

National Ownership 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. A homeowner's restrictions on property use are best described as which of the following?**
 - A. Deed restrictions**
 - B. Covenants**
 - C. Statutory limitations**
 - D. Building codes**
- 2. Which of the following is TRUE of a tenancy in common?**
 - A. The tenants share an indivisible interest.**
 - B. Each tenant has a separate title to the property.**
 - C. Tenants must have equal shares.**
 - D. All tenants must be related.**
- 3. When a contract is revoked:**
 - A. The revoking party has no further obligations**
 - B. All parties must draft a new contract**
 - C. The revoking party may still have obligations to the other party**
 - D. The contract is automatically terminated**
- 4. What legal status allows two individuals to own a house as tenants by the entirety?**
 - A. They are siblings**
 - B. They are cousins**
 - C. They are married**
 - D. They are business partners**
- 5. What must be demonstrated to show a special assessment tax?**
 - A. Public approval**
 - B. Direct benefit to properties**
 - C. Property value increase**
 - D. Community involvement**

- 6. If a seller will not follow fair housing laws, the licensee should?**
- A. Persuade the seller to comply.**
 - B. Not take the listing.**
 - C. Report the seller to authorities.**
 - D. Take the listing with caution.**
- 7. Which of the following is NOT a characteristic of a fee simple estate?**
- A. Transferable to heirs**
 - B. Unlimited duration**
 - C. Condition imposed by grantor**
 - D. Complete ownership rights**
- 8. If an owner's rights in an estate cannot be determined in duration, what type of estate do they own?**
- A. Leasehold estate**
 - B. Freehold estate**
 - C. Life estate**
 - D. Tenancy at will**
- 9. Which level of government primarily regulates the real estate business?**
- A. Federal government**
 - B. Local government**
 - C. State government**
 - D. Regional government**
- 10. In what type of foreclosure does a lender give a borrower a notice of default in a form prescribed by the state?**
- A. Judicial foreclosure**
 - B. Non-judicial foreclosure**
 - C. Strict foreclosure**
 - D. Summary foreclosure**

Answers

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

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Explanations

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1. A homeowner's restrictions on property use are best described as which of the following?

- A. Deed restrictions**
- B. Covenants**
- C. Statutory limitations**
- D. Building codes**

The correct choice, referring to homeowner's restrictions on property use, is accurately characterized as deed restrictions. Deed restrictions are legally binding conditions placed in the deed of the property, which dictate how a property can be used or developed. They are often employed to maintain a certain aesthetic or character within a neighborhood, ensuring that all properties adhere to a set of standards that the homeowners agree to uphold. These restrictions can cover a wide range of issues, such as the types of materials that can be used for construction, the height and style of buildings, and even restrictions on activities such as parking and outdoor decorations. Deed restrictions can be enforced by other homeowners or a homeowners association, and they remain in effect even when the property is sold, thus providing continuity of the agreed-upon standards. In contrast, covenants, though similar, often refer to a broader set of promises within a community's regulations or standards, sometimes including more general agreements. Statutory limitations pertain to laws imposed by governmental authorities, affecting how properties are used but are not specific to the preferences of individual homeowners. Building codes are regulations detailing the minimum standards for construction and safety, rather than restrictions imposed by homeowners on their own property use. Each of these alternatives serves different functions and does

2. Which of the following is TRUE of a tenancy in common?

- A. The tenants share an indivisible interest.**
- B. Each tenant has a separate title to the property.**
- C. Tenants must have equal shares.**
- D. All tenants must be related.**

A tenancy in common is characterized by the fact that each tenant holds an individual, undivided interest in the property. This means that the tenants share an indivisible interest in the entire property, rather than a specific portion of it. Each tenant has the right to use and enjoy the whole property, regardless of their share percentage. This arrangement allows for flexibility in ownership, as tenants can hold differing proportions without affecting the collective rights to the property. In addition to sharing an indivisible interest, tenants in common have their individual rights when it comes to transferring their interest in the property. Each tenant can sell, gift, or otherwise transfer their ownership share without the consent of the other co-owners, making it a unique and oftentimes complex ownership arrangement. The other statements do not accurately represent the nature of a tenancy in common. For example, tenants do not necessarily have equal shares; they can have varying proportions of ownership. Additionally, it is not required that tenants in common be related; they can be individuals or entities who come together to co-own property. Lastly, each tenant does not hold a separate title; rather, they all share a common title to the property, reflecting their collective ownership interest.

3. When a contract is revoked:

- A. The revoking party has no further obligations
- B. All parties must draft a new contract
- C. The revoking party may still have obligations to the other party**
- D. The contract is automatically terminated

The correct answer reflects an important aspect of contract law concerning revocation. When one party revokes a contract, it doesn't automatically absolve them of all obligations to the other party. Depending on the terms of the contract and the circumstances under which it is revoked, the revoking party may still have binding obligations. For example, if the revocation occurred after certain performances were promised, the revoking party could still be liable for damages or losses resulting from the revocation. Additionally, certain legal principles, such as the timing of the revocation notice and the parties' reliance on the contract, can also influence whether obligations remain. If the contract was partially performed or if one party had already incurred costs based on the agreement, the revoking party could face consequences related to those actions. Understanding these nuances is key to navigating contractual responsibilities in the event of a revocation. In contrast, the other options do not accurately reflect the complexities of contractual obligations after revocation. For instance, the idea that the revoking party has no further obligations overlooks potential liabilities that can arise from the termination of the contract. Similarly, stating that all parties must draft a new contract does not account for situations where the revocation leads to other legal or financial ramifications based on

4. What legal status allows two individuals to own a house as tenants by the entirety?

- A. They are siblings
- B. They are cousins
- C. They are married**
- D. They are business partners

The legal status that allows two individuals to own a house as tenants by the entirety is marriage. This form of ownership is specifically available only to married couples, as it treats them as a single legal entity concerning the property. This arrangement provides various benefits, including the right of survivorship, which means that if one spouse passes away, the surviving spouse automatically takes full ownership of the property without it being subject to probate. Tenants by the entirety also offers protections against individual creditors, meaning that, in many jurisdictions, a creditor of one spouse cannot force the sale of the property to satisfy a judgment against that spouse. Such protections underscore the unique legal status of this form of ownership, which is solely available to married couples and does not extend to siblings, cousins, or business partners, who may have different forms of property ownership, such as joint tenants or tenants in common.

5. What must be demonstrated to show a special assessment tax?

- A. Public approval**
- B. Direct benefit to properties**
- C. Property value increase**
- D. Community involvement**

To establish a special assessment tax, it is essential to demonstrate that there is a direct benefit to the properties being assessed. This means that the funds collected from the special assessment will be used for improvements or services that specifically enhance the value, usefulness, or enjoyment of the properties within the designated area. The benefit must be tangible and clear, reflecting the direct relationship between the assessment and the advantages gained by the property owners. For instance, if a local government levies a special assessment to fund road improvements, property owners who directly experience better access and safety as a result of these enhancements are seen to benefit from the tax. Thus, the properties assessed must receive a specific benefit that justifies the additional tax burden imposed on them. This focus on direct benefits distinguishes a special assessment from general taxation, which is not necessarily tied to direct benefits received by the property owners.

6. If a seller will not follow fair housing laws, the licensee should?

- A. Persuade the seller to comply.**
- B. Not take the listing.**
- C. Report the seller to authorities.**
- D. Take the listing with caution.**

The most appropriate response when a seller refuses to comply with fair housing laws is to not take the listing. This action reflects both ethical and legal obligations of the licensee. Real estate professionals have a duty to uphold fair housing laws, which aim to prevent discrimination based on race, color, religion, sex, national origin, familial status, or disability. Taking a listing from a seller who is unwilling to adhere to these laws could expose the licensee to legal liability and undermine the essential principles of equality and fairness in housing transactions. By choosing not to represent a seller who intends to violate these laws, the licensee maintains their professional integrity and commitment to compliance with regulations that protect all consumers. This decision also reinforces the importance of promoting fair housing practices within the industry. Consequently, it serves to promote a healthier market environment that aligns with legal standards and ethical responsibilities.

7. Which of the following is NOT a characteristic of a fee simple estate?

- A. Transferable to heirs**
- B. Unlimited duration**
- C. Condition imposed by grantor**
- D. Complete ownership rights**

A fee simple estate represents the most complete form of ownership in real property. This type of estate carries with it several key characteristics, which include being transferable to heirs, having unlimited duration, and conferring complete ownership rights. When considering each of these characteristics, transferability to heirs means that when the owner of a fee simple estate passes away, their rights to the property can be inherited by their heirs, which is a fundamental aspect of property rights. The unlimited duration reflects that the estate lasts indefinitely until it is sold or transferred, with no expiration attached. Furthermore, complete ownership rights imply that the owner has full control over the property, enabling them to use, develop, lease, or sell it as they see fit. However, the notion of a condition imposed by the grantor does not align with the fee simple estate definition. A fee simple estate can be absolute and unencumbered, or it can be subject to certain conditions or restrictions, leading to the creation of a fee simple subject to a condition subsequent or a fee simple determinable. Nevertheless, a straightforward fee simple estate itself lacks such imposed conditions, setting it apart from other forms of ownership, such as qualified or conditional estates. Therefore, identifying that a condition imposed by the grantor is

8. If an owner's rights in an estate cannot be determined in duration, what type of estate do they own?

- A. Leasehold estate**
- B. Freehold estate**
- C. Life estate**
- D. Tenancy at will**

The correct answer is that the owner possesses a freehold estate when their rights in the estate cannot be determined in duration. A freehold estate is typically characterized by an indefinite duration, meaning it is owned for an undetermined period of time that could last for a lifetime or even beyond. This type of estate grants the owner a greater degree of control and a more substantial interest in the property compared to estates that are for fixed terms or limited durations. In contrast, a leasehold estate is defined by a specific duration and is limited by the terms of the lease agreement. A life estate, while also a form of freehold estate, is explicitly limited to the duration of a person's life. Tenancy at will is a rental arrangement that lacks a definite duration and can be terminated by either party with proper notice, but this does not confer ownership rights to the estate in the same way a freehold estate does. Therefore, the indefiniteness of duration characterizes freehold estates as distinct from these other types of property interests.

9. Which level of government primarily regulates the real estate business?

- A. Federal government**
- B. Local government**
- C. State government**
- D. Regional government**

The correct answer indicates that the state government primarily regulates the real estate business. Each state has its own set of laws and regulations governing real estate practices, including licensing requirements for real estate agents, rules surrounding property transactions, and the management of land use. State governments have the authority to establish specific statutes that dictate how real estate transactions should be conducted, ensuring that there is uniformity and legality in practices within that state. This includes oversight of real estate boards or commissions that further implement these regulations, conduct examinations for real estate agents, and enforce ethical standards. While local governments also play a role in real estate by dictating zoning laws and property taxes, and the federal government provides overarching laws like fair housing standards, it is the state government that primarily holds regulatory authority concerning the operational aspects of real estate businesses. Therefore, understanding the components of state regulation is crucial for anyone involved in real estate, as these regulations can significantly influence how business is conducted at the local level.

10. In what type of foreclosure does a lender give a borrower a notice of default in a form prescribed by the state?

- A. Judicial foreclosure**
- B. Non-judicial foreclosure**
- C. Strict foreclosure**
- D. Summary foreclosure**

In non-judicial foreclosure, the lender initiates the process without court intervention, following a series of statutory procedures. One of these steps typically includes sending a notice of default to the borrower, which is prepared according to the specific requirements set by the state. This type of foreclosure is commonly used in states that allow lenders to bypass the court system to expedite the process of reclaiming property when a borrower defaults on a loan. Non-judicial foreclosure is often quicker than judicial foreclosure because it does not require lengthy court proceedings, making it a more efficient option for lenders who want to protect their investment. The notice of default serves as an official document that informs the borrower of their default status and outlines the potential consequences if the debt is not resolved. Understanding this process helps homeowners recognize their rights and the steps involved in foreclosure, as well as the distinctions between different types of foreclosure methods.

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://nationalownership.examzify.com>

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