

Hawaii Real Estate Salesperson 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. Which is true of a second mortgage?**
 - A. It is usually issued at a higher rate of interest.**
 - B. It is not negotiable.**
 - C. It has priority over the first mortgage.**
 - D. It cannot be used as a security instrument.**
- 2. Which item is NOT included in a condominium development's declaration?**
 - A. The names of the board of directors of the owners association**
 - B. A description of the land on which it is to be built**
 - C. A description of the limited common elements**
 - D. The percentage of undivided interest in the common elements**
- 3. If a seller withdraws an acceptance of a buyer's offer after the seller signed, what is the status of the broker's commission?**
 - A. Is out of luck because the transaction was never completed**
 - B. May sue the buyer for commission**
 - C. Is entitled to collect a commission**
 - D. May retain the deposit as commission**
- 4. Which of the following best describes a listing agreement in real estate?**
 - A. A contract that states how commissions are set by law**
 - B. A document detailing terms between the seller and broker regarding property sale**
 - C. An informal agreement that can be changed at any time**
 - D. A contract that obliges buyers to purchase regardless of conditions**
- 5. What is the term for a clause allowing a lender to demand full repayment upon a borrower's default?**
 - A. An acceleration clause**
 - B. A forfeiture clause**
 - C. A judgement clause**
 - D. An escalator clause**

- 6. What should the expiration time frame for property inspection include in a purchase contract?**
- A. Complete negotiations to address discovered defects**
 - B. Complete the inspection only**
 - C. Complete inspection and correct all defects discovered**
 - D. Complete research into local vendors**
- 7. If a claim against a licensee requires funds from the Real Estate Recovery Fund, what must the licensee do?**
- A. Continue engaging in real estate activities under the Commission's supervision**
 - B. Repay the full amount plus interest to regain a new license**
 - C. Aggrieved party may later collect additional damages**
 - D. Pay \$25 per year into the account to renew their license**
- 8. A person who believes that they have been illegally discriminated against may file a complaint with which of the following?**
- A. Real Estate Commission**
 - B. Board of REALTORS**
 - C. Governor**
 - D. Civil Rights Commission**
- 9. What type of notice must a tenant provide in a month-to-month rental situation?**
- A. 3 days' notice**
 - B. 14 days' notice**
 - C. 30 days' notice**
 - D. 60 days' notice**
- 10. Is it a violation of the license law for a broker to receive a referral fee from a pest control company ordered by the seller for a termite certificate?**
- A. Yes, special fees may be paid to the broker only by the seller.**
 - B. No, as long as the fee is less than \$50.**
 - C. No, as long as the fee is disclosed and consent is received from the client.**
 - D. Yes, a broker may not receive a referral fee.**

Answers

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

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Explanations

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1. Which is true of a second mortgage?

- A. It is usually issued at a higher rate of interest.**
- B. It is not negotiable.**
- C. It has priority over the first mortgage.**
- D. It cannot be used as a security instrument.**

A second mortgage is typically issued at a higher rate of interest compared to a first mortgage. This is because second mortgages are subordinate to first mortgages, meaning they carry a higher risk for the lender. In the event of default, the first mortgage lender has priority in claims against the property. Consequently, lenders charge a higher interest rate on second mortgages to compensate for the increased risk associated with their position in the repayment hierarchy. Understanding this aspect of second mortgages helps clarify their function in the real estate market, as they are often used by homeowners to tap into equity for additional funding while accepting the higher financing cost as a trade-off for accessing those additional funds.

2. Which item is NOT included in a condominium development's declaration?

- A. The names of the board of directors of the owners association**
- B. A description of the land on which it is to be built**
- C. A description of the limited common elements**
- D. The percentage of undivided interest in the common elements**

The declaration for a condominium development serves as a foundational document that outlines essential aspects of the development and establishes the framework for its governance. This document typically includes critical information such as a legal description of the property, the definitions and descriptions of both common and limited common elements, and the allocation of ownership interests among unit owners. The names of the board of directors of the owners association are often not included in the declaration itself. This is because the board of directors can change over time due to elections or other processes, while the declaration is meant to provide permanent and foundational information about the condominium development. This ensures that the governing rules remain intact regardless of fluctuations in the leadership. In contrast, a description of the land where the condominium is developed, a detailed account of the limited common elements, and the percentage of undivided interest in the common elements are fundamental components that need to be included in the declaration to inform current and future owners about their ownership rights and responsibilities.

3. If a seller withdraws an acceptance of a buyer's offer after the seller signed, what is the status of the broker's commission?

- A. Is out of luck because the transaction was never completed**
- B. May sue the buyer for commission**
- C. Is entitled to collect a commission**
- D. May retain the deposit as commission**

The correct answer indicates that the broker is entitled to collect a commission in this scenario. This is based on the principle that once a seller signs an acceptance of a buyer's offer, a binding contract is created. The broker typically earns a commission once a sale is agreed upon, provided that they have fulfilled their duties in bringing the buyer and seller together. Even if the seller later withdraws their acceptance of the offer, the broker's role in facilitating the agreement has already occurred. The commission is often considered earned at the moment a contract is valid, regardless of whether the deal ultimately closes, especially if the broker acted in good faith and fulfilled their obligations. In this context, factors such as the specifics of the broker's agreement with the seller and local real estate laws may also play a role, but as a general principle in real estate practice, the broker is entitled to compensation for their services as long as they caused the seller to accept the buyer's offer initially. Thus, the broker has a valid claim to the commission based on the actions that took place while the contract was in effect.

4. Which of the following best describes a listing agreement in real estate?

- A. A contract that states how commissions are set by law**
- B. A document detailing terms between the seller and broker regarding property sale**
- C. An informal agreement that can be changed at any time**
- D. A contract that obliges buyers to purchase regardless of conditions**

A listing agreement in real estate is fundamentally a document that outlines the terms of the relationship between the seller and the broker concerning the sale of the property. This agreement specifies important details, such as the listing price, the duration of the listing, and the obligations of both parties. It provides the broker with the authority to market the property and earn a commission upon the successful sale, ensuring that both the seller's and the broker's interests are clearly defined and legally binding. In contrast, setting commissions is not dictated by law but can be negotiated between the parties involved. An informal agreement lacks the specificity and legal enforceability found in a formal listing agreement, which can lead to misunderstandings and disputes. Lastly, an obligation for buyers to purchase regardless of conditions misrepresents typical market practice, as buyers usually have the right to make decisions based on their preferences and the stipulated conditions of sale. Thus, the second option accurately reflects the nature and function of a listing agreement in real estate transactions.

5. What is the term for a clause allowing a lender to demand full repayment upon a borrower's default?

A. An acceleration clause

B. A forfeiture clause

C. A judgement clause

D. An escalator clause

The term that defines a clause allowing a lender to demand full repayment upon a borrower's default is known as an acceleration clause. This clause is pivotal in loan agreements as it provides financial institutions with the ability to protect their interests. When a borrower defaults, the acceleration clause gives the lender the right to accelerate the repayment schedule, making the entire outstanding loan balance immediately due and payable. This mechanism serves as a safeguard for lenders against the risk of non-payment, ensuring they can recover their funds without undergoing a lengthy legal process. The presence of an acceleration clause thus plays a crucial role in the contractual obligations between lenders and borrowers, helping maintain the integrity of financial agreements.

6. What should the expiration time frame for property inspection include in a purchase contract?

A. Complete negotiations to address discovered defects

B. Complete the inspection only

C. Complete inspection and correct all defects discovered

D. Complete research into local vendors

The expiration time frame for property inspection in a purchase contract should encompass a period that allows for complete negotiations to address any defects discovered during the inspection. This means that once the inspection is conducted, if any issues arise, both the buyer and seller should have the opportunity to discuss and negotiate solutions, whether it's requesting repairs, offering credits, or even adjusting the purchase price. Incorporating negotiations into the time frame is essential because it reflects the reality of real estate transactions, where findings from inspections can significantly influence both parties' interests. Buyers need assurances that any problems identified can be resolved to their satisfaction before the transaction moves forward. Completing only the inspection implies that there's no provision for addressing issues, which could leave a buyer at a disadvantage if significant defects are found. On the other hand, simply completing the inspection and correcting all defects overlooks the critical negotiation step altogether, which is often necessary to reach a mutual agreement. Finally, researching local vendors is not directly relevant to the time frame needed for negotiations regarding inspection findings, as it's more related to the logistical aspect of dealing with defects rather than the contract negotiations themselves.

7. If a claim against a licensee requires funds from the Real Estate Recovery Fund, what must the licensee do?

- A. Continue engaging in real estate activities under the Commission's supervision**
- B. Repay the full amount plus interest to regain a new license**
- C. Aggrieved party may later collect additional damages**
- D. Pay \$25 per year into the account to renew their license**

When a claim against a licensee requires funds from the Real Estate Recovery Fund, the licensee is obligated to repay the full amount withdrawn from the fund, along with any applicable interest, in order to be eligible for a new license. This requirement exists to ensure that the integrity of the Recovery Fund is maintained and that it can continue to provide compensation to aggrieved parties in future claims against licensees. By repaying the full amount plus interest, the licensee acknowledges responsibility for their actions that led to the claim and shows their commitment to adhere to the regulatory framework governing real estate practices. This process fosters accountability within the real estate profession and reassures consumers that funds for remedying damages will remain available for others who might need it. The other choices do not accurately reflect the requirements for a licensee in this situation. Continuing activities under the Commission's supervision does not address the accountability for funds taken from the Recovery Fund. Collecting additional damages by an aggrieved party does not pertain to the obligations of the licensee regarding repayment. Paying an annual fee to renew a license while important for keeping the license active does not fulfill the requirement to pay back the Recovery Fund. Thus, the only correct course of action following a claim that requires fund

8. A person who believes that they have been illegally discriminated against may file a complaint with which of the following?

- A. Real Estate Commission**
- B. Board of REALTORS**
- C. Governor**
- D. Civil Rights Commission**

A person who believes they have been illegally discriminated against can file a complaint with the Civil Rights Commission. This is because the Civil Rights Commission is specifically tasked with handling issues related to discrimination, including those based on race, color, religion, sex, national origin, disability, and familial status, among other categories. The Commission has the authority to investigate these claims, mediate disputes, and enforce laws against discriminatory practices. Therefore, filing with the Civil Rights Commission is the appropriate course of action for a person seeking redress for alleged discrimination. In contrast, the Real Estate Commission primarily deals with regulatory and licensing issues within the real estate profession and does not handle discrimination complaints. Similarly, the Board of REALTORS is an association that may have its own code of ethics but does not serve as a legal entity for filing formal discrimination complaints. Filing a complaint with the Governor is not a direct or appropriate method for addressing issues of discrimination, as the Governor's office typically does not manage individual cases of alleged discrimination.

9. What type of notice must a tenant provide in a month-to-month rental situation?

- A. 3 days' notice**
- B. 14 days' notice**
- C. 30 days' notice**
- D. 60 days' notice**

In a month-to-month rental situation, the tenant is required to provide a 30-day notice before terminating the tenancy. This is aligned with the typical contractual obligations in residential leases, where a month-to-month agreement allows both parties the flexibility to end the lease with advanced written notice. The 30-day period gives the landlord adequate time to make arrangements for finding a new tenant and allows the departing tenant time to secure alternative housing. Providing only a few days' or weeks' notice could disrupt the landlord's ability to manage the property effectively and could leave the tenant with limited housing options, which is why the law establishes the 30-day notice requirement to ensure a fair transition for both parties.

10. Is it a violation of the license law for a broker to receive a referral fee from a pest control company ordered by the seller for a termite certificate?

- A. Yes, special fees may be paid to the broker only by the seller.**
- B. No, as long as the fee is less than \$50.**
- C. No, as long as the fee is disclosed and consent is received from the client.**
- D. Yes, a broker may not receive a referral fee.**

The scenario addresses the regulations surrounding referral fees and the ethical standards brokers must adhere to. The correct answer emphasizes the importance of disclosure and obtaining consent from the client when it comes to financial transactions that might create a conflict of interest or raise questions about the broker's impartiality. In this case, if a broker receives a referral fee from a pest control company, it is permissible as long as the broker fully discloses this arrangement to the seller and obtains their consent. This approach ensures transparency in the transaction, allowing the seller to be informed about how the broker is compensated and to make decisions without any hidden interests affecting their choices. By requiring disclosure and consent, the real estate commission fosters trust and accountability between brokers and their clients. This requirement protects all parties involved and maintains the integrity of the real estate profession. Other choices either misinterpret the regulations by suggesting limitations on who can pay referral fees or incorrectly state outright prohibitions without acknowledging scenarios where appropriate disclosures and agreements are made. Understanding this balance of ethical practice is crucial for any real estate professional.

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://hirealestatesalesperson.examzify.com>

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

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