

ACEABLE AGENT – FINANCE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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. 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. Ostensible agency involves which scenario?**
 - A. Apparent Agency
 - B. Ostensible Agency
 - C. Implied Agency
 - D. Express Agency

- 2. Which statement accurately describes foreclosure differences between a mortgage and a deed of trust?**
 - A. A mortgage creates a lien on the property.
 - B. A deed of trust requires judicial foreclosure in all states.
 - C. A deed of trust uses a trustee to allow non-judicial foreclosure in many states.
 - D. It eliminates the mortgage lien.

- 3. A suspension of loan payments for a period of time.**
 - A. Forbearance
 - B. Moratorium
 - C. Deferment
 - D. Reprieve

- 4. In a title theory state, who holds title to the property while the loan is outstanding?**
 - A. Lender
 - B. Borrower
 - C. Government
 - D. Trustee

- 5. Which option is NOT an exception to providing a written IABS notice?**
 - A. Substantive communication about a specific property
 - B. Residential lease less than one year
 - C. Meeting with a party already represented by a license holder
 - D. Both A and B

- 6. Which term describes a broker who represents both sides in a transaction under intermediary rules?**
- A. Transaction Broker
 - B. Dual Agent
 - C. Fiduciary
 - D. Limited Agent
- 7. Which type of listing agreement gives the broker exclusive rights to sell and guarantees a commission?**
- A. Exclusive Right to Sell
 - B. Exclusive Agency Listing
 - C. Open Listing
 - D. Net Listing
- 8. Which term refers to changing the terms of a loan?**
- A. Refinancing
 - B. Recasting
 - C. Modification
 - D. Adjustment
- 9. Which commission was created to enforce TRELA and also regulates educational and licensing programs that maintain standards, while interpreting legislation affecting the real estate profession?**
- A. TEXAS REAL ESTATE LICENSE ACT ADMINISTRATION
 - B. TEXAS REAL ESTATE COMMISSION (TREC) 1949
 - C. TEXAS REAL ESTATE REGULATORY BOARD
 - D. TEXAS REAL ESTATE EDUCATION COUNCIL
- 10. Define rate cap and how it protects a borrower on an ARM.**
- A. Rate cap is a fee paid to avoid rate changes.
 - B. Rate cap guarantees a fixed rate for life of the loan.
 - C. Rate cap determines the maximum loan-to-value ratio.
 - D. Rate cap limits how much the interest rate can change at each adjustment and over the life of the loan.

Answers

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

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Explanations

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1. Ostensible agency involves which scenario?

- A. Apparent Agency
- B. Ostensible Agency**
- C. Implied Agency
- D. Express Agency

Ostensible agency centers on the appearance of authority created by the principal's actions or representations to a third party. If the principal's words or conduct lead a reasonable third party to believe someone is authorized to act on the principal's behalf, that third party can rely on that belief and transact accordingly. Even though there's no actual authority, the principal may be bound by the agent's actions because the appearance of authority was created by the principal. This is why ostensible (apparent) agency fits the scenario described: it's about what the third party reasonably believes based on the principal's behavior, not about formal written or actual grant of authority.

2. Which statement accurately describes foreclosure differences between a mortgage and a deed of trust?

- A. A mortgage creates a lien on the property.
- B. A deed of trust requires judicial foreclosure in all states.
- C. A deed of trust uses a trustee to allow non-judicial foreclosure in many states.**
- D. It eliminates the mortgage lien.

Foreclosure methods depend on how the loan is secured. With a mortgage, the lender holds a lien and, in many states, foreclosure is a judicial process that goes through the courts, which means filings, court orders, and a court-led sale. A deed of trust changes the setup by placing the property in trust with a trustee who acts for the beneficiary. If the borrower defaults, the trustee can conduct a non-judicial foreclosure—often called a trustee's sale—without court action in many states, making the process quicker and less costly. The lien on the property isn't automatically eliminated by default; it's typically extinguished only when the sale satisfies the debt. So the statement about a deed of trust enabling non-judicial foreclosures through a trustee in many states is the accurate description. The other points either don't describe the foreclosure process accurately, claim judicial foreclosure is required in all states, or misstate what happens to the lien.

3. A suspension of loan payments for a period of time.

- A. Forbearance
- B. Moratorium**
- C. Deferment
- D. Reprieve

A suspension of loan payments for a period of time is a moratorium. It refers to a formal pause on obligations that stops payments for a set duration, often established by policy, law, or the lender in response to a specific situation. The key idea is a temporary standstill on payments rather than a negotiated relief or a program-specific postponement. This differs from forbearance, which is a lender-approved hardship relief that may involve pausing or reducing payments but is specifically driven by the borrower's circumstances and usually involves ongoing terms and interest accrual. Deferment is a postponement tied to particular programs (like certain student loan situations) with rules about whether interest continues to accrue. Reprieve isn't a term used for loan relief.

4. In a title theory state, who holds title to the property while the loan is outstanding?

- A. Lender
- B. Borrower**
- C. Government
- D. Trustee

In a title theory state, the lender holds the legal title to the property while the loan is outstanding. The borrower retains equitable title and possession, but the recorded ownership sits with the lender (or with a trustee if a deed of trust is used). This arrangement gives the lender stronger rights to control or foreclose if the borrower defaults, and the title is returned to the borrower only after the loan is fully paid. In lien theory states, the borrower would keep title and the lender would have a lien instead.

5. Which option is NOT an exception to providing a written IABS notice?

- A. Substantive communication about a specific property**
- B. Residential lease less than one year
- C. Meeting with a party already represented by a license holder
- D. Both A and B

The IABS notice exists to inform clients about brokerage relationships and must be provided at the first substantive dialogue about real estate services, unless an exception applies. Substantive communication about a specific property is not an exception—it's exactly the kind of discussion that triggers the need for the written IABS because real estate services are being discussed. In contrast, meeting with a party who is already represented by a license holder is considered an exception, as the party already has representation and the separate IABS notice isn't required. Likewise, a residential lease of less than one year is an exception, so the IABS isn't required there either. Therefore, the option describing substantive discussion about a specific property is not an exception.

6. Which term describes a broker who represents both sides in a transaction under intermediary rules?

- A. Transaction Broker
- B. Dual Agent**
- C. Fiduciary
- D. Limited Agent

Representing both the buyer and the seller in the same transaction is called dual agency. In this setup, the broker must balance duties to both parties and typically obtain written consent from each side to proceed, while avoiding conflicts and maintaining confidentiality where appropriate. The term dual agent specifically captures the idea of representing two clients in one deal, which is distinct from acting as a transaction broker (neutral helper without fiduciary duties), a fiduciary (loyal to one client), or a limited agent (restricted duties to one client).

7. Which type of listing agreement gives the broker exclusive rights to sell and guarantees a commission?

A. Exclusive Right to Sell

B. Exclusive Agency Listing

C. Open Listing

D. Net Listing

This question is about listing agreements and when a broker earns a commission. The exclusive right to sell gives the broker the sole right to market the property and guarantees that the broker will be paid a commission if the property sells during the listing term, regardless of who brings the buyer. That means even if the seller finds a buyer themselves, the broker still earns the commission because the broker holds the exclusive right to sell during the period. This is the strongest form for the broker because it protects their efforts and guarantees payment. Other arrangements don't guarantee the broker's commission: an exclusive agency allows the seller to find a buyer without owing the broker a commission; an open listing is non-exclusive and typically only the broker who actually procures the buyer earns a commission; a net listing centers on a set net to the seller and is often restricted or illegal in many markets.

8. Which term refers to changing the terms of a loan?

A. Refinancing

B. Recasting

C. Modification

D. Adjustment

Modification is the term used when the lender officially alters the terms of an existing loan. This can include changing the interest rate, extending or shortening the repayment period, or adjusting the monthly payment, typically to help a borrower manage hardship or avoid default. Refinancing replaces the old loan with a new one, usually with new terms and a new rate. Recasting re-amortizes the remaining balance to produce a new payment while the interest rate and original terms often stay the same. Adjustment isn't a standard term for changing loan terms.

9. Which commission was created to enforce TRELA and also regulates educational and licensing programs that maintain standards, while interpreting legislation affecting the real estate profession?

A. TEXAS REAL ESTATE LICENSE ACT ADMINISTRATION

B. TEXAS REAL ESTATE COMMISSION (TREC) 1949

C. TEXAS REAL ESTATE REGULATORY BOARD

D. TEXAS REAL ESTATE EDUCATION COUNCIL

TRELA stands for the Texas Real Estate License Act, and the agency created to enforce TRELA while also regulating the educational and licensing programs that maintain standards, and interpreting legislation affecting the real estate profession, is the Texas Real Estate Commission. This body licenses real estate agents and brokers, sets and enforces education requirements (including continuing education), investigates complaints, and disciplines licensees. It also approves and oversees real estate education providers to ensure courses meet established standards, and it interprets real estate laws and rules to guide practitioners and protect consumers. The other options don't reflect the actual Texas agency with this combination of enforcement, licensing regulation, and educational oversight.

10. Define rate cap and how it protects a borrower on an ARM.

- A. Rate cap is a fee paid to avoid rate changes.
- B. Rate cap guarantees a fixed rate for life of the loan.
- C. Rate cap determines the maximum loan-to-value ratio.
- D. Rate cap limits how much the interest rate can change at each adjustment and over the life of the loan.**

Rate cap is a protection feature on adjustable-rate mortgages that limits how much the interest rate can move, both at each adjustment and over the life of the loan. Because ARM rates change with a market index, borrowers can face big payment increases if rates rise. The rate cap sets maximums: a limit on how much the rate can change at each adjustment and a ceiling on how high the rate can go over the loan's term. This helps prevent sudden, unaffordable payment jumps and makes budgeting more predictable for the borrower. The other options describe something different—fees to avoid rate changes, a guaranteed fixed rate for the life of the loan, or loan-to-value limits—none of which describe how a rate cap actually protects against rate swings.

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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.

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

<https://aceableagentfinance.examzify.com>

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

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