

# 75-Hour Broker Pre-License Midpoint Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**This is a sample study guide. To access the full version with hundreds of questions,**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.**

## **7. Use Other Tools**

**Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!**

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## Questions

- 1. If a seller agrees to sell a property for less than the listing price after the listing has expired, what may happen if the broker can prove collusion?**
  - A. The broker receives no commission**
  - B. The broker receives the full commission from the seller**
  - C. The broker may receive a partial commission**
  - D. The broker's license may be revoked**
- 2. What is the primary goal of a property appraisal?**
  - A. To attract investors for development projects**
  - B. To formalize contracts between buyers and sellers**
  - C. To establish a property's market value**
  - D. To estimate repair costs before sale**
- 3. What type of insurance protects the lending institution in conventional loans?**
  - A. Government mortgage insurance**
  - B. Private mortgage insurance**
  - C. Homeowner's insurance**
  - D. Title insurance**
- 4. What does homeowner's insurance primarily protect against?**
  - A. Loss of value in real estate**
  - B. Accidents occurring in public spaces**
  - C. Damages to the home and personal liability**
  - D. Natural disasters with no limits**
- 5. What is a "short sale" in real estate?**
  - A. A sale of a property for more than the amount owed on the mortgage**
  - B. A sale of a property for less than the amount owed on the mortgage, requiring lender approval**
  - C. A quick sale process without any inspections**
  - D. A type of sale that involves bidding from multiple buyers**



- 6. What type of property is typically considered as "investment property"?**
- A. A vacation home**
  - B. A primary residence**
  - C. A property intended for rental income or resale profits**
  - D. A plot of land held for future development**
- 7. How is "market value" defined in real estate?**
- A. The minimum price a property can be sold for**
  - B. The most probable price a property would sell for**
  - C. The last recorded sale price of a property**
  - D. The average price of similar properties in the area**
- 8. What occurs following a successful lawsuit for specific performance?**
- A. The contract is automatically dissolved**
  - B. The seller is compelled to fulfill the terms**
  - C. The buyer receives financial compensation**
  - D. The seller faces a penalty**
- 9. How many acres are contained in an area of land that is 2 miles wide and 3 miles deep?**
- A. 2,560 acres**
  - B. 3,840 acres**
  - C. 1,280 acres**
  - D. 6,880 acres**
- 10. Why is continuing education important for real estate brokers?**
- A. It allows brokers to charge lower fees**
  - B. It ensures they remain knowledgeable about current laws and practices**
  - C. It encourages competition among brokers**
  - D. It provides opportunities for networking with agents**

## **Answers**

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1. B
2. C
3. B
4. C
5. B
6. C
7. B
8. B
9. B
10. B

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## **Explanations**

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**1. If a seller agrees to sell a property for less than the listing price after the listing has expired, what may happen if the broker can prove collusion?**

- A. The broker receives no commission**
- B. The broker receives the full commission from the seller**
- C. The broker may receive a partial commission**
- D. The broker's license may be revoked**

In this scenario, if a seller agrees to sell a property for less than the listing price after the listing has expired and the broker can prove collusion, it suggests that there was a deliberate intent to bypass the contractual agreement originally made with the broker. Collusion typically implies cooperation between parties to deceive or gain an unfair advantage. If the broker can provide evidence of collusion, this can undermine the seller's stance and solidify the broker's claim to the commission. The presence of collusion indicates that the seller and possibly the buyer conspired to avoid paying the agreed-upon commission to the broker. Therefore, the broker may be entitled to receive the full commission from the seller despite the contract's expiration. This outcome maintains the integrity of the brokerage agreement and discourages unethical behavior in real estate transactions. Understanding the implications of collusion highlights the importance of upholding contractual obligations and the protections afforded to brokers in scenarios where unethical practices are at play.

**2. What is the primary goal of a property appraisal?**

- A. To attract investors for development projects**
- B. To formalize contracts between buyers and sellers**
- C. To establish a property's market value**
- D. To estimate repair costs before sale**

The primary goal of a property appraisal is to establish a property's market value. This value is determined through a systematic evaluation of various factors, including the property's condition, location, comparable sales, and current market trends. The appraisal provides an impartial assessment that is essential for various real estate transactions, including sales, refinancing, and investment analyses. By determining the fair market value, appraisals help buyers and sellers make informed decisions, ensuring they are paying or receiving a fair price. Additionally, lenders often require an appraisal before approving a mortgage to ensure that the property value supports the loan amount, thereby safeguarding their investment. Understanding market value is crucial for all parties involved in real estate transactions, as it reflects the appropriate amount one should expect to receive or pay in the current market conditions.

### **3. What type of insurance protects the lending institution in conventional loans?**

- A. Government mortgage insurance**
- B. Private mortgage insurance**
- C. Homeowner's insurance**
- D. Title insurance**

Private mortgage insurance (PMI) is specifically designed to protect lending institutions in the context of conventional loans. When a borrower puts down less than 20% of the home's purchase price as a down payment, lenders typically require PMI. This insurance mitigates the risk associated with lower down payments, as it compensates the lender in case the borrower defaults on the loan. PMI allows borrowers to qualify for mortgages they might not otherwise secure, enabling them to enter the housing market sooner. The cost of PMI is usually added to the borrower's monthly mortgage payment, and it can be cancelled once the borrower reaches a certain level of equity in the home. In contrast, government mortgage insurance is associated with loans backed by government entities like FHA or VA, homeowner's insurance covers property damage and liability, and title insurance protects against defects in the property title. Each of these options serves different purposes and does not specifically protect lenders in the context of conventional loans like PMI does.

### **4. What does homeowner's insurance primarily protect against?**

- A. Loss of value in real estate**
- B. Accidents occurring in public spaces**
- C. Damages to the home and personal liability**
- D. Natural disasters with no limits**

Homeowner's insurance primarily protects against damages to the home and personal liability, which encompasses a wide range of risks. This insurance policy typically covers the structure of the home itself, personal belongings within it, and liability if someone is injured on the property. The coverage can include protection against perils such as fire, theft, vandalism, and certain natural disasters, although specifics can vary based on the policy. The inclusion of personal liability means that if a homeowner is found legally responsible for an injury that occurs on their property, the insurance can help cover legal expenses and any resulting settlements or judgments. This comprehensive protection is crucial for homeowners to safeguard their investment and finances. In contrast, the other options do not accurately reflect the primary purpose of homeowner's insurance. It does not focus on the loss of real estate value, accidents in public spaces, or provide unlimited coverage for all natural disasters. Understanding these distinctions helps in selecting the appropriate insurance needed to protect against potential risks associated with homeownership.

## 5. What is a "short sale" in real estate?

- A. A sale of a property for more than the amount owed on the mortgage
- B. A sale of a property for less than the amount owed on the mortgage, requiring lender approval**
- C. A quick sale process without any inspections
- D. A type of sale that involves bidding from multiple buyers

A "short sale" in real estate refers to a sale of a property where the sale price is less than the amount owed on the mortgage. This situation occurs when the homeowner is facing financial difficulties and cannot continue to make mortgage payments, but the lender is willing to accept a reduced payoff to avoid the costs associated with foreclosure. For a short sale to go forward, the lender must approve the transaction, as they are effectively agreeing to accept less money than what is owed. This process can be lengthy and complex, as it often requires the seller to provide documentation regarding their financial hardship and the lender to agree on the sale price. Therefore, the involvement of lender approval is a critical component that classifies it as a "short sale." This context clarifies why recognizing the specific criteria and requirements defining a short sale is key for understanding its role in real estate transactions.

## 6. What type of property is typically considered as "investment property"?

- A. A vacation home
- B. A primary residence
- C. A property intended for rental income or resale profits**
- D. A plot of land held for future development

Investment property is characterized by its intended purpose of generating income or profits for the owner. This includes properties that are leased out to tenants for rental income or purchased with the expectation of appreciation in value for resale at a higher price in the future. When discussing various types of properties, the ones categorized as vacation homes or primary residences serve different personal or lifestyle needs rather than serving as a source of income or investment return. A vacation home is typically intended for personal use and recreation rather than investment. A primary residence serves as the homeowner's main living space, again focusing on personal enjoyment rather than financial investment. While a plot of land held for future development can be considered an investment if it is anticipated to appreciate in value or generate income when developed, it may not directly serve the same immediate purpose as a property designed specifically for rental income or resale. Thus, it does not fit as clearly within the established definition of investment property as a property intended for rental income or resale profits does.

**7. How is "market value" defined in real estate?**

- A. The minimum price a property can be sold for**
- B. The most probable price a property would sell for**
- C. The last recorded sale price of a property**
- D. The average price of similar properties in the area**

Market value in real estate refers to the most probable price a property would sell for in an open and competitive market, assuming that both the buyer and seller are acting knowledgeably and voluntarily. This concept captures the idea that market value is not just based on past transactions or averages, but rather on what a property is likely to command in the current market conditions. To establish market value, various factors must be considered, including the property's features, location, market trends, and the economic environment. This makes option B the most accurate representation of market value, as it directly addresses the prevailing conditions that influence property pricing at any given time. Understanding market value is crucial for both buyers and sellers, as it helps to inform reasonable offers, list prices, and negotiations during a real estate transaction.

**8. What occurs following a successful lawsuit for specific performance?**

- A. The contract is automatically dissolved**
- B. The seller is compelled to fulfill the terms**
- C. The buyer receives financial compensation**
- D. The seller faces a penalty**

Following a successful lawsuit for specific performance, the seller is compelled to fulfill the terms of the contract. Specific performance is a legal remedy in which a court orders a party to perform their contractual obligations rather than opting for monetary compensation. This is typically sought in real estate transactions where the subject matter (the property) is unique, and financial damages would not sufficiently remedy the buyer's situation. In such cases, the court enforces the original agreement, requiring the seller to execute the sale as stipulated in the contract. This is particularly significant in real estate deals, where the buyer may have specifically chosen that property for its unique characteristics, making it irreplaceable. Thus, the enforcement of the contract ensures that the buyer can obtain exactly what was promised without substituting it with financial payment.



**9. How many acres are contained in an area of land that is 2 miles wide and 3 miles deep?**

**A. 2,560 acres**

**B. 3,840 acres**

**C. 1,280 acres**

**D. 6,880 acres**

To determine the number of acres in an area of land that measures 2 miles in width and 3 miles in depth, you start by calculating the total area in square miles. The area is calculated by multiplying the width by the depth: 2 miles (width) x 3 miles (depth) = 6 square miles. Next, to convert square miles to acres, it's important to know the conversion factor: 1 square mile is equal to 640 acres. Therefore, you take the total area in square miles and multiply it by the number of acres per square mile: 6 square miles x 640 acres/square mile = 3,840 acres. Thus, the answer is 3,840 acres, which corresponds to the selected choice. Understanding the process of calculating area and the conversion between square miles and acres is essential in real estate, particularly when dealing with larger parcels of land.

**10. Why is continuing education important for real estate brokers?**

**A. It allows brokers to charge lower fees**

**B. It ensures they remain knowledgeable about current laws and practices**

**C. It encourages competition among brokers**

**D. It provides opportunities for networking with agents**

Continuing education is crucial for real estate brokers because it ensures they remain knowledgeable about current laws and practices. The real estate industry is constantly evolving, with new regulations, market trends, and technologies emerging regularly. Ongoing education helps brokers stay updated on these changes, which is essential for compliance, effective practice, and providing the best service to clients. By understanding the latest laws, ethical standards, and real estate practices, brokers can make informed decisions, minimize risks, and enhance their professional competence. This commitment to learning ultimately builds trust with clients and contributes to the overall integrity of the real estate profession.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://75hrbrokerprelicensemidpt.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**