7. **A**	26. **D**	45. **A**	64. **C**	83. **B**	102. **C**
8. **C**	27. **B**	46. **A**	65. **D**	84. **A**	103. **A**
9. **B**	28. **C**	47. **A**	66. **D**	85. **D**	104. **A**
10. **B**	29. **C**	48. **A**	67. **C**	86. **A**	105. **A**
11. **D**	30. **D**	49. **B**	68. **A**	87. **B**	106. **B**
12. **A**	31. **C**	50. **B**	69. **B**	88. **A**	107. **D**
13. **A**	32. **A**	51. **D**	70. **A**	89. **D**	108. **C**
14. **D**	33. **B**	52. **B**	71. **B**	90. **B**	109. **B**
15. **B**	34. **C**	53. **C**	72. **C**	91. **A**	110. **B**
16. **C**	35. **A**	54. **A**	73. **B**	92. **C**	
17. **B**	36. **A**	55. **C**	74. **D**	93. **C**	
18. **A**	37. **B**	56. **D**	75. **A**	94. **A**	
19. **D**	38. **C**	57. **C**	76. **B**	95. **A**	

Score by content area

CONTENT AREA	QUESTION NUMBERS	YOUR SCORE
Contracts	13, 24, 35, 46, 48, 68, 77, 95, 98, 102	_____ / 10
Agency	2, 15, 21, 36, 38, 41, 61, 65, 83, 97	_____ / 10
Practice of real estate	1, 6, 10, 18, 19, 32, 34, 42, 43, 66	_____ / 10
Property ownership	7, 47, 62, 71, 72, 76, 78, 100, 101, 104	_____ / 10
Financing	20, 23, 25, 26, 31, 44, 52, 67, 84, 88	_____ / 10
Valuation	3, 33, 57, 58, 63, 64, 69, 73, 91, 99	_____ / 10
Property disclosures	11, 14, 16, 17, 50, 53, 70, 85, 90, 107	_____ / 10
Real estate math (calculations)	8, 29, 49, 54, 55, 87, 92, 103, 106, 109	_____ / 10

CONTENT AREA	QUESTION NUMBERS	YOUR SCORE
Transfer of title	30, 39, 59, 60, 74, 75, 82, 93, 94, 108	_____ / 10
Land use controls	5, 9, 22, 28, 45, 56, 79, 81, 105, 110	_____ / 10
Property management	4, 12, 27, 37, 40, 51, 80, 86, 89, 96	_____ / 10

Explanations

Click a number to jump back to its question.

1. D: The problem is that the advertisement is now misleading about what is actually available, which is a truth in advertising violation whoever pays for it. Photograph ownership and MLS fees are real issues in practice but neither is the reason the ad itself is unlawful. *Practice of real estate*

2. B: Agency arises from agreement or conduct, not from the source of the money, which is why a buyer's broker may be paid out of the listing broker's commission while owing fiduciary duties only to the buyer. Following the money is the single most common error on this topic. *Agency*

3. A: The cost approach can be useful for new or specialized improvements. Its applicability still depends on the assignment and available data. *Valuation*

4. D: Transferring the ENTIRE remaining interest is an assignment. Keeping any reversionary interest (even a single day) makes it a sublease, and the original tenant stays liable in both cases unless released. *Property management*

5. C: Subdivision review ends with approval and recording of the plat, which creates the lot and block descriptions later deeds rely on. A certificate of occupancy comes much later and applies to a completed building rather than raw land. *Land use controls*

6. C: Rates are set independently by each firm, so the safe conversation is with the brokerage's own clients and its affiliated licensees. Talking rates with competitors invites a price fixing charge whether or not anything is signed, and no association or MLS may publish a suggested rate. *Practice of real estate*

7. A: An easement is a limited use right. Its granted scope matters when evaluating a different or more burdensome use. *Property ownership*

8. C: The fully indexed rate is index plus margin: 3% plus 2.25% equals 5.25%. Any applicable caps would need separate consideration. *Real estate math (calculations)*

9. B: A PUD approves one plan for the whole tract, so overall density governs and buildings may be clustered around shared open space with mixed housing types. A PUD never excuses the project from building codes or permits. *Land use controls*

10. B: Section 8 forbids receiving a fee or thing of value for referring settlement service business, and a thing of value includes tickets, trips, and free services. A commission that is simply high is a market and disclosure question, not a kickback. *Practice of real estate*

11. D: The published EPA action level is 4 picocuries per liter of air; at or above that reading, mitigation of the dwelling is recommended. *Property disclosures*

12. A: A revocable personal privilege to use land, with no exclusive possession and no specific space, is a license rather than a leasehold. A leasehold would give exclusive possession of a described area for a stated term. *Property management*

13. A: An express notice requirement may demand more than a cancellation label. The content should match the clause before the deadline. *Contracts*

14. D: The ban on discriminatory advertising, notices, and statements applies to everyone, so no exemption protects an owner who advertises a preference or limitation based on a protected class. *Property disclosures*

15. B: An agent's marketing discretion is limited by the client's authorization. Changing a material term requires the client's informed approval. *Agency*

16. C: When a Phase I identifies a recognized environmental condition, a Phase II assessment with sampling and testing is used to confirm whether contamination exists and how extensive it is. *Property disclosures*

17. B: Radon is normally controlled by sub-slab depressurization, which draws soil gas from beneath the slab and discharges it outdoors above the roof. Sealing cracks alone is only a supporting measure. *Property disclosures*

18. A: The exemption depends on a prior transaction or inquiry, so a past client who closed a purchase with the brokerage a few months ago qualifies. A personal referral from a neighbor creates no relationship between the brokerage and the consumer, so a registered number still may not be called. *Practice of real estate*

19. D: A consumer complaint or lawsuit arising out of a transaction must reach the broker at once, because the broker will answer for it and may need to notify the insurer. Personal purchases and voluntary classes carry no reporting duty since they create no liability for the firm. *Practice of real estate*

20. D: An affiliated business arrangement survives RESPA only with written disclosure of the relationship, no required use of the affiliate, and no compensation beyond a return on the ownership interest. A per-closing referral fee is the prohibited kickback. *Financing*

21. B: Customers get honesty, fair dealing and disclosure of known material defects; only clients get loyalty, obedience and confidentiality. Owing a customer nothing at all is the trap answer: an agent who lies to a customer is liable regardless of who she represents. *Agency*

22. B: An impact fee shifts the cost of added public capacity onto the development that creates the demand, and it must bear a reasonable relationship to that demand. A special assessment instead charges existing owners for an improvement benefiting their parcels. *Land use controls*

23. B: The installment buyer holds equitable title and possession while the seller keeps legal title as security until the price is paid in full. The buyer does hold an interest, so saying there is none until the last payment misstates the nature of equitable title. *Financing*

24. D: Consideration must be legally sufficient, not equal in value, so competent parties may strike a bargain price and a court will not rewrite it for them. Undue influence has to be proven from facts about pressure and relationship, never inferred from price alone. *Contracts*

25. C: VA loans allow no-down-payment financing for eligible veterans and carry no monthly mortgage insurance, though a funding fee applies. The 3.5% minimum investment is the FHA figure, and rural location is the USDA requirement. *Financing*

26. D: The secondary market trades loans that already exist, which replenishes lenders so they can originate again. Taking applications from borrowers is the primary market, and the word "secondary" has nothing to do with second mortgages. *Financing*

27. B: The three "nets" are property taxes, insurance and maintenance, all on top of base rent. A gross lease puts those on the landlord; a percentage lease keys rent to sales. *Property management*

28. C: Local controls can regulate sign size, placement, lighting and other features. Permission for the underlying business does not resolve every sign requirement. *Land use controls*

29. C: The seller must cover net plus costs from 94% of the price: ($250,000 + $3,500) ÷ 0.94 = $269,681. Adding 6% to $253,500 instead gives $268,710 and is the classic error: commission is a percentage of the SALE price, not of the net. *Real estate math (calculations)*

30. D: The words of conveyance appear in the "Granting clause", which is why it is essential to every deed. The habendum clause follows and describes the extent of the estate rather than making the transfer. *Transfer of title*

31. C: The 85% applies to the lower figure: 0.85 × $360,000 = $306,000 loan. The buyer must still pay the full $370,000 price, so the down payment is $370,000 − $306,000 = $64,000. Applying 15% to the sale price gives the $55,500 trap. *Financing*

32. A: Account-specific beneficiary records permit meaningful reconciliation of each bank balance. Combining liabilities without account identification can conceal mismatches or double counting. *Practice of real estate*

33. B: Wear from age and use is physical deterioration, and it is curable when replacing the item adds at least as much value as it costs. *Valuation*

34. C: The statute specifies reinforcement for later grab-bar installation. It does not phrase this particular requirement as installing grab bars throughout every bathroom immediately. *Practice of real estate*

35. A: An appraisal and a home inspection serve different purposes. The contract expressly warns against treating a value opinion as a comprehensive condition investigation. *Contracts*

36. A: An intermediary entity does not eliminate the agent's personal interest. The client needs disclosure to evaluate the conflict and proposed transaction. *Agency*

37. B: An option requires compliance with its stated conditions. Late interest in renewal should not be confused with timely exercise of the contractual right. *Property management*

38. C: The defining feature is one brokerage owing fiduciary duties to both sides of a single transaction. Two firms cooperating is ordinary practice and creates no conflict, because each side has its own advocate. *Agency*

39. D: The relevant difference is the reach of the title promises. State terminology and the actual deed language should also be checked. *Transfer of title*

40. D: A lease with a fixed beginning and a fixed ending date creates an estate for years, which expires on its own without notice from either party. A periodic tenancy has no stated end date and renews until someone gives notice. *Property management*

41. A: Confidences learned during the agency must be kept indefinitely, and the former agent must still account for any money or documents still in hand. Loyalty, obedience and the duty to keep disclosing end with the relationship itself. *Agency*

42. B: Even where a transaction escapes the Fair Housing Act's limited exemptions, the 1866 Act still prohibits racial discrimination absolutely. This is the classic exam scenario for the two statutes. *Practice of real estate*

43. C: Misappropriation is the broad label for the improper use or handling of money entrusted to a licensee, wide enough to include both mixing and outright taking. A missed monthly reconciliation is a recordkeeping violation on its own and does not by itself establish misuse of the funds. *Practice of real estate*

44. D: The CFPB explanation expressly distinguishes FHA and VA requirements and lender-paid insurance. Applying one program's cancellation rule indiscriminately can produce a wrong answer. *Financing*

45. A: Cumulative zoning stacks uses so that a district admits its own use plus every more restricted use above it, which is why housing may go into a commercial zone. Placing commercial activity in a residential zone reverses the pyramid and is not allowed. *Land use controls*

46. A: An offeror may revoke any time before acceptance, so there is no contract, because the offer was revoked before acceptance. Insisting on a binding contract, because acceptance was within the deadline ignores that a revoked offer no longer exists to accept. *Contracts*

47. A: Easements appurtenant benefit one parcel, the dominant tenement, and burden another, the servient tenement. If one person owned both parcels, the easement would be extinguished by merger. *Property ownership*

48. A: Such a clause means deadlines become strict, and even a short delay in performance can be a material breach. Saying deadlines become advisory, since courts allow a reasonable grace period describes the default rule the clause is designed to displace. *Contracts*

49. B: Starting equity was $384,000 × 0.15 = $57,600. Current equity is $415,000 − $318,600 = $96,400. Growth is $96,400 − $57,600 = $38,800. The $96,400 option is total equity, not the growth. *Real estate math (calculations)*

50. B: Lessees must receive the disclosure, the pamphlet, and the required lease attachment, but the 10-day opportunity to inspect applies to purchasers rather than tenants. Waivers of liability for lead hazards are not permitted. *Property disclosures*

51. D: Transferring the whole remaining term with no reversion is an assignment, and the assignor remains liable on the lease contract unless the landlord grants a release. A sublease would leave the original tenant holding a reversion for part of the term. *Property management*

52. B: Index plus margin equals the new rate, subject to the loan's caps. The index is the moving market measure the lender does not control; the margin is the lender's fixed spread above it. *Financing*

53. C: The exception combines a maximum 100-day term with no possible renewal or extension. Vacation use alone would not qualify a longer or renewable lease. *Property disclosures*

54. A: $565,000 − $115,000 = $450,000 depreciable basis, since land is never depreciated. $450,000 ÷ 27.5 = $16,363.64. Using the full purchase price gives $20,545.45. *Real estate math (calculations)*

55. C: Multiply the lot area by the stated floor-area ratio: 20,000 times 1.5 equals 30,000 square feet. Other development limits are excluded here. *Real estate math (calculations)*

56. D: Floor area ratio multiplies lot area by the ratio, so 20,000 times 1.5 permits 30,000 square feet of floor area spread over any number of stories. Dividing lot area by the ratio yields 13,333 square feet and inverts the formula. *Land use controls*

57. C: The availability of a comparable substitute limits what a rational buyer would pay. The comparison must account for utility, timing and other relevant differences. *Valuation*

58. A: An item is curable when "The cost to correct the item is no more than the value the correction adds", so the repair is economically justified. Who performs the work is irrelevant; the test is financial, not practical. *Valuation*

59. B: Reviewing the recorded instrument helps detect execution or recording errors. A receipt alone may not reveal a mistaken name or description. *Transfer of title*

60. D: Recording priority rules differ among jurisdictions. Recording dates, notice, value and other statutory requirements may affect the outcome. *Transfer of title*

61. D: Even with written consent, a dual agent must keep each side's confidential bargaining information private, so revealing the lowest price the seller would accept is forbidden. Disclosing a known foundation crack is not confidential information but a material defect that must be revealed regardless of who the broker represents. *Agency*

62. A: In the standard grid, a township is divided into 36 sections. Actual surveys can include correction areas and fractional sections. *Property ownership*

63. C: A monthly GRM multiplies monthly rent: $2,000 × 140 = $280,000. Watch whether the multiplier given is monthly or annual. The exam swaps them deliberately. *Valuation*

64. C: A feature the subject has and the comparable lacks is added to the comparable: $275,000 plus $9,000 equals $284,000. Subtracting to reach $266,000 would treat the superior subject as though it were the inferior property. *Valuation*

65. D: Self-dealing through an undisclosed relative breaches loyalty and disclosure, allowing rescission, recovery of the secret profit, and loss of the commission, plus discipline. Limiting the seller to the price difference ignores that a fiduciary who profits secretly must surrender the gain regardless of how the price compared. *Agency*

66. D: A complete file holds agency agreements, offers, disclosures, and the trust records for the transaction, because a regulator reconstructs the whole deal from it. Keeping the contract alone leaves out the disclosures and fund handling that most complaints are actually about. *Practice of real estate*

67. C: Recording protects priority, not validity: the note remains a binding personal obligation, while an unrecorded mortgage can be defeated by a later party who records first. Notes are not recorded in the public records at all. *Financing*

68. A: A price credit recognizes funds already deposited. Counting the deposit as an extra charge would make the buyer pay it twice. *Contracts*

69. B: Federally related transactions require "An appraisal from a state-licensed or state-certified appraiser" so the valuation is independent of the sale. A comparative market analysis is a listing tool and carries no appraisal credential behind it. *Valuation*

70. A: Non-factual sales talk that no reasonable buyer would rely on as a statement of fact is puffing and is generally not actionable. A false statement about a verifiable fact, such as the age of the roof, would instead be misrepresentation. *Property disclosures*

71. B: Encumbrances include more than financial claims. A use restriction and a secured debt can affect different parts of the ownership bundle. *Property ownership*

72. C: Permission to use land that is personal and can be withdrawn at any time is a license rather than an interest in real estate. Once created, an easement cannot simply be revoked at the will of the grantor. *Property ownership*

73. B: When superior surroundings lift the value of a lesser property, the effect is "Progression". Regression is the mirror image, in which the inferior neighbors drag down the value of a superior property. *Valuation*

74. D: An instrument whose only job is to repair a prior deed is a "Correction deed", also called a deed of confirmation or reformation. A quitclaim deed is used to release an interest rather than to restate a corrected description. *Transfer of title*

75. A: The lender policy covers "The lender up to the outstanding balance of the secured loan" and shrinks as the loan is paid down. It gives the borrower no protection, which is why a separate owner policy is recommended at closing. *Transfer of title*

76. B: Transferable air rights permit construction in the airspace above a parcel while the existing structure remains with its owner. Subsurface rights concern what lies beneath the surface rather than above it. *Property ownership*

77. D: Contractual cure rights must be honored. An objection is not necessarily an immediate cancellation where the seller has an express opportunity to cure. *Contracts*

78. B: The bundle includes possession, use, enjoyment, exclusion, and disposition, all exercised within the limits of law. Ownership never includes a right to disregard valid land use regulation. *Property ownership*

79. A: Because the district does not authorize the activity at all, permission requires a use variance or a legislative rezoning. A conditional use permit exists only for uses the ordinance has already identified as acceptable with conditions. *Land use controls*

80. A: Using representations about the entry of a protected class to induce people to sell, rent or move out is blockbusting, and the prohibition covers rental transactions as fully as sales. The absence of a sale is no defense, and framing the remarks as opinion does not help. *Property management*

81. C: An offer of dedication and effective public acceptance are distinct issues. A drawn street does not necessarily establish public maintenance or access status. *Land use controls*

82. C: Transfer occurs when the deed is "Delivered to and accepted by the grantee", which is why an unrecorded deed can still pass title. Recording is the classic wrong answer because it affects notice and priority rather than the passing of title. *Transfer of title*

83. B: Obvious opinion or sales enthusiasm that no reasonable buyer would treat as a statement of fact is puffing. It becomes actionable only when it crosses into a specific factual assertion the buyer relies on, such as a square footage or a roof age. *Agency*

84. A: The 36 is the back-end or total debt ratio, covering housing plus car loans, student loans, and minimum card payments. The 28 is the front-end ratio, which counts housing expense alone. *Financing*

85. D: EPA requires confirmation of compliance with the disclosure requirements. That confirmation is not a warranty that lead is absent or that all future work is safe. *Property disclosures*

86. A: Rent steps written into the lease at stated intervals create a graduated lease, since the amounts are known in advance. An index lease would leave the increase to a published indicator such as a cost of living measure. *Property management*

87. B: Vacancy is $10,800. Subtract it from $180,000 and add $4,000 other income to obtain effective gross income of $173,200. *Real estate math (calculations)*

88. A: A qualified mortgage satisfies specified product restrictions and underwriting requirements, which affords the lender a presumption of ability-to-repay compliance. Being sold to a government-sponsored enterprise is a separate secondary-market event and does not by itself make a loan qualified. *Financing*

89. D: Assignment and release are different issues. Remaining liability depends on the lease, consent documents and applicable law. *Property management*

90. B: EPA calls for professional handling when changes may disturb asbestos-containing material. Ordinary renovation work or an agent's informal sampling can create exposure. *Property disclosures*

91. A: Reproduction cost concerns recreating the existing structure. Replacement cost instead focuses on a substitute with comparable utility. *Valuation*

92. C: Base rent is 2,400 × $23 = $55,200. Common area is 2,400 × $0.85 × 12 = $24,480. Total $79,680. Treating the common-area charge as annual rather than monthly gives $57,240. *Real estate math (calculations)*

93. C: Recording supplies "Constructive notice to the world of the grantee's interest", so later parties are charged with knowledge whether they look or not. It cannot leapfrog interests recorded earlier, because priority generally follows the order of recording. *Transfer of title*

94. A: Chain of title is "The record of successive conveyances of a parcel from owner to owner over time", and a gap in it is a serious defect. A list of current liens is an encumbrance report, which addresses claims rather than ownership succession. *Transfer of title*

95. A: A supervening legal prohibition discharges the duty through impossibility of performance, since no one could lawfully perform. Anticipatory repudiation by the seller would require the seller to refuse to perform a duty that remained possible. *Contracts*

96. C: Rent tied to sales volume above a breakpoint, with a minimum base rent, is a percentage lease and is standard in retail centers. An index lease adjusts rent by a published economic measure instead of by sales. *Property management*

97. A: Consent can be limited to particular information. Permission concerning one bargaining fact does not automatically extend to another. *Agency*

98. B: Under equitable conversion, a signed and enforceable contract gives the buyer equitable title while the seller keeps legal title until the deed is delivered. The buyer has a real, protectable interest during that period rather than a mere expectation. *Contracts*

99. A: The negative influence originates outside the property. Repairing the residence itself may not remove that external value loss. *Valuation*

100. B: Townships measure six miles by six miles and are divided into 36 sections of one square mile each. Numbering starts in the northeast corner and snakes back and forth across the township. *Property ownership*

101. D: Chattel is personal property and transfers by bill of sale. Deeds convey real property only. Using one for a refrigerator would transfer nothing. *Property ownership*

102. C: A prior judicial adjudication of incompetency makes the resulting contract void, meaning it never had legal existence. Calling it voidable by the incompetent party fits a person of questionable capacity who has not been adjudicated, where the contract exists until disaffirmed. *Contracts*

103. A: $900,000 − $150,000 = $750,000 depreciable basis, because land is never depreciated. $750,000 ÷ 39 = $19,230.77 per year. *Real estate math (calculations)*

104. A: An estate for years gives the tenant possession for a fixed term while the landlord keeps title and the reversion. Legal title never passes to the tenant under a lease. *Property ownership*

105. A: Zoning labels are locally defined. The applicable text establishes permitted uses, dimensions and procedures for that mapped district. *Land use controls*

106. B: The periodic cap limits this increase to 1.5 points. Adding that to 5% gives 6.5%, below the uncapped 7.25% result. *Real estate math (calculations)*

107. D: Waiving or adjusting a rule, policy, or service is a reasonable accommodation, and the landlord may not impose a pet deposit or pet fee for an assistance animal. *Property disclosures*

108. C: Because the certificate is conclusive, an unnoted interest "Does not affect the registered title". Treating it as still enforceable would apply ordinary recording-act reasoning and defeat the certainty Torrens registration provides. *Transfer of title*

109. B: The rate is $31,500 ÷ $450,000 = 7%. Applying it: $28,000 ÷ 0.07 = $400,000. Multiplying $28,000 by 7% instead gives $1,960 and inverts the relationship. *Real estate math (calculations)*

110. B: Federal analysis reads public use broadly as public purpose, so a comprehensive economic development plan can qualify, although many states have since narrowed that authority by statute. Public use has never required physical occupation by the public. *Land use controls*