

Colibri Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. What does the term "encumbrance" refer to?**
 - A. A feature that makes a property more desirable**
 - B. A claim or liability affecting a property's title**
 - C. A government restriction on property use**
 - D. An improvement made to increase property value**
- 2. What is a "contingency" in a real estate contract?**
 - A. A necessary condition for property renovation**
 - B. A warranty for property defects**
 - C. A condition that must be met for the contract to be binding**
 - D. A term regarding property taxes**
- 3. What type of mortgage covers two parcels of land?**
 - A. Dual mortgage**
 - B. Second mortgage**
 - C. Blanket mortgage**
 - D. Joint mortgage**
- 4. What significant act added religion and origin as protected classes?**
 - A. Civil Rights Act of 1964**
 - B. Fair Housing Act**
 - C. Americans with Disabilities Act**
 - D. Civil Rights Act of 1866**
- 5. What is typically included in residential property disclosures?**
 - A. Details about the loan interest rate**
 - B. Information about property taxes**
 - C. Any known material defects in the property**
 - D. A listing of potential buyers**

- 6. What term describes items that are permanently attached to a property?**
- A. Personal Property**
 - B. Fixtures**
 - C. Chattels**
 - D. Movable**
- 7. What is generally included in the responsibilities of a real estate agent?**
- A. Setting property tax rates for clients**
 - B. Providing legal advice on property transactions**
 - C. Assisting clients in buying, selling, or leasing properties**
 - D. Managing property investment portfolios**
- 8. What does the acronym PITI stand for in real estate?**
- A. Principal, Interest, Taxes, Insurance**
 - B. Property, Investment, Title, Insurance**
 - C. Percentage, Installment, Tax, Income**
 - D. Property, Interest, Tax, Investment**
- 9. What is the purpose of an exclusive right to sell listing?**
- A. To allow the seller to market their property independently**
 - B. To enable multiple agents to sell the property simultaneously**
 - C. To grant a specific agent exclusive rights to sell a property**
 - D. To require the seller to accept the first offer received**
- 10. For how long must a broker keep copies of agreements and funds received?**
- A. 2 years**
 - B. 4 years**
 - C. 6 years**
 - D. 10 years**

Answers

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

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Explanations

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1. What does the term "encumbrance" refer to?

- A. A feature that makes a property more desirable
- B. A claim or liability affecting a property's title**
- C. A government restriction on property use
- D. An improvement made to increase property value

The term "encumbrance" refers specifically to a claim or liability that affects a property's title. This can include mortgages, liens, easements, or other restrictions that limit the owner's ability to transfer the title freely or may affect the property's value. An encumbrance does not enhance the property but rather indicates that there are obligations or claims that need to be addressed. Understanding encumbrances is crucial for real estate transactions, as they can complicate the title and affect the rights of buyers and sellers. Buyers typically conduct title searches to uncover any existing encumbrances before completing a purchase, ensuring they are aware of all liabilities that may diminish their rights or affect their investment in the property. This knowledge helps protect their interests and informs any negotiations or decisions regarding the acquisition of the property.

2. What is a "contingency" in a real estate contract?

- A. A necessary condition for property renovation
- B. A warranty for property defects
- C. A condition that must be met for the contract to be binding**
- D. A term regarding property taxes

A "contingency" in a real estate contract refers to a condition that must be satisfied for the agreement to be enforceable. This means that certain events or circumstances must occur, or specific requirements must be fulfilled, for the contract to take effect or continue. Common examples of contingencies include financing contingencies, where the buyer must secure a mortgage, or home inspection contingencies, where the sale depends on a satisfactory inspection of the property. This contractual mechanism ensures that the interests of both parties are protected. If the contingency is not met, the parties can typically walk away from the agreement without penalty, allowing for flexibility in the transaction process. Other options, while related to real estate, do not accurately define the term "contingency." For instance, the necessity of a condition for property renovation focuses on construction aspects rather than contract fulfillment, a warranty for property defects refers to assurances about the condition of the property rather than contractual clauses, and terms regarding property taxes deal with financial obligations but do not touch on the binding nature of the contract itself.

3. What type of mortgage covers two parcels of land?

- A. Dual mortgage**
- B. Second mortgage**
- C. Blanket mortgage**
- D. Joint mortgage**

A blanket mortgage is a type of mortgage that encompasses more than one parcel of land, allowing a borrower to secure financing for multiple properties under a single loan. This type of mortgage is often used by developers or investors who need to finance several properties at once or who plan to sell off individual lots in the future. By using a blanket mortgage, the borrower simplifies the financing process as they deal with a single loan rather than multiple loans for each parcel. Additionally, it typically includes a partial release clause, which enables the borrower to sell one parcel while keeping the mortgage intact for the remaining properties. This can provide significant flexibility when managing real estate investments. The other options represent different types of mortgages that either pertain to individual properties or have different characteristics that do not involve multiple parcels of land in the way a blanket mortgage does.

4. What significant act added religion and origin as protected classes?

- A. Civil Rights Act of 1964**
- B. Fair Housing Act**
- C. Americans with Disabilities Act**
- D. Civil Rights Act of 1866**

The Fair Housing Act is the significant legislation that specifically added religion and national origin as protected classes in the context of housing discrimination. Enacted in 1968 as part of the broader civil rights movement, the Fair Housing Act aims to eliminate discriminatory practices in housing based on these characteristics among others, such as race, color, sex, familial status, and disability. This act ensures that individuals cannot be denied housing opportunities based on their religious beliefs or the country they originated from, fostering equality and inclusion in the housing market. In contrast, the Civil Rights Act of 1964 primarily addresses discrimination in employment and public accommodations, and while it does touch upon various protected classes, it does not focus specifically on housing. The Americans with Disabilities Act is geared towards ensuring rights for individuals with disabilities, and the Civil Rights Act of 1866 was focused on racial equality but does not encompass the more modern protections related to religion and origin. The Fair Housing Act is thereby central to the protection of these classes within the realm of real estate and housing.

5. What is typically included in residential property disclosures?

- A. Details about the loan interest rate**
- B. Information about property taxes**
- C. Any known material defects in the property**
- D. A listing of potential buyers**

In residential property disclosures, one of the primary purposes is to inform potential buyers of any known material defects in the property. This includes issues that could affect the safety, habitability, or value of the home, such as structural problems, water leaks, or pest infestations. This transparency is crucial as it helps protect buyers from unexpected repairs or issues after the purchase, ensuring they have a clear understanding of the property's condition before making a decision. Material defects are significant because they can influence not only the buyer's willingness to proceed with the purchase but also the pricing negotiations. Therefore, it's mandated by law in many jurisdictions for sellers to disclose such defects, making the protection of the buyer's interests a priority during the transaction process.

6. What term describes items that are permanently attached to a property?

- A. Personal Property**
- B. Fixtures**
- C. Chattels**
- D. Movables**

The term that describes items that are permanently attached to a property is indeed "fixtures." Fixtures are components that are physically attached to the real estate in such a way that they are considered a permanent part of the property. This can include things like built-in cabinets, lighting fixtures, and plumbing systems. Once installed, fixtures generally become part of the real estate and are typically included in the sale of the property. In real estate, distinguishing between fixtures and other types of property is important. Personal property, for example, refers to movable items that are not permanently attached to the property, such as furniture or appliances that can be removed. Chattels and movables share similarities with personal property as they also refer to items that can be moved and are not fixed to the property. Understanding this terminology is crucial for real estate transactions, because fixtures remain with the property upon sale, while personal property can be taken by the seller unless otherwise agreed upon.

7. What is generally included in the responsibilities of a real estate agent?

- A. Setting property tax rates for clients**
- B. Providing legal advice on property transactions**
- C. Assisting clients in buying, selling, or leasing properties**
- D. Managing property investment portfolios**

The responsibilities of a real estate agent primarily encompass assisting clients in buying, selling, or leasing properties. This role involves several key activities: guiding clients through the entire real estate transaction process, from listing a property and marketing it to potential buyers, to negotiating contracts and finalizing sales. Agents are familiar with market trends and pricing, enabling them to provide valuable insights and advice to clients regarding their real estate decisions. This assistance is crucial as the real estate market can be complex and filled with regulations that can be challenging for clients to navigate alone. By providing these services, real estate agents help facilitate smooth transactions while ensuring that clients understand the processes involved. Other roles, such as setting property tax rates, providing legal advice, or managing property investment portfolios, fall outside the typical responsibilities of a real estate agent. These areas may require specialized knowledge or qualifications that are not part of a real estate agent's usual duties.

8. What does the acronym PITI stand for in real estate?

- A. Principal, Interest, Taxes, Insurance**
- B. Property, Investment, Title, Insurance**
- C. Percentage, Installment, Tax, Income**
- D. Property, Interest, Tax, Investment**

PITI stands for Principal, Interest, Taxes, and Insurance, which represents the four main components of a monthly mortgage payment. Understanding each part is crucial for homeowners and real estate professionals alike. The principal is the portion of the payment that goes toward reducing the loan balance. Interest is the cost of borrowing money from the lender. Taxes usually refer to property taxes assessed by local governments, which contribute to community services and infrastructure. Lastly, insurance typically includes homeowners insurance, which protects the property against various risks such as fire or theft. Together, these four components help determine the total monthly cost of homeownership, which is essential for budgeting and financial planning. Notably, homeowners must account for all these elements to maintain their mortgage and property, as missing any part can lead to financial difficulties. Thus, recognizing PITI is fundamental for anyone involved in real estate transactions or mortgage financing.

9. What is the purpose of an exclusive right to sell listing?

- A. To allow the seller to market their property independently**
- B. To enable multiple agents to sell the property simultaneously**
- C. To grant a specific agent exclusive rights to sell a property**
- D. To require the seller to accept the first offer received**

An exclusive right to sell listing is a contract that grants a specific real estate agent or broker the sole authority to sell a property on behalf of the seller. This arrangement means that the appointed agent has the exclusive right to represent the seller in the transaction, regardless of who ultimately finds a buyer for the property. Even if the seller personally locates a buyer, the agent is still entitled to the agreed-upon commission if the property is sold during the listing term. This type of listing can benefit both the seller and the agent; the seller receives focused marketing efforts and dedicated representation, while the agent is assured of earning a commission if the property is sold. This exclusivity often encourages the agent to invest more effort into marketing and selling the property effectively, knowing that their hard work will lead to compensation. In contrast, the other options reflect alternate arrangements or misunderstandings about the exclusive right to sell concept. For example, one option suggests allowing the seller to market their property independently, but that would contradict the exclusive representation granted to the listed agent. Another option discusses enabling multiple agents to sell the property simultaneously, which is characteristic of an open listing rather than an exclusive one. The final option would imply that sellers must accept any offer, which is not a standard

10. For how long must a broker keep copies of agreements and funds received?

- A. 2 years**
- B. 4 years**
- C. 6 years**
- D. 10 years**

The requirement for brokers to retain copies of agreements and funds received for a duration of six years is grounded in both regulatory standards and the need for good business practices. This six-year retention period aligns with the timeframe in which many disputes may arise and allows for sufficient time to respond to any situations that could occur relating to those documents. Maintaining these records for six years helps ensure that brokers are prepared for any audits, legal inquiries, or disputes that might arise long after a transaction has closed. This period meets both state regulations typically governing real estate practices and additional standards that may be established by the broker's professional associations. Thorough record-keeping supports transparency and accountability in real estate transactions, providing brokers with critical protection against potential claims.

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://colibri realestate.examzify.com>

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