

Guam Real Estate 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

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- 1. What is a typical duration for a real estate listing agreement?**
 - A. 1 week
 - B. 1 month
 - C. 3 months
 - D. 6 months or more
- 2. What does it indicate when a property is "in foreclosure"?**
 - A. The property is undergoing renovation
 - B. The property is being sold by the lender after missed mortgage payments
 - C. The property has been bought by an investor
 - D. The property is being rented out
- 3. How does a mortgage affect a homeowner's financial responsibilities?**
 - A. It decreases the homeowner's spending capability
 - B. It affects credit score only
 - C. It is an additional financial obligation that must be met
 - D. It has no influence on overall expenses
- 4. What is generally considered part of real property?**
 - A. Movable personal belongings
 - B. Land and everything attached to it
 - C. Only public amenities
 - D. Financial investments
- 5. What rights does a broker have under a net listing agreement?**
 - A. To sell the property for any price
 - B. To retain any earnings above the seller's net amount
 - C. To cancel the agreement at any time
 - D. To advertise the property publicly
- 6. What does a deed represent in real estate?**
 - A. A lease agreement
 - B. Evidence of title
 - C. A planning document for property development
 - D. A tax assessment document

7. What is the purpose of a closing statement in a real estate transaction?

- A. To list the property features
- B. To summarize the transaction details and costs
- C. To provide a listing of agent commissions
- D. To propose future rental agreements

8. What is the primary purpose of discount points in a mortgage?

- A. To increase the loan amount
- B. To lower the interest rate charged on the loan
- C. To cover the lender's administrative costs
- D. To secure insurance for the loan

9. What type of deed warrants only against issues that occurred during the seller's ownership?

- A. General warranty deed
- B. Quitclaim deed
- C. Special warranty deed
- D. Bargain and sale deed

10. How many square feet are in an acre?

- A. 4,840
- B. 43,560
- C. 10,000
- D. 22,000

Answers

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

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Explanations

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1. What is a typical duration for a real estate listing agreement?

- A. 1 week
- B. 1 month
- C. 3 months
- D. 6 months or more**

A typical duration for a real estate listing agreement is often 6 months or more due to several factors that benefit both the seller and the real estate agent. This time frame allows sufficient opportunity for marketing, showing the property, and negotiating with prospective buyers. Real estate agents rely on a reasonable period for actively promoting the property through various channels, including multiple listing services, social media, and open houses. A longer listing period gives agents the time necessary to adjust strategies based on market feedback and to reach out to a broader audience, ultimately increasing the chances of selling the property at an optimal price. Shorter durations, like one week or one month, may not provide adequate time for these processes, which can lead to hasty decisions and potential undervaluation of the property. Thus, a listing agreement of 6 months or more is quite common in the real estate industry, as it aligns with the time needed for effective sales strategies.

2. What does it indicate when a property is "in foreclosure"?

- A. The property is undergoing renovation
- B. The property is being sold by the lender after missed mortgage payments**
- C. The property has been bought by an investor
- D. The property is being rented out

When a property is "in foreclosure," it signifies that the owner has defaulted on their mortgage payments, leading the lender to take legal action to reclaim the property. This typically occurs when the homeowner fails to meet the repayment schedule agreed upon in the mortgage contract. The lender initiates foreclosure proceedings to recover the remaining balance on the loan by selling the property. During this process, the lender may sell the property through a public auction or might list it with real estate agents to find a buyer. The primary goal in this scenario is to recoup the financial loss incurred due to the unpaid mortgage. This situation reflects bankruptcy or significant financial distress on part of the homeowner, as opposed to renovations or investment activities, which do not imply a state of default or legal reclamation of property.

3. How does a mortgage affect a homeowner's financial responsibilities?

- A. It decreases the homeowner's spending capability
- B. It affects credit score only
- C. It is an additional financial obligation that must be met**
- D. It has no influence on overall expenses

A mortgage significantly impacts a homeowner's financial responsibilities by introducing an additional financial obligation that must be managed alongside other expenses such as property taxes, insurance, and maintenance costs. When a homeowner takes on a mortgage, they commit to making regular payments—typically monthly—which will include principal and interest. This payment reduces disposable income available for other spending. The commitment to regular mortgage payments also affects financial planning, as homeowners need to budget for these payments to avoid defaulting. Moreover, failure to meet mortgage obligations can lead to severe consequences, such as foreclosure, which can drastically affect the homeowner's financial situation and credit profile. Thus, recognizing a mortgage as an additional responsibility is crucial for financial management when owning property. In contrast, other options misrepresent the nuances of how a mortgage influences financial health. For instance, stating that a mortgage only affects credit scores overlooks the broader financial implications and responsibilities attached to homeownership. Similarly, the idea that a mortgage does not influence overall expenses ignores the significant impact that monthly payments have on a homeowner's budget and financial planning.

4. What is generally considered part of real property?

- A. Movable personal belongings
- B. Land and everything attached to it**
- C. Only public amenities
- D. Financial investments

Real property is defined as land and everything permanently attached to it, which is why the answer indicating land and its attachments is correct. This includes structures like buildings, fences, and any improvements made to the land that are intended to remain in place. The concept emphasizes that real property encompasses both the physical land itself and any items that are affixed or built onto that land. For example, a house built on a parcel of land is considered part of that real property because it is a permanent structure. Conversely, movable personal belongings, such as furniture and appliances, do not qualify as part of real property because they can be removed without altering the integrity of the land or its attachments. Similarly, public amenities might exist on a property, but they do not constitute the property itself in the real estate context. Financial investments pertain to the monetary aspect of real estate but do not define what makes up real property physically.

5. What rights does a broker have under a net listing agreement?

- A. To sell the property for any price
- B. To retain any earnings above the seller's net amount**
- C. To cancel the agreement at any time
- D. To advertise the property publicly

A broker under a net listing agreement has the right to retain any earnings above the seller's net amount. In this type of agreement, the seller specifies a certain net amount they wish to receive from the sale of their property. The broker then has the incentive to sell the property for a price higher than that specified net amount. The broker keeps the difference as their commission. This structure creates a motivation for the broker to achieve a better sales price, benefiting both the broker and the seller as the broker has the opportunity to earn more by negotiating a higher sale price. Importantly, net listing agreements are less common and can sometimes raise ethical concerns, as they can create potential conflicts of interest depending on how they are handled.

6. What does a deed represent in real estate?

- A. A lease agreement
- B. Evidence of title**
- C. A planning document for property development
- D. A tax assessment document

A deed represents evidence of title in real estate transactions. It is a legal document that conveys ownership of property from one party to another. When a property is sold or transferred, the deed serves as proof that the seller has the right to transfer ownership and that the buyer is the new owner of the property. The deed includes important details, such as the names of the parties involved, a description of the property, and the signature of the grantor (seller), making it essential for establishing legal title. Understanding what a deed signifies is crucial for anyone involved in real estate, as it is foundational to the process of property ownership and transactions. Other documents, such as lease agreements, focus on rental arrangements rather than ownership; planning documents are concerned with development regulations; and tax assessment documents relate to property value assessments for taxation purposes, rather than directly transferring ownership rights.

7. What is the purpose of a closing statement in a real estate transaction?

- A. To list the property features
- B. To summarize the transaction details and costs**
- C. To provide a listing of agent commissions
- D. To propose future rental agreements

The purpose of a closing statement in a real estate transaction is to summarize the transaction details and costs. This document serves as a comprehensive account of the financial aspects involved in the sale, including the purchase price, closing costs, fees, and any adjustments that may have been made. It provides both the buyer and seller with a clear overview of the final figures, ensuring that all parties are informed of their financial obligations and entitlements at the closing of the transaction. This document is crucial as it helps to establish transparency and accountability in the real estate process, allowing all involved to confirm that the terms of the deal have been followed and that there are no outstanding costs or discrepancies. Understanding the closing statement is essential for both buyers and sellers to ensure a smooth and successful completion of the transaction.

8. What is the primary purpose of discount points in a mortgage?

- A. To increase the loan amount
- B. To lower the interest rate charged on the loan**
- C. To cover the lender's administrative costs
- D. To secure insurance for the loan

The primary purpose of discount points in a mortgage is to lower the interest rate charged on the loan. When a borrower pays discount points upfront, they are essentially making a financial trade-off: they pay a percentage of the loan amount to reduce the ongoing interest cost on that loan. Each point typically costs 1% of the loan amount and can lower the interest rate by a predefined amount, often around 0.25%. By paying discount points, borrowers can benefit from smaller monthly payments, making home ownership more affordable over time. This is especially beneficial for those who plan to stay in the home for a longer duration, as the upfront cost of the points can be recouped through the savings on interest over the life of the loan. Thus, the correct answer highlights the role of discount points as a tool for managing interest expenses effectively.

9. What type of deed warrants only against issues that occurred during the seller's ownership?

- A. General warranty deed
- B. Quitclaim deed
- C. Special warranty deed**
- D. Bargain and sale deed

A special warranty deed specifically warrants that the seller is only responsible for any issues with the title that arose during their period of ownership. This means that the seller guarantees that they have not done anything to cloud the title or create any liens while they owned the property. This type of deed is commonly used in transactions where the seller wants to limit their liability, making it an attractive option for them, particularly if they are unsure about the property's history before their ownership. In contrast, a general warranty deed provides the most comprehensive protection to the buyer, as it covers the entire history of the title, regardless of when issues arose. A quitclaim deed, on the other hand, provides no warranties at all and simply transfers whatever interest the seller may have without any guarantees. Lastly, a bargain and sale deed typically implies that the seller has ownership and the right to sell but does not guarantee against any defects in the title that may have occurred before the seller's ownership. Therefore, the distinction of a special warranty deed lies in its focused protection relating only to the seller's ownership period, making it the correct answer in this context.

10. How many square feet are in an acre?

- A. 4,840
- B. 43,560**
- C. 10,000
- D. 22,000

An acre is a unit of area commonly used in the United States and other countries that utilize the imperial measurement system. The correct answer, 43,560 square feet, is the standard measurement for one acre. This figure is derived from historical practices in land measurement and has been standardized for clarity in real estate transactions and land development. Understanding this measurement is crucial in real estate, as it helps assess land size, understand zoning regulations, and make informed decisions about property development and investment. In practical terms, this means that if you have a piece of land that is one acre, it would cover a total area of 43,560 square feet, which can be important for everything from farming to assessing property value. The other choices represent incorrect values for an acre, which might confuse someone unfamiliar with land measurements. For example, 10,000 square feet is equivalent to a little over one-fifth of an acre, while 4,840 and 22,000 square feet are also not standard sizes for an acre, hence why understanding the precise value of 43,560 square feet is vital for anyone studying or working in real estate.

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://guamrealestate.examzify.com>

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

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