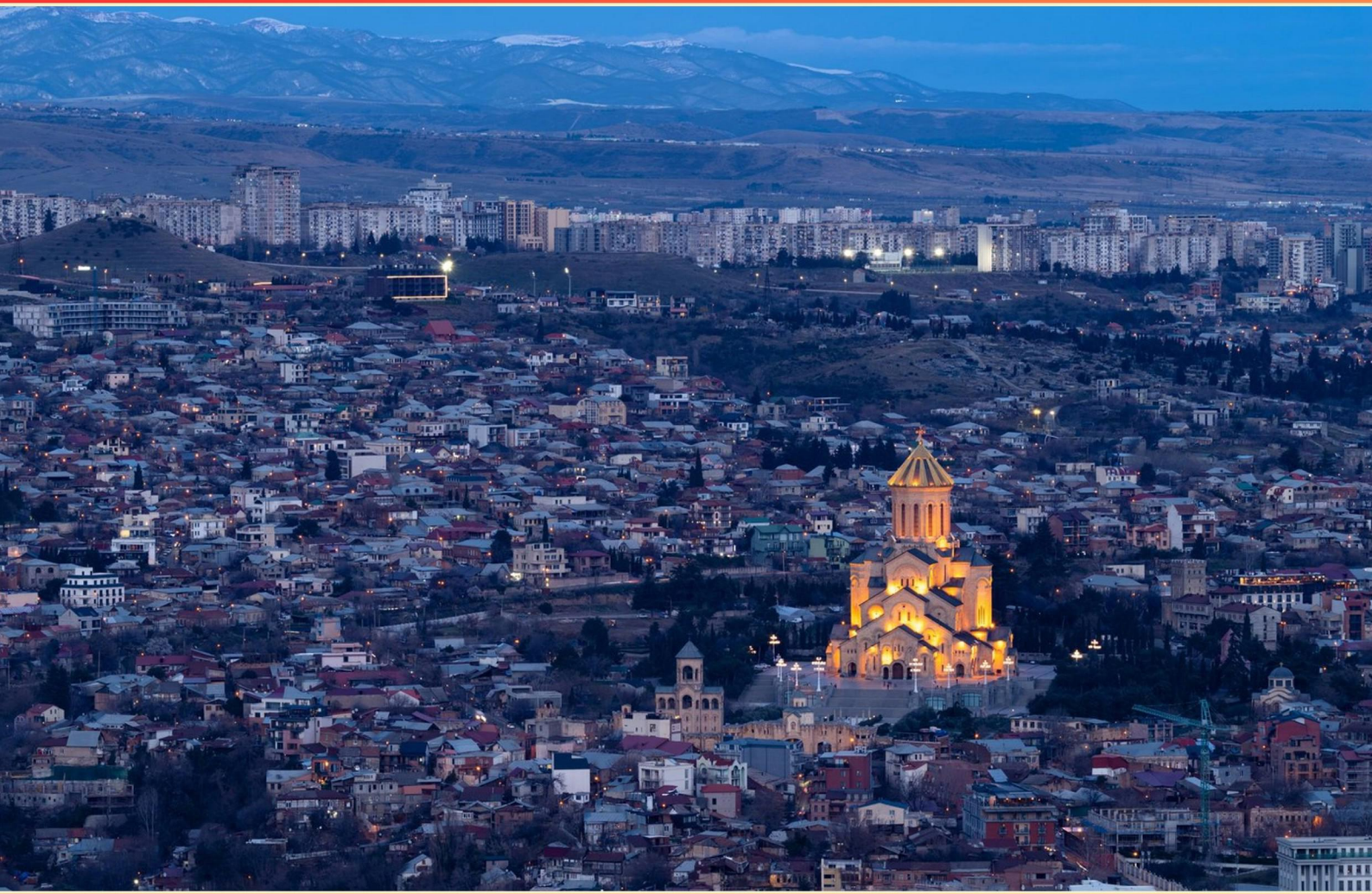


GEORGIA MULTIPLE LISTING SERVICE (MLS) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://georgia-multiplelistingservice.examzify.com>



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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. When should a licensee make disclosure regarding whom their firm intends to represent in a transaction?**
 - A. After the transaction is completed
 - B. Only when asked by the parties
 - C. Verbally and in writing as soon as possible
 - D. At the closing of the transaction
- 2. As an independent contractor for a brokerage firm, what must a licensee have with the broker?**
 - A. A verbal agreement
 - B. A signed employment agreement/contract
 - C. A business license
 - D. A commission agreement
- 3. If a property is sold for \$139,000 with a 6% commission split, what would be the agent's share if they agreed on a 60/40 split with their broker?**
 - A. \$1,200
 - B. \$2,502
 - C. \$3,000
 - D. \$5,520
- 4. Can a selling broker represent a purchaser and act as a subagent of the listing broker simultaneously in the same transaction?**
 - A. Yes, if the buyer agrees
 - B. No, the broker must represent the seller while treating the buyer as a customer
 - C. Only if a written agreement is in place
 - D. Yes, but only for certain properties
- 5. During the underwriting process, which aspect is primarily evaluated?**
 - A. Property location
 - B. Borrower's creditworthiness
 - C. Market trends
 - D. Property size

- 6. What is the common term for a loan that allows borrowers to pay only the interest on the principal for a certain period?**
- A. Amortized loan
 - B. Interest-only loan
 - C. Adjustable rate loan
 - D. Fixed-rate loan
- 7. A buyer purchases a house with an 80% LTV on a \$258,000 property, what is the down payment amount required?**
- A. \$30,000
 - B. \$40,000
 - C. \$51,600
 - D. \$51,800
- 8. If a retired couple negotiates a loan that provides them with monthly checks for life while residing in their home, what type of loan is this?**
- A. Home equity loan
 - B. A reverse annuity mortgage (RAM)
 - C. Conventional mortgage
 - D. Fixed-rate mortgage
- 9. What potential benefit does mortgage insurance offer to lenders?**
- A. It guarantees a full repayment
 - B. It mitigates the risk from high LTV loans
 - C. It provides direct financial assistance to buyers
 - D. It guarantees fast loan processing
- 10. What does LTV stand for in real estate transactions?**
- A. Loan to Value
 - B. Lease to Value
 - C. Loan to Valuation
 - D. Lease to Valuation

Answers

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

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Explanations

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1. When should a licensee make disclosure regarding whom their firm intends to represent in a transaction?

- A. After the transaction is completed
- B. Only when asked by the parties
- C. Verbally and in writing as soon as possible**
- D. At the closing of the transaction

The correct choice indicates that a licensee should make disclosure regarding whom their firm intends to represent in a transaction verbally and in writing as soon as possible. This is a critical aspect of maintaining transparency and ethical practice within the real estate profession. Providing timely disclosure helps all parties understand who the licensee is representing, which is essential for informed decision-making. By disclosing this information early in the process, the licensee fosters trust and clarity between themselves and the clients involved. This practice also aligns with the legal obligations imposed on real estate professionals to avoid potential conflicts of interest and to ensure that all participants in the transaction are aware of the representation being provided. The importance of immediate disclosure lies in the fact that it allows all parties to adjust their expectations and strategies during negotiations. If the disclosure is delayed, it can lead to misunderstandings and conflicts later on. In contrast, waiting until after the transaction is completed, only disclosing when asked, or doing so at the closing stage would not fulfill the ethical and legal obligations to keep all involved parties fully informed. Each of these other scenarios could potentially mislead parties involved in the transaction, undermining the integrity of the process.

2. As an independent contractor for a brokerage firm, what must a licensee have with the broker?

- A. A verbal agreement
- B. A signed employment agreement/contract**
- C. A business license
- D. A commission agreement

In the context of being an independent contractor for a brokerage firm, a licensee is required to have a signed employment agreement or contract with the broker. This formal agreement outlines the terms and conditions of the relationship between the licensee and the brokerage, including the responsibilities of both parties, the scope of work, commission structures, and any other relevant details that govern the working relationship. Having a written agreement is essential to clarify the nature of the independent contractor status, to ensure compliance with legal and regulatory requirements, and to protect the rights of both the broker and the licensee. It establishes a professional framework that can help prevent misunderstandings and disputes in the future. While verbal agreements may hold some weight, they are often less reliable than written contracts, which provide clear documentation of the terms agreed upon. A business license and commission agreements are related to aspects of the brokerage's operation or commission structure, but they do not encompass the full scope of the required relationship between the broker and the licensee. Thus, the signed employment agreement or contract is the critical document that formalizes and legitimizes the independent contractor status in this scenario.

3. If a property is sold for \$139,000 with a 6% commission split, what would be the agent's share if they agreed on a 60/40 split with their broker?

- A. \$1,200
- B. \$2,502**
- C. \$3,000
- D. \$5,520

To determine the agent's share from a property sold for \$139,000 with a 6% commission split and a 60/40 split with the broker, you start by calculating the total commission on the sale. First, calculate the total commission by multiplying the sale price by the commission rate: $\$139,000 \times 0.06 = \$8,340$. Next, since the agent and broker agreed on a 60/40 split, the agent receives 60% of the total commission. To find the agent's share, calculate 60% of \$8,340: $\$8,340 \times 0.60 = \$5,004$. It seems there was a misunderstanding in the answer options listed. The calculation here leads to the agent's share being \$5,004, not \$2,502. The importance of understanding the commission structure and how percentages work in real estate transactions is crucial for agents to effectively manage their earnings and negotiate their share with brokers. Therefore, it is essential to always perform the commission calculations with both the total sale price and the respective commission percentages to ascertain the correct amounts for both the agent and broker.

4. Can a selling broker represent a purchaser and act as a subagent of the listing broker simultaneously in the same transaction?

- A. Yes, if the buyer agrees
- B. No, the broker must represent the seller while treating the buyer as a customer**
- C. Only if a written agreement is in place
- D. Yes, but only for certain properties

In the context of real estate transactions and agency relationships, a selling broker typically has a defined role that hinges on their agreement with the parties involved. When it comes to representing a purchaser and simultaneously acting as a subagent of the listing broker, this situation can lead to a conflict of interest, which is why it is crucial to understand the implications of each party's rights and expectations. The correct answer highlights that the selling broker cannot concurrently represent the buyer while also acting as the seller's subagent. In this dual role, the broker's obligations to the seller could compromise their ability to advocate effectively and transparently for the buyer's interests. Under Georgia law, a broker acting as a subagent of the listing broker essentially serves the seller's interests, which inherently places the broker's duty to the buyer in a position of secondary importance. Thus, the broker must represent the seller's interests while treating the buyer as a customer, which means the buyer would receive no fiduciary representation or loyalty from the broker. This provision ensures that there are clear boundaries in agency relationships, maintaining transparency and protection for all parties involved in the transaction. When working with buyers, brokers must disclose whom they represent to avoid confusion or potential legal issues stemming from dual agency scenarios. Therefore,

5. During the underwriting process, which aspect is primarily evaluated?

- A. Property location
- B. Borrower's creditworthiness**
- C. Market trends
- D. Property size

The evaluation of the borrower's creditworthiness is a critical aspect of the underwriting process because it helps lenders determine the likelihood that the borrower will be able to repay the loan. This assessment typically includes reviewing the borrower's credit score, credit history, income, employment stability, debt-to-income ratio, and financial habits. A thorough analysis of these factors allows the lender to gauge risk and make informed decisions regarding loan approval, interest rates, and terms. While property location, market trends, and property size are important considerations in the overall lending process and can influence property value, the primary focus of underwriting is the borrower's financial capacity to manage the mortgage. Ultimately, ensuring the borrower has a strong credit background enhances the lender's confidence in the transaction and reduces the risk of default.

6. What is the common term for a loan that allows borrowers to pay only the interest on the principal for a certain period?

- A. Amortized loan
- B. Interest-only loan**
- C. Adjustable rate loan
- D. Fixed-rate loan

The common term for a loan that permits borrowers to pay only the interest on the principal for a specified period is indeed the interest-only loan. This type of loan structure means that during the initial phase, the borrower is not required to make payments toward the principal, only the interest accrued, which typically makes the monthly payments lower than those on a traditional amortized loan. Interest-only loans can be quite advantageous for certain borrowers, allowing them to manage cash flow more effectively during the interest-only period. However, borrowers must be aware that once this period concludes, they will either need to start paying off the principal or refinance, which can lead to significantly higher payments if not planned for accordingly. In contrast, an amortized loan involves payments that cover both principal and interest, gradually reducing the outstanding balance over time. Adjustable-rate loans feature fluctuating interest rates that can change based on market conditions, and fixed-rate loans have a stationary interest rate for the life of the loan, which does not allow for interest-only payment options. Understanding these distinctions is crucial for evaluating different loan types in real estate transactions.

7. A buyer purchases a house with an 80% LTV on a \$258,000 property, what is the down payment amount required?

- A. \$30,000
- B. \$40,000
- C. \$51,600**
- D. \$51,800

To determine the down payment amount required for a property with a specific loan-to-value (LTV) ratio, you first need to understand what LTV represents. An LTV of 80% indicates that the buyer is financing 80% of the property's value with a mortgage, which means they need to provide a down payment for the remaining 20%. First, calculate the value of 20% of the property price. The house is valued at \$258,000, and 20% of this amount is calculated as: $0.20 \times \$258,000 = \$51,600$. Thus, the down payment required for a buyer purchasing a house with an 80% LTV on a \$258,000 property is indeed \$51,600. This amount is essential for the buyer to secure their mortgage, representing the portion of the property value that the buyer must pay upfront.

8. If a retired couple negotiates a loan that provides them with monthly checks for life while residing in their home, what type of loan is this?

- A. Home equity loan
- B. A reverse annuity mortgage (RAM)**
- C. Conventional mortgage
- D. Fixed-rate mortgage

The situation described refers to a reverse annuity mortgage (RAM), which is specifically designed for homeowners, typically retirees, to access the equity in their home in the form of monthly payments. This type of loan allows for the homeowner to receive cash payments while still living in the home, rather than making payments toward a mortgage. In a RAM, the homeowners don't have to repay the loan until they move out of the home, at which point the loan is typically settled through the sale of the property. This arrangement is beneficial for retirees who may have limited income but want to maintain their lifestyle without having to make monthly mortgage payments. The other options highlight different types of mortgage products. A home equity loan allows a homeowner to borrow against the equity they have accumulated in their home but requires the borrower to make regular payments. A conventional mortgage is a traditional loan used to purchase a property and usually involves fixed monthly payments. A fixed-rate mortgage is a type of conventional mortgage where the interest rate remains constant throughout the loan term. However, none of these options provide the monthly cash flow while allowing the homeowners to retain ownership of the home in the same way that a reverse annuity mortgage does.

9. What potential benefit does mortgage insurance offer to lenders?

- A. It guarantees a full repayment
- B. It mitigates the risk from high LTV loans**
- C. It provides direct financial assistance to buyers
- D. It guarantees fast loan processing

Mortgage insurance serves as a protective measure for lenders, particularly in the context of high loan-to-value (LTV) ratio loans. When borrowers make a down payment that is less than 20% of the property's value, the risk of default increases because the borrower has less equity in the property. Mortgage insurance mitigates this risk by compensating lenders for losses in the event that the borrower defaults on the loan. This insurance allows lenders to approve loans that they otherwise might not consider due to the heightened risk associated with lower down payments. Because the insurance covers a portion of the potential losses, lenders have the flexibility to offer higher LTV loans, thereby enabling more buyers to enter the market who may not have large savings for a down payment. This dynamic also assists in promoting homeownership by making it more accessible to a broader demographic. Essentially, the existence of mortgage insurance facilitates a healthier lending environment by reducing the financial exposure for lenders while providing opportunities for buyers to obtain financing.

10. What does LTV stand for in real estate transactions?

- A. Loan to Value**
- B. Lease to Value
- C. Loan to Valuation
- D. Lease to Valuation

In real estate transactions, LTV stands for Loan to Value. This is a financial term that represents the ratio of a loan to the value of the property being purchased. It is calculated by dividing the loan amount by the appraised value or purchase price of the property, whichever is lower, and is typically expressed as a percentage. The LTV ratio is an important metric used by lenders to assess risk in mortgage lending. A higher LTV ratio indicates that the borrower is financing a larger portion of the property's value with debt, which can signal higher risk to lenders. Conversely, a lower LTV ratio is generally seen as a sign of lower risk, as it indicates that the borrower has a larger equity stake in the property. This metric is crucial for determining loan eligibility, interest rates, and insurance requirements, further influencing the overall terms of a mortgage. Understanding LTV is fundamental for buyers and real estate professionals as it directly impacts financing options and investment strategies.

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:

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

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