

District of Columbia (DC) Real Estate Commission Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	9
Explanations	11
Next Steps	17

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. What disclosures should a buyer receive for a property built in 1919, located in a historic district with a leaky roof?**
 - A. Lead-based paint disclosure and a property condition disclosure noting the leak**
 - B. Lead-based paint disclosure and property condition disclosure for historic district and leak**
 - C. Property condition disclosure noting the roof leak**
 - D. Property condition disclosure for historic district and roof leak**

- 2. By accepting and depositing earnest money funds, a DC escrow agent is agreeing to do what?**
 - A. Negotiate directly with the buyer and seller in case of earnest**
 - B. Hold the funds in the firm's operating account**
 - C. Disburse the funds as directed by his client**
 - D. Abide by DC license law related to handling of escrow funds**

- 3. In the event of a judgment against a licensee, what information is a consumer required to provide to the mayor?**
 - A. No notification is required**
 - B. Only if they are awarded a monetary judgment**
 - C. Regular updates on the progress of the case**
 - D. Notification within 30 days of initiating action**

- 4. If an individual who is not a U.S. citizen wants to make a property offer, the DC licensee should what?**
 - A. Inform the prospective buyer that it will be difficult to apply for and obtain a loan for the purchase**
 - B. Inform the prospective buyer that real estate in DC can only be purchased by U.S. citizens**
 - C. Refer the prospective buyer to a financial institution to begin the loan process as soon as possible**
 - D. Refer the prospective buyer to a licensee who is also from the prospective buyer's country of origin**

- 5. What must be safeguarded regarding confidential client information in DC real estate practices?**
- A. It can be shared with any third party.**
 - B. It should be disclosed to all team members.**
 - C. It must be protected and shared on a need-to-know basis.**
 - D. It can be deleted after five years.**
- 6. In the context of DC real estate, what does "fiduciary duty" entail?**
- A. The duty to provide property listings**
 - B. The responsibility to act in the best interest of the client**
 - C. The obligation to maintain a real estate license**
 - D. The requirement to follow all local zoning laws**
- 7. What describes the license display requirements for a branch office managed by an associate broker?**
- A. Jason and Kendra's licenses must be displayed at the Garnet office**
 - B. Jason and Kendra's licenses must be displayed at the Sunburst office**
 - C. Jason's license must be displayed at the Sunburst and Garnet offices; Kendra's license must be displayed at the Garnet office**
 - D. Kendra's license must be displayed at the Sunburst office; Jason's license must be displayed at the Garnet office**
- 8. What is the primary responsibility of a DC-licensed real estate broker?**
- A. Managing their own real estate investments**
 - B. Assisting clients in buying and selling property**
 - C. Providing legal advice on real estate transactions**
 - D. Marketing mortgage products to prospective homebuyers**
- 9. Marilyn is a licensed DC salesperson planning to take a break from her business. What status should she apply for her license?**
- A. Expired**
 - B. Inactive**
 - C. On-hold**
 - D. Suspended**

10. Which statement about the DC agency disclosure notice is accurate?

- A. The agency disclosure notice is not a contract.**
- B. The agency disclosure notice is not required by law.**
- C. The agency disclosure notice creates a brokerage relationship when signed and dated.**
- D. The licensee must provide a written disclosure to the party he or she plans to represent.**

Answers

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

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Explanations

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1. What disclosures should a buyer receive for a property built in 1919, located in a historic district with a leaky roof?

- A. Lead-based paint disclosure and a property condition disclosure noting the leak**
- B. Lead-based paint disclosure and property condition disclosure for historic district and leak**
- C. Property condition disclosure noting the roof leak**
- D. Property condition disclosure for historic district and roof leak**

In the context of real estate transactions, particularly involving older properties such as one built in 1919, there are specific disclosure requirements that protect buyers and ensure transparency. Since the property is more than 40 years old, it is subject to a lead-based paint disclosure. Federal law mandates that sellers inform prospective buyers about potential lead hazards in homes built prior to 1978. Additionally, because this property is situated in a historic district, there may be unique considerations related to its historical significance, which can impact its renovation, maintenance, or preservation responsibilities. As such, a property condition disclosure would be necessary to inform the buyer of any specific conditions affecting the historic aspect of the property. Furthermore, since the roof has a known leak, the seller is obligated to disclose this issue to the buyer as part of maintaining transparency about the property's condition. This helps ensure the buyer is fully informed about potential repair costs and any implications for living in the property. By combining the lead-based paint disclosure with the property condition disclosures for both the historic district considerations and the specific roof leak, the buyer receives a comprehensive understanding of what they may be facing with this property. This thorough approach not only adheres to legal requirements but also promotes buyer confidence in their purchasing decision.

2. By accepting and depositing earnest money funds, a DC escrow agent is agreeing to do what?

- A. Negotiate directly with the buyer and seller in case of earnest**
- B. Hold the funds in the firm's operating account**
- C. Disburse the funds as directed by his client**
- D. Abide by DC license law related to handling of escrow funds**

An escrow agent in D.C. plays a crucial role in managing earnest money funds, and by accepting and depositing these funds, they are committing to adhere to the specific regulations outlined in the District of Columbia's licensing laws. This legal framework governs how escrow funds should be handled, ensuring proper safeguarding and management of the buyers' and sellers' money. These laws necessitate that escrow agents maintain a high level of accountability and transparency when managing funds. This includes ensuring that funds are held securely and disbursed only according to the terms agreed upon in the real estate contract or as directed by the parties involved. It is essential for the escrow agent to follow these legal requirements to protect themselves, the buyers, and the sellers from potential disputes or mismanagement. Understanding this aspect of the agent's responsibilities is vital for maintaining trust in real estate transactions and for compliance with any applicable legal standards.

- 3. In the event of a judgment against a licensee, what information is a consumer required to provide to the mayor?**
- A. No notification is required**
 - B. Only if they are awarded a monetary judgment**
 - C. Regular updates on the progress of the case**
 - D. Notification within 30 days of initiating action**

In cases where a judgment is made against a licensee, the consumer is required to notify the mayor within a specified timeframe of 30 days from the initiation of the action. This requirement ensures that the regulatory body, in this case, the mayor's office, is informed of any potential issues regarding a licensee's conduct that may affect public trust and the integrity of the real estate profession. By mandating that consumers notify the mayor, it allows for proper oversight and management of the licensee's status and provides a mechanism for addressing consumer concerns. This notification is particularly important for maintaining transparency and protecting public interest in the real estate market. Other options do not accurately reflect the legal obligations of consumers regarding notification. For instance, simply not requiring any notification does not align with the principles of accountability in the real estate profession. Likewise, only requiring updates if a monetary judgment is awarded overlooks the need for timely communication when an action is initiated. Regular updates on the progress of a case, while useful in some contexts, are not a requirement stipulated for consumers in this scenario. The clear requirement is about the initial notification of the beginning of any legal action against a licensee within a defined period.

- 4. If an individual who is not a U.S. citizen wants to make a property offer, the DC licensee should what?**
- A. Inform the prospective buyer that it will be difficult to apply for and obtain a loan for the purchase**
 - B. Inform the prospective buyer that real estate in DC can only be purchased by U.S. citizens**
 - C. Refer the prospective buyer to a financial institution to begin the loan process as soon as possible**
 - D. Refer the prospective buyer to a licensee who is also from the prospective buyer's country of origin**

The correct choice is to refer the prospective buyer to a financial institution to begin the loan process as soon as possible. This is essential because individuals who are not U.S. citizens are still able to purchase real estate in Washington, D.C. However, they may encounter different financing options or requirements than citizens. By directing the buyer to a financial institution, the licensee ensures that the buyer receives specialized guidance regarding mortgage options tailored to non-citizens, understanding the necessary documentation and requirements unique to their situation. This approach not only supports the buyer in taking the next steps towards purchasing property but also empowers them by providing access to financial resources and expertise relevant to their needs. It acknowledges that while there may be challenges, assistance is readily available to help navigate the process of securing financing.

5. What must be safeguarded regarding confidential client information in DC real estate practices?

- A. It can be shared with any third party.**
- B. It should be disclosed to all team members.**
- C. It must be protected and shared on a need-to-know basis.**
- D. It can be deleted after five years.**

Safeguarding confidential client information in DC real estate practices is crucial for maintaining trust and compliance with legal obligations. Protecting this information and sharing it on a need-to-know basis ensures that only individuals who require access to the data for legitimate business purposes are privy to it. This approach minimizes the risk of unauthorized disclosure and preserves the confidentiality that clients expect from their real estate professionals. In this context, confidentiality is a fundamental principle of real estate practice, governed by both ethical standards and regulatory requirements. By ensuring that sensitive client information is only shared when absolutely necessary, real estate professionals demonstrate their commitment to ethical conduct and to safeguarding their clients' interests. Other options suggest different approaches to handling confidential client information that do not align with these ethical standards. For example, sharing information with any third party, disclosing it to all team members indiscriminately, or deleting it after a specified period without proper consideration could lead to breaches of confidentiality and potential legal ramifications for real estate practitioners.

6. In the context of DC real estate, what does "fiduciary duty" entail?

- A. The duty to provide property listings**
- B. The responsibility to act in the best interest of the client**
- C. The obligation to maintain a real estate license**
- D. The requirement to follow all local zoning laws**

Fiduciary duty in the context of DC real estate refers to the high standard of care that agents owe to their clients. This includes a responsibility to act in the best interest of the client, ensuring that the client's needs and interests are prioritized above all else. This obligation covers various aspects of the real estate transaction, such as confidential information handling, loyalty, full disclosure, and the provision of competent representation. The concept of fiduciary duty is foundational in real estate practice because it establishes a relationship of trust and confidence. Clients rely on their agents to guide them through complex transactions, and this duty ensures that agents have a legal and ethical obligation to serve clients effectively, responsibly, and with integrity. In contrast, the other options do not capture this essential commitment. Providing property listings is a part of the service but does not embody the overarching responsibility to act in the best interest of the client. Maintaining a real estate license is necessary to operate legally but is not inherently tied to fiduciary duty. Lastly, following local zoning laws is important for compliance and operational purposes but does not reflect the trust-based relationship characteristic of fiduciary duties.

7. What describes the license display requirements for a branch office managed by an associate broker?
- A. Jason and Kendra's licenses must be displayed at the Garnet office
 - B. Jason and Kendra's licenses must be displayed at the Sunburst office
 - C. Jason's license must be displayed at the Sunburst and Garnet offices; Kendra's license must be displayed at the Garnet office**
 - D. Kendra's license must be displayed at the Sunburst office; Jason's license must be displayed at the Garnet office

The correct answer outlines the specific requirements for displaying licenses in a branch office managed by an associate broker. In the District of Columbia, each branch office associated with a real estate broker must have the licenses of the managing broker and any associate brokers working at that location displayed prominently. In this scenario, Jason and Kendra are both involved with two offices: Sunburst and Garnet. The answer indicating that Jason's license must be displayed at both offices (Sunburst and Garnet) acknowledges that, as the associate broker, he holds the responsibility in both locations. Meanwhile, Kendra's license is also required to be posted at the Garnet office, which indicates where she is actively working or associated in a managerial capacity. This distribution of licenses shows compliance with the requirement that branch offices display the respective licenses of all personnel managing or working in that office. Ensuring all licenses are displayed appropriately aids in maintaining professionalism and transparency within the real estate transactions occurring at those locations.

8. What is the primary responsibility of a DC-licensed real estate broker?
- A. Managing their own real estate investments
 - B. Assisting clients in buying and selling property**
 - C. Providing legal advice on real estate transactions
 - D. Marketing mortgage products to prospective homebuyers

The primary responsibility of a DC-licensed real estate broker is to assist clients in buying and selling property. This role encompasses a range of activities that facilitate real estate transactions, including helping clients navigate the complexities of the market, providing guidance on pricing, recommending appropriate properties, and negotiating terms. The broker's comprehensive knowledge of local laws and regulations, along with their expertise in the real estate market, positions them to provide valuable services that meet their clients' needs during the transaction process. Other choices center around responsibilities that are not primarily within the scope of a real estate broker's duties. While managing one's own real estate investments is a valid activity, it does not reflect the primary role as a broker, who should focus on working with clients. Providing legal advice is also outside a broker's responsibilities, as they typically refer clients to attorneys for legal issues. Lastly, marketing mortgage products is typically handled by mortgage lenders or brokers, not real estate brokers who focus on property transactions. This distinction highlights why assisting clients in buying and selling property represents the core function of a licensed real estate broker.

9. Marilyn is a licensed DC salesperson planning to take a break from her business. What status should she apply for her license?

- A. Expired**
- B. Inactive**
- C. On-hold**
- D. Suspended**

When a licensed salesperson like Marilyn decides to take a break from actively conducting real estate business, the appropriate status for her license is inactive. By applying for an inactive status, she is not required to actively engage in real estate transactions or represent clients, yet she retains her license for future use. This status allows her to maintain her qualifications without having to go through the re-licensing process when she decides to return to the field. Inactive status is ideal because it ensures that her professional credentials remain valid, as long as she fulfills any continuing education requirements during her inactive period. In contrast, an expired license would mean she would not be legally able to practice and would have to reapply and possibly retake the exam. Similarly, a suspended status implies disciplinary action against her license, which is not applicable in this case as she is choosing to take a break rather than facing disciplinary issues. "On-hold" is not an official status recognized in the broker licensing process, making inactive the best option for Marilyn.

10. Which statement about the DC agency disclosure notice is accurate?

- A. The agency disclosure notice is not a contract.**
- B. The agency disclosure notice is not required by law.**
- C. The agency disclosure notice creates a brokerage relationship when signed and dated.**
- D. The licensee must provide a written disclosure to the party he or she plans to represent.**

The agency disclosure notice is indeed not a contract, which makes this statement accurate. It serves primarily as a document that informs the parties involved in a real estate transaction about the nature of the agency relationship, rather than creating a legal contractual obligation. The purpose of the notice is to ensure transparency regarding who is representing whom in the transaction, thus aiming to protect the interests of all parties. While it is true that the agency disclosure notice is an important part of the real estate process, it does not formalize a contractual relationship like a traditional contract would. Instead, it simply outlines the roles and responsibilities of the agent and the client, ensuring that everyone understands their standing in the transaction. For a deeper understanding, consider that the disclosure notice is focused on clarity and communication rather than establishing binding legal agreements. It helps set up expectations about agency relationships without imposing the legalities associated with contracts. This is a critical distinction in real estate practices, as it allows for better understanding and trust between the parties involved.

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://dcrealestatecommission.examzify.com>

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