

DISTRICT OF COLUMBIA (DC) REAL ESTATE COMMISSION PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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. 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 is the status of Sinead's broker's license if Happy Home Realty's license is suspended?**
 - A. Demoted to a salesperson license
 - B. Suspended while Happy Home's license is suspended
 - C. Must submit a request to keep her license
 - D. No effect on Sinead's license
- 2. What is one advantage of using electronic documents and signatures in DC?**
 - A. Electronically signed documents hold up in court better than wet signed documents
 - B. Electronic documents can never be hacked
 - C. Electronic signatures meet DC's requirement for delivery of signed documents
 - D. Licensees can't be sued based on errors in electronic documents
- 3. DC licensees are unable to receive a commission without what type of agreement?**
 - A. Written listing agreement
 - B. Verbal agreement
 - C. Exclusive buyer agreement
 - D. Mutual consent agreement
- 4. In Sara's first real estate ad, what essential element is missing?**
 - A. Fax number
 - B. Her broker or brokerage name
 - C. License number
 - D. Office location
- 5. What is the primary responsibility of the principal broker at a real estate brokerage?**
 - A. To manage the company's finances
 - B. To oversee all transactions and compliance
 - C. To provide training to new agents
 - D. To market properties for sale

- 6. If a real estate licensee holds a minor interest in a property, what is required under DC law?**
- A. No disclosure is necessary.
 - B. Disclosure is required if the interest is over 5%.
 - C. Disclosure is necessary if the interest is above 10%.
 - D. Full disclosure of any interest in the property is required.
- 7. Which regulation requires that real estate advertisements include specific information?**
- A. Equal Housing Opportunity Act
 - B. Real Estate Settlement Procedures Act
 - C. Truth in Advertising Law
 - D. DC Real Estate Licensing Regulations
- 8. What is the primary purpose of a listing agreement in real estate?**
- A. To designate the selling price of the property
 - B. To outline the terms of engagement between the seller and the agent
 - C. To set a commission rate for the agent
 - D. To define the legal rights of the buyers
- 9. In DC, what document must a seller provide to a buyer before finalizing the sale of a property?**
- A. A title search report
 - B. A property disclosure form
 - C. A property appraisal
 - D. A survey of the property
- 10. What is the maximum fine for failing to maintain proper escrow accounts in DC?**
- A. \$1,000
 - B. \$2,500
 - C. \$5,000
 - D. \$10,000

Answers

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

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Explanations

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1. What is the status of Sinead's broker's license if Happy Home Realty's license is suspended?

- A. Demoted to a salesperson license
- B. Suspended while Happy Home's license is suspended**
- C. Must submit a request to keep her license
- D. No effect on Sinead's license

When a real estate broker's firm, such as Happy Home Realty, has its license suspended, the status of the individual broker's license, in this case, Sinead's, is directly affected. When a brokerage's license is suspended, all affiliated salespeople and brokers also face a suspension. Therefore, Sinead's broker's license would also be suspended while the brokerage's license is under suspension. This reflects the principle that brokers and salespeople operate under the authority of their brokerage. If that authority is compromised due to suspension, the individual licenses associated with the brokerage are equally impacted. This ensures that all business activities conducted under the brokerage's name cease until the license is reinstated. The other options suggest scenarios that do not align with the regulatory framework governing real estate licenses. There are no circumstances regarding being demoted to a salesperson or needing to request to maintain her license, as these do not accurately reflect what happens when a brokerage's license is suspended. Furthermore, the notion of having no effect on Sinead's license contradicts the regulations that protect consumers by ensuring that real estate professionals operate under a valid and active brokerage license.

2. What is one advantage of using electronic documents and signatures in DC?

- A. Electronically signed documents hold up in court better than wet signed documents
- B. Electronic documents can never be hacked
- C. Electronic signatures meet DC's requirement for delivery of signed documents**
- D. Licensees can't be sued based on errors in electronic documents

One advantage of using electronic documents and signatures in Washington, DC, is that they meet the legal requirements for the delivery of signed documents. The Uniform Electronic Transactions Act (UETA), adopted by many states including DC, affirms that electronic signatures have the same legal standing as traditional handwritten signatures. This allows for efficient and timely processing of real estate transactions without compromising the legal integrity of the documents. By utilizing electronic signatures, parties can easily verify and authenticate the documents involved in the transaction. This is particularly beneficial in real estate dealings, where timely delivery and signed agreements are crucial for the execution of contracts. Furthermore, electronic documents are often more convenient to manage and store, reducing the risk of loss or damage that can occur with physical papers. Other options present misunderstandings about the nature and security of electronic documents or the legal implications surrounding their use. While electronic signatures are indeed valid, they do not inherently offer better court standing than traditional signatures, they are not immune to hacking, and errors in electronic documents can still lead to liability for licensees.

3. DC licensees are unable to receive a commission without what type of agreement?

- A. Written listing agreement**
- B. Verbal agreement
- C. Exclusive buyer agreement
- D. Mutual consent agreement

In the context of real estate transactions in Washington, DC, a written listing agreement is essential for licensees to receive a commission. This requirement is primarily based on the real estate laws and regulations that govern licensing practices in the district. A written listing agreement serves several important purposes. Firstly, it legally establishes the relationship between the seller and the real estate agent, outlining the roles and responsibilities of both parties. This agreement specifies the terms under which the agent will be compensated, including the commission rate and the duration of the agreement. Without this documented agreement, there is no formal acknowledgment or commitment from the seller to pay the agent a commission, which means the agent would not have a legal right to collect a commission for their services. It is important to note that verbal agreements or other informal arrangements do not fulfill the legal requirement for documentation necessary to ensure that a commission is payable. The need for a formal written agreement helps to protect both the client and the real estate professional, ensuring clarity and reducing the potential for disputes regarding compensation. In summary, the necessity for a written listing agreement is a fundamental aspect of real estate practice in DC, reinforcing the importance of formal agreements in professional transactions.

4. In Sara's first real estate ad, what essential element is missing?

- A. Fax number
- B. Her broker or brokerage name**
- C. License number
- D. Office location

In real estate advertising, including the name of the broker or brokerage is a crucial requirement. This element serves to ensure transparency and legitimacy in real estate transactions, as it helps consumers identify who they are dealing with and provides them with a point of reference for any questions or concerns they may have regarding the listing. Additionally, this practice is in line with regulations designed to protect both consumers and the real estate market's integrity. The absence of a broker or brokerage name in Sara's ad signifies non-compliance with industry standards and regulations, which could lead to potential legal issues or complaints from consumers. Implementing proper disclosure of the brokerage name reinforces trust and credibility in her advertising efforts.

5. What is the primary responsibility of the principal broker at a real estate brokerage?

- A. To manage the company's finances
- B. To oversee all transactions and compliance**
- C. To provide training to new agents
- D. To market properties for sale

The primary responsibility of the principal broker at a real estate brokerage is to oversee all transactions and compliance. This role is critical because the principal broker ensures that all real estate transactions follow local, state, and federal regulations, thus maintaining the integrity and legal standing of the brokerage. In addition to compliance oversight, the principal broker typically manages the overall operations of the brokerage, which includes guiding agents, setting internal policies, and ensuring that the brokerage adheres to industry standards. By focusing on compliance and overseeing transactions, the principal broker plays a vital role in protecting the interests of clients as well as the brokerage itself. While training new agents, managing finances, and marketing properties are important functions within a real estate brokerage, they may fall under the purview of other roles or team members. The principal broker's main focus is regulatory compliance and transaction oversight, which ensures that the brokerage operates smoothly and legally in the ever-evolving real estate market.

6. If a real estate licensee holds a minor interest in a property, what is required under DC law?

- A. No disclosure is necessary.
- B. Disclosure is required if the interest is over 5%.
- C. Disclosure is necessary if the interest is above 10%.
- D. Full disclosure of any interest in the property is required.**

Under DC law, a real estate licensee is required to provide full disclosure of any interest they hold in a property. This requirement is based on the ethical obligation to maintain transparency and avoid potential conflicts of interest in real estate transactions. It ensures that all parties involved are fully informed about any affiliations that might influence the transaction or the licensee's actions. This full disclosure is crucial because it fosters trust among clients, allows buyers and sellers to make informed decisions, and helps protect the integrity of the real estate profession. Knowing that a licensee has any level of interest in a property can affect a buyer's or seller's willingness to engage in the transaction. Thus, DC law mandates that any personal interest is disclosed to uphold ethical standards and protect the interests of all parties involved.

7. Which regulation requires that real estate advertisements include specific information?

- A. Equal Housing Opportunity Act
- B. Real Estate Settlement Procedures Act
- C. Truth in Advertising Law**
- D. DC Real Estate Licensing Regulations

The regulation that mandates real estate advertisements to include specific information is the Truth in Advertising Law. This law is designed to protect consumers by ensuring that advertisements are truthful and not misleading. In the context of real estate, this means that any advertisement must present accurate information about the properties, including pertinent details that would affect a consumer's decision-making process, such as pricing, availability, and features of the property. The Truth in Advertising Law creates standards for how properties can be marketed, ensuring that potential buyers or renters receive clear and honest representation. This regulation is significant because it holds real estate professionals accountable for their marketing practices, thereby fostering transparency and trust in the real estate market. While other options like the Equal Housing Opportunity Act and the Real Estate Settlement Procedures Act do aim to protect consumers and ensure fair practices, they do not specifically address the requirements for advertising content in the same way the Truth in Advertising Law does. The DC Real Estate Licensing Regulations set the framework for licensing and operating within the industry but do not impose specific advertising mandates.

8. What is the primary purpose of a listing agreement in real estate?

- A. To designate the selling price of the property
- B. To outline the terms of engagement between the seller and the agent**
- C. To set a commission rate for the agent
- D. To define the legal rights of the buyers

The primary purpose of a listing agreement in real estate is to outline the terms of engagement between the seller and the agent. This contract serves as a formal understanding that establishes the responsibilities of both parties in the sale of a property. It typically includes details such as the duration of the listing, the obligations of the agent in marketing the property, and the legal agreement to represent the seller's interests. While it may touch upon elements like the selling price and commission rate, these components are secondary to the foundational role of the listing agreement in defining the working relationship and expectations between the seller and the real estate agent. This agreement is crucial because it sets the stage for communication, accountability, and the overall strategy for the sale, ensuring that both parties have a clear understanding of their roles throughout the selling process.

9. In DC, what document must a seller provide to a buyer before finalizing the sale of a property?

- A. A title search report
- B. A property disclosure form**
- C. A property appraisal
- D. A survey of the property

In Washington, D.C., before a sale is finalized, a seller is required to provide a property disclosure form to the potential buyer. This document is crucial as it contains important information about the property's condition, including any known defects or issues that could affect the value or desirability of the property. The purpose of the property disclosure form is to ensure transparency in the transaction, allowing the buyer to make an informed decision. The information disclosed can cover various aspects, such as structural issues, water damage, pest infestations, and the presence of hazardous materials. By providing this form, the seller fulfills their legal obligation and mitigates the risk of disputes after the sale is completed. Understanding the details of the property helps buyers evaluate whether to proceed with the purchase or negotiate repairs or price adjustments. In the context of the other options: a title search report, while important, is typically conducted as part of the closing process to ensure there are no liens against the property. A property appraisal, which determines the market value of the property, is often required by lenders but is not mandated to be provided directly by the seller to the buyer. A survey of the property outlines its boundaries and features but is also not a document the seller is necessarily required to provide to the

10. What is the maximum fine for failing to maintain proper escrow accounts in DC?

- A. \$1,000
- B. \$2,500
- C. \$5,000**
- D. \$10,000

The correct choice regarding the maximum fine for failing to maintain proper escrow accounts in Washington, D.C., is indeed \$5,000. This amount is set forth in the regulations governing real estate practices within the district, reflecting the serious nature of maintaining proper financial safeguards in real estate transactions. Escrow accounts are critical for ensuring that clients' funds are managed securely and used appropriately, which helps maintain trust in real estate dealings. A fine of this magnitude serves as a deterrent against negligence or violations of the law related to escrow account management. The other potential amounts listed do not align with the established fines for such infractions in D.C. law. While they may seem feasible as penalties, they do not represent the established maximum fine associated with this specific regulatory violation. Understanding the implications and enforcement of these regulations is essential for real estate professionals to ensure compliance and protect clients' interests.

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!

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