

INDIANA REAL ESTATE COMMISSION STATUTES AND RULES PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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 required for an out-of-state licensee to practice real estate in Indiana?**
 - A. They must have at least five years of experience
 - B. They must obtain an Indiana real estate license and comply with local laws
 - C. They can continue under their home state's license
 - D. They must take a two-day refresher course
- 2. How long does the Indiana Real Estate Commission have to make a decision on a complaint?**
 - A. 30 days
 - B. 60 days
 - C. 90 days
 - D. 120 days
- 3. If a property had an extensive mold issue that was remediated, how would it likely be classified?**
 - A. Psychologically affected property
 - B. Normal property
 - C. A distressed property
 - D. A commercial concern
- 4. What is the primary purpose of the Indiana Real Estate Commission?**
 - A. To promote real estate investments
 - B. To assist real estate agents in their sales
 - C. To protect the public by regulating real estate professionals
 - D. To standardize real estate pricing
- 5. When a seller indicates 'Not Defective' on a disclosure form based on a licensed professional's assessment, what is their liability if an issue is later discovered?**
 - A. The seller is completely liable for any issues
 - B. The seller is liable only if the professional is sued
 - C. The seller is not liable as they relied on professional information
 - D. The seller is liable if the issue could have been discovered by a layperson

- 6. What must an applicant submit when applying for an Indiana real estate license?**
- A. Only a completed application
 - B. A completed application and proof of education
 - C. A completed application, proof of education, and a background check
 - D. Proof of a real estate transaction
- 7. If a neighbor asks Broker Benny how to escape their current listing with another broker, what should he do?**
- A. Inform them directly how to exit their contract
 - B. Explain that he cannot discuss their current situation unless it's in writing
 - C. Advise them to ignore the current contract
 - D. Encourage them to switch brokers without formalities
- 8. Which entity handles complaints against real estate professionals in Indiana?**
- A. The Indiana Real Estate Commission
 - B. The local Realtor association
 - C. The Indiana Department of Consumer Affairs
 - D. The Indiana Bar Association
- 9. What does the term "listing agreement" pertain to?**
- A. A contract only for rental properties
 - B. A contract to buy a property
 - C. A contract between a property owner and a broker to sell
 - D. An agreement for property management services
- 10. Which of the following statements about continuing education for real estate licensees is true?**
- A. They are not required to continue education.
 - B. They must complete 36 hours each renewal period.
 - C. Only 12 hours are required for first-time renewals.
 - D. They can fulfill requirements through online courses only.

Answers

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

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Explanations

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1. What is required for an out-of-state licensee to practice real estate in Indiana?

- A. They must have at least five years of experience
- B. They must obtain an Indiana real estate license and comply with local laws**
- C. They can continue under their home state's license
- D. They must take a two-day refresher course

For an out-of-state licensee to practice real estate in Indiana, obtaining an Indiana real estate license and complying with local laws is essential. This requirement ensures that the licensee is familiar with Indiana's specific laws, regulations, and practices, which may differ from those of their home state. This process typically involves applying for a reciprocal license if applicable, providing proof of existing licensure, and potentially passing certain examinations or meeting specific education prerequisites. This requirement is crucial as it maintains professional standards and protects consumers within the state. By making sure all real estate practitioners are knowledgeable about local market conditions and regulatory frameworks, Indiana aims to uphold a high standard of service and integrity in real estate transactions. This commitment to local compliance is a significant reason why the answer is the correct choice.

2. How long does the Indiana Real Estate Commission have to make a decision on a complaint?

- A. 30 days
- B. 60 days
- C. 90 days**
- D. 120 days

The Indiana Real Estate Commission is required to make a decision on a complaint within 90 days. This timeframe is established to ensure timely resolutions to complaints filed against real estate professionals, promoting accountability and efficiency within the industry. The 90-day period allows the Commission to thoroughly investigate the complaint, consider evidence, and ensure that all parties are given a fair opportunity to present their case. This regulatory framework serves to protect both consumers and licensees by providing a structured process within which complaints are addressed. Adhering to this timeline is essential for maintaining the integrity of the real estate profession in Indiana. In contrast, other timeframe options do not align with the established regulations set forth by the Commission.

3. If a property had an extensive mold issue that was remediated, how would it likely be classified?

- A. Psychologically affected property**
- B. Normal property
- C. A distressed property
- D. A commercial concern

In the context of real estate, a property that has previously experienced significant issues such as mold infestation, even after remediation, is typically classified as a psychologically affected property. This classification arises because potential buyers or tenants may have concerns about the property's history and the implications for health and safety. The presence of mold can lead potential buyers to worry about air quality and other health risks, which can create psychological barriers to purchasing or renting the property. Classification as a psychologically affected property seeks to ensure transparency in real estate transactions. Sellers may have an obligation to disclose past issues, including mold problems and their resolution, as this information can impact a buyer's decision-making process. By identifying the property this way, it acknowledges that, despite remediation efforts, the history of the issue can influence perceptions and marketability. The other classifications, such as normal property, distressed property, or a commercial concern, do not adequately capture the nuances of the situation where past issues may linger in the minds of potential buyers, making psychological effects a critical factor in how the property is viewed in the market.

4. What is the primary purpose of the Indiana Real Estate Commission?

- A. To promote real estate investments
- B. To assist real estate agents in their sales
- C. To protect the public by regulating real estate professionals**
- D. To standardize real estate pricing

The primary purpose of the Indiana Real Estate Commission is to protect the public by regulating real estate professionals. This regulatory function is essential because it helps ensure that real estate transactions are carried out fairly and ethically, thus safeguarding consumer interests. The Commission sets standards for licensing, education, and conduct of real estate agents and brokers, which helps maintain the integrity of the profession and fosters trust in real estate dealings. This protective role is fundamental in preventing fraud and ensuring that real estate professionals adhere to laws and regulations that govern their practice. By preventing unscrupulous actions and promoting accountability, the Commission helps to create a safer environment for buyers, sellers, and other stakeholders involved in real estate transactions.

5. When a seller indicates 'Not Defective' on a disclosure form based on a licensed professional's assessment, what is their liability if an issue is later discovered?

- A. The seller is completely liable for any issues
- B. The seller is liable only if the professional is sued
- C. The seller is not liable as they relied on professional information**
- D. The seller is liable if the issue could have been discovered by a layperson

In real estate transactions, a seller is often required to disclose known defects in a property to potential buyers. When a seller marks 'Not Defective' on a disclosure form based on an assessment from a licensed professional, it indicates that they have relied on that professional's expertise to evaluate the property's condition. This reliance on a professional assessment is key in determining liability. The reasoning behind the correct answer lies in the notion of due diligence. If a seller has actively sought the opinion of a qualified professional, and the professional in turn indicates that there are no defects, the seller is taking reasonable steps to ensure that they are accurately conveying the property's condition. Should an issue later be discovered, the seller's liability is minimized because they acted in good faith and based their disclosure on expert input. Moreover, the seller is not expected to have the same level of expertise as a licensed professional; therefore, they should not be held liable for issues that were not disclosed in their assessments if they made the disclosure in reliance on the professional's evaluation. This principle serves to protect sellers from the burden of liability when they have done their due diligence by consulting an expert. Therefore, if the seller has relied on professional information, their liability is typically reduced or eliminated, making this the correct

6. What must an applicant submit when applying for an Indiana real estate license?

- A. Only a completed application
- B. A completed application and proof of education
- C. A completed application, proof of education, and a background check**
- D. Proof of a real estate transaction

When applying for an Indiana real estate license, an applicant must provide a completed application, proof of education, and undergo a background check. This comprehensive requirement ensures that the applicants have met the educational prerequisites necessary for knowledgeable practice in real estate and are deemed trustworthy individuals in the industry. Proof of education guarantees that applicants have received the appropriate training, while the background check assesses their ethical standing and any potential criminal history, which is critical for maintaining the integrity of the real estate profession. This multi-faceted application process helps the Indiana Real Estate Commission ensure that all licensed practitioners are qualified and fit to serve the public in real estate transactions, promoting professionalism and safety within the industry.

7. If a neighbor asks Broker Benny how to escape their current listing with another broker, what should he do?

- A. Inform them directly how to exit their contract
- B. Explain that he cannot discuss their current situation unless it's in writing**
- C. Advise them to ignore the current contract
- D. Encourage them to switch brokers without formalities

When a neighbor asks Broker Benny how to escape their current listing with another broker, the appropriate response is to explain that he cannot discuss their current situation unless it's in writing. This is important for several reasons. First, it maintains professional integrity and respect for the existing contractual relationships. Engaging in discussions about another broker's client without proper consent could be seen as unethical or a breach of the rules set forth by the Indiana Real Estate Commission. Broker Benny must prioritize ethical conduct and avoid any actions that may be perceived as wooing clients away from their existing agreements. Second, requiring a written request safeguards Broker Benny against any claims of interference with the contractual obligations of the neighbor and their current broker. It establishes a clear boundary, ensuring that any advice or information he provides is appropriate and is in compliance with real estate laws and regulations. Third, discussing how to exit a contract is delicate territory that can have legal implications. By insisting on a written form of communication, Broker Benny helps ensure that all parties are informed and that the neighbor receives accurate and legally sound information regarding their options. This reduces the risk of misunderstandings or disputes that could arise from informal verbal exchanges. In summary, Broker Benny's choice to seek written communication before discussing the neighbor's current contract

8. Which entity handles complaints against real estate professionals in Indiana?

- A. The Indiana Real Estate Commission**
- B. The local Realtor association
- C. The Indiana Department of Consumer Affairs
- D. The Indiana Bar Association

The Indiana Real Estate Commission is the entity responsible for handling complaints against real estate professionals in Indiana. This commission operates under the authority of the state and is specifically tasked with regulating and overseeing the practice of real estate within Indiana. They handle licensing, education requirements, and disciplinary actions against real estate agents and brokers, including the investigation of complaints filed by consumers or other industry participants. While other organizations, such as local Realtor associations and the Indiana Department of Consumer Affairs, may also play roles in consumer protection and may offer support resources, they do not have the statutory authority to directly handle and resolve complaints related to real estate professionals in the same way the Indiana Real Estate Commission does. Additionally, the Indiana Bar Association primarily focuses on legal professionals and does not deal with real estate professionals specifically. Therefore, the Indiana Real Estate Commission is the appropriate and correct answer for this question.

9. What does the term "listing agreement" pertain to?

- A. A contract only for rental properties
- B. A contract to buy a property
- C. A contract between a property owner and a broker to sell**
- D. An agreement for property management services

The term "listing agreement" specifically refers to a contract established between a property owner and a broker, which grants the broker the authority to sell the property on behalf of the owner. This type of agreement outlines the terms and conditions under which the broker will market and attempt to sell the property, including details such as the listing price, duration of the agreement, and the commission structure. In real estate transactions, listing agreements are essential as they formalize the relationship between the property owner and the broker, ensuring that both parties understand their rights and responsibilities throughout the selling process. By having a listing agreement in place, the broker can effectively start marketing the property and represent the owner in negotiations with potential buyers. While the other choices pertain to different aspects of real estate transactions—such as rental agreements, purchase contracts, or property management situations—they do not accurately describe the nature of a listing agreement, which is specifically focused on enabling the sale of real property through a professional real estate broker.

10. Which of the following statements about continuing education for real estate licensees is true?

- A. They are not required to continue education.
- B. They must complete 36 hours each renewal period.**
- C. Only 12 hours are required for first-time renewals.
- D. They can fulfill requirements through online courses only.

Real estate licensees in Indiana are required to complete continuing education to maintain their licensure, and the specific requirement is that they must complete 36 hours of continuing education during each renewal period. This requirement is designed to ensure that licensees stay current with laws, regulations, and practices in the real estate industry, thus enhancing their professional skills and knowledge. While there are options for taking courses, the primary focus is on the necessity of completing the total hours—36—during the designated period to maintain an active license. This requirement is mandatory and reflects the ongoing commitment to professionalism and competence within the industry. Other answers do not accurately represent the requirements set forth by the Indiana Real Estate Commission regarding continuing education for licensees.

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://inrealestatecommissionstatutes.examzify.com>

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

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