

Florida Real Estate License Renewal 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. In the context of mortgage options, what does modifying a loan refer to?**
 - A. Changing interest rates for better terms**
 - B. Altering repayment schedules while retaining original loan**
 - C. Switching the property title**
 - D. Filing for bankruptcy**
- 2. What type of brokerage specializes in assisting small business owners in buying or selling their business?**
 - A. Commercial brokerage**
 - B. Franchise brokerage**
 - C. Business brokerage**
 - D. Residential brokerage**
- 3. What is the largest source of funds for financing apartment complexes and commercial properties?**
 - A. Commercial banks**
 - B. Credit unions**
 - C. Life insurance companies**
 - D. Mortgage brokers**
- 4. What could happen if a borrower is unable to resolve their mortgage payment issues?**
 - A. They may qualify for a new loan**
 - B. They could face foreclosure proceedings**
 - C. They may sell the property for a profit**
 - D. They could refinance automatically**
- 5. What is the prepayment requirement for Escrow funds if property taxes are \$3,000 with an additional two months prepayment?**
 - A. 4 months of taxes**
 - B. 12 months of taxes**
 - C. 8 months of taxes**
 - D. 6 months of taxes**

- 6. Which component of an AC system is crucial for heat exchange?**
- A. Fan**
 - B. Evaporator coil**
 - C. Compressor**
 - D. Heat exchanger**
- 7. What is a common disciplinary response for minor violations of F.S. 475 or F.A.C 61J2?**
- A. In-person counseling**
 - B. Issuance of a citation or notice of noncompliance**
 - C. Immediate suspension of the license**
 - D. Mandatory attendance to a seminar**
- 8. What can affect an applicant's FICO score?**
- A. Current income level**
 - B. Outstanding debt**
 - C. Employment type**
 - D. Property value**
- 9. What term is used to refer to the restructuring of a loan by changing the loan terms to help prevent foreclosure?**
- A. Modification**
 - B. Recasting**
 - C. Refinancing**
 - D. Deferment**
- 10. What demographic trend was highlighted by census data from 2010-2011?**
- A. Suburbs growing faster than cities**
 - B. Major cities growing faster than their suburbs**
 - C. Decrease in population density overall**
 - D. Rural areas losing population to cities**

Answers

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

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Explanations

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1. In the context of mortgage options, what does modifying a loan refer to?

A. Changing interest rates for better terms

B. Altering repayment schedules while retaining original loan

C. Switching the property title

D. Filing for bankruptcy

Modifying a loan refers to altering the terms of an existing loan agreement, which typically includes changing the repayment schedule while retaining the original loan. This process is often undertaken to make mortgage payments more manageable for the borrower, especially if they are facing financial difficulties. A loan modification can involve extending the length of the loan, adjusting the interest rate, or changing other loan terms to help the borrower avoid foreclosure and make their payments more sustainable. In this context, the other options do not accurately represent what loan modification entails. Changing interest rates for better terms indicates a refinancing scenario rather than a modification. Switching the property title involves a transfer of ownership rather than altering the loan agreement. Filing for bankruptcy is a separate legal process for debt relief and does not specify any changes to a mortgage contract. Therefore, modifying a loan primarily focuses on restructuring the repayment terms rather than these other actions.

2. What type of brokerage specializes in assisting small business owners in buying or selling their business?

A. Commercial brokerage

B. Franchise brokerage

C. Business brokerage

D. Residential brokerage

The type of brokerage that specializes in assisting small business owners in buying or selling their business is business brokerage. Business brokers are professionals who facilitate the buying and selling process for businesses, typically focusing on transactions involving small to mid-sized businesses. They provide valuable services, which include business valuation, marketing, and negotiating the sale or purchase, ensuring that both buyers and sellers navigate the often complex processes involved in transferring ownership. Commercial brokerage, while it deals with commercial properties, generally focuses on real estate transactions rather than the sale of standalone businesses. Franchise brokerage pertains specifically to the sale and management of franchise businesses, which is a different aspect of the business landscape. Residential brokerage focuses on residential properties, involving transactions related to homes and apartments, rather than businesses. Therefore, business brokerage is the specialized field that directly addresses the needs of small business owners looking to buy or sell their enterprises.

3. What is the largest source of funds for financing apartment complexes and commercial properties?

- A. Commercial banks**
- B. Credit unions**
- C. Life insurance companies**
- D. Mortgage brokers**

The largest source of funds for financing apartment complexes and commercial properties is life insurance companies. These institutions have substantial capital reserves and a long-term investment strategy that aligns well with the financing needs of commercial real estate. Life insurance companies typically invest in high-quality property loans for extended periods, as these loans provide a stable and predictable return on investment, which fits their obligation to pay out policyholders over time. The preference for long-term financing options makes life insurance companies particularly well-suited for this type of investment, allowing them to fund large projects such as apartment complexes and commercial properties effectively. Their involvement often leads to significant capital being allocated to real estate, thereby making them a leading source for such financing. In contrast, while commercial banks might provide a variety of loan products, and credit unions can participate in real estate financing, they do not generally match the scale and specialization found with life insurance companies. Mortgage brokers act as intermediaries and do not directly supply funds; instead, they connect borrowers with lenders, which does not make them a principal source of financing on their own.

4. What could happen if a borrower is unable to resolve their mortgage payment issues?

- A. They may qualify for a new loan**
- B. They could face foreclosure proceedings**
- C. They may sell the property for a profit**
- D. They could refinance automatically**

If a borrower is unable to resolve their mortgage payment issues, they could face foreclosure proceedings. Foreclosure occurs when a lender takes legal action to reclaim a property because the borrower has failed to make the required mortgage payments. This is typically seen as a last resort for lenders when the borrower cannot fulfill their loan obligations after exploring other options. Foreclosure can lead to the loss of the property and significantly impact the borrower's credit score, making it challenging to obtain loans in the future. It is essential for borrowers facing mortgage difficulties to communicate with their lenders and explore possible solutions, such as loan modifications or payment plans, before their situation escalates to foreclosure. Addressing the issue promptly can help mitigate the risk of losing their home.

5. What is the prepayment requirement for Escrow funds if property taxes are \$3,000 with an additional two months prepayment?

- A. 4 months of taxes
- B. 12 months of taxes
- C. 8 months of taxes**
- D. 6 months of taxes

To determine the prepayment requirement for escrow funds in this scenario, you first need to understand the nature of the prepayment for property taxes. The property tax amount is stated as \$3,000, which represents one full year of taxes. In many cases, lenders require that borrowers prepay a certain number of months of property taxes to ensure that funds are available to cover tax payments when they come due. The additional requirement of two months of prepayment means you'd take the annual tax amount and calculate the equivalent for the additional months. Since the annual tax is \$3,000, the monthly tax would be calculated as follows: $\text{Monthly Property Tax} = \frac{\text{Annual Property Tax}}{12} = \frac{3,000}{12} = 250 \text{ per month}$ Adding two months of prepayment involves: $\text{Total Prepayment} = \text{Annual Property Tax} + (2 \text{ months} \times \text{Monthly Property Tax}) = 3,000 + (2 \times 250) = 3,000 + 500 = 3,500$ However, in this question,

6. Which component of an AC system is crucial for heat exchange?

- A. Fan
- B. Evaporator coil**
- C. Compressor
- D. Heat exchanger

The evaporator coil plays a critical role in the heat exchange process of an air conditioning (AC) system. It is responsible for absorbing heat from the indoor air as refrigerant flows through it. When warm air from the interior space is drawn over the evaporator coil, the refrigerant absorbs the heat and evaporates, which lowers the temperature of the air. This cooled air is then circulated back into the living space. The efficiency of this heat exchange is vital for maintaining the desired indoor climate, showcasing the importance of the evaporator coil in the AC system. In contrast, other components like the fan primarily distribute air, the compressor circulates the refrigerant and raises its pressure, and the heat exchanger is involved more in systems that specifically transfer heat outside or to other systems rather than directly engaging in the exchange of heat within the AC process. Each part has its function, but the evaporator coil is key to the thermal exchange that cools the air.

7. What is a common disciplinary response for minor violations of F.S. 475 or F.A.C 61J2?

- A. In-person counseling**
- B. Issuance of a citation or notice of noncompliance**
- C. Immediate suspension of the license**
- D. Mandatory attendance to a seminar**

Issuance of a citation or notice of noncompliance is a common disciplinary response for minor violations of Florida Statutes 475 or Florida Administrative Code 61J2. This approach is designed to address less severe infractions in a manner that encourages compliance without imposing more severe penalties, which might be reserved for more serious violations. Citations or notices of noncompliance serve as an official warning to the licensee, informing them of the violation and providing an opportunity to correct their actions. This method is beneficial as it allows regulatory bodies to maintain standards within the real estate industry, promoting ethical behavior and adherence to regulations while also offering a chance for education and improvement. In general, while in-person counseling and mandatory seminars might also be utilized in certain circumstances to aid in education or reinforcement of compliance, they are less common as immediate responses compared to the straightforward and formal approach of issuing a citation. Immediate suspension is generally reserved for severe misconduct and not minor violations. Therefore, the issuance of a citation or notice of noncompliance is an effective way to address less serious infractions while enhancing the overall professionalism in the field.

8. What can affect an applicant's FICO score?

- A. Current income level**
- B. Outstanding debt**
- C. Employment type**
- D. Property value**

The FICO score, which stands for Fair Isaac Corporation score, is a widely used credit score that helps lenders assess the creditworthiness of an applicant. Outstanding debt significantly impacts an applicant's FICO score because it reflects how much credit an individual is currently utilizing compared to their available credit limit. A higher level of outstanding debt relative to the available credit can indicate a higher risk to lenders, potentially lowering the FICO score. Moreover, aspects such as current income level, employment type, and property value do not directly influence the FICO score. While current income and employment may affect an individual's ability to pay debts, they are not directly factored into the calculation of the FICO score. Property value can play a role in financial evaluations, particularly in mortgage considerations, but it does not impact the score itself. Thus, outstanding debt remains a key factor in determining the FICO score, highlighting the importance of managing credit responsibly to maintain a favorable credit rating.

9. What term is used to refer to the restructuring of a loan by changing the loan terms to help prevent foreclosure?

- A. Modification**
- B. Recasting**
- C. Refinancing**
- D. Deferment**

The term that describes the restructuring of a loan by altering the loan terms to help prevent foreclosure is modification. This process typically involves negotiating new terms, such as reducing the interest rate, extending the loan term, or adjusting the monthly payment amount, thereby making it easier for the borrower to continue making payments and avoid foreclosure. The other terms do have distinct meanings that differ from modification. Refinancing refers to replacing an existing loan with a new one, often to secure better rates but not specifically aimed solely at preventing foreclosure. Recasting is primarily about adjusting the loan balance to lower monthly payments without changing the interest rate or term significantly. Deferment pertains to postponing payments on a loan, which does not involve changing the loan's original terms. Understanding these distinctions is crucial in real estate and finance contexts when discussing solutions to potential foreclosure situations.

10. What demographic trend was highlighted by census data from 2010-2011?

- A. Suburbs growing faster than cities**
- B. Major cities growing faster than their suburbs**
- C. Decrease in population density overall**
- D. Rural areas losing population to cities**

The choice indicating that major cities are growing faster than their suburbs reflects a significant demographic shift observed during that period. This trend can be attributed to various factors, including an increase in urbanization, where more people are drawn to the amenities, job opportunities, and lifestyle options that urban environments provide. During the decade around 2010, urban areas experienced an influx of residents, which reinforced the idea that cities were becoming more desirable places to live. This was particularly evident in many metropolitan areas where revitalization initiatives led to improved infrastructure, housing options, and public services in major cities, making them attractive to people of different ages and backgrounds. While some suburbs also grew during this time, the data specifically highlighted the more robust growth rates in major urban centers, showcasing a shift in living preferences that favored city life over suburban living.

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://floridarealestatelicenserenewal.examzify.com>

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