

Maryland Real Estate License Practice Exam Sample Study Guide



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**Featuring practice questions, answers, and explanations
for each question.**

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Questions

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- 1. Is it legal for the First Baptist Church in Annapolis to rent exclusively to Baptists?**
 - A. Yes, as long as it does not charge more than \$250 per month.**
 - B. Yes, as long as it does not discriminate based on race, color, national origin, or familial status.**
 - C. Yes, as long as it does not own more than two units.**
 - D. No, this is housing discrimination.**
- 2. Which agency regulates the rules and requirements for maintaining a broker's license in Maryland?**
 - A. Department of Education**
 - B. Department of Labor, Licensing and Regulation**
 - C. Maryland Real Estate Commission**
 - D. Department of Motor Vehicles**
- 3. What should you do if a seller refuses to sign the agency disclosure form?**
 - A. Tell the seller they must comply with the law.**
 - B. Note the refusal on the disclosure form along with the date.**
 - C. Explain that the transaction cannot proceed without acknowledgment.**
 - D. Leave the meeting in frustration.**
- 4. What is the purpose of a listing agreement in real estate?**
 - A. To establish a legal contract between a seller and a real estate agent**
 - B. To outline the commission structure for a real estate agent**
 - C. To provide a schedule for property viewings**
 - D. To determine the final sale price of the property**
- 5. What kind of acts are considered ministerial tasks in real estate?**
 - A. Acts involving complex decision-making.**
 - B. Tasks performed without client representation.**
 - C. Actions explicitly requiring fiduciary responsibility.**
 - D. Administrative tasks assisting the licensed agent.**

- 6. What types of properties require a Maryland real estate license to sell?**
- A. Only commercial properties**
 - B. Residential, commercial, and industrial properties**
 - C. Only residential properties**
 - D. All properties except agricultural**
- 7. Which of these parties is the Maryland Real Estate Commission NOT authorized to investigate?**
- A. A licensed home inspector**
 - B. An unlicensed assistant negotiating deals**
 - C. A real estate salesperson depositing earnest money into a personal account**
 - D. A brokerage firm that discriminated against applicants**
- 8. Which document typically outlines the duties and responsibilities of a property manager?**
- A. A property management agreement**
 - B. A lease agreement**
 - C. A purchase agreement**
 - D. A sales contract**
- 9. How frequently must real estate salespersons in Maryland renew their licenses?**
- A. Every year**
 - B. Every two years**
 - C. Every two years in even years**
 - D. Every three years**
- 10. Under Maryland law, how long must a seller maintain disclosures regarding lead paint?**
- A. For five years following the sale**
 - B. For the duration of property ownership and during the sale process**
 - C. For ten years after the sale**
 - D. Only until the property is sold**

Answers

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

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Explanations

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1. Is it legal for the First Baptist Church in Annapolis to rent exclusively to Baptists?
- A. Yes, as long as it does not charge more than \$250 per month.
 - B. Yes, as long as it does not discriminate based on race, color, national origin, or familial status.**
 - C. Yes, as long as it does not own more than two units.
 - D. No, this is housing discrimination.

The legality of the First Baptist Church in Annapolis renting exclusively to Baptists hinges on the application of fair housing laws. Under the Fair Housing Act, while religious organizations are generally allowed to restrict occupancy to members of their congregation, they must still adhere to other anti-discrimination laws. This means that while the church can rent to Baptists, it cannot engage in discriminatory practices based on race, color, national origin, or familial status. Thus, the statement that the church can legally rent exclusively to Baptists as long as it does not discriminate against these protected classes is accurate. It ensures compliance with federal regulations, which aim to create equal housing opportunities for all individuals, regardless of their background. This highlights the balance between a religious institution's rights and the requirement to uphold anti-discrimination principles in housing practices.

2. Which agency regulates the rules and requirements for maintaining a broker's license in Maryland?
- A. Department of Education
 - B. Department of Labor, Licensing and Regulation
 - C. Maryland Real Estate Commission**
 - D. Department of Motor Vehicles

The agency responsible for regulating the rules and requirements for maintaining a broker's license in Maryland is the Maryland Real Estate Commission. This commission operates under the Department of Labor, Licensing and Regulation, and it specifically oversees all matters related to real estate licenses within the state. This includes establishing the prerequisites for obtaining and renewing a broker's license, setting professional standards, and ensuring compliance with Maryland real estate laws. The Maryland Real Estate Commission is tasked with protecting the public interest by ensuring that real estate professionals are appropriately qualified and adhere to ethical standards. As part of its responsibilities, the commission also handles disputes and enforces disciplinary actions when necessary. Understanding the role of the Maryland Real Estate Commission is crucial for anyone preparing for the Maryland real estate licensing process, as it encompasses the regulations that govern the real estate profession in the state.

3. What should you do if a seller refuses to sign the agency disclosure form?

- A. Tell the seller they must comply with the law.**
- B. Note the refusal on the disclosure form along with the date.**
- C. Explain that the transaction cannot proceed without acknowledgment.**
- D. Leave the meeting in frustration.**

Noting the refusal on the disclosure form along with the date is a critical step in adhering to legal requirements in real estate transactions. The agency disclosure form is designed to inform the seller about their rights and the nature of the agency relationship. When a seller refuses to sign, documenting this refusal helps to create a clear record of events, which can protect all parties involved in case of future disputes or misunderstandings. By recording the refusal, the agent can demonstrate that they fulfilled their duty to present the disclosure and that the seller was informed, even if they chose not to acknowledge it by signing. This practice also helps maintain professionalism and ensures compliance with standard procedures in real estate transactions. In contrast, demanding compliance or explaining that the transaction cannot proceed might not effectively address the seller's concerns. Leaving the meeting in frustration does not contribute to resolving the situation or fulfilling legal requirements—it's counterproductive to the real estate process. Overall, properly documenting the seller's refusal serves both as a protective measure and as a method of maintaining transparent communication throughout the transaction process.

4. What is the purpose of a listing agreement in real estate?

- A. To establish a legal contract between a seller and a real estate agent**
- B. To outline the commission structure for a real estate agent**
- C. To provide a schedule for property viewings**
- D. To determine the final sale price of the property**

A listing agreement serves as a legal contract between a seller and a real estate agent, establishing the responsibilities and expectations of both parties. This agreement provides the framework for the agent to represent the seller in the sale of their property, giving the agent the authority to market and negotiate on behalf of the seller. This legal relationship is crucial as it clearly delineates the terms under which the agent will operate, including the exclusive rights, duration, and obligations related to the sale process. While other elements like commission structures, property viewings, and sale prices might be discussed or influenced during the listing process, they are not the primary purpose of a listing agreement. The contract itself is fundamentally about creating a formal relationship that ensures both the seller and the agent understand and consent to the terms under which they will work together to achieve a successful sale.

5. What kind of acts are considered ministerial tasks in real estate?

- A. Acts involving complex decision-making.**
- B. Tasks performed without client representation.**
- C. Actions explicitly requiring fiduciary responsibility.**
- D. Administrative tasks assisting the licensed agent.**

Ministerial tasks in real estate refer to routine administrative actions that do not require the exercise of judgment or discretion and are performed to assist a licensed agent. These tasks might include activities such as completing forms, setting appointments, or providing information to clients and other parties, which do not involve any confidential or professional advice or actions that would require a licensee to act in the capacity of a fiduciary. These tasks are contrasted with complex decision-making or actions that require a fiduciary responsibility, which involve more significant judgment and professional responsibility towards a client. Because ministerial tasks do not require representing the client and do not engage decision-making that affects their interests, they are essential in maintaining operational efficiency within real estate practice but do not constitute the core responsibilities of a licensed agent in terms of client advocacy or representation.

6. What types of properties require a Maryland real estate license to sell?

- A. Only commercial properties**
- B. Residential, commercial, and industrial properties**
- C. Only residential properties**
- D. All properties except agricultural**

A Maryland real estate license is required to sell various types of properties, including residential, commercial, and industrial properties. This broad requirement is in place because real estate transactions involve legal complexities, financial implications, and specific market knowledge that agents must navigate effectively. In Maryland, the real estate industry is regulated to ensure that agents have the necessary expertise to protect both buyers and sellers throughout the transaction process. This includes understanding zoning laws, property values, market trends, and negotiation strategies, regardless of the property type. The other options are limited to either specific property types or exclusions that do not accurately reflect the comprehensive licensure requirements in Maryland. By knowing that all these categories require a licensed professional, agents are prepared to serve a wider range of clients and property needs in the market.

7. Which of these parties is the Maryland Real Estate Commission NOT authorized to investigate?

- A. A licensed home inspector**
- B. An unlicensed assistant negotiating deals**
- C. A real estate salesperson depositing earnest money into a personal account**
- D. A brokerage firm that discriminated against applicants**

The correct understanding of the functions of the Maryland Real Estate Commission lies in its authority to regulate and oversee the licensed professionals in the real estate market. While the Commission has extensive powers to investigate activities that contravene real estate laws, it is limited when it comes to individuals or entities that do not require a license to perform their duties. In this context, licensed home inspectors operate under their own regulatory framework and typically are governed by specific laws pertaining to their profession. Therefore, while the Commission can oversee real estate agents and brokers, it does not have the authority to investigate licensed home inspectors for violations related to their professional conduct, as their licensing and regulatory oversight fall under a different set of laws. On the other hand, unlicensed individuals, such as assistants engaging in negotiation without a license, can be investigated since they are operating outside the legal boundaries set for real estate activities. Similarly, a real estate salesperson mishandling earnest money or a brokerage firm facing discrimination claims would fall within the Commission's jurisdiction for oversight because those actions directly violate real estate laws or regulations that the Commission is empowered to enforce.

8. Which document typically outlines the duties and responsibilities of a property manager?

- A. A property management agreement**
- B. A lease agreement**
- C. A purchase agreement**
- D. A sales contract**

The document that typically outlines the duties and responsibilities of a property manager is the property management agreement. This agreement serves as a formal contract between the property owner and the property manager, specifying the expectations, scope of work, and authority granted to the manager. It details various aspects such as the management fees, the manager's responsibilities regarding tenant relations, maintenance, financial reporting, and other operational duties. This clarity ensures that both parties have a mutual understanding of their roles, which is crucial for effective property management and to avoid disputes. In contrast, a lease agreement primarily governs the relationship between the landlord and tenant, outlining the terms under which a tenant may occupy the property. A purchase agreement pertains to the sale of real property and does not address property management responsibilities. Lastly, a sales contract is focused on the sale transaction and involves different parties and terms than those involved in property management. Therefore, the property management agreement is the specific document that defines the operational framework for property management duties.

9. How frequently must real estate salespersons in Maryland renew their licenses?

- A. Every year**
- B. Every two years**
- C. Every two years in even years**
- D. Every three years**

Real estate salespersons in Maryland are required to renew their licenses every two years. This renewal period allows the state's real estate commission to ensure that licensees continue to meet the necessary educational standards and stay updated on the laws and regulations governing real estate practice. By mandating a two-year renewal cycle, Maryland helps maintain a level of professionalism and knowledge among real estate professionals, which ultimately benefits consumers and the industry as a whole. This renewal requirement emphasizes the importance of continuous education and ethical practice in real estate, ensuring that salespersons are equipped with the latest information and skills. Other options suggesting renewal on an annual or three-year basis do not align with Maryland's regulations, and the idea of renewal specifically every two years in even years is misleading since the renewal applies uniformly regardless of the year.

10. Under Maryland law, how long must a seller maintain disclosures regarding lead paint?

- A. For five years following the sale**
- B. For the duration of property ownership and during the sale process**
- C. For ten years after the sale**
- D. Only until the property is sold**

The requirement for sellers in Maryland to maintain disclosures regarding lead paint is rooted in laws designed to protect public health. Under these laws, sellers are obligated to keep relevant disclosures throughout their ownership of a property, as well as during the sale process. This ensures that potential buyers are fully informed about any lead-based paint hazards that may be present, particularly in homes built before 1978 when the use of lead-based paint was banned for residential properties. Maintaining disclosures throughout ownership allows sellers to have up-to-date information readily available and fosters transparency, which is essential in real estate transactions. This requirement reflects a commitment to safety and the responsibility of sellers to provide accurate, timely information to protect future occupants. This emphasis on long-term accountability is why the correct answer focuses on both the duration of property ownership and the time during the sale process.