

Champions Powerhouse Training SAE Practice Test (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

- 1. According to research, what age group of buyers mostly starts their home buying journey online?**
 - A. 25**
 - B. 30**
 - C. 55**
 - D. 71**
- 2. What is the acronym PITI in loans referring to?**
 - A. Principal, Interest, Taxes, and Insurance**
 - B. Property Investment Taxation Index**
 - C. Personal Investment Threshold Indicator**
 - D. Principal Income Taxation Insurance**
- 3. Which component does NOT belong in the PITI formula?**
 - A. Taxes**
 - B. Insurance**
 - C. Utility Costs**
 - D. Interest**
- 4. What is the average response rate for mailers in real estate?**
 - A. 5%**
 - B. 10%**
 - C. 1%**
 - D. 3%**
- 5. Which document informs buyers about common confusions during the buying process?**
 - A. TAR 1506**
 - B. TAR 2001**
 - C. TAR 1000**
 - D. TAR 2023**

- 6. What should a real estate agent do after a client agrees to make an offer on a property?**
- A. Provide them with market information**
 - B. Do a Comparative Market Analysis (CMA)**
 - C. Both options are necessary for client support**
 - D. Negotiate commission rates with the seller**
- 7. Which of the following is NOT a method included in the 3-step process for farming?**
- A. Telephone call**
 - B. Networking events**
 - C. Mail**
 - D. Personal visit**
- 8. _____ means six months or more.**
- A. Temporary**
 - B. Short-term**
 - C. Consistency**
 - D. Durability**
- 9. What is essential for gaining name recognition in business?**
- A. Business Plan**
 - B. Marketing Plan**
 - C. Sales Strategy**
 - D. Customer Engagement**
- 10. Which of the following is considered an essential marketing activity for real estate agents?**
- A. Ignoring social media**
 - B. Hosting open houses**
 - C. Posting listing videos online**
 - D. Only sending mailers**

Answers

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

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Explanations

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1. According to research, what age group of buyers mostly starts their home buying journey online?

- A. 25**
- B. 30**
- C. 55**
- D. 71**

The age group that predominantly starts their home buying journey online is 55 years old. This aligns with trends showing that older demographics increasingly utilize digital platforms for various activities, including home searches. This age group is often more experienced with technology than often perceived, making them comfortable in using online resources to research and explore housing options. While younger age groups, such as those in their 20s and 30s, do engage in online searches, the trend indicates that home buyers in the 55 and older range are taking advantage of the vast amount of information available online. Many individuals in this demographic are either downsizing or transitioning to new living situations, and they leverage online tools to compare neighborhoods, homes, prices, and financing options before initiating in-person visits or discussions with real estate professionals.

2. What is the acronym PITI in loans referring to?

- A. Principal, Interest, Taxes, and Insurance**
- B. Property Investment Taxation Index**
- C. Personal Investment Threshold Indicator**
- D. Principal Income Taxation Insurance**

The acronym PITI refers to Principal, Interest, Taxes, and Insurance, which are the four essential components of a mortgage payment. In the context of a home loan, the principal is the portion of the payment that goes towards paying down the original loan amount. Interest is the cost of borrowing that principal and is typically expressed as a percentage of the loan amount. Taxes usually refer to property taxes, which are often included in monthly payments held in escrow until they are due. Lastly, insurance often refers to homeowners insurance, which protects against damage to the property and may also include mortgage insurance if the borrower has a low down payment. Together, these four elements represent the total monthly obligation a borrower has towards their mortgage, making it crucial for both lenders and borrowers to understand how they impact overall loan affordability and budgeting.

3. Which component does NOT belong in the PITI formula?

- A. Taxes
- B. Insurance
- C. Utility Costs**
- D. Interest

The PITI formula is used to calculate the total monthly housing payment that a borrower makes, which includes four components: Principal, Interest, Taxes, and Insurance. Each of these components plays a role in determining the borrower's ability to afford their mortgage payments. The inclusion of taxes is vital because property taxes are often a significant part of homeownership costs, and lenders want to ensure that borrowers can cover these obligations. Insurance, specifically homeowners insurance, protects the property against damage and is generally required by lenders to safeguard their investment. Interest is also a crucial part of PITI, representing the cost of borrowing the principal amount of the loan. Utilities, however, are not considered part of the PITI calculation. Utility costs, such as water, electricity, and gas, are ongoing expenses that homeowners must pay but are considered separate from the costs directly associated with securing and maintaining the mortgage. Therefore, when looking at the PITI formula, utility costs do not fit and hence are recognized as the component that does not belong.

4. What is the average response rate for mailers in real estate?

- A. 5%
- B. 10%
- C. 1%**
- D. 3%

The average response rate for mailers in real estate typically hovers around 1%, which is a commonly cited figure in marketing literature for direct mail campaigns. This low percentage reflects the nature of the real estate industry and the general trend of response rates for unsolicited communications. In real estate marketing, especially when targeting potential sellers or buyers through mailers, the population receiving these mailers may not be actively looking to sell or buy their homes, which contributes to the lower response rates. A 1% response rate indicates that while not every recipient is interested, those who do respond can still represent a significant opportunity for real estate professionals. Understanding this average is crucial for real estate agents and marketers when evaluating the effectiveness of their mailing campaigns and setting realistic expectations for engagement and conversion rates. It also emphasizes the importance of targeting, personalization, and follow-ups in direct mail strategies to improve these response rates over time.

5. Which document informs buyers about common confusions during the buying process?

A. TAR 1506

B. TAR 2001

C. TAR 1000

D. TAR 2023

The correct response is guided by the role of TAR 1506, which is specifically designed to clarify common misunderstandings that buyers encounter throughout the purchasing process. This document serves as a resource, providing clear information and guidance that can help potential buyers navigate their decisions more effectively, addressing frequent questions and concerns that might arise. By referring to this document, buyers can gain a better understanding of the process, which ultimately aids in making more informed choices. In contrast, the other documents listed might cover different aspects of real estate or transactions but do not focus specifically on addressing misconceptions or confusions in the buying process like TAR 1506 does. Each of those documents is important in its own right, yet none parallel the specific clarity that TAR 1506 offers in resolving buyers' common confusions.

6. What should a real estate agent do after a client agrees to make an offer on a property?

A. Provide them with market information

B. Do a Comparative Market Analysis (CMA)

C. Both options are necessary for client support

D. Negotiate commission rates with the seller

After a client agrees to make an offer on a property, it is essential for the agent to provide comprehensive support to facilitate a successful transaction. This support includes both providing market information and conducting a Comparative Market Analysis (CMA). Providing market information helps the client understand the current landscape of the real estate market, including trends, comparable properties, and potential future developments that may affect the property's value. This information is vital for helping the client make an informed decision about their offer. A CMA serves to evaluate the property's value based on recently sold properties in the same area. This analysis allows the real estate agent to advise the client on a competitive offer price, ensuring that it is neither too low nor excessively high compared to similar properties, enhancing the chances of the offer being accepted. Together, these actions foster a well-informed perspective for the client, ensuring they are adequately guided throughout the offer process. Therefore, both components are indeed necessary for effective client support following their decision to make an offer.

7. Which of the following is NOT a method included in the 3-step process for farming?

- A. Telephone call**
- B. Networking events**
- C. Mail**
- D. Personal visit**

In the context of the 3-step process for farming, the focus is typically on utilizing methods that allow for direct, personal interaction and engagement with potential clients or leads. The correct answer indicates that networking events are not one of the designated methods within that specific process. The farming process often emphasizes more personal touchpoints, such as phone calls, mail, and personal visits, which allow for tailored communication and stronger relationship building. While networking events can be beneficial for general relationship building and connection, they do not provide the direct, focused approach that the 3-step farming process advocates. Therefore, identifying networking events as not fitting into this specific method highlights the distinction between informal networking opportunities and the targeted, systematic techniques that are considered more effective within the context of farming.

8. _____ means six months or more.

- A. Temporary**
- B. Short-term**
- C. Consistency**
- D. Durability**

The term that signifies a duration of six months or more is best understood in the context of permanence and stability. "Consistency" refers to the quality of being reliable and uniform over time, which aligns with the idea of lasting effects or conditions that are maintained over an extended time, such as six months or more. In contrast, other terms like "temporary" and "short-term" are generally associated with limited duration, typically much less than six months. "Durability" refers more to the ability to withstand wear, pressure, or damage, which is not directly tied to the concept of time in the same manner as consistency. Therefore, "consistency" is the term that effectively conveys the idea of something lasting six months or beyond, emphasizing reliability over that time period.

9. What is essential for gaining name recognition in business?

- A. Business Plan**
- B. Marketing Plan**
- C. Sales Strategy**
- D. Customer Engagement**

The essential factor for gaining name recognition in business is a Marketing Plan. A marketing plan provides a structured approach to promoting a business's products or services, outlining how the business will communicate its brand and value proposition to its target audience. This plan typically includes strategies for various marketing channels, such as social media, online advertising, public relations, and content marketing, all aimed at increasing visibility and awareness among potential customers. By effectively executing a marketing plan, a business can create a consistent and impactful presence in the market, leading to improved recognition and recall among consumers. This also involves identifying target audiences, crafting messages that resonate with them, and deploying tactics that engage those audiences across various platforms. In contrast, while a business plan provides an overall strategy for operating a business, a sales strategy focuses on direct selling techniques and processes to convert leads into customers. Customer engagement is crucial for building relationships and loyalty but is often a component of the broader marketing efforts aimed at brand recognition. Therefore, it is the marketing plan that plays a pivotal role in establishing a name in the marketplace.

10. Which of the following is considered an essential marketing activity for real estate agents?

- A. Ignoring social media**
- B. Hosting open houses**
- C. Posting listing videos online**
- D. Only sending mailers**

Posting listing videos online is considered an essential marketing activity for real estate agents because it utilizes modern digital platforms to effectively showcase properties. Video content enables agents to present homes in a dynamic and engaging way, allowing potential buyers to get a better sense of the space and its features. This visual approach can significantly enhance the reach and appeal of listings, drawing in more prospective clients compared to traditional methods. Utilizing online videos not only helps in capturing the attention of a wider audience but also caters to the increasing consumer preference for video content. Statistics have shown that property videos can lead to higher engagement on social media and real estate platforms, ultimately accelerating the selling process. In contrast, other methods such as ignoring social media, which limits exposure to a vast audience, merely hosting open houses, which can be a valuable but less dynamic approach, or only sending mailers, which may not capture attention in today's digital landscape, are less effective in creating the impact that video marketing can achieve.

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://champpowerhousesae.examzify.com>

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