

# Minnesota Real Estate Salesperson 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**

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- 1. If no activity has occurred after 120 days from the application date to register land, what may the commissioner do?**
  - A. Extend the application period**
  - B. Approve the application**
  - C. Declare the application withdrawn**
  - D. Request additional information**
- 2. What are the legal remedies when a buyer defaults on a sales contract?**
  - A. The seller can sue for damages and keep the earnest deposit**
  - B. The seller must return the earnest deposit**
  - C. The seller cannot take any action**
  - D. The seller can only seek cancellation**
- 3. What must a licensee do to get their license reinstated after a payment from the recovery fund?**
  - A. Repay the recovery fund twice the amount paid**
  - B. Complete a training course**
  - C. Obtain a new license**
  - D. Pay a fine to the state**
- 4. How frequently is the Code of Ethics reviewed by NAR?**
  - A. Every two years**
  - B. Annually**
  - C. Every five years**
  - D. Every quarter**
- 5. By what date must all renewal requirements be satisfied?**
  - A. May 1st of the renewal year**
  - B. June 1st of the renewal year**
  - C. June 15th of the renewal year**
  - D. July 1st of the renewal year**

**6. What are the two primary forms of evidence used to clear a property title?**

- A. Written documentation and verbal agreements**
- B. Abstract of title and attorney's opinion**
- C. Abstract of title and title insurance policy**
- D. Survey report and mortgage documentation**

**7. Can the Commissioner authorize a salesperson's immediate transfer between brokers?**

- A. No, not under any circumstances**
- B. Yes, with additional requirements**
- C. Yes, by permitting an automatic transfer**
- D. Only if the salesperson requests it**

**8. A listing agreement must include which of the following?**

- A. Financial disclosures**
- B. A description of the real property**
- C. An estimated market value**
- D. A termination clause**

**9. For how long must a broker retain transaction records?**

- A. 4 years**
- B. 6 years**
- C. 8 years**
- D. 10 years**

**10. A failure to perform according to the terms of the agreement is called?**

- A. Breach of contract**
- B. Default**
- C. Contract termination**
- D. Incapacity**

## **Answers**

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

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## **Explanations**

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**1. If no activity has occurred after 120 days from the application date to register land, what may the commissioner do?**

- A. Extend the application period**
- B. Approve the application**
- C. Declare the application withdrawn**
- D. Request additional information**

In the context of land registration, the process is structured to ensure timely follow-up on applications. If no activity has occurred after 120 days from the application date, the commissioner has the authority to declare the application withdrawn. This is a regulatory measure that helps maintain an efficient processing system, preventing backlogs and ensuring that land registration is a responsive and active process. This action reflects a need to keep the land registration system orderly and to encourage applicants to move forward with their applications or to reinitiate the process if they are still interested. The 120-day timeframe serves as a sufficient period for applicants to be proactive, and if there is no further engagement during this time, the legal status of the application can be reverted in a manner that allows the commissioner to allocate resources effectively. The options relating to extending the application period, approving the application without further action, or requesting additional information generally do not apply if there has been complete inactivity. Establishing clear timelines for application activity is essential for the regulatory framework within which the commissioner operates.

**2. What are the legal remedies when a buyer defaults on a sales contract?**

- A. The seller can sue for damages and keep the earnest deposit**
- B. The seller must return the earnest deposit**
- C. The seller cannot take any action**
- D. The seller can only seek cancellation**

When a buyer defaults on a sales contract, the seller has specific legal remedies available to them. One of the key remedies is the right to sue for damages incurred due to the default. This could include any financial losses the seller experienced as a direct result of the buyer not fulfilling their contractual obligations. In addition to seeking damages, the seller is typically entitled to retain the earnest deposit provided by the buyer. The earnest deposit serves as a form of security for the seller during the transaction; it indicates the buyer's commitment to the purchase. If a buyer defaults, the seller can keep this deposit, which helps to mitigate some of the losses resulting from the breach of contract. This dual approach allows the seller both to seek compensation for losses and to benefit from the earnest money intended to solidify the contract's terms. Other options do not align with common real estate practices. For instance, the seller is not obligated to return the earnest deposit, as it is intended to protect them in case of default. Although cancellation of the sales contract can be pursued, it is often accompanied by seeking damages and retaining the deposit, providing a more robust means of addressing the default situation.

**3. What must a licensee do to get their license reinstated after a payment from the recovery fund?**

- A. Repay the recovery fund twice the amount paid**
- B. Complete a training course**
- C. Obtain a new license**
- D. Pay a fine to the state**

To restore a license after a payment has been made from the recovery fund, a licensee is required to repay the recovery fund two times the amount that was disbursed on their behalf. This requirement serves as a means of ensuring that the recovery fund, which is designed to protect consumers who may suffer financial losses due to a licensee's actions, is replenished. By requiring the licensee to repay this amount, the regulatory framework aims to uphold accountability and maintain the integrity of the profession. The other options do not align with the regulations governing the reinstatement of a license in such circumstances. Completing a training course or obtaining a new license does not address the financial obligation to the recovery fund. Paying a fine might be a consequence in other regulatory scenarios, but it does not pertain to the specific requirement of reimbursing the recovery fund. Hence, repaying twice the amount paid is the condition that directly relates to the reinstatement process in this context.

**4. How frequently is the Code of Ethics reviewed by NAR?**

- A. Every two years**
- B. Annually**
- C. Every five years**
- D. Every quarter**

The Code of Ethics is reviewed by the National Association of Realtors (NAR) on an annual basis. This regular review ensures that the ethical standards reflect current practices and societal expectations in the real estate industry. By evaluating the Code annually, NAR can make timely updates to address new issues, incorporate feedback from its members, and ensure that the ethical guidelines remain relevant and effective in promoting professionalism and integrity among real estate professionals. This commitment to regular assessment supports the ongoing accountability of realtors to uphold high ethical standards, which is vital for maintaining public trust in the profession.

## 5. By what date must all renewal requirements be satisfied?

- A. May 1st of the renewal year
- B. June 1st of the renewal year
- C. June 15th of the renewal year**
- D. July 1st of the renewal year

The correct answer indicates that all renewal requirements must be satisfied by June 15th of the renewal year to ensure that the individual can continue to practice as a licensed real estate salesperson in Minnesota. This date is significant because it represents a deadline that allows the Minnesota Department of Commerce to process all renewals in a timely manner before the license expiration. Meeting the requirements by this date ensures that individuals have ample time to complete any necessary continuing education courses and submit relevant paperwork without risking a lapse in their license status. This particular deadline is also consistent with broader regulatory practices, which aim to maintain a streamlined process for both the licensing authority and the real estate professionals seeking to comply with state regulations. By adhering to this timeline, real estate agents can avoid penalties and ensure they remain in good standing with their licensing body.

## 6. What are the two primary forms of evidence used to clear a property title?

- A. Written documentation and verbal agreements
- B. Abstract of title and attorney's opinion
- C. Abstract of title and title insurance policy**
- D. Survey report and mortgage documentation

The two primary forms of evidence used to clear a property title are the abstract of title and a title insurance policy. The abstract of title is a comprehensive summary of all the records concerning a particular property, including its ownership history, liens, judgments, and any encumbrances that may affect title. This document essentially traces the lineage of ownership and identifies any potential issues that could affect the marketability or legality of the title. On the other hand, a title insurance policy provides protection to the buyer and the lender against any future claims or disputes regarding the ownership of the property that were not identified in the abstract of title. It covers issues such as missed liens, forgeries, or errors in the public record after the policy is issued. Together, the abstract of title and title insurance serve as critical components in ensuring that a property's title is clear and marketable, thereby providing security to buyers and lenders in real estate transactions. In contrast, written documentation and verbal agreements do not serve the same legal and comprehensive functions as the abstract of title and title insurance. Similarly, although survey reports and mortgage documentation play significant roles in real estate transactions, they do not serve the purpose of clearing title in the same direct manner as the abstract and insurance do.

**7. Can the Commissioner authorize a salesperson's immediate transfer between brokers?**

- A. No, not under any circumstances**
- B. Yes, with additional requirements**
- C. Yes, by permitting an automatic transfer**
- D. Only if the salesperson requests it**

The correct answer affirmatively states that the Commissioner can allow an automatic transfer of a salesperson between brokers. In Minnesota, this provision exists to facilitate a smoother transition for salespersons who wish to change their affiliation from one broker to another. An automatic transfer serves to streamline the process without necessitating extended delays or bureaucratic hurdles. This is particularly important as it ensures that a salesperson can continue their business with minimal disruption, which ultimately benefits not only the salesperson but also their clients and the brokerage involved. The rationale behind enabling automatic transfers aligns with the need to maintain flexibility in the real estate market, allowing salespersons the freedom to pursue opportunities that better match their goals or circumstances while remaining compliant with regulatory standards. In contrast, other aspects of the question, such as imposing additional requirements, limiting requests to only those made by the salesperson, or stating that no transfers are permissible under any circumstances, do not align with the regulatory framework designed to support the mobility of real estate professionals within the state. This flexibility is an essential component of the commissioner's role in overseeing the real estate industry in Minnesota.

**8. A listing agreement must include which of the following?**

- A. Financial disclosures**
- B. A description of the real property**
- C. An estimated market value**
- D. A termination clause**

A listing agreement is a crucial document in the real estate transaction process, as it formalizes the relationship between a property owner and a real estate agent. One critical component of this agreement is the inclusion of a description of the real property being sold or leased. This description typically outlines key details such as the location, size, and specific characteristics of the property, which are essential for both the agent and potential buyers to understand what is being offered. Providing a clear and accurate description helps to set the expectations for the transaction and ensures that everyone involved is discussing the same property features. This clarity also aids in marketing efforts, as the agent must convey the property's attributes to attract potential buyers. While financial disclosures, an estimated market value, and a termination clause may be important in the overall context of a real estate transaction, they are not absolute requirements in every listing agreement like the property description is. The inclusion of a property description is vital as it lays the foundation for the agreement itself and is necessary for understanding the nature of the listing.

## 9. For how long must a broker retain transaction records?

- A. 4 years
- B. 6 years**
- C. 8 years
- D. 10 years

A broker is required to retain transaction records for a period of six years, which aligns with the recommended practices set forth by state regulations and industry standards. This duration ensures that all documents related to real estate transactions, such as contracts, disclosures, and closing statements, are available for reference in case of audits, legal disputes, or inquiries from regulatory bodies. Retaining records for this timeframe balances the need for diligence and accountability in the profession while considering the practicalities of recordkeeping and document retrieval. By adhering to this requirement, brokers can protect themselves and their clients, maintaining a high level of professionalism and compliance in their real estate practices.

## 10. A failure to perform according to the terms of the agreement is called?

- A. Breach of contract**
- B. Default
- C. Contract termination
- D. Incapacity

A failure to perform according to the terms of the agreement is correctly identified as a breach of contract. When one party does not fulfill their obligations as outlined in the contract, it constitutes a breach. This can involve not completing tasks promised, failing to make payments, or any other noncompliance with the agreed-upon terms. As a legal concept, a breach of contract allows the harmed party to seek remedies, which can include damages or specific performance, depending on the situation. The other terms presented do not accurately define the failure to perform under a contract. Default generally refers to a failure to meet an obligation, particularly in financial contexts, but it is not as comprehensive as "breach of contract." Contract termination indicates the conclusion of a contract, rather than the failure to meet its terms. Incapacity regards a party's inability to enter into a contract legally, which is unrelated to the performance of agreed terms. Thus, breach of contract is the term that specifically captures the essence of not performing as stipulated in a contract.

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://mnrealestatesalesperson.examzify.com>**

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

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