

ACEABLEAGENT PROMULGATED CONTRACTS PRACTICE TEST (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. Are the members of the Broker-Lawyer Committee or members of TREC appointed by a governor?**
 - A. Only Broker-Lawyer Committee
 - B. Only TREC
 - C. Both committees
 - D. Neither committee

- 2. Which aspect is NOT typically managed by a homeowners association (HOA)?**
 - A. Maintaining community common areas
 - B. Enforcing rules within the community
 - C. Managing individual homeowner mortgages
 - D. Organizing community events

- 3. What addendum is required when a seller wants to buy another home before closing on their current one?**
 - A. Home Sale Addendum
 - B. Addendum for Sale of Other Property by Buyer
 - C. Contingency Addendum
 - D. Financing Addendum

- 4. What kind of deed offers the least protection for a buyer concerning potential title claims?**
 - A. Warranty deed
 - B. Quitclaim deed
 - C. Grant deed
 - D. Special warranty deed

- 5. What is the difference between a leasehold estate and freehold estate?**
 - A. A leasehold estate is a shorter-term agreement
 - B. A leasehold estate is owned outright
 - C. A leasehold estate is never legally binding
 - D. A leasehold estate allows for unlimited resale opportunities

- 6. Which term describes a contract that can be voided by one party due to specific conditions?**
- A. Voidable
 - B. Void
 - C. Executed
 - D. Express
- 7. What role does title insurance serve in real estate transactions?**
- A. It guarantees the property value remains constant
 - B. It protects the buyer and lender from financial loss due to title defects
 - C. It acts as a payment method between buyer and seller
 - D. It provides legal representation during the transaction
- 8. How does TILA promote consumer protection in lending?**
- A. By capping interest rates for all loans
 - B. By requiring disclosures of terms and costs of credit
 - C. By regulating the sale price of properties
 - D. By offering loan forgiveness programs
- 9. Which of the following contracts would typically be deemed void?**
- A. Contract for the sale of a car
 - B. Contract for employment
 - C. Contract for illegal activities
 - D. Contract for lease of property
- 10. What does it signify if property taxes are paid in arrears?**
- A. Taxes for current year
 - B. Prepaid property taxes
 - C. Taxes for previous year
 - D. Future assessed taxes

Answers

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

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Explanations

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1. Are the members of the Broker-Lawyer Committee or members of TREC appointed by a governor?

- A. Only Broker-Lawyer Committee
- B. Only TREC**
- C. Both committees
- D. Neither committee

The correct answer is that only the Texas Real Estate Commission (TREC) members are appointed by the governor. This practice underscores the state's oversight of the regulatory body that governs real estate professionals, ensuring that individuals with the appropriate expertise and commitment to ethical practices lead the organization. In contrast, members of the Broker-Lawyer Committee are appointed through different means. This committee, which plays a role in drafting the promulgated forms used in real estate transactions, is composed of both real estate brokers and lawyers who are selected based on their qualifications and expertise in their respective fields, rather than through gubernatorial appointment. Understanding the distinctions regarding how appointments are made for these two committees is important for recognizing the governance structure within real estate in Texas. This knowledge helps clarify the roles and responsibilities of each committee and the processes through which they are formed.

2. Which aspect is NOT typically managed by a homeowners association (HOA)?

- A. Maintaining community common areas
- B. Enforcing rules within the community
- C. Managing individual homeowner mortgages**
- D. Organizing community events

A homeowners association (HOA) is primarily focused on the management and enhancement of shared community interests and common areas. Typically, they handle tasks that promote community standards, ensure property values are maintained, and create a harmonious living environment for the residents. Maintaining community common areas is a central responsibility of an HOA, as it ensures that parks, pools, and other shared facilities are kept in good condition for the benefit of all residents. Enforcing rules within the community is also a critical function, as the HOA establishes regulations to uphold standards for property maintenance and neighbor relations, fostering a consistent and pleasant living atmosphere. Organizing community events is another responsibility that enhances social interaction among residents, providing opportunities for engagement and fostering community spirit. However, managing individual homeowner mortgages is not part of the HOA's role. Mortgages are private financial agreements between homeowners and their lenders, and the HOA does not get involved in these personal financial matters. The responsibilities of the HOA are generally limited to communal aspects rather than individual financial obligations.

3. What addendum is required when a seller wants to buy another home before closing on their current one?

- A. Home Sale Addendum
- B. Addendum for Sale of Other Property by Buyer**
- C. Contingency Addendum
- D. Financing Addendum

When a seller intends to purchase another home before finalizing the sale of their current property, the correct addendum to utilize is the "Addendum for Sale of Other Property by Buyer." This addendum is specifically designed to address transactions wherein the sale of the seller's property is contingent upon the seller's ability to sell another property. This situation commonly arises when a seller wants to avoid the financial burden of owning two houses simultaneously and ensures that they can negotiate confidently on the purchase of the new home, knowing that they will not be overwhelmed by two mortgages. By including this addendum, the seller is protected, as it lays out conditions under which the sale can be canceled or delayed if the seller's current property does not sell in time to fund the new purchase. Using a dedicated addendum such as this streamlines the transaction process for both parties and reflects a clear understanding of the conditions surrounding the sale. It helps manage risks associated with timing and financing when dealing with multiple properties.

4. What kind of deed offers the least protection for a buyer concerning potential title claims?

- A. Warranty deed
- B. Quitclaim deed**
- C. Grant deed
- D. Special warranty deed

A quitclaim deed offers the least protection for a buyer concerning potential title claims because it transfers ownership without any warranty or guarantee regarding the quality or status of the title. When a seller uses a quitclaim deed, they are not affirming that they have valid title to the property nor are they ensuring that there are no outstanding liens or claims against the title. Essentially, the buyer accepts the property "as is," meaning that if any issues arise regarding ownership or claims against the property, the buyer assumes all risks and responsibilities. In contrast, a warranty deed provides the strongest level of protection, as it guarantees that the seller has clear title to the property and that they will defend the buyer against any claims. A grant deed also gives some level of protection and typically includes implied warranties about the title. A special warranty deed offers a limited guarantee, protecting the buyer against claims arising only during the seller's ownership period. Thus, the quitclaim deed stands out as the least protective option for buyers.

5. What is the difference between a leasehold estate and freehold estate?

- A. A leasehold estate is a shorter-term agreement**
- B. A leasehold estate is owned outright
- C. A leasehold estate is never legally binding
- D. A leasehold estate allows for unlimited resale opportunities

The distinction between a leasehold estate and a freehold estate primarily revolves around the nature and duration of ownership rights. A leasehold estate represents a tenant's interest in property for a defined period of time, as dictated by the lease agreement. This type of arrangement typically comes with a specific start and end date, after which the rights to the property revert to the landlord or property owner. In contrast, a freehold estate signifies ownership of real property, which can be held indefinitely without a specified end date. This means that the owner of a freehold estate has the rights to the property as long as they maintain ownership, which may include transferring it or selling it at their discretion. The correct answer highlights the fact that leasehold estates are typically associated with shorter durations compared to the indefinite ownership associated with freehold estates, thus emphasizing the temporal nature of leasehold agreements.

6. Which term describes a contract that can be voided by one party due to specific conditions?

- A. Voidable**
- B. Void
- C. Executed
- D. Express

A contract that can be voided by one party due to specific conditions is referred to as "voidable." This type of contract remains valid and enforceable unless the party with the option to void it chooses to exercise that right. Common scenarios that lead to a contract being voidable include situations involving misrepresentation, fraud, duress, or when one party is a minor. The key characteristic of a voidable contract is the existence of an option for one party to enforce or rescind the agreement based on circumstances that undermine their ability to freely consent to the terms. In contrast, a "void" contract is one that lacks legal force from the moment it is created, meaning it cannot be enforced by either party. An "executed" contract refers to a contract that has been fully performed by all parties, while an "express" contract is one where the terms are explicitly stated, either orally or in writing. Understanding the distinctions between these terms is crucial in grasping contract law.

7. What role does title insurance serve in real estate transactions?

- A. It guarantees the property value remains constant
- B. It protects the buyer and lender from financial loss due to title defects**
- C. It acts as a payment method between buyer and seller
- D. It provides legal representation during the transaction

Title insurance plays a crucial role in identifying and addressing issues related to property ownership. Specifically, it protects the buyer and lender from financial loss arising from title defects. These defects may include issues such as liens, encumbrances, or errors in public records, which could potentially impact the rightful ownership of the property. When a buyer purchases a property, they want assurance that they are acquiring clear and marketable title. Title insurance provides this assurance by conducting a thorough title search before the transaction is completed. If any problems are discovered, they can often be resolved prior to closing. Additionally, in the event that a claim arises after the purchase, title insurance will provide defense against legal challenges and cover associated costs, protecting the financial investment of both the buyer and lender. The other choices do not accurately describe the function of title insurance. While property values can fluctuate, title insurance does not guarantee a property's value will remain constant. It also does not serve as a payment method between the buyer and seller, nor does it offer legal representation during the transaction; rather, it is a financial safeguard focused on title integrity. This unique aspect highlights why title insurance is a fundamental component of real estate transactions, ensuring peace of mind for all parties involved.

8. How does TILA promote consumer protection in lending?

- A. By capping interest rates for all loans
- B. By requiring disclosures of terms and costs of credit**
- C. By regulating the sale price of properties
- D. By offering loan forgiveness programs

The Truth in Lending Act (TILA) plays a pivotal role in consumer protection within the lending landscape by mandating that lenders disclose key terms and costs associated with credit transactions. This requirement is fundamental because it ensures that borrowers are fully informed about the financial obligations they are entering into. By providing clear information on aspects such as the annual percentage rate (APR), terms of the loan, and any associated fees, TILA empowers consumers to make educated decisions when comparing different lending options. The transparency facilitated by these disclosures supports borrowers by enabling them to understand the true cost of borrowing and to make informed choices about their financial commitments. This helps prevent predatory lending practices and allows consumers to recognize the implications of borrowing, thus safeguarding their interests in the lending process.

9. Which of the following contracts would typically be deemed void?

- A. Contract for the sale of a car
- B. Contract for employment
- C. Contract for illegal activities**
- D. Contract for lease of property

A contract for illegal activities is typically deemed void because it involves an agreement to engage in actions that are prohibited by law. Legal systems recognize that contracts must be founded upon lawful purposes; otherwise, they cannot be enforced. If both parties are entering into an agreement that violates the law, such as trafficking drugs or engaging in fraud, the contract cannot be valid because it contradicts societal legal standards and public policy. In contrast, contracts for the sale of a car, employment, or lease of property, when made by parties who have the capacity to contract and are for legal and permissible purposes, would be enforceable. These agreements adhere to legal frameworks and do not conflict with existing laws, making them valid and binding upon the parties involved.

10. What does it signify if property taxes are paid in arrears?

- A. Taxes for current year
- B. Prepaid property taxes
- C. Taxes for previous year
- D. Future assessed taxes

When property taxes are paid in arrears, it indicates that the taxes being paid are for the previous year, not the current one or future assessments. This means that the tax payment is made after the tax period has ended, functioning as a settling of outstanding obligations for the time that has already elapsed. In real estate transactions, understanding the timing of property tax payments is crucial, as it can affect financial obligations, closing costs, and prorations between buyers and sellers. This is important in ensuring clarity around who is responsible for taxes during any given tax year, particularly at the point of closing or transfer of property ownership.

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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:

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

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