

Affiliate Broker Tennessee (TN PSI) National Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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 is the "Tennessee Uniform Residential Landlord and Tenant Act"?**
 - A. A law governing landlord-tenant relations in Tennessee**
 - B. A guideline for real estate broker behavior**
 - C. A regulation on property tax assessments**
 - D. A policy for fair housing practices**

- 2. What is true regarding the security of client information?**
 - A. Client data is always safe regardless of system security**
 - B. Client data can be compromised if the brokerage's computer system is exposed**
 - C. Confidentiality is guaranteed by law**
 - D. Home inspections prevent data breaches**

- 3. What does "principal balance" mean in a mortgage context?**
 - A. The initial loan amount before any payments.**
 - B. The total amount still owed on a loan, excluding interest.**
 - C. The amount of money paid towards the interest in the loan.**
 - D. The amount of equity built up in a property.**

- 4. What is the primary statute governing real estate transactions in Tennessee?**
 - A. The Tennessee Real Estate License Act of 1973**
 - B. The Housing and Urban Development Act**
 - C. The Tennessee Fair Housing Law**
 - D. The National Real Estate Act of 1968**

- 5. The type of estate Jason holds, according to the condition set by his parents, is known as _____.**
 - A. Fee simple absolute**
 - B. Fee simple determinable**
 - C. Fee simple defeasible**
 - D. Life estate**

- 6. A rundown home affecting property values demonstrates which economic principle?**
- A. Regression.**
 - B. Progression.**
 - C. Conformity.**
 - D. Supply and demand.**
- 7. What is the best approach for appraising newly constructed energy-efficient houses?**
- A. Sales comparison approach**
 - B. Cost approach**
 - C. Income approach**
 - D. Market analysis approach**
- 8. What characteristic is essential for establishing joint tenancy?**
- A. Ownership in unequal shares**
 - B. Unity of possession**
 - C. Separate titles**
 - D. Statutory requirements**
- 9. What does RESPA stand for in real estate transactions?**
- A. Real Estate Sales Professional Association.**
 - B. Real Estate Settlement Procedures Act.**
 - C. Residential Estate Sales Protection Act.**
 - D. Real Estate Security Procedures Act.**
- 10. When faced with questions outside your expertise, what is the advised course of action?**
- A. Respond with personal opinion**
 - B. Ignore the question**
 - C. Refer clients to a competent professional**
 - D. Research the question on your own**

Answers

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

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Explanations

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1. What is the "Tennessee Uniform Residential Landlord and Tenant Act"?

- A. A law governing landlord-tenant relations in Tennessee**
- B. A guideline for real estate broker behavior**
- C. A regulation on property tax assessments**
- D. A policy for fair housing practices**

The Tennessee Uniform Residential Landlord and Tenant Act is a law that specifically governs the interactions and relationships between landlords and tenants in Tennessee. It provides a framework of rights and responsibilities for both parties involved in residential leases. The Act is designed to establish clear expectations regarding lease agreements, security deposits, maintenance obligations, eviction procedures, and other key aspects of the rental process. By outlining these regulations, the Act helps to protect the rights of tenants while also ensuring that landlords can properly manage their properties. This legal structure promotes fairness and clarity in rental transactions, making it an essential component of real estate law in Tennessee. Understanding this Act is crucial for anyone involved in residential leasing within the state, including both landlords and tenants.

2. What is true regarding the security of client information?

- A. Client data is always safe regardless of system security**
- B. Client data can be compromised if the brokerage's computer system is exposed**
- C. Confidentiality is guaranteed by law**
- D. Home inspections prevent data breaches**

Client data can indeed be compromised if the brokerage's computer system is exposed. This highlights the importance of robust cybersecurity measures and protocols to protect sensitive information from unauthorized access. A brokerage's computer systems are the gateways through which client information is processed and stored, making them a target for cyberattacks. If these systems are not adequately secured—whether through outdated software, lack of encryption, or insufficient user access controls—there is a significant risk of data breaches. While confidentiality has legal protections, such as the Privacy Rule under the Gramm-Leach-Bliley Act, which governs how personal data should be handled, it does not equate to an absolute guarantee of security. Similarly, while home inspections are crucial in evaluating property condition, they do not address the cybersecurity aspects of data protection. Understanding these issues emphasizes the critical need for real estate professionals to prioritize cybersecurity to safeguard client data from potential threats.

3. What does "principal balance" mean in a mortgage context?

- A. The initial loan amount before any payments.
- B. The total amount still owed on a loan, excluding interest.**
- C. The amount of money paid towards the interest in the loan.
- D. The amount of equity built up in a property.

In the context of a mortgage, the term "principal balance" specifically refers to the total amount still owed on a loan, excluding interest. This figure represents the remaining loan amount after borrowers have made payments towards both the principal and interest. As payments are made over time, the principal balance decreases, while the interest component of the payments will vary until the mortgage is fully paid off. Understanding the principal balance is crucial for borrowers, as it directly impacts their equity in the property and the interest charged on future payments. When making a mortgage payment, part of the payment goes towards reducing the principal balance, while another part covers the interest on the loan. Therefore, knowing the principal balance is essential for assessing how much of the loan remains and for planning future repayments or refinancing options.

4. What is the primary statute governing real estate transactions in Tennessee?

- A. The Tennessee Real Estate License Act of 1973**
- B. The Housing and Urban Development Act
- C. The Tennessee Fair Housing Law
- D. The National Real Estate Act of 1968

The Tennessee Real Estate License Act of 1973 serves as the primary statute governing real estate transactions in the state. This legislation outlines the requirements for obtaining a real estate license, the responsibilities and duties of real estate professionals, and the regulatory framework within which they must operate. It is crucial as it establishes the legal foundation that ensures competency and ethical behavior among real estate practitioners in Tennessee. The Act is specifically tailored to address the nuances of real estate dealings within the state, including licensing requirements, professional conduct standards, and disciplinary actions for violations. By having such a statute, the state aims to protect consumers and maintain integrity within the real estate market. Other options pertain to broader federal regulations or laws that do not specifically regulate the practices of real estate in Tennessee. The Housing and Urban Development Act focuses on federal housing policies, the Tennessee Fair Housing Law addresses discrimination in housing, and the National Real Estate Act of 1968 is more focused on federal standards rather than state governance. Thus, while important, these acts do not hold the same primary role as the Tennessee Real Estate License Act in defining how real estate transactions are conducted specifically within Tennessee.

5. The type of estate Jason holds, according to the condition set by his parents, is known as _____.
- A. Fee simple absolute
 - B. Fee simple determinable
 - C. Fee simple defeasible**
 - D. Life estate

In the context of real estate, the type of estate held by an individual can be influenced by specific conditions or limitations set forth at the time of conveyance. If Jason's parents have placed certain conditions related to the use or ownership of the property, which, if violated, would result in the termination of his interest in that property, he would hold a fee simple defeasible estate. A fee simple defeasible includes conditions that, if not met, will allow the previous owner or their heirs to reclaim the property. This estate is characterized by the potential for automatic termination upon the occurrence (or non-occurrence) of a specified event. For instance, if the condition set by his parents was that Jason must use the property for residential purposes and he were to use it for commercial purposes instead, his estate could be forfeited. This distinguishes it from a fee simple absolute, which represents full ownership without conditions. A fee simple determinable, while also a type of defeasible fee, specifically ends automatically when a certain condition is violated; however, it often involves language indicating that the property will revert to the original grantor upon that occurrence. A life estate, on the other hand, is limited to the lifetime of an individual and does not involve the

6. A rundown home affecting property values demonstrates which economic principle?
- A. Regression.**
 - B. Progression.
 - C. Conformity.
 - D. Supply and demand.

The concept of regression refers to the principle that properties of lesser quality or value can negatively impact the values of nearby properties. In this case, a rundown home influencing the value of surrounding properties exemplifies regression. Essentially, the presence of a dilapidated property detracts from the neighborhood's overall appeal and desirability, which could pull down the market values of homes in the vicinity. Regression occurs because buyers are less willing to pay a premium for a home in a neighborhood with substandard maintenance or poor conditions, as it raises concerns about the overall environment and future resale potential. This economic principle underscores the importance of the condition of properties in relation to their surroundings and indicates that the value of a property does not exist in isolation; rather, it is influenced by its neighbors and the overall area. The other options focus on different economic principles such as progression, which suggests that properties in a better context can increase their values, conformity, which relates to how properties in an area maintain similar characteristics to support value, and supply and demand, which deals with market dynamics rather than the specific impact of a poor-quality property on its surroundings. These concepts, while relevant in real estate, do not specifically illustrate the effects of a rundown property on property values as clearly as regression

7. What is the best approach for appraising newly constructed energy-efficient houses?

- A. Sales comparison approach
- B. Cost approach**
- C. Income approach
- D. Market analysis approach

The cost approach is considered the best method for appraising newly constructed energy-efficient houses because it focuses on determining the value based on the cost to replace or reproduce the property, accounting for the value of improvements made for energy efficiency. This approach is particularly useful for new construction as it allows the appraiser to consider the current costs of materials, labor, and technology that contribute to energy efficiency, as these can be distinctly quantified. In the context of newly constructed homes, the cost approach provides a clear understanding of the value of enhancements related to energy efficiency. These homes may include features like advanced insulation, energy-efficient windows, and high-efficiency heating and cooling systems, which can significantly influence their overall value compared to standard construction. By accurately calculating these costs and considering depreciation, an appraiser can arrive at a well-supported market value. While other approaches exist, they may not be as effective in this context. The sales comparison approach relies heavily on comparable sales, which can be challenging to find for very new and unique energy-efficient constructions. The income approach is more suitable for rental properties where cash flows can be analyzed, which doesn't apply to newly constructed single-family homes. The market analysis approach, while providing useful data for understanding trends, does not deliver a specific value for

8. What characteristic is essential for establishing joint tenancy?

- A. Ownership in unequal shares
- B. Unity of possession**
- C. Separate titles
- D. Statutory requirements

To establish joint tenancy, the concept of "unity of possession" is essential. This characteristic means that all co-owners have equal rights to possess the entire property. It underscores the idea that each tenant has an undivided interest in the whole property rather than just a portion of it. This shared ownership creates a right of survivorship, where if one joint tenant passes away, their interest automatically transfers to the surviving tenants rather than being passed on through inheritance. In joint tenancy, all co-owners must have equal rights to occupy and use the property, reflecting a cohesive ownership structure. This unity of possession is integral to defining the relationship and legal arrangement among joint tenants. While other factors like ownership shares, titles, and statutory requirements may pertain to real estate ownership and may affect how property is held, they are not fundamental to the establishment of joint tenancy itself. Joint tenancy specifically requires that all tenants have the right to possess the same undivided interest, which is why unity of possession is the correct answer in this context.

9. What does RESPA stand for in real estate transactions?

- A. Real Estate Sales Professional Association.**
- B. Real Estate Settlement Procedures Act.**
- C. Residential Estate Sales Protection Act.**
- D. Real Estate Security Procedures Act.**

The correct answer is that RESPA stands for the Real Estate Settlement Procedures Act. This federal law was enacted to ensure that consumers are informed about the costs associated with their real estate transactions, particularly regarding mortgages and settlement processes. RESPA aims to protect consumers from abusive practices that can arise during these transactions, promoting transparency in the disclosure of settlement costs and fees. By requiring that borrowers receive detailed information about the services required for the closing of a real estate transaction, including the costs associated with those services, RESPA helps consumers make informed decisions. This includes providing a Good Faith Estimate and the HUD-1 Settlement Statement, which outline all estimated costs and actual costs involved. The other options do not accurately reflect the purpose or content of RESPA. The alternative names provided in the incorrect options do not align with the established and recognized terminology used in real estate law. Hence, knowing the full name and intent of RESPA is crucial for anyone working in real estate, particularly in understanding how it affects consumers in real estate transactions.

10. When faced with questions outside your expertise, what is the advised course of action?

- A. Respond with personal opinion**
- B. Ignore the question**
- C. Refer clients to a competent professional**
- D. Research the question on your own**

The advised course of action in situations where questions arise outside of your expertise is to refer clients to a competent professional. This approach ensures that clients receive accurate information and guidance from someone who has the appropriate knowledge and experience in that specific area. By directing them to a qualified expert, you help ensure that their needs are addressed properly and that they are not misled by potentially incorrect information or personal opinions. This not only protects the client's interests but also upholds the professional standards of your role as an affiliate broker. It fosters a culture of trust, demonstrating your commitment to serving clients responsibly by ensuring they get the best possible advice.

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://affiliatebroker-tennessee.examzify.com>

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

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