

MARYLAND REAL ESTATE LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. In real estate terms, what does "market value" signify?**
 - A. The anticipated future value of a property
 - B. The most probable price a property would sell for in a competitive and open market
 - C. The highest price a buyer is willing to pay
 - D. The minimum price a seller is willing to accept
- 2. What is incorrect about Rhetta's handling of the lead-based paint inspection report?**
 - A. She only has five days to send the information to sellers.
 - B. She should include photos and not just copies of the report.
 - C. Condos are exempt from lead-based paint regulations.
 - D. She should send the report to the condo board, not to the sellers.
- 3. Which offers must Monique present to her client from the four offers received on a property?**
 - A. Only offers A, C, and D
 - B. Only offers A, B, and C
 - C. Only offer D
 - D. All of them
- 4. What should Grayson do to ensure his bonus to Isla is compliant?**
 - A. Inform Jaleel after the fact
 - B. Document and disclose the bonus arrangement
 - C. Notify Isla in writing only
 - D. Adjust listing agreement for documentation
- 5. 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

- 6. 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
- 7. If a licensee is guilty of misrepresentation, what is the potential financial penalty MREC can impose?**
- A. \$5,000
 - B. \$10,000
 - C. \$25,000
 - D. \$75,000
- 8. What is the purpose of the Maryland Homeowners Association Act?**
- A. To establish tax policies for homeowners
 - B. To regulate homeowners associations in Maryland
 - C. To provide funding for home repairs
 - D. To oversee rental agreements
- 9. What does Keisha need before advertising her new real estate listing?**
- A. A signed property disclosure/disclaimer statement.
 - B. The owner's permission to advertise the property.
 - C. A signed buyer agency agreement.
 - D. Approval from the commission to run the ad.
- 10. What is Rose's option after her complaint was dismissed regarding Stan's actions?**
- A. She can wait six months and file another claim.
 - B. She can appeal the hearing panel's decision.
 - C. She can seek damages from the Guaranty Fund.
 - D. She is out of luck and cannot further act against MREC.

Answers

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

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Explanations

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1. In real estate terms, what does "market value" signify?

- A. The anticipated future value of a property
- B. The most probable price a property would sell for in a competitive and open market**
- C. The highest price a buyer is willing to pay
- D. The minimum price a seller is willing to accept

Market value in real estate refers to the most probable price that a property would sell for in a competitive and open market, where both buyers and sellers are acting rationally and without undue pressure. This concept captures a property's worth based on current market conditions and comparable properties, reflecting what buyers are typically willing to pay and what sellers are usually willing to accept. It assumes a scenario where negotiations are fair, and the property has had adequate exposure to the market. Other definitions often confuse market value with related but distinct ideas, such as the anticipated future value of a property, which looks at projections rather than current conditions. Similarly, the highest price a buyer is willing to pay or the minimum price a seller is willing to accept reflects individual perspectives and conditions rather than a broad market consensus. Market value is established through a combination of market demand, property features, and comparable sales in the area, making it a foundational concept for buyers, sellers, and real estate professionals.

2. What is incorrect about Rhetta's handling of the lead-based paint inspection report?

- A. She only has five days to send the information to sellers.**
- B. She should include photos and not just copies of the report.
- C. Condos are exempt from lead-based paint regulations.
- D. She should send the report to the condo board, not to the sellers.

Rhetta's handling of the lead-based paint inspection report is indeed problematic due to the timeframe in which she must provide this information. Under federal law, when a property built before 1978 is involved in a transaction, the sellers must be given the lead-based paint disclosure pamphlet and any available reports about the presence of lead-based paint or lead-based paint hazards. This disclosure must occur within a specific period, typically no less than 10 days before the buyer is required to sign a purchase contract. The five-day timeframe mentioned in the option suggests that Rhetta is not allowing enough time for the sellers to receive and review the necessary information, which could hinder their understanding of any potential lead hazards. In contrast, providing confidential information to condo boards rather than to sellers, failing to include complete documentation such as photographs, or claiming that condominiums are exempt from lead-based paint regulations, are all misunderstandings of the requirements related to lead-based paint disclosures. Such inaccuracies could lead to legal issues, a lack of transparency, or non-compliance with safety regulations and disclosures that protect buyers.

3. Which offers must Monique present to her client from the four offers received on a property?

A. Only offers A, C, and D

B. Only offers A, B, and C

C. Only offer D

D. All of them

In real estate transactions, agents have a fiduciary duty to act in the best interest of their clients, which includes presenting all offers received on a property unless instructed otherwise by the client. This duty ensures that clients have the opportunity to make informed decisions based on all available opportunities. The correct answer indicates that Monique is required to present offers A, C, and D to her client. This suggests that offers B might lack some critical aspect that prevents it from being presented, such as not meeting the minimum terms set by the client or violating specific parameters the client established for consideration. Understanding the necessity of presenting multiple offers helps agents maximize their client's options and negotiate effectively on their behalf. This also allows the client to compare terms, conditions, and potential outcomes from each offer, which is essential for making an informed decision. Therefore, Monique's responsibility is to present the offers that align with her client's interests and guidelines while ensuring they have all pertinent information to choose from.

4. What should Grayson do to ensure his bonus to Isla is compliant?

A. Inform Jaleel after the fact

B. Document and disclose the bonus arrangement

C. Notify Isla in writing only

D. Adjust listing agreement for documentation

To ensure compliance with the bonus arrangement Grayson intends to offer Isla, documenting and disclosing the bonus is essential for several reasons. First and foremost, full transparency in real estate transactions fosters trust and protects all parties involved. By documenting the bonus arrangement, Grayson not only provides a clear record of the agreement but also ensures that Isla is fully aware of the terms and implications of the bonus. Additionally, disclosing the bonus arrangement is often a legal requirement in many jurisdictions, including Maryland, to comply with regulations governing real estate activities. This step helps prevent potential misunderstandings or conflicts of interest and assures both parties that they are operating within the framework of applicable laws and industry standards. Other options may not fulfill the necessary requirements for compliance. Informing Jaleel after the fact does not allow for proactive transparency and could lead to issues if there are questions about the arrangement later on. Notifying Isla in writing only may lack the formal documentation necessary for compliance. Adjusting the listing agreement for documentation is not a direct means of ensuring the bonus is compliant unless it clearly outlines the bonus terms, which should ideally be documented and disclosed separately to clarify the arrangement. Thus, proper documentation and disclosure provide a solid foundation to uphold compliance in the real estate transaction.

5. 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.

6. 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.

7. If a licensee is guilty of misrepresentation, what is the potential financial penalty MREC can impose?

- A. \$5,000
- B. \$10,000
- C. \$25,000**
- D. \$75,000

The Maryland Real Estate Commission (MREC) has established guidelines regarding penalties for various violations, including misrepresentation. If a licensee is found guilty of misrepresentation, the potential financial penalty can be quite significant, reflecting the seriousness of the violation. In this case, the correct answer indicates a penalty of \$25,000. This amount serves to both deter dishonest practices within the real estate industry and ensure that licensees uphold the highest ethical standards. Misrepresentation can severely impact consumers and the integrity of real estate transactions, thus warranting a substantial financial consequence. The other potential amounts may be seen as too low to effectively address the gravity of misrepresentation, which can have far-reaching implications for both clients and the real estate market as a whole. On the other hand, higher penalties like \$75,000 could be reserved for more egregious violations or multiple offenses, making the \$25,000 fine appropriate for a first instance of misrepresentation.

8. What is the purpose of the Maryland Homeowners Association Act?

- A. To establish tax policies for homeowners
- B. To regulate homeowners associations in Maryland**
- C. To provide funding for home repairs
- D. To oversee rental agreements

The Maryland Homeowners Association Act is designed primarily to regulate homeowners associations within the state of Maryland. This legislation provides a framework for the formation, operation, and governance of homeowners associations, ensuring that they function fairly and transparently. The Act outlines the rights and responsibilities of both the homeowners and the associations, including rules regarding assessments, governance procedures, and dispute resolution mechanisms. By establishing these regulations, the Act aims to protect homeowners' interests and ensure that associations operate in a manner that is consistent and lawful, thereby promoting a harmonious living environment within communities governed by homeowners associations. This focus on regulation distinguishes this answer as the correct choice over options that do not directly pertain to the governance and operation of homeowners associations.

9. What does Keisha need before advertising her new real estate listing?

- A. A signed property disclosure/disclaimer statement.
- B. The owner's permission to advertise the property.**
- C. A signed buyer agency agreement.
- D. Approval from the commission to run the ad.

Before advertising her new real estate listing, Keisha must obtain the owner's permission to advertise the property. This is essential because the owner has legal rights over their property and must consent to any promotional activities related to it. Without the owner's approval, any advertisement could be considered a violation of their rights, potentially leading to legal issues or disputes. While other options may seem relevant, they do not directly pertain to the immediate need for advertising. For example, a signed property disclosure/disclaimer statement is important for transparency but is not specifically required to initiate advertising. Similarly, a signed buyer agency agreement pertains to the relationship between the agent and the buyer rather than the act of advertising a listing. Lastly, seeking approval from the commission is not typically a prerequisite for advertising a property; real estate advertisements generally do not require prior approval from regulatory bodies as long as they comply with relevant advertising laws and guidelines.

10. What is Rose's option after her complaint was dismissed regarding Stan's actions?

- A. She can wait six months and file another claim.
- B. She can appeal the hearing panel's decision.
- C. She can seek damages from the Guaranty Fund.
- D. She is out of luck and cannot further act against MREC.**

In this scenario, when a complaint is dismissed, the recommended course of action following that dismissal is often limited. If a case is dismissed by a regulatory body like the Maryland Real Estate Commission (MREC), it typically means that the panel found no basis for the claims made by the complainant. Once a complaint is finalized by dismissal, usually, the complainant has exhausted administrative remedies related to that specific complaint and cannot pursue the same matter further within the same framework. Thus, the appropriate understanding is that Rose is effectively left without further recourse regarding her original complaint unless there are new developments or evidence that warrant filing a new complaint. This reflects the principle of finality in administrative decisions, which prevents endless re-litigation of the same issue without new grounds. Engaging in an appeal may not be an option if the procedural framework doesn't allow it, and seeking damages from the Guaranty Fund is typically unrelated to the dismissal of a complaint. Therefore, Rose's position post-dismissal is indeed one of limited options, ultimately leading to the conclusion that she cannot further act against the MREC regarding this specific complaint.

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://marylandrealestate.examzify.com>

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

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