

# Colorado Broker Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

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

SAMPLE

# 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

SAMPLE

- 1. CP-30 primarily concerns which of the following aspects of a real estate transaction?**
  - A. Seller-assisted down payments**
  - B. Credit to seller**
  - C. Brokerage disclosures**
  - D. Earnest money handling**
  
- 2. Earnest money deposits are typically payable to which party and presented with the contract?**
  - A. Listing Brokerage Firm**
  - B. Seller**
  - C. Buyer**
  - D. Title Company**
  
- 3. Which item on a closing statement itemizes the buyer's total obligations at closing?**
  - A. Debits only**
  - B. Both debits and credits**
  - C. Credits only**
  - D. Neither debits nor credits**
  
- 4. Under the Common Interest Community (CIC) document process, what can the buyer do before the CIC Documents Objections Deadline if conditions are unacceptable?**
  - A. The buyer may terminate the contract by written notice after the CIC Documents Objections Deadline.**
  - B. The buyer may terminate the contract by written notice prior to the CIC Documents Objections Deadline, if conditions unacceptable.**
  - C. The seller is obligated to cure CIC document items by any deadline.**
  - D. CIC documents are optional and not provided by the seller.**
  
- 5. Who can fund the purchase under a Licensee Buyout Addendum?**
  - A. The buyer/broker is a licensee and can fund the purchase**
  - B. The seller funds the purchase**
  - C. A third-party lender funds the purchase**
  - D. A title company funds the purchase**

- 6. If listing broker measures the property, what item must be indicated?**
- A. Land Value**
  - B. Method Used**
  - C. Market Value**
  - D. Owner's Name**
- 7. What is the Real Property Transfer Declaration (TD-100) primarily used for?**
- A. It transfers personal property**
  - B. It ensures fair and uniform property tax assessments**
  - C. It is optional for counties**
  - D. It is used to transfer title**
- 8. Exclusive Right to Sell and Exclusive Right to Buy contracts always belong to which party?**
- A. The seller**
  - B. The buyer**
  - C. The brokerage firm**
  - D. The listing agent**
- 9. A Colorado documentary fee of \$0.01 per \$100 of the purchase price is paid upon recording of any conveyance deed. What is the amount per \$100?**
- A. \$0.01 per \$100**
  - B. \$1.00 per \$100**
  - C. \$0.50 per \$100**
  - D. \$0.10 per \$100**
- 10. In the acronym OLDCAR, what does the 'L' stand for?**
- A. Obedience**
  - B. Disclosure**
  - C. Loyalty**
  - D. Confidentiality**

## Answers

SAMPLE

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

SAMPLE

## **Explanations**

SAMPLE

**1. CP-30 primarily concerns which of the following aspects of a real estate transaction?**

**A. Seller-assisted down payments**

**B. Credit to seller**

**C. Brokerage disclosures**

**D. Earnest money handling**

Seller-assisted down payments focus on the seller providing funds to help the buyer cover the down payment. This is a financing and disclosures matter because such contributions can affect loan eligibility, appraisal interpretation, and the total cost of the deal. Lenders often have limits on how much a seller can contribute toward down payment and closing costs, and any funds from the seller must be properly documented to avoid misrepresentation or disguising a higher sale price. Real estate licensees need to handle these arrangements transparently, with appropriate written documentation and disclosures, so all parties understand the source and purpose of the funds and that underwriting requirements are met. The other topics—earnest money handling, brokerage disclosures, and seller credits toward closing costs—cover different aspects of a transaction and do not center on down payment assistance from the seller, which is why seller-assisted down payments is the best fit here.

**2. Earnest money deposits are typically payable to which party and presented with the contract?**

**A. Listing Brokerage Firm**

**B. Seller**

**C. Buyer**

**D. Title Company**

Earnest money is a buyer's good-faith deposit that accompanies the purchase contract to show commitment and provide the seller with assurance that the buyer intends to complete the deal. In Colorado practice, this deposit is typically paid to the listing brokerage firm (the seller's broker) and held in the broker's trust or escrow account. The funds are then applied toward the purchase price at closing, unless the contract terms specify otherwise or the deal falls through according to the agreed contingencies. This arrangement keeps the money in a controlled, neutral place and makes it straightforward to release or apply the funds as the contract requires.

**3. Which item on a closing statement itemizes the buyer's total obligations at closing?**

- A. Debits only
- B. Both debits and credits**
- C. Credits only
- D. Neither debits nor credits

When you read a closing statement, the buyer's financial picture is shown with both what they must pay (debits) and what they receive or get credited toward those costs (credits). Debits represent the funds the buyer brings to close or pays through the loan—things like the purchase price, loan costs, prepaid items, title and recording fees. Credits offset those costs, coming from sources such as the loan amount, seller concessions, the seller paying off an existing loan, and any deposits or earnest money applied as a credit to the buyer. Because the buyer's total obligation is the net result of all costs minus offsets, the closing statement presents both debits and credits to clearly show the full amount the buyer is responsible for at closing. If you only saw debits, you'd miss offsets; if you only saw credits, you'd miss what must actually be paid. The combination of both provides the complete picture of the buyer's obligations.

**4. Under the Common Interest Community (CIC) document process, what can the buyer do before the CIC Documents Objections Deadline if conditions are unacceptable?**

- A. The buyer may terminate the contract by written notice after the CIC Documents Objections Deadline.
- B. The buyer may terminate the contract by written notice prior to the CIC Documents Objections Deadline, if conditions unacceptable.**
- C. The seller is obligated to cure CIC document items by any deadline.
- D. CIC documents are optional and not provided by the seller.

The main concept is that buyers have a window to review CIC documents and back out if something unacceptable is found, but only before the CIC Documents Objections Deadline. If the buyer discovers conditions they cannot accept, they may terminate the contract by giving written notice before that deadline. This protects the buyer from being obligated to purchase with unfavorable or unclear CIC terms. If the deadline passes without termination, the buyer is considered to accept the documents and proceed. The seller isn't automatically required to cure every issue by a fixed deadline; cures and timelines depend on the contract, and CIC documents must be provided by the seller, not optional.

**5. Who can fund the purchase under a Licensee Buyout Addendum?**

- A. The buyer/broker is a licensee and can fund the purchase**
- B. The seller funds the purchase**
- C. A third-party lender funds the purchase**
- D. A title company funds the purchase**

The key idea is that a Licensee Buyout Addendum governs a situation where the licensee themselves steps in as the buyer. In this setup, the funds for the purchase come from the buyer—who is also the licensee—either with their own money or with financing in the buyer’s name. This keeps the transaction transparent and avoids implying that the brokerage, a seller, or an unrelated third party is funding the purchase. The addendum is designed to address potential conflicts of interest by ensuring the licensee-buyer’s role and funding are disclosed and agreed upon. Funding by a seller, a title company, or a third-party lender would change the dynamic and isn’t what the addendum is about in this context; the essence is that the licensee-buyer provides or arranges the funds themselves.

**6. If listing broker measures the property, what item must be indicated?**

- A. Land Value**
- B. Method Used**
- C. Market Value**
- D. Owner's Name**

The important idea here is transparency in how square footage is determined. If the listing broker measures the property, they must clearly indicate the method used to measure. This matters because different measurement approaches can yield different square footage numbers, which can affect a buyer’s understanding and the property’s perceived value. By specifying the method—for example, whether measurements were taken interiorly or exteriorly, and what standard or spaces are included—the buyer can accurately compare listings and avoid confusion or misrepresentation. The other items listed—land value, market value, and owner’s name—do not address how the measurement was obtained, so they don’t satisfy this requirement.

**7. What is the Real Property Transfer Declaration (TD-100) primarily used for?**

- A. It transfers personal property
- B. It ensures fair and uniform property tax assessments**
- C. It is optional for counties
- D. It is used to transfer title

This form is used to inform the county assessor about a real property transfer so that property tax assessments remain fair and uniform after ownership changes. It collects details about the property, the buyers and sellers, and the sale price or other consideration, along with any exemptions or special factors. With this information, the assessor can adjust the property's assessed value to reflect the new ownership and keep tax assessments consistent across properties. It does not transfer title—the transfer of ownership occurs by deed and is recorded with the recorder, not by this declaration. This declaration is not optional for counties; Colorado law requires reporting transfers to ensure accurate tax records.

**8. Exclusive Right to Sell and Exclusive Right to Buy contracts always belong to which party?**

- A. The seller
- B. The buyer
- C. The brokerage firm**
- D. The listing agent

These exclusive agreements are between a client and the real estate brokerage firm, not an individual agent. The Exclusive Right to Sell and the Exclusive Right to Buy both bind the client to the brokerage, authorizing the firm to represent them and to handle commissions. The licensee (the listing or buyer's agent) acts under the firm's supervision, so the contract belongs to the brokerage itself, not to the individual agent. This arrangement ensures the firm is responsible for performance and commission practices.

**9. A Colorado documentary fee of \$0.01 per \$100 of the purchase price is paid upon recording of any conveyance deed. What is the amount per \$100?**

- A. \$0.01 per \$100**
- B. \$1.00 per \$100
- C. \$0.50 per \$100
- D. \$0.10 per \$100

The concept being tested is how a per-\$100 documentary fee is calculated. Saying \$0.01 per \$100 means for every hundred dollars of the purchase price, you pay one cent. In other words, the fee per dollar is 0.0001, so total fee = purchase price  $\times$  0.0001. For example, a \$350,000 purchase would incur  $350,000 \times 0.0001 = \$35$ . Another way to see it: the fee is simply \$0.01 for each \$100 of price.

**10. In the acronym OLDCAR, what does the 'L' stand for?**

**A. Obedience**

**B. Disclosure**

**C. Loyalty**

**D. Confidentiality**

**L stands for Loyalty. In agency work, a broker must put the client's interests first and avoid conflicts of interest, acting faithfully and in good faith to advance the client's goals. This means not pursuing personal gain at the client's expense and, when conflicts could arise, disclosing them and obtaining appropriate consent. This duty sits among other fiduciary duties like obedience, disclosure, confidentiality, accounting, and reasonable care, which together guide how a broker must behave in representing a client.**

**SAMPLE**

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://coloradobroker.examzify.com>**

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

SAMPLE