

# Illinois Leasing Agent Practice Exam (Sample)

## Study Guide



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## **Questions**

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- 1. What must landlords provide to tenants regarding noise disturbances if they are near a significant noise source?**
  - A. A compensatory discount for inconvenience**
  - B. Disclosure about potential noise issues**
  - C. Soundproofing options at no extra cost**
  - D. Guaranteed quiet hours for tenants**
- 2. What is the practice of inducing a person to lease or purchase by making false representations about a neighborhood's ethnic makeup called?**
  - A. Redlining**
  - B. Blockbusting**
  - C. Discrimination**
  - D. Steering**
- 3. In which circumstance is a managing broker NOT required to notify IDFPR?**
  - A. A new branch office was opened**
  - B. A branch office was closed**
  - C. A new leasing agent's 45-day permit is due to expire**
  - D. Corporate office for the company has relocated**
- 4. What basis may a licensed agent use when selling or leasing his own home without using a broker's services?**
  - A. Age**
  - B. Race**
  - C. Gender**
  - D. None of the above**
- 5. When does a leasing agent license typically expire?**
  - A. July 31st of odd numbered years**
  - B. July 31st of even numbered years**
  - C. January 1st of even numbered years**
  - D. January 1st of odd numbered years**

- 6. In what year did the EPA require certified contractors for the removal of lead-based paint?**
- A. 2005**
  - B. 2010**
  - C. 2015**
  - D. 2000**
- 7. Which of the following is considered a material fact regarding a property?**
- A. The color of the walls**
  - B. The presence of structural issues**
  - C. The current paint condition**
  - D. The distance to local amenities**
- 8. What does consideration mean in the context of a contract?**
- A. Witnessing the agreement**
  - B. Giving of something of value**
  - C. Verbal agreement between parties**
  - D. Providing legal counsel**
- 9. True or False: All licensed agents must be sponsored by a broker or firm.**
- A. True**
  - B. False**
  - C. Depends on the type of license**
  - D. True only for leasing agents**
- 10. What is the correct statement regarding a \$100 check received by a listing agent from another licensee?**
- A. It is acceptable because the amount is less than \$500**
  - B. It is acceptable because the amount is less than \$250**
  - C. It is unacceptable because the broker needs to know about this**
  - D. It is unacceptable because it is against the license act to receive payment directly from another licensee**

## **Answers**

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

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## **Explanations**

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**1. What must landlords provide to tenants regarding noise disturbances if they are near a significant noise source?**

**A. A compensatory discount for inconvenience**

**B. Disclosure about potential noise issues**

**C. Soundproofing options at no extra cost**

**D. Guaranteed quiet hours for tenants**

Landlords are required to disclose potential noise issues to tenants if the property is located near significant noise sources. This obligation is part of the landlord's duty to provide a transparent rental experience and to ensure tenants can make informed decisions about the properties they are considering. Informing tenants about possible noise disturbances allows them to weigh the pros and cons of living in a specific location, ultimately contributing to tenant satisfaction and reducing complaints after moving in. Offering a compensatory discount or soundproofing options, while they might seem appealing, are not mandatory legal requirements and would depend on the specific lease agreement and landlord discretion. Guaranteed quiet hours, although they could be beneficial in minimizing noise disturbances, are also not a standard requirement and would need to be explicitly outlined in the lease terms. Thus, the most fundamental obligation in relation to noise disturbances is the disclosure of any known issues, making it the correct answer.

**2. What is the practice of inducing a person to lease or purchase by making false representations about a neighborhood's ethnic makeup called?**

**A. Redlining**

**B. Blockbusting**

**C. Discrimination**

**D. Steering**

The practice of inducing a person to lease or purchase by making false representations about a neighborhood's ethnic makeup is known as blockbusting. This unethical tactic typically involves real estate agents or property owners creating panic among existing residents about the perceived decline in property values due to the influx of different ethnic groups. By spreading misleading information, they aim to convince homeowners to sell their properties at lower prices, after which the real estate agents purchase these homes and then sell them at inflated prices to new buyers, often from different demographic backgrounds. Blockbusting is illegal and violates fair housing laws because it exploits racial fears and promotes segregation. It remains a significant concern in discussions about ethics in real estate and housing practices, emphasizing the importance of honesty and integrity in such transactions. The other choices refer to different forms of unethical or discriminatory practices in real estate, but do not specifically pertain to the act of making false representations about neighborhood demographics.

**3. In which circumstance is a managing broker NOT required to notify IDFPR?**

- A. A new branch office was opened**
- B. A branch office was closed**
- C. A new leasing agent's 45-day permit is due to expire**
- D. Corporate office for the company has relocated**

The situation where a managing broker is not required to notify the Illinois Department of Financial and Professional Regulation (IDFPR) relates to the expiration of a new leasing agent's 45-day permit. This permit is a temporary authorization that allows an individual to engage in leasing activities while awaiting their official license. When it is nearing expiration, the responsibility for renewal or further action lies with the leasing agent themselves, rather than the managing broker. On the other hand, opening or closing branch offices, or relocating a corporate office involves changes to the business structure or operations that the IDFPR must be made aware of. These actions can impact the regulatory and compliance aspects of the brokerage, which is why they necessitate formal notification. In contrast, the management of a leasing agent's temporary permit is primarily the agent's personal responsibility, thereby alleviating the broker from any duty to inform the IDFPR about the permit's impending expiration.

**4. What basis may a licensed agent use when selling or leasing his own home without using a broker's services?**

- A. Age**
- B. Race**
- C. Gender**
- D. None of the above**

A licensed agent selling or leasing their own home without a broker's services must adhere to fair housing laws that prohibit discrimination based on certain protected classes, including age, race, and gender. Therefore, the agent cannot use any of these bases as criteria for selling or leasing their property. By selecting "None of the above," it reflects an understanding that none of the specified characteristics can be legally used to influence the transaction. Agents are expected to follow the Fair Housing Act and local housing laws, which aim to ensure equal access to housing opportunities irrespective of a person's background or personal characteristics. This option reinforces the importance of ethical and fair practices within real estate transactions.

**5. When does a leasing agent license typically expire?**

- A. July 31st of odd numbered years**
- B. July 31st of even numbered years**
- C. January 1st of even numbered years**
- D. January 1st of odd numbered years**

A leasing agent license in Illinois typically has an expiration date of July 31st of even-numbered years. This means that leasing agents must renew their licenses every two years to maintain their authority to operate in the state. The renewal due date is set to encourage continuous professional development and ensure that agents stay updated regarding laws and regulations relevant to leasing and property management. This periodic renewal process helps to maintain the integrity and professionalism within the industry, positively impacting both the agents and their clients.

**6. In what year did the EPA require certified contractors for the removal of lead-based paint?**

**A. 2005**

**B. 2010**

**C. 2015**

**D. 2000**

The requirement for certified contractors to remove lead-based paint stems from regulations established by the Environmental Protection Agency (EPA) in 2008. This was part of the Renovation, Repair and Painting (RRP) Rule, which aimed to protect the public from lead-based paint hazards during renovation activities in homes, schools, and child care facilities built before 1978, when the residential use of lead-based paint was banned. It is essential for contractors to be certified to ensure that they follow specific protocols when handling lead-based paint, reducing the risk of exposure to lead dust or chips. This certification is crucial for safeguarding the health of young children and pregnant women, as lead exposure can lead to severe health issues. The other years listed do not correspond to the introduction of the EPA's requirement for certified contractors, making 2008 the pivotal year for this regulation, although it is worth noting none of the answer choices provided correspond to 2008. However, the closest option to when the regulation impact would have been felt in the industry is indeed 2010, as these requirements started to be enforced consistently throughout that period. However, the correct answer should maintain focus on the broader context of 2008, marking the initiation of these important health and safety

**7. Which of the following is considered a material fact regarding a property?**

**A. The color of the walls**

**B. The presence of structural issues**

**C. The current paint condition**

**D. The distance to local amenities**

The presence of structural issues is considered a material fact regarding a property because it directly affects the safety, functionality, and value of the property. Structural issues can include problems such as foundational cracks, deteriorating beams, or issues with roofing that could lead to significant repairs or safety hazards. This kind of information is critical for potential buyers or tenants because it can influence their decision-making and financial commitments. In contrast, while the color of the walls, the current paint condition, and the distance to local amenities might be relevant for personal preference or convenience, they do not fundamentally affect the integrity or livability of the property. Therefore, they are not classified as material facts. Knowing about structural integrity is essential for informed decision-making in real estate transactions, making it crucial information for both leasing agents and their clients.

**8. What does consideration mean in the context of a contract?**

- A. Witnessing the agreement**
- B. Giving of something of value**
- C. Verbal agreement between parties**
- D. Providing legal counsel**

In the context of a contract, consideration refers to the giving of something of value by both parties involved in the agreement. This can take the form of money, services, goods, or a promise to act or not act in a certain way. Consideration is a fundamental component of a legally binding contract because it establishes that both parties are offering something in exchange for the other party's commitment. The principle behind consideration is to ensure that neither party is entering the contract unilaterally; both must be providing a benefit or something of value. This mutual exchange helps create the intention to establish a binding agreement and enforces the notion that contracts should involve a compromise or trade-off. Witnessing the agreement, having a verbal agreement, or providing legal counsel are related concepts in the context of contracts but do not define consideration. Witnessing is about validating the agreement's authenticity, verbal agreements can lack enforceability without consideration, and legal counsel is about advice and representation in legal matters, not about the contract's terms or its validity. Thus, the concept of consideration is crucial for creating enforceable and balanced contracts.

**9. True or False: All licensed agents must be sponsored by a broker or firm.**

- A. True**
- B. False**
- C. Depends on the type of license**
- D. True only for leasing agents**

All licensed agents must be sponsored by a broker or firm to legally perform their duties in the real estate market. This requirement ensures that agents operate under the supervision of a licensed broker who is responsible for their actions and ensures compliance with state laws and regulations. This structure helps maintain professionalism and accountability within the industry. Therefore, stating that it is true reflects the foundational principle of how real estate licensing operates in Illinois, as well as in many other states. It's important to recognize the context that all agents, whether they are leasing agents, brokers, or salespersons, require that sponsorship. This sponsorship is not just a formality; it is a critical element that ensures the proper functioning of real estate transactions and protects consumers by ensuring that agents are qualified and guided by experienced professionals.

- 10. What is the correct statement regarding a \$100 check received by a listing agent from another licensee?**
- A. It is acceptable because the amount is less than \$500**
  - B. It is acceptable because the amount is less than \$250**
  - C. It is unacceptable because the broker needs to know about this**
  - D. It is unacceptable because it is against the license act to receive payment directly from another licensee**

The understanding that a listing agent should not receive any direct payment from another licensee is grounded in the regulations set forth in the Illinois Real Estate License Act. This act is designed to ensure that all financial transactions related to real estate are conducted transparently and through the appropriate channels, typically the broker. When a listing agent receives a check directly from another licensee, it raises concerns regarding compliance with these regulatory guidelines. Such actions could lead to conflicts of interest or lack of accountability and could violate the provisions of the act that require payment to be handled through their licensed broker. Therefore, direct payments between licensees are generally deemed unacceptable to maintain proper oversight and ethical standards in real estate transactions. The other options suggest scenarios where receiving a payment might be seen as acceptable based on the amount. However, the regulatory framework does not allow for any exceptions based on the payment amount, reinforcing the principle that all financial dealings must adhere strictly to the established protocols. This protects both the agents and their clients by ensuring that all funds are properly accounted for and that all parties are operating within the legal guidelines set for the real estate profession.