

Louisiana 90-Hour Course: Real Property, Ownership, Deeds, and Auctions 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

- 1. What differentiates a freehold estate from a leasehold estate?**
 - A. Freehold is temporary, leasehold is permanent**
 - B. Freehold indicates possession while leasehold indicates ownership**
 - C. Freehold confers ownership, leasehold indicates possession**
 - D. There is no difference**
- 2. Which statement best describes a condominium?**
 - A. A business entity that owns a piece of land**
 - B. A type of shared ownership with no individual rights**
 - C. An individually owned housing unit in a building with several such units**
 - D. A temporary housing arrangement**
- 3. What does a "listing agreement" entail?**
 - A. A contract between a property owner and a real estate agent outlining terms for selling the property**
 - B. A legal document for leasing a property**
 - C. An agreement between buyers and sellers on price**
 - D. A report detailing property income and expenses**
- 4. Which document is primarily associated with TRID requirements?**
 - A. The Property Transaction Overview**
 - B. The Loan Estimate and Closing Disclosure forms**
 - C. The Seller's Disclosure Agreement**
 - D. The Deed of Trust**
- 5. What are the essential elements of a valid deed?**
 - A. Market value, loan terms, and inspection reports**
 - B. Grantor's signature, competent grantor, identifiable grantee, legal description, and a lawful purpose**
 - C. Date of creation, mortgage information, and property appraisal**
 - D. Verbal agreements, rental details, and inspection results**

- 6. What is "property appraisal"?**
- A. An unbiased estimate of a property's market value conducted by a professional appraiser**
 - B. A calculation of rental income for investment properties**
 - C. An assessment of property taxes based on location**
 - D. A method for determining selling costs**
- 7. What does "consideration" refer to in a real estate transaction?**
- A. Any visual inspection of the property**
 - B. Anything of value exchanged between parties, typically the purchase price for property**
 - C. The legal representation in a contract**
 - D. A restriction on property use**
- 8. What is the primary focus of the Real Estate Settlement Procedures Act (RESPA)?**
- A. To establish mortgage interest rates**
 - B. To require disclosures about mortgage and settlement processes**
 - C. To regulate the actions of real estate agents**
 - D. To dictate terms of leasing agreements**
- 9. What type of auction allows the seller to accept or reject the highest bid?**
- A. Absolute auction**
 - B. No-reserve auction**
 - C. Reserve auction**
 - D. Online auction**
- 10. Which statement about VOCs is true?**
- A. They improve indoor air quality**
 - B. They are harmful chemicals found in some household items**
 - C. They are found solely in outdoor environments**
 - D. They are used to cool homes in summer**

Answers

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

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Explanations

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1. What differentiates a freehold estate from a leasehold estate?

- A. Freehold is temporary, leasehold is permanent**
- B. Freehold indicates possession while leasehold indicates ownership**
- C. Freehold confers ownership, leasehold indicates possession**
- D. There is no difference**

A freehold estate is a type of property ownership characterized by an indefinite duration, which means the owner holds the title to the property outright for an unlimited period. This confers full ownership rights, allowing the holder to use, sell, or transfer the property as they wish. In contrast, a leasehold estate represents a tenant's right to possess and use property for a specified term under the terms set forth in a lease agreement. While leasehold occupants have the right to use the property, they do not own it; the ownership remains with the landlord. The distinction is crucial because it impacts the rights and obligations of the parties involved. Owners of freehold estates have greater control and longer-term benefits compared to leasehold tenants, who must adhere to the lease terms and often have limited rights related to the property. Understanding this difference is fundamental for anyone studying real property and ownership.

2. Which statement best describes a condominium?

- A. A business entity that owns a piece of land**
- B. A type of shared ownership with no individual rights**
- C. An individually owned housing unit in a building with several such units**
- D. A temporary housing arrangement**

A condominium is defined as an individually owned housing unit within a building that contains multiple such units. Each owner holds title to their specific unit, which allows for personal property rights within their space. This ownership structure enables individuals to manage and decorate their own units while sharing ownership of common areas such as hallways, swimming pools, and other amenities with other condominium owners. In this context, choice C accurately reflects the essence of condominium ownership, highlighting both individual ownership of a housing unit and the communal nature of living within a multi-unit building. This shared ownership of common facilities is a fundamental characteristic of condominiums, differentiating them from single-family homes where the owner has both the property and land without sharing. In contrast to this correct understanding, the other options do not capture the essence of a condominium. For instance, describing a condominium as a business entity or a type of shared ownership without individual rights fails to recognize the legal structure that provides condo owners their exclusive interest in their units. Furthermore, framing it as a temporary housing arrangement misrepresents the permanence typically associated with owning a condominium unit. Thus, the identification of a condominium as an individually owned housing unit in a multi-unit building is a clear and accurate depiction of this real estate concept.

3. What does a "listing agreement" entail?

- A. A contract between a property owner and a real estate agent outlining terms for selling the property**
- B. A legal document for leasing a property**
- C. An agreement between buyers and sellers on price**
- D. A report detailing property income and expenses**

A listing agreement is indeed a contract between a property owner and a real estate agent that establishes the terms under which the property will be marketed and sold. This agreement generally details essential aspects such as the listing price, the duration of the agreement, the responsibilities of the agent in promoting the property, and the commission structure for the sale. The listing agreement serves to formalize the relationship between the property owner and the agent, ensuring both parties are aware of their rights and obligations. This arrangement enables the agent to represent the property in the real estate market, utilizing their expertise to attract potential buyers and negotiate on behalf of the seller. In contrast, leasing agreements pertain to rental situations, agreements on price involve negotiations between buyers and sellers that occur after listings, and reports on income and expenses are typically associated with financial evaluations rather than the process of selling a property. Thus, the correct answer underscores the specific legal framework that governs the relationship between sellers and real estate professionals in the context of property sales.

4. Which document is primarily associated with TRID requirements?

- A. The Property Transaction Overview**
- B. The Loan Estimate and Closing Disclosure forms**
- C. The Seller's Disclosure Agreement**
- D. The Deed of Trust**

The Loan Estimate and Closing Disclosure forms are primarily associated with TRID requirements, which stands for TILA-RESPA Integrated Disclosure. This set of regulations was established to simplify and clarify the information consumers receive during the mortgage process. The Loan Estimate is a document that provides a summary of key loan terms and projected payments, enabling borrowers to understand the costs associated with a mortgage loan before closing. It must be provided by lenders within three business days of a loan application. The Closing Disclosure is given to the borrower at least three business days before closing and offers a detailed breakdown of the final loan terms, closing costs, and cash needed to close the transaction. Together, these forms are designed to ensure transparency and protect consumers from surprise costs, thus enhancing their understanding of the financial implications of their real estate transactions. The other options, while relevant to real estate transactions, do not specifically pertain to the TRID requirements, which focus on the loan application and closing processes.

5. What are the essential elements of a valid deed?

- A. Market value, loan terms, and inspection reports
- B. Grantor's signature, competent grantor, identifiable grantee, legal description, and a lawful purpose**
- C. Date of creation, mortgage information, and property appraisal
- D. Verbal agreements, rental details, and inspection results

The essential elements of a valid deed include the grantor's signature, a competent grantor, an identifiable grantee, a legal description of the property, and a lawful purpose. A deed must be signed by the grantor, who is the person transferring the property. This signature must be from someone who is legally competent, meaning they are of legal age and mentally capable of understanding the transaction. The grantee, or the person receiving the property, must be clearly identifiable in the deed. Additionally, the property must be described in a manner that allows it to be easily located; this often involves a legal description that outlines the boundaries of the property. Lastly, there must be a lawful purpose for the deed, meaning it must not be for an illegal activity. Other options refer to elements that are not necessary for the validity of a deed. Market value and inspection reports, for example, are relevant for determining the worth or condition of the property but are not needed to make the deed itself valid. Similarly, verbal agreements and rental details do not pertain to the formal requirements of a deed, which must be written and include specific statutory elements to be enforceable.

6. What is "property appraisal"?

- A. An unbiased estimate of a property's market value conducted by a professional appraiser**
- B. A calculation of rental income for investment properties
- C. An assessment of property taxes based on location
- D. A method for determining selling costs

Property appraisal refers to the process of determining the market value of a property, and it is specifically carried out by a qualified and impartial professional known as an appraiser. This process involves a meticulous evaluation of various factors, including the property's condition, location, and recent sales of comparable properties in the area, among other elements. The end result is an unbiased estimate that helps buyers, sellers, and lenders make informed decisions based on the likely price at which the property could be sold in the current market. The significance of having an unbiased appraisal is paramount, especially in real estate transactions where accurate property valuation is essential. A professional appraiser's evaluation ensures that the determined value reflects fair market conditions, which contributes to transparency and equity in property dealings. In contrast, the other options address related but distinct areas of real estate and property management. Calculations of rental income are focused on the financial performance of investment properties rather than their market value, assessments of property taxes relate to governmental evaluations for tax purposes, and determining selling costs involves estimating expenses involved in selling rather than establishing property value. Each of these aspects plays a role in the broader field of real estate but is not synonymous with property appraisal itself.

7. What does "consideration" refer to in a real estate transaction?

- A. Any visual inspection of the property**
- B. Anything of value exchanged between parties, typically the purchase price for property**
- C. The legal representation in a contract**
- D. A restriction on property use**

In the context of a real estate transaction, "consideration" specifically refers to anything of value that is exchanged between the parties involved, which is typically the purchase price of the property. This fundamental principle is essential in contractual agreements, as consideration serves as the incentive for one party to enter into the agreement. Without consideration, a contract would lack enforceability because there is no mutual exchange of value. For example, when a buyer purchases a piece of property, they provide monetary compensation (the consideration) to the seller in return for ownership of the property. This reciprocal exchange solidifies the legal agreement and ensures that both parties have a vested interest in fulfilling their obligations under the contract. Thus, recognition of consideration is crucial for any real estate transaction to be valid and legally binding.

8. What is the primary focus of the Real Estate Settlement Procedures Act (RESPA)?

- A. To establish mortgage interest rates**
- B. To require disclosures about mortgage and settlement processes**
- C. To regulate the actions of real estate agents**
- D. To dictate terms of leasing agreements**

The primary focus of the Real Estate Settlement Procedures Act (RESPA) is to require disclosures about mortgage and settlement processes. RESPA was enacted to provide consumers with better information regarding the costs associated with the settlement process when buying a home. It aims to ensure that borrowers are informed about the various fees and charges they will encounter during the purchase of real estate, thereby preventing abuses and unilateral decisions by lenders and settlement service providers. This act necessitates that lenders provide a Good Faith Estimate of closing costs, ensuring that borrowers are aware of what to expect financially before they complete the settlement process. Additionally, RESPA addresses the issue of kickbacks and referral fees that may inflate settlement costs, promoting transparency and fairness in the real estate transaction process. In contrast, establishing mortgage interest rates, regulating the actions of real estate agents, and dictating terms of leasing agreements are not the main objectives of RESPA. These aspects fall under different regulations and practices within the real estate and lending sectors.

9. What type of auction allows the seller to accept or reject the highest bid?

- A. Absolute auction**
- B. No-reserve auction**
- C. Reserve auction**
- D. Online auction**

A reserve auction is a type of auction in which the seller sets a minimum acceptable price, known as the reserve price. If the bids during the auction do not meet or exceed this reserve price, the seller has the option to accept or reject the highest bid. This means that the seller is protected from having to sell the property for a price lower than their predetermined threshold. In contrast, an absolute auction requires the property to be sold regardless of bid amount, meaning no minimum price is set; the highest bid wins. A no-reserve auction also operates under similar principles, ensuring that the item is sold to the highest bidder, without a reserve price. An online auction is simply the format in which the auction is conducted, and it can be either reserved or absolute. Therefore, reserve auctions uniquely give sellers the flexibility to evaluate bids against their threshold, making it a distinct choice among auction types.

10. Which statement about VOCs is true?

- A. They improve indoor air quality**
- B. They are harmful chemicals found in some household items**
- C. They are found solely in outdoor environments**
- D. They are used to cool homes in summer**

VOCs, or volatile organic compounds, are indeed harmful chemicals found in a variety of household items, such as paints, cleaning products, and air fresheners. These compounds can easily evaporate at room temperature, leading to their presence in the air we breathe indoors. Exposure to VOCs can cause a range of health issues, including respiratory problems, headaches, and even long-term effects on the liver and nervous system. Understanding the prevalence and impact of VOCs is crucial for maintaining a safe and healthy indoor environment, highlighting the importance of proper ventilation and the use of low-VOC products when possible. The other statements do not accurately reflect the nature of VOCs. They do not improve indoor air quality; rather, they can degrade it. VOCs are commonly found in indoor settings rather than being limited to outdoor environments, and they are not used for cooling homes but rather are byproducts of various chemical processes used in household products.

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://la90hrcourserealestate.examzify.com>

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