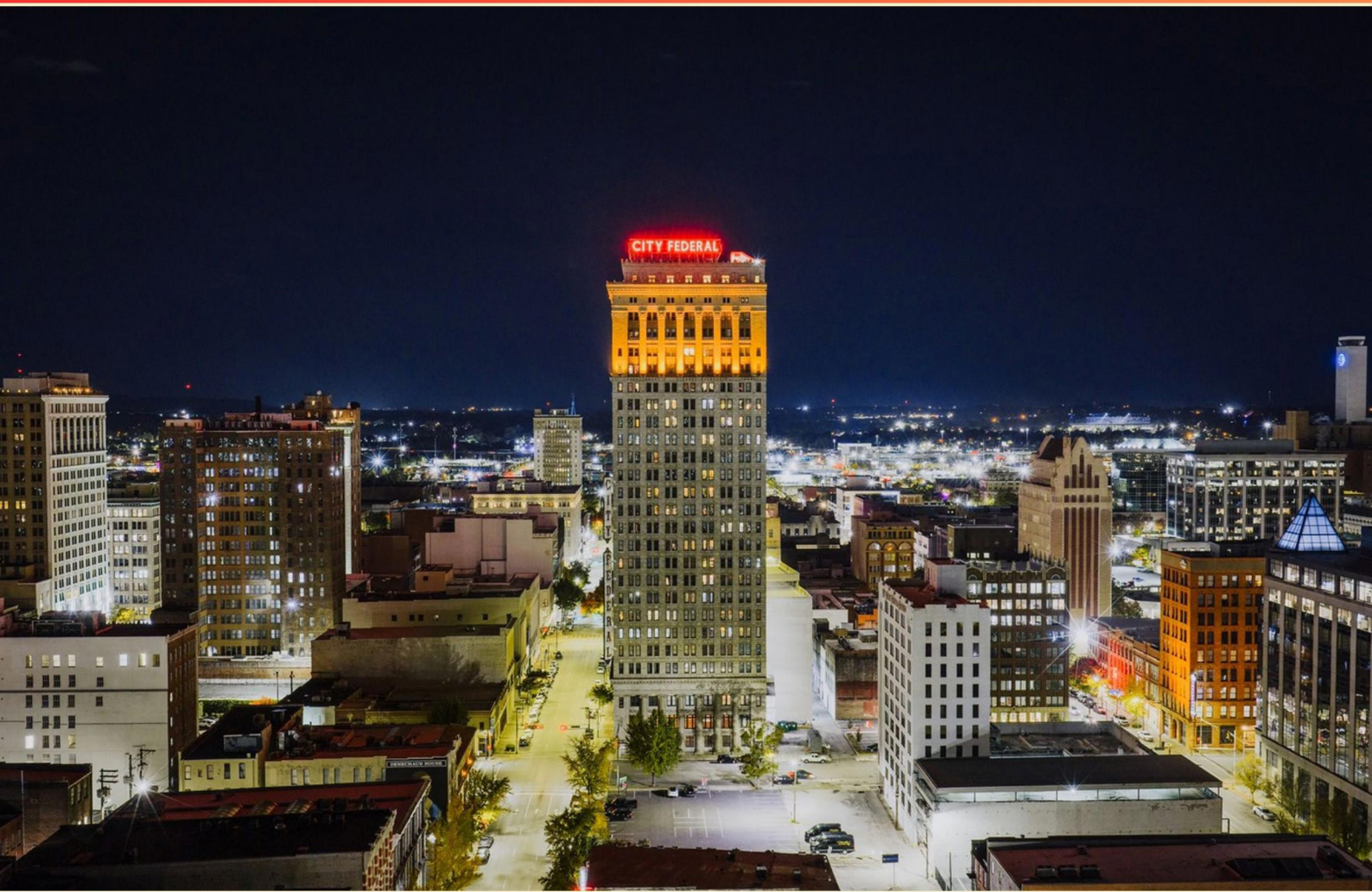


ALABAMA REAL ESTATE POST-LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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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 factor influences a broker's fee-setting process?**
 - A. The condition of the property being sold
 - B. Market demand fluctuations
 - C. Individual decision, even if it mirrors market standards
 - D. Regulatory requirements for fees
- 2. What closing document details the buyers' mortgage information and sellers' payoff amount?**
 - A. Closing Disclosure
 - B. Settlement statement
 - C. Final Walkthrough Document
 - D. Transfer of Title Document
- 3. What automated software feature allows the user to retrieve data in a form basically the same as it is stored in the database or in a new form altering or combining existing data?**
 - A. Retrieval
 - B. Input
 - C. Storage
 - D. Analysis
- 4. What should an agent avoid while conducting a CMA?**
 - A. Selecting outdated comparables
 - B. Including properties with similar characteristics
 - C. Using current market data
 - D. Comparing properties in the same neighborhood
- 5. Matt Bower, a developer, conditions the sale of a lot on Will Jones agreeing to list the property with him after construction. This action violates?**
 - A. The Clayton Act
 - B. The Sherman Act
 - C. The Equal Opportunity Act
 - D. The Real Estate Settlement Procedures Act

- 6. What contract provision states that if one party defaults on the contract, they will be responsible for paying the full brokerage fee?**
- A. Default/Legal remedies
 - B. Liquidated damages
 - C. Termination clause
 - D. Force majeure
- 7. What key number should an agent know to start reducing costs while finding better ways to acquire new clients?**
- A. client retention rate
 - B. average sale price
 - C. cost to acquire a new client
 - D. operational expenses
- 8. Which loan application form is used by both Fannie Mae and Freddie Mac?**
- A. Standard Loan Application
 - B. Uniform Residential Loan Application
 - C. Fannie Mae Specific Form
 - D. Freddie Mac Loan Inquiry Form
- 9. What is the time frame for a real estate licensee to notify of an address change?**
- A. 10 days
 - B. 30 days
 - C. 90 days
 - D. 120 days
- 10. Real estate is considered non-homogeneous, meaning?**
- A. No two properties are exactly alike
 - B. All properties have the same value
 - C. Properties are interchangeable
 - D. Properties can be easily replicated

Answers

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

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Explanations

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1. What factor influences a broker's fee-setting process?

- A. The condition of the property being sold
- B. Market demand fluctuations
- C. Individual decision, even if it mirrors market standards**
- D. Regulatory requirements for fees

The process of setting a broker's fee can be significantly influenced by individual decisions, even if these decisions align with market standards. Brokers often have the flexibility to establish their own fee structures based on their experience, services offered, target clientele, and overall business strategy. While they might consider prevailing market rates to remain competitive, their final determination can hinge on their personal assessment of what value they provide and what they believe customers are willing to pay. This individual approach allows brokers to distinguish themselves and potentially attract different segments of the market. They might also take into account their operational expenses, marketing strategies, and client relationships in setting fees, which highlights the nuances in individual decision-making versus strictly adhering to market averages. Other options, while they may seem relevant, do not capture the primary influence on fee-setting as effectively. The condition of the property being sold could affect negotiations and specific sale instances but is not a primary determinant of a broker's standard fee structure. Market demand fluctuations are certainly a factor but play a secondary role compared to the broker's individual perspective and decision-making process. Lastly, regulatory requirements may set certain parameters but do not dictate the exact fee a broker can charge, allowing for a degree of flexibility that emphasizes personal decision-making.

2. What closing document details the buyers' mortgage information and sellers' payoff amount?

- A. Closing Disclosure
- B. Settlement statement**
- C. Final Walkthrough Document
- D. Transfer of Title Document

The document that details the buyers' mortgage information and the sellers' payoff amount is the settlement statement. This statement is crucial during the closing process as it outlines all financial transactions of the sale, including the breakdown of closing costs, adjustments, and the final debits and credits for both the buyer and the seller. The settlement statement specifically includes vital details such as the amount financed, loan type, interest rate, and the total amount needed to pay off the seller's existing mortgage. This ensures that all parties are fully informed about the financial obligations tied to the property transfer. The closing disclosure, while it also contains similar information, is primarily used to provide borrowers with the details of their mortgage loan before closing, rather than serving as a comprehensive overview of all financial aspects related to both buyers and sellers specifically at closing. The final walkthrough document is concerned with the condition of the property prior to closing, ensuring it meets the buyer's expectations, and does not include financial information. The transfer of title document is focused on the legal aspects of transferring ownership and likewise does not delve into the financial specifics of the transaction.

3. What automated software feature allows the user to retrieve data in a form basically the same as it is stored in the database or in a new form altering or combining existing data?

A. Retrieval

B. Input

C. Storage

D. Analysis

The correct answer reflects a fundamental feature of automated software systems known as retrieval. This feature enables users to access and extract data from a database in its original format, or manipulate it to create new outputs through alteration or combination. Retrieval is essential in scenarios where users need to generate reports or analyze datasets without altering the underlying data structure. For example, in a real estate context, an agent might use retrieval to pull up listings in a specific area or filter properties based on various criteria while retaining the data's integrity. The other options, while components of the software's overall functionality, do not accurately describe the capability of accessing and manipulating data as retrieval does. Input pertains to the data entry aspect, focusing on how information gets into the system. Storage concerns the manner in which data is saved within the database. Analysis, on the other hand, relates to interpreting or examining data, often after retrieval has occurred. Thus, retrieval is the correct term for the feature allowing data access and transformation while preserving or altering its original form.

4. What should an agent avoid while conducting a CMA?

A. Selecting outdated comparables

B. Including properties with similar characteristics

C. Using current market data

D. Comparing properties in the same neighborhood

Selecting outdated comparables while conducting a Comparative Market Analysis (CMA) can significantly skew the results and lead to inaccurate pricing recommendations. A CMA aims to determine a property's value based on recent sales of similar properties in the same area, reflecting current market conditions. Utilizing comparables that are outdated means relying on data that may not accurately reflect the current market trends, buyer behaviors, or economic conditions. For instance, if an agent chooses properties that sold several years ago, there might have been significant changes in the market that those sales do not account for, such as price appreciation, shifts in demand, or changes to local amenities. This can lead to pricing that is either too high, deterring potential buyers, or too low, resulting in lost revenue for the seller. In contrast, including properties with similar characteristics, using current market data, and comparing properties in the same neighborhood are essential practices that help ensure the CMA is accurate and reliable. These approaches provide a more relevant and timely assessment of the property's value, allowing agents to make informed recommendations to their clients.

5. Matt Bower, a developer, conditions the sale of a lot on Will Jones agreeing to list the property with him after construction. This action violates?

- A. The Clayton Act
- B. The Sherman Act**
- C. The Equal Opportunity Act
- D. The Real Estate Settlement Procedures Act

The correct answer to this question involves understanding the implications of anti-competitive practices in real estate transactions, specifically as they relate to the Sherman Act. The Sherman Act is a federal statute that prohibits monopolistic behavior and contracts, combinations, or conspiracies that restrain trade or commerce. In the scenario, Matt Bower's condition of the sale, which mandates that Will Jones must agree to list the property with him after construction, can be viewed as a form of tying arrangement. This occurs when a seller requires the buyer to purchase an additional product or service as a condition of the sale. Such practices can limit competition by forcing the buyer into a relationship with one provider and can inflate costs or reduce choices for consumers. Therefore, by conditioning the sale of the lot on Will Jones's agreement to list the property exclusively with him, Matt Bower is engaging in a practice that could be interpreted as a restraint of trade, consequently violating the Sherman Act. This understanding of the act's purpose helps clarify the reason for selecting this answer as the correct one.

6. What contract provision states that if one party defaults on the contract, they will be responsible for paying the full brokerage fee?

- A. Default/Legal remedies**
- B. Liquidated damages
- C. Termination clause
- D. Force majeure

The provision that states if one party defaults on the contract, they will be responsible for paying the full brokerage fee is typically referred to as the Default/Legal remedies clause. This clause is essential in protecting the interests of the brokerage in the event that one party fails to uphold their obligations as outlined in the contract. When a party defaults, usually by not completing their required actions or fulfilling their part of the agreement, this provision comes into play, allowing the non-breaching party, often the brokerage, to seek compensation for losses incurred, including the full brokerage fee. It serves as a deterrent against defaulting and ensures that parties are held accountable for their commitments, promoting a fair and stable transactional environment. The other options, while relevant in different contexts, do not specifically address the issue of responsibility for paying brokerage fees in cases of default. Liquidated damages refer to pre-determined amounts to be paid upon default but do not inherently address brokerage fees. A termination clause typically outlines the conditions under which a contract can be ended but is not focused on default ramifications. Force majeure deals with unforeseen events that may prevent contract fulfillment, rather than implications of non-performance.

7. What key number should an agent know to start reducing costs while finding better ways to acquire new clients?

- A. client retention rate
- B. average sale price
- C. cost to acquire a new client**
- D. operational expenses

Understanding the cost to acquire a new client is essential for real estate agents seeking to optimize their business operations. This key number helps agents evaluate the effectiveness of their marketing strategies and the overall efficiency of their client acquisition efforts. By knowing this cost, an agent can make informed decisions about where to allocate their resources, enhance marketing ROI, and determine whether current strategies are sustainable and beneficial. If this cost is too high, agents can explore more cost-effective methods of reaching potential clients or improve their marketing processes to reduce this expenditure. Having this figure allows agents to compare it against the lifetime value of a client, facilitating a more comprehensive understanding of profitability and sustainability. This metric not only aids in budgeting and forecasting but also drives strategic planning to improve overall business growth. While client retention rate, average sale price, and operational expenses are also important metrics in running a real estate business, they do not directly focus on the efficiency of client acquisition processes in the same way that understanding the cost to acquire a new client does.

8. Which loan application form is used by both Fannie Mae and Freddie Mac?

- A. Standard Loan Application
- B. Uniform Residential Loan Application**
- C. Fannie Mae Specific Form
- D. Freddie Mac Loan Inquiry Form

The Uniform Residential Loan Application is the correct choice because it is the standard form adopted by both Fannie Mae and Freddie Mac for processing residential mortgage loan applications. This form is designed to provide a consistent structure to gather the necessary information about the borrower, the property, and the loan. Using a uniform application helps streamline the lending process and ensures that lenders receive the same vital information regardless of which agency they are working with. This consistency is crucial in maintaining standard procedures across the mortgage industry, making the evaluation and approval process more efficient. Other options like the Standard Loan Application do not specifically reference Fannie Mae and Freddie Mac's guidelines, while the Fannie Mae Specific Form and Freddie Mac Loan Inquiry Form are proprietary and designed for specific purposes related to each respective agency, lacking the uniformity necessary for widespread application across both organizations. Thus, the Uniform Residential Loan Application serves as the recognized and accepted tool for obtaining information for loans handled by either Fannie Mae or Freddie Mac.

9. What is the time frame for a real estate licensee to notify of an address change?

- A. 10 days
- B. 30 days**
- C. 90 days
- D. 120 days

A real estate licensee is required to notify the appropriate regulatory agency of any address change within a specified time frame to ensure that communication and licensing records remain current. In Alabama, that time frame is 30 days. This requirement helps to maintain the integrity of the licensing process and ensures that licensees receive important updates, notices, and other communications regarding their licenses and the industry. This rule emphasizes the importance of timely updates in the real estate profession, as an accurate address is vital for regulatory compliance and for clients to be able to reach the licensee when needed. Adhering to this 30-day notification period protects the interests of both the licensee and their clients in the real estate market.

10. Real estate is considered non-homogeneous, meaning?

- A. No two properties are exactly alike**
- B. All properties have the same value
- C. Properties are interchangeable
- D. Properties can be easily replicated

Real estate is considered non-homogeneous primarily because no two properties are exactly alike. This characteristic arises from the unique combination of factors that contribute to each property's identity, such as location, size, design, features, and the legal rights associated with it. Even properties that appear similar at a glance can have significant differences that affect their value and desirability, such as proximity to amenities, view, and the condition of the structure. This diversity among properties is crucial in real estate because it affects market dynamics, pricing strategies, and investment opportunities. Understanding that each property is distinct helps real estate professionals accurately assess market conditions and navigate transactions effectively.

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://alabamarealestatepostlicense.examzify.com>

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

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