

# Illinois Leasing Agent Practice Exam (Sample)

## Study Guide



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**SAMPLE**

## **Questions**

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- 1. What does a blind ad refer to?**
  - A. Using a company logo in advertising**
  - B. Using a street address or telephone number only**
  - C. Advertising without any contact information**
  - D. Posting an ad with limited details about the property**
- 2. A fire completely destroyed an apartment building. What happens to the leases of the current residents?**
  - A. They are preserved until reconstruction**
  - B. Canceled/terminated**
  - C. They become month-to-month agreements**
  - D. Residents can claim damages against the landlord**
- 3. 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**
- 4. What type of rental arrangement is created when a resident signs a lease for a month in Florida?**
  - A. Period to Period**
  - B. Estate for Years**
  - C. Estate at Will**
  - D. Tenancy at Sufferance**
- 5. What statement is true regarding the presence of mold?**
  - A. Mold is always toxic to humans.**
  - B. All types of mold can be harmful.**
  - C. Some types of mold are harmless.**
  - D. Mold removal guarantees property safety.**

- 6. Which of the following actions could legally affect a tenant's security deposit?**
- A. Normal wear and tear**
  - B. A documented breach of lease terms**
  - C. Prompt payment of rent**
  - D. Overall tenant behavior**
- 7. Which legal test might be used to determine if an item is a fixture?**
- A. Adaptation**
  - B. Affixation**
  - C. Intention of the parties**
  - D. Compatibility with the property**
- 8. Under what condition is a landlord required to pay interest on security deposits?**
- A. Five residential units or more**
  - B. Ten residential units or more**
  - C. 25 residential units or more**
  - D. No condition required**
- 9. 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**
- 10. Which of the following should not be included in rental applications?**
- A. Marital Status**
  - B. Race**
  - C. Employment History**
  - D. Credit Score**

## **Answers**

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

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## **Explanations**

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**1. What does a blind ad refer to?**

- A. Using a company logo in advertising**
- B. Using a street address or telephone number only**
- C. Advertising without any contact information**
- D. Posting an ad with limited details about the property**

A blind ad refers specifically to advertising that includes minimal identifying information, typically just a street address or telephone number, without revealing the name of the person or company managing the property. This type of advertising is designed to promote a property without associating it with a particular leasing agent or real estate company, maintaining anonymity. This approach can sometimes attract more inquiries as potential tenants or buyers may find it intriguing to reach out for more details. It can also create a level of privacy for the property owner while still attracting interest. Understanding the nature of blind ads is essential for leasing agents, as it helps to comply with advertising regulations and practices, ensuring that potential tenants can reach out without being misled.

**2. A fire completely destroyed an apartment building. What happens to the leases of the current residents?**

- A. They are preserved until reconstruction**
- B. Canceled/terminated**
- C. They become month-to-month agreements**
- D. Residents can claim damages against the landlord**

When a fire completely destroys an apartment building, the leases of the current residents are typically canceled or terminated. This is based on the principle of "frustration of purpose," which states that if an essential condition of a contract is no longer possible—such as living in a habitable apartment due to its destruction—the contract can be rendered void. When the building is no longer safe for habitation and cannot be restored for a period of time, residents cannot fulfill their obligations under the lease to occupy the property. As a result, the legal relationship between the landlord and tenants is effectively severed, freeing both parties from their responsibilities under the lease agreement. The other options do not apply in this scenario. For instance, preserving the leases until reconstruction is not feasible since residents cannot live in a destroyed building. Similarly, leases transitioning to month-to-month agreements would not make sense, as the foundational conditions of the lease no longer exist. Lastly, while residents can seek damages against the landlord under certain circumstances, this does not pertain to the status of the leases immediately following the destruction of the property itself.

**3. 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.

**4. What type of rental arrangement is created when a resident signs a lease for a month in Florida?**

**A. Period to Period**

**B. Estate for Years**

**C. Estate at Will**

**D. Tenancy at Sufferance**

The correct answer is "Estate for Years." In the context of leasing, an "Estate for Years" refers to a rental agreement that has a definite start date and a definite end date, regardless of how long that duration is, including leases that might be as brief as one month. When a resident signs a lease for a specific duration, such as one month, it establishes a clear period during which the tenant has the right to occupy the property, which fits the definition of an Estate for Years. This type of lease agreement clearly defines the terms of occupancy for the set period, making it distinct from other arrangements that might not have defined time limits or conditions. For example, "Estate at Will" typically refers to a more informal arrangement without a specific time frame, meaning the agreement can be terminated at any time by either party. Therefore, it does not apply to a lease that has a defined term like one month. Understanding these distinctions is crucial in identifying the type of rental agreement based on the specifics of the lease provided.

**5. What statement is true regarding the presence of mold?**

- A. Mold is always toxic to humans.**
- B. All types of mold can be harmful.**
- C. Some types of mold are harmless.**
- D. Mold removal guarantees property safety.**

The statement that some types of mold are harmless is accurate and reflects the understanding that not all mold species pose a health risk to humans. Mold is a natural part of the environment and can be found both indoors and outdoors. While certain types of mold can produce allergens or irritants, many mold species do not cause any significant health issues. It is crucial to recognize that certain molds are more problematic, particularly those that produce mycotoxins, which can potentially lead to health complications. However, the presence of mold alone does not automatically indicate danger. In many cases, common indoor molds, such as *Aspergillus* or *Cladosporium*, are typically harmless and can even be part of a healthy ecosystem in the home. Understanding this spectrum of mold types helps in addressing concerns accurately and highlights the importance of identifying the specific type of mold when assessing health risks in properties. Mold remediation solutions are often recommended when harmful types are present, rather than assuming all mold is toxic.

**6. Which of the following actions could legally affect a tenant's security deposit?**

- A. Normal wear and tear**
- B. A documented breach of lease terms**
- C. Prompt payment of rent**
- D. Overall tenant behavior**

The action that could legally affect a tenant's security deposit is a documented breach of lease terms. When tenants sign a lease agreement, they are entering into a legally binding contract which outlines specific responsibilities and obligations. If a tenant fails to adhere to these terms—say, by engaging in behavior that causes damage to the property or by not adhering to rules set forth in the lease—the landlord may have grounds to withhold part or all of the security deposit to cover the costs of rectifying the breach. In contrast, normal wear and tear is expected during a tenant's occupancy and typically shouldn't be charged against the security deposit. Prompt payment of rent generally does not play a role in determining deductions from a security deposit, as it reflects compliance with payment obligations rather than damage or breach. Overall tenant behavior, while it may inform a landlord's decisions on renewals or evictions, does not directly correlate with specific financial consequences tied to the security deposit unless it results in a breach that is well-documented. Therefore, a documented breach of lease terms stands out as the condition that can legitimately impact a tenant's security deposit.

**7. Which legal test might be used to determine if an item is a fixture?**

**A. Adaptation**

**B. Affixation**

**C. Intention of the parties**

**D. Compatibility with the property**

Determining whether an item qualifies as a fixture involves analyzing the intention of the parties involved in the transaction. This legal test focuses on what the parties intended when the item was installed or attached to the property. If it was the understanding of both parties that the item would remain a permanent part of the property, it is likely considered a fixture. When the intention of the parties is clear—for example, if a seller indicates in a real estate transaction that certain items like built-in cabinets or light fixtures will stay with the property—it reinforces the classification of those items as fixtures. The other tests, such as adaptation and affixation, can provide additional context but do not supersede the central role of the parties' intentions. Adaptation refers to how the item has been modified for use within the property, and affixation pertains to how securely an item is attached. Compatibility with the property may also be a consideration, but intention directly addresses the agreement and understanding between the parties, making it the most pivotal factor in resolving fixture status in legal terms.

**8. Under what condition is a landlord required to pay interest on security deposits?**

**A. Five residential units or more**

**B. Ten residential units or more**

**C. 25 residential units or more**

**D. No condition required**

A landlord is required to pay interest on security deposits when managing 25 residential units or more. This rule is rooted in the Illinois Security Deposit Interest Act, which aims to protect tenants' rights. When a landlord holds a security deposit, it is not merely a means to secure a tenant's commitment; it is also considered a form of investment for the landlord. By paying interest, the law ensures that the tenant receives a fair return on their deposit, acknowledging the time the money is held and giving a financial incentive for landlords to manage these funds responsibly. In comparison, properties with fewer than 25 units do not incur the same legal obligation for interest payments, allowing smaller landlords to avoid this additional requirement, which could contribute to an administrative burden. Thus, the provision establishes a clear threshold to ensure fairness for tenants in larger rental situations while streamlining operations for smaller landlords. This balance helps create a fair rental market conducive to both tenants and landlords.

**9. 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.

**10. Which of the following should not be included in rental applications?**

- A. Marital Status
- B. Race**
- C. Employment History
- D. Credit Score

Including race in rental applications is inappropriate and discriminatory. The Fair Housing Act prohibits discrimination in housing based on race, color, national origin, sex, disability, and familial status. This law is in place to ensure that all individuals have equal access to housing opportunities without facing bias based on their racial background. In contrast, marital status, employment history, and credit score are frequently included in rental applications as they provide relevant information to landlords about the applicant's stability and reliability as a tenant. Marital status can sometimes affect financial stability, employment history gives insight into the applicant's ability to maintain income, and credit score reveals financial responsibility. Collectively, these factors help landlords assess the risk associated with renting to a potential tenant, ensuring a better match for their rental property.