

# 75-HOUR BROKER PRE-LICENSE MIDPOINT PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE  
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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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. 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.

## 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. 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!

## Questions

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**1. What do zoning laws regulate?**

- A. The appraisal process for residential properties
- B. How land can be used and types of buildings allowed
- C. The sale of properties at auction
- D. The methods of financing a property purchase

**2. What kind of loan is structured to facilitate construction projects?**

- A. Construction loan
- B. Amortized loan
- C. Straight loan
- D. Bridge loan

**3. What is the homestead exemption amount for an individual homeowner in Illinois?**

- A. \$10,000
- B. \$15,000
- C. \$20,000
- D. \$25,000

**4. What does the acronym "REALTOR" represent?**

- A. A licensed real estate appraiser
- B. A licensed real estate agent
- C. A property management consultant
- D. A mortgage specialist

**5. What does the term "closing costs" mean in real estate?**

- A. Costs incurred for appraising a property
- B. Fees and expenses incurred during the finalization of a real estate transaction, typically paid at closing
- C. Costs associated with maintaining a property after purchase
- D. Fees for listing a property with a real estate agent

- 6. Which governmental agency is responsible for regulating the nation's money supply?**
- A. The Securities and Exchange Commission
  - B. The Federal Reserve System
  - C. The Department of Housing and Urban Development
  - D. The Federal Trade Commission
- 7. What is a "deed" in real estate?**
- A. A financial statement detailing a buyer's credit score
  - B. A legal document that transfers ownership of property from one party to another
  - C. A contract between the buyer and seller
  - D. A type of insurance for property owners
- 8. What is the concept of dual agency?**
- A. When one broker represents multiple sellers
  - B. When one broker represents both the buyer and seller
  - C. When a buyer has multiple agents
  - D. When a seller has multiple brokers
- 9. In which ownership arrangement do co-owners share equal ownership and have the right of survivorship?**
- A. Tenancy in common
  - B. Joint tenancy
  - C. Community property
  - D. Tenancy by the entirety
- 10. What does an option in a real estate transaction provide?**
- A. Sets a purchase price for a property
  - B. Keeps the offer open for a specified time
  - C. Guarantees sale completion
  - D. Mandates buyer obligations



## **Answers**

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

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## **Explanations**

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## 1. What do zoning laws regulate?

- A. The appraisal process for residential properties
- B. How land can be used and types of buildings allowed**
- C. The sale of properties at auction
- D. The methods of financing a property purchase

*Zoning laws are established by local governments to regulate land use and development within their jurisdictions. They dictate how land can be utilized—common classifications include residential, commercial, industrial, and agricultural uses. Additionally, zoning laws specify the types of buildings that can be constructed in designated areas, as well as guidelines related to aspects such as building height, density, setback requirements, and the overall character of neighborhoods. Understanding zoning regulations is essential for real estate professionals and property developers, as these laws influence property values, determine what types of businesses can operate in specific areas, and ensure that community planning and environmental concerns are addressed. By adhering to zoning laws, communities can manage growth in an organized and harmonious manner, balancing the needs of residents, businesses, and the environment.*

## 2. What kind of loan is structured to facilitate construction projects?

- A. Construction loan**
- B. Amortized loan
- C. Straight loan
- D. Bridge loan

*A construction loan is specifically designed to fund the costs associated with building or renovating real estate. Unlike traditional loans, which typically provide a lump sum of money for long-term purposes, construction loans disburse funds progressively as the construction process moves forward. This allows borrowers to manage short-term expenses and pay only for the money they have drawn at any given point. These loans often cover costs such as labor, materials, and associated fees, tailored to the unique financial needs of a construction project. Once the construction is completed, these loans can often transition into permanent financing, converting to a mortgage with a longer repayment period. Other loan types mentioned do not serve the same purpose as a construction loan. An amortized loan typically involves fixed payments throughout the life of the loan, which is not conducive to the dynamic financial needs of a construction project. A straight loan, generally, does not entail any principal payments until the end of the term, making it unsuitable for progressive payments required during construction. A bridge loan is intended as a short-term solution, facilitating immediate cash flow needs when there is a gap between funding sources but is not specifically tailored to construction projects.*

## 3. What is the homestead exemption amount for an individual homeowner in Illinois?

- A. \$10,000
- B. \$15,000**
- C. \$20,000
- D. \$25,000

*The homestead exemption in Illinois provides a reduction in the assessed value of a home for property tax purposes, benefiting homeowners by lowering their tax liability. For an individual homeowner, the standard homestead exemption amount is indeed \$15,000. This exemption applies to the general homestead as well as other specific types of exemptions available in the state, such as those for seniors or veterans, which can increase the amount of the exemption further in certain circumstances. Understanding this exemption is crucial for homeowners in Illinois, as it can significantly impact their taxes and overall financial obligations related to property ownership. This knowledge is particularly important for real estate professionals assisting clients in navigating property tax assessments and incentives available to homeowners.*

#### 4. What does the acronym "REALTOR" represent?

- A. A licensed real estate appraiser
- B. A licensed real estate agent**
- C. A property management consultant
- D. A mortgage specialist

*The acronym "REALTOR" represents a licensed real estate agent who is a member of the National Association of REALTORS (NAR). This designation indicates that the individual adheres to a strict code of ethics and standards of practice set forth by the association, which distinguishes them from other real estate professionals who may not hold this membership. Being a REALTOR involves more than just having a real estate license; it signifies a commitment to professionalism and ethical behavior in the real estate industry. REALTORS can be involved in various aspects of real estate, including buying, selling, and leasing properties, and they often have access to resources, education, and networking opportunities through their membership. While other real estate professionals, such as appraisers, property managers, and mortgage specialists, play important roles in the real estate market, they do not carry the "REALTOR" designation unless they are also licensed real estate agents and members of NAR.*

#### 5. What does the term "closing costs" mean in real estate?

- A. Costs incurred for appraising a property
- B. Fees and expenses incurred during the finalization of a real estate transaction, typically paid at closing**
- C. Costs associated with maintaining a property after purchase
- D. Fees for listing a property with a real estate agent

*The term "closing costs" refers specifically to the fees and expenses incurred during the finalization of a real estate transaction, which are typically paid at the closing of the sale. These costs can include a variety of charges such as loan origination fees, title insurance, appraisal fees, attorney fees, and taxes. Closing costs are an essential aspect of the real estate process as they represent the final expenses that buyers and sellers must settle as part of completing the transaction. Understanding closing costs is crucial for buyers, as these expenses can significantly influence the total amount they need to prepare for when finalizing the purchase of a property. It's also important for sellers to be aware of these costs as they can affect their net proceeds from the sale. Overall, recognizing what constitutes closing costs helps all parties involved in a real estate transaction to budget appropriately and avoid any surprises during the closing process.*

**6. Which governmental agency is responsible for regulating the nation's money supply?**

- A. The Securities and Exchange Commission
- B. The Federal Reserve System**
- C. The Department of Housing and Urban Development
- D. The Federal Trade Commission

*The Federal Reserve System is responsible for regulating the nation's money supply. This central banking system manages monetary policy to ensure economic stability and growth. It controls the money supply through various mechanisms, including setting interest rates, open market operations, and reserve requirements for banks. By adjusting these levers, the Federal Reserve can influence inflation, employment rates, and overall economic activity. In contrast, the Securities and Exchange Commission oversees the securities industry, ensuring that markets operate fairly and transparently, while the Department of Housing and Urban Development focuses on national housing policies and programs. The Federal Trade Commission protects consumer rights and enforces antitrust laws to promote fair competition, rather than controlling the money supply. Therefore, the Federal Reserve is the correct answer as it plays the pivotal role in managing the country's monetary policy.*

**7. What is a "deed" in real estate?**

- A. A financial statement detailing a buyer's credit score
- B. A legal document that transfers ownership of property from one party to another**
- C. A contract between the buyer and seller
- D. A type of insurance for property owners

*A deed in real estate is a crucial legal instrument that serves the specific purpose of transferring ownership of real property from one party to another. When a deed is executed and delivered, it signifies the change in title, ensuring that the new owner has the legal right to the property. This document must typically be in writing and include essential details such as the names of the parties involved, a legal description of the property, and sometimes the signature of the grantor (the person transferring the property). Understanding the function of a deed is fundamental in real estate since it encapsulates the principles of property law and ownership transfer. It is a distinct legal document separate from contracts, financial documents, or insurance policies, each of which serves different roles in the real estate transaction process. Thus, identifying a deed as a legal document specifically focused on the transfer of property ownership reinforces its importance in real estate transactions.*

## 8. What is the concept of dual agency?

- A. When one broker represents multiple sellers
- B. When one broker represents both the buyer and seller**
- C. When a buyer has multiple agents
- D. When a seller has multiple brokers

*The concept of dual agency refers to a situation in real estate where a single broker or agent represents both the buyer and the seller in a transaction. This can occur in various scenarios, such as when a buyer finds a property through a brokerage, and the same brokerage also represents the seller of that property. In dual agency, the agent must navigate the interests of both parties, which can pose challenges, particularly regarding confidentiality and loyalty. The agent has an obligation to treat both parties fairly, ensuring that neither party's interests are compromised. This practice is often regulated by state laws, which require agents to disclose their dual agency status to both the buyer and the seller and often require both parties' consent to proceed. Understanding dual agency is crucial for real estate professionals as it emphasizes the need for clear communication and transparency in transactions, ensuring that all parties are fully aware of the arrangements and implications of having one agent represent both sides.*

## 9. In which ownership arrangement do co-owners share equal ownership and have the right of survivorship?

- A. Tenancy in common
- B. Joint tenancy**
- C. Community property
- D. Tenancy by the entirety

*The correct ownership arrangement where co-owners share equal ownership and have the right of survivorship is joint tenancy. In joint tenancy, each co-owner has an equal share in the property, and if one co-owner passes away, their interest in the property automatically transfers to the surviving co-owners. This right of survivorship distinguishes joint tenancy from other forms of co-ownership, as it ensures that ownership remains intact among the living co-owners without having to go through probate. In contrast, tenancy in common allows co-owners to hold unequal shares and does not involve a right of survivorship, meaning that upon the death of a co-owner, their share can be inherited by their heirs. Community property typically applies to married couples and involves joint ownership but does not provide for the right of survivorship explicitly. Tenancy by the entirety is a form of joint ownership available only to married couples, with a right of survivorship, but it is not characterized by equal ownership among just any co-owners, as it solely applies within the context of marriage.*

## 10. What does an option in a real estate transaction provide?

- A. Sets a purchase price for a property
- B. Keeps the offer open for a specified time**
- C. Guarantees sale completion
- D. Mandates buyer obligations

*An option in a real estate transaction functions as a contractual agreement that grants the option holder the exclusive right, but not the obligation, to purchase a property at a predetermined price within a specific timeframe. This means that the option keeps the offer open for a specified duration, allowing the potential buyer time to decide whether or not to proceed with the purchase. The time limitation is a crucial aspect of an option agreement. It creates a window in which the buyer can assess the property, secure financing, or undertake due diligence without the risk of other buyers acquiring the property within that timeframe. Options are often used in real estate to demonstrate serious interest while providing the buyer with some flexibility. In contrast, while an option may set the potential purchase price, it does not mandate any obligations on the buyer to complete the sale. Therefore, the effectiveness of an option lies in its ability to secure the property for a set period while retaining the option for the buyer to decide whether to move forward with the transaction or not.*

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## 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:

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

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