

Georgia Multiple Listing Service (MLS) Practice Exam (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. When asked for negotiation advice, how should a listing agent respond to a prospective buyer at an open house?**
 - A. As a client**
 - B. As a customer**
 - C. As an advisor**
 - D. As a facilitator**
- 2. What best describes a budget mortgage?**
 - A. A mortgage that requires interest-only payments**
 - B. A mortgage including payments for taxes and insurance**
 - C. A variable-rate mortgage with fluctuating payments**
 - D. A balloon payment mortgage**
- 3. What is the monthly PMI payment for a buyer who purchases a home for \$200,000 with a 90% LTV and a PMI rate of .64%?**
 - A. \$75.00**
 - B. \$84.00**
 - C. \$96.00**
 - D. \$120.00**
- 4. Upon discovering a termite infestation before closing, what is the best action for a listing agent to take?**
 - A. Ignore it to avoid complications**
 - B. Notify only the seller**
 - C. Inform both the buyer and seller for a collaborative decision**
 - D. Delay the closing until the issue is resolved**
- 5. What is a key feature of an adjustable rate mortgage?**
 - A. It has a fixed interest rate for the entire loan term**
 - B. It adjusts interest rates at predetermined intervals**
 - C. It does not require private mortgage insurance**
 - D. It is available exclusively for first-time homebuyers**

- 6. What would be the total monthly house payment for a buyer purchasing a property for \$250,000 with a 95% LTV?**
- A. \$1,500.00**
 - B. \$1,744.58**
 - C. \$2,000.00**
 - D. \$2,250.00**
- 7. What typically terminates a contract between a broker and a principal according to common law principles?**
- A. Completion of the sale**
 - B. Written notice from either party**
 - C. Either party declaring bankruptcy**
 - D. Absence of communication**
- 8. Which type of loan provides substantial protection to lenders in case of borrower default?**
- A. Conventional loan**
 - B. FHA loan**
 - C. VA loan**
 - D. Subprime loan**
- 9. Can a single agency represent both a buyer and a seller in the same transaction?**
- A. Yes, but only with the consent of both parties**
 - B. No, single agents cannot practice dual agency**
 - C. Yes, if the buyer and seller are from different states**
 - D. No, this is classified as illegal in all circumstances**
- 10. What factors control the maximum price a purchaser can pay for a home loan?**
- A. Interest rate and loan term**
 - B. Loan origination fees and credit score**
 - C. Maximum down payment and maximum monthly payment**
 - D. Property appraisal value and resale potential**

Answers

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

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Explanations

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1. When asked for negotiation advice, how should a listing agent respond to a prospective buyer at an open house?

- A. As a client**
- B. As a customer**
- C. As an advisor**
- D. As a facilitator**

In real estate scenarios, a listing agent has distinct roles when interacting with different parties. When addressing a prospective buyer at an open house, the listing agent should interact as a customer rather than as a client. This is crucial because the buyer is not represented by the listing agent; instead, they have their own interests and potentially their own agent. By recognizing the role as a customer, the listing agent can maintain an appropriate level of professionalism and avoid any conflicts that might arise from giving advice that could be perceived as working against their client's best interests (the seller's). Understanding this dynamic allows the listing agent to provide basic information about the listing and the property while encouraging the buyer to seek their own representation for negotiations. This approach emphasizes transparency and helps build trust, as the prospective buyer is more likely to feel comfortable engaging in discussions about the property when they know the agent is not trying to act in a dual capacity that could complicate the negotiation.

2. What best describes a budget mortgage?

- A. A mortgage that requires interest-only payments**
- B. A mortgage including payments for taxes and insurance**
- C. A variable-rate mortgage with fluctuating payments**
- D. A balloon payment mortgage**

A budget mortgage is best described as a loan that includes payments for not only the principal and interest but also for property taxes and homeowner's insurance. This structure allows borrowers to have a more predictable monthly expense since they do not have to budget separately for these additional costs. By rolling these expenses into the monthly mortgage payment, it simplifies financial planning and ensures that critical obligations such as taxes and insurance are not overlooked. While interest-only payments or balloon payments may serve specific financial strategies or needs, they do not encompass the comprehensive nature of a budget mortgage. Variable-rate mortgages introduce a level of unpredictability that contrasts with the steady payment structure associated with budget mortgages. The characteristic of including taxes and insurance payments allows for a more holistic approach to managing home ownership expenses, hence making option B the most accurate representation of a budget mortgage.

3. What is the monthly PMI payment for a buyer who purchases a home for \$200,000 with a 90% LTV and a PMI rate of .64%?

- A. \$75.00
- B. \$84.00
- C. \$96.00**
- D. \$120.00

To calculate the monthly PMI (Private Mortgage Insurance) payment, you first need to determine the amount of the loan (the mortgage). With a purchase price of \$200,000 and a loan-to-value (LTV) ratio of 90%, the amount of the loan can be established as follows: 1. Calculate the loan amount by multiplying the home price by the LTV ratio. In this case, it would be \$200,000 multiplied by 90% (or 0.90), which equals \$180,000. 2. Next, you will calculate the annual PMI cost. The PMI rate provided is 0.64%, so multiply the loan amount by this rate: \$180,000 times 0.0064 equals \$1,152. This amount represents the annual PMI. 3. To find the monthly PMI payment, divide the annual PMI cost by 12 months. Therefore, \$1,152 divided by 12 is \$96 per month. This calculation confirms that the monthly PMI payment for the buyer under the specified conditions is indeed \$96. So, the correct answer is supported by directly applying the formulas for LTV, annual PMI calculations, and subsequent monthly division.

4. Upon discovering a termite infestation before closing, what is the best action for a listing agent to take?

- A. Ignore it to avoid complications
- B. Notify only the seller
- C. Inform both the buyer and seller for a collaborative decision**
- D. Delay the closing until the issue is resolved

The best action for a listing agent upon discovering a termite infestation is to inform both the buyer and seller for a collaborative decision. This approach fosters transparency and open communication between all parties involved in the transaction. By notifying both the buyer and seller, the agent ensures that everyone is aware of the situation, enabling them to discuss potential remedies and agree on a course of action that may include treatment of the infestation, renegotiating the price, or making other arrangements before closing. Collaboration in such scenarios is crucial, as it allows both parties to manage the issue proactively instead of reacting to it later. Ignoring the problem could lead to significant liability for the agent, and notifying only the seller could create mistrust or lead to complications down the line. Delaying the closing might seem like a reasonable option, but without the input of both parties, it could create frustration and misunderstandings. Engaging both the buyer and seller in finding a solution shows professionalism and adherence to ethical standards in real estate transactions.

5. What is a key feature of an adjustable rate mortgage?

- A. It has a fixed interest rate for the entire loan term
- B. It adjusts interest rates at predetermined intervals**
- C. It does not require private mortgage insurance
- D. It is available exclusively for first-time homebuyers

An adjustable rate mortgage (ARM) is characterized by its ability to adjust interest rates at predetermined intervals. This means that the interest rate on the loan is not fixed for the entire term but changes at specified times based on market conditions, often tied to a specific index. This feature allows borrowers to potentially benefit from lower initial rates compared to fixed-rate mortgages, though it can also lead to higher payments if interest rates rise over time. The other choices do not accurately reflect the nature of an adjustable rate mortgage. A fixed interest rate for the entire loan term describes a fixed-rate mortgage, not an ARM. The requirement for private mortgage insurance (PMI) generally relates to the down payment size rather than the type of loan and is not a defining feature of ARMs. Lastly, adjustable rate mortgages are not limited exclusively to first-time homebuyers; they can be available to any qualified borrower looking to finance a home. Understanding the mechanics of ARMs is crucial for making informed decisions about mortgage options.

6. What would be the total monthly house payment for a buyer purchasing a property for \$250,000 with a 95% LTV?

- A. \$1,500.00
- B. \$1,744.58**
- C. \$2,000.00
- D. \$2,250.00

To determine the total monthly house payment for a buyer purchasing a property priced at \$250,000 with a 95% loan-to-value (LTV) ratio, the critical factors to consider include the loan amount, interest rate, and loan term, typically 30 years for most mortgages. First, calculate the loan amount, which represents 95% of the purchase price. In this case, 95% of \$250,000 is \$237,500. Next, to compute the monthly house payment, you'll generally use a mortgage calculation formula or an amortization schedule, which factors in the interest rate and loan term. Assuming a common interest rate (for instance, around 4% to 5%) for a 30-year fixed mortgage, the monthly principal and interest payment can be calculated using a mortgage calculator or the formula: $M = P[r(1 + r)^n] / [(1 + r)^n - 1]$ Where: - M is the total monthly mortgage payment. - P is the loan principal (in this case, \$237,500). - r is the monthly interest rate (annual interest rate divided by 12). - n is the number of payments (loan term in months). In this example,

7. What typically terminates a contract between a broker and a principal according to common law principles?

- A. Completion of the sale**
- B. Written notice from either party**
- C. Either party declaring bankruptcy**
- D. Absence of communication**

The termination of a contract between a broker and a principal, particularly in the context of common law principles, typically occurs through various means. The correct choice indicates that if either party declares bankruptcy, this can indeed lead to the termination of the contract. When one party is declared bankrupt, it generally means that they are unable to fulfill their contractual obligations due to financial distress. In such scenarios, common law principles stipulate that the contract may be voided or terminated because the ability of the bankrupt party to perform their duties under the contract is compromised. This aligns with the legal principle that contracts require the ability to perform as a fundamental aspect, and bankruptcy can materially affect that ability. Conversely, while completion of the sale certainly concludes certain aspects of a contract, it doesn't universally terminate contracts in ongoing relationships, such as those that may involve after-sale services. Written notice from either party is a method of termination but not the most typical circumstance under common law conditions - it's often more specific to the needs and terms outlined in the contract itself. Absence of communication does not inherently terminate a contract; rather, contracts often require an affirmative action for termination, as silence isn't typically construed as a terminating action in legal terms. Overall, the nuances of contract law make

8. Which type of loan provides substantial protection to lenders in case of borrower default?

- A. Conventional loan**
- B. FHA loan**
- C. VA loan**
- D. Subprime loan**

The correct answer pertains to the VA loan, which is designed to provide significant protection to lenders in the event of borrower default. VA loans are backed by the U.S. Department of Veterans Affairs, which guarantees a portion of the loan. This guarantee reduces the lender's risk, as they can recoup some of their losses even if the borrower fails to make payments. This protection encourages lenders to offer favorable terms, such as no down payment and competitive interest rates, making homeownership more accessible for veterans and service members. In contrast, conventional loans are not backed by any government entity, which means lenders assume higher risk, especially if the borrower defaults. FHA loans, while providing some level of security to lenders through mortgage insurance, do not offer the same level of backing as a VA loan. Subprime loans typically cater to borrowers with lower credit ratings and come with higher risks, which means they also lack the protective features found in VA loans. Overall, the VA loan's guarantee is a key factor that enhances lender confidence and ensures protection in case of borrower default.

9. Can a single agency represent both a buyer and a seller in the same transaction?

- A. Yes, but only with the consent of both parties**
- B. No, single agents cannot practice dual agency**
- C. Yes, if the buyer and seller are from different states**
- D. No, this is classified as illegal in all circumstances**

The assertion that a single agency cannot represent both a buyer and a seller in the same transaction is grounded in the concept of agency relationships in real estate. In a single agency relationship, an agent owes loyalty and fiduciary duties to only one party—either the buyer or the seller. This is designed to prevent conflicts of interest and to ensure that the agent can fully advocate for the client's best interests without dividing their loyalty or compromising their duties. In contrast, dual agency occurs when a single agent represents both the buyer and the seller in the same transaction, which can lead to inherent conflicts of interest. For instance, the agent may struggle to negotiate effectively on behalf of both parties because the interests of buyers and sellers are often opposing. To practice dual agency legally, specific disclosures and consent from both parties are required, emphasizing the challenges and limitations imposed on the agent's ability to fulfill fiduciary obligations. Since the question focuses on a single agency's capabilities, the correct answer recognizes that single agents do not engage in dual agency, preventing possible ethical dilemmas and conflicts that could arise from representing both sides. This understanding is crucial for maintaining professional standards and protecting clients' interests in real estate transactions.

10. What factors control the maximum price a purchaser can pay for a home loan?

- A. Interest rate and loan term**
- B. Loan origination fees and credit score**
- C. Maximum down payment and maximum monthly payment**
- D. Property appraisal value and resale potential**

The maximum price a purchaser can pay for a home loan is primarily influenced by both the maximum down payment and the maximum monthly payment they can afford. The maximum down payment determines how much money the buyer can contribute upfront, which subsequently affects the total loan amount required. A larger down payment can lower the overall loan amount needed and potentially make the mortgage more affordable by reducing monthly payments and interest costs. Additionally, the maximum monthly payment is crucial because lenders often assess a borrower's debt-to-income ratio to ascertain how much they are willing to lend. This ratio compares the monthly housing payments to the buyer's gross monthly income, influencing the amount of loan they can afford while ensuring that they will not be financially overburdened. This combination of down payment and monthly payment limits provides a clear framework for understanding the maximum price a buyer can afford, aligning it with responsible lending practices and the buyer's financial capability. Other factors, while important, do not directly set the maximum price a purchaser can pay in the same way.

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://georgia-multiplelistingservice.examzify.com>

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