

NATIONAL OWNERSHIP PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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 the grantor of a life estate names a third party to receive the title when the life tenant dies, what does the third party hold?**
 - A. A leasehold estate
 - B. A remainder estate
 - C. A life estate
 - D. A fee simple absolute

- 2. The National Environmental Policy Act of 1969 requires developers of large projects to?**
 - A. Submit a financial report.
 - B. Conduct an environmental impact survey.
 - C. Obtain permits from the Department of Agriculture.
 - D. Hold public hearings.

- 3. What requirement is generally true for a property manager working for multiple owners?**
 - A. They do not need a real estate license
 - B. They should have a real estate license
 - C. They must have additional certifications
 - D. They can only manage commercial properties

- 4. What does the Supreme Court say regarding fair housing testers?**
 - A. Testing is illegal.
 - B. Testing can lead to penalties.
 - C. Testing is legal.
 - D. Testing is not mentioned in the law.

- 5. The most important document at closing is the?**
 - A. Purchase Agreement
 - B. Title Insurance
 - C. Deed
 - D. Closing Disclosure

- 6. What is a significant consequence of local government requiring extensive building safety improvements?**
- A. Increased rental prices
 - B. A substantial amount of capital outlay
 - C. Enhanced property aesthetics
 - D. Reduced maintenance costs
- 7. Who typically has the responsibility of managing a land trust?**
- A. The trustee
 - B. The beneficiary
 - C. The lender
 - D. The local authority
- 8. Which of the following components is NOT included in PITI?**
- A. Taxes
 - B. Interest
 - C. Principal
 - D. Loan Origination Fee
- 9. Real estate licensees should know enough about building ordinances to be able to:**
- A. File building permits
 - B. Advise clients on landscaping
 - C. Alert clients of potential problems in a home
 - D. Calculate property value
- 10. Which situation exemplifies discrimination in mortgage lending?**
- A. Using credit scores to determine eligibility
 - B. Discriminating when doing a property appraisal
 - C. Refusing to lend based on employment status
 - D. Offering different interest rates to first-time buyers

Answers

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

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Explanations

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1. If the grantor of a life estate names a third party to receive the title when the life tenant dies, what does the third party hold?

- A. A leasehold estate
- B. A remainder estate**
- C. A life estate
- D. A fee simple absolute

When the grantor of a life estate specifies a third party to receive the title upon the death of the life tenant, that third party holds what is known as a remainder estate. This arrangement creates a future interest in the property, which will become possessory after the life tenant passes away. The remainder estate is contingent upon the life tenant's life and is a form of vested interest that ensures the third party will receive full ownership rights when the life estate terminates. In contrast, a leasehold estate conveys limited rights for a specified term, while a life estate itself refers to the rights of the individual currently living in the property, not the future interest holder. A fee simple absolute represents the highest form of ownership in real estate, where the owner has complete control and ownership rights, which is not applicable to the arrangement in question involving a remainder. Thus, the correct answer reflects the legal concept of a remainder estate, highlighting the designated future ownership interest following the termination of the life estate.

2. The National Environmental Policy Act of 1969 requires developers of large projects to?

- A. Submit a financial report.
- B. Conduct an environmental impact survey.**
- C. Obtain permits from the Department of Agriculture.
- D. Hold public hearings.

The National Environmental Policy Act (NEPA) of 1969 mandates that developers of large projects must conduct an environmental impact survey, also known as an Environmental Impact Statement (EIS). This requirement is in place to ensure that potential environmental impacts of proposed projects are thoroughly assessed and considered before any action is taken. The goal is to facilitate informed decision-making by governmental agencies and the public about the potential environmental consequences of the project. Conducting an environmental impact survey involves examining a project's effects on various environmental factors, such as air and water quality, wildlife habitat, and cultural resources, among others. This process not only promotes environmental stewardship but also ensures compliance with federal regulations aimed at protecting the environment. By requiring this survey, NEPA serves as a critical tool in balancing development needs with environmental protection. The other options listed do not align with the core requirements of NEPA. Submitting a financial report or obtaining permits from specific departments is not mandated by NEPA, nor is it inherently required to hold public hearings, although public involvement is often encouraged in the environmental review process.

3. What requirement is generally true for a property manager working for multiple owners?

- A. They do not need a real estate license
- B. They should have a real estate license**
- C. They must have additional certifications
- D. They can only manage commercial properties

A property manager who works for multiple owners is typically required to hold a real estate license. This is because managing properties on behalf of various owners often involves activities such as leasing, managing tenant relationships, and handling financial transactions, all of which legally necessitate a real estate license in many jurisdictions. Holding a license ensures that the property manager is knowledgeable about relevant laws, regulations, and best practices, which provides protection for both the property owners and the tenants. The requirement for a real estate license also helps to maintain a standard of professionalism and accountability in the industry, as licensed individuals must adhere to ethical guidelines and are subject to regulatory oversight. This is particularly important when managing properties for multiple clients, as it involves fiduciary responsibilities and an understanding of complex property management issues.

4. What does the Supreme Court say regarding fair housing testers?

- A. Testing is illegal.
- B. Testing can lead to penalties.
- C. Testing is legal.**
- D. Testing is not mentioned in the law.

The Supreme Court recognizes that fair housing testers play a vital role in identifying and addressing discrimination in housing markets. Testing is a method employed by advocates to simulate the experience of potential renters or homebuyers in order to observe whether they encounter unequal treatment based on race, color, national origin, religion, sex, familial status, or disability. This practice is considered legal and is accepted as a means to uncover discriminatory practices that violate the Fair Housing Act. Through testing, evidence can be compiled to support claims of discrimination, which can then lead to legal action or enforcement measures. The findings from testing can contribute to policy changes and increased awareness of fair housing laws, ultimately fostering more equitable housing opportunities. The legality of testing is thus an important aspect of fair housing enforcement, allowing for the continued pursuit of equality in housing practices.

5. The most important document at closing is the?

- A. Purchase Agreement
- B. Title Insurance
- C. Deed**
- D. Closing Disclosure

The deed is the most important document at closing because it serves as the official legal instrument that transfers ownership of the property from the seller to the buyer. Upon signing, the deed creates a recordable change in title, meaning that it can be filed with the local government to give public notice of the new ownership. This process ensures that the buyer's rights to the property are legally recognized and can protect the buyer from claims by third parties. While the other documents listed, such as the purchase agreement, title insurance, and closing disclosure, play crucial roles in the real estate transaction, they do not have the same immediate legal effect of transferring ownership. The purchase agreement outlines the terms of the sale, and the closing disclosure details the financial aspects of the transaction, including loan terms and closing costs. Title insurance provides protection against potential property claims but does not itself convey ownership. Therefore, the deed holds the paramount importance as it finalizes the transaction and confirms the buyer's rightful ownership of the property.

6. What is a significant consequence of local government requiring extensive building safety improvements?

- A. Increased rental prices
- B. A substantial amount of capital outlay**
- C. Enhanced property aesthetics
- D. Reduced maintenance costs

The requirement for extensive building safety improvements often entails a substantial amount of capital outlay. This is because local governments often mandate upgrades to meet current safety standards, which can include structural, electrical, plumbing, and fire safety enhancements. Property owners may need to invest heavily in renovations, modernizing their buildings to comply with regulations. This can be a significant financial burden, especially for older properties that may require comprehensive updates to meet these safety codes. While there may be some relationship between safety improvements and the other listed consequences, such as potential increases in rental prices or enhanced property aesthetics, the most direct and immediate consequence of these mandates is indeed the financial investment required for compliance. Ensuring buildings are safe is critical, but it can lead to a heavy initial expense for property owners and developers.

7. Who typically has the responsibility of managing a land trust?

- A. The trustee**
- B. The beneficiary
- C. The lender
- D. The local authority

The responsibility of managing a land trust typically falls to the trustee. In the context of a land trust, the trustee is an individual or entity that holds legal title to the property on behalf of the beneficiaries. This role involves overseeing the management and administration of the trust, ensuring that the property is maintained according to the trust's terms and that the beneficiaries' interests are honored. Trustees are responsible for various duties, such as maintaining property records, ensuring compliance with relevant laws, and making decisions about property management and potential sales. Their fiduciary duty requires them to act in the best interests of the beneficiaries, which can include making financial decisions and strategic plans regarding the use and future of the property. The other options, while they play roles in the broader context of real estate and ownership, do not take on the specific fiduciary responsibilities typically associated with the management of a land trust. For instance, beneficiaries are the individuals or entities that benefit from the trust but do not manage the property directly. Lenders may be involved in financing but do not manage the land trust, and local authorities generally regulate land use rather than manage individual land trusts. Thus, the trustee's role is crucial and foundational to the effective management of a land trust.

8. Which of the following components is NOT included in PITI?

- A. Taxes
- B. Interest
- C. Principal
- D. Loan Origination Fee**

The correct answer highlights that the loan origination fee is not part of the PITI components. PITI stands for Principal, Interest, Taxes, and Insurance, which are the key elements of a monthly mortgage payment. Principal refers to the portion of the payment that reduces the original loan balance. Interest is the cost of borrowing the money, calculated as a percentage of the remaining loan balance. Taxes typically relate to property taxes assessed by the local government, and insurance usually pertains to homeowners insurance intended to protect the property against damage or loss. A loan origination fee, on the other hand, is a one-time charge by the lender for processing a new loan application. It is an upfront cost and not included in the monthly payment structure that PITI represents. Understanding PITI is crucial for homeowners when budgeting for their mortgage, as it encompasses ongoing monthly obligations rather than initial loan application fees.

9. Real estate licensees should know enough about building ordinances to be able to:

- A. File building permits
- B. Advise clients on landscaping
- C. Alert clients of potential problems in a home**
- D. Calculate property value

Being knowledgeable about building ordinances allows real estate licensees to alert clients of potential problems in a home. Building ordinances govern the standards for construction and alterations, including safety codes, zoning regulations, and property use. By understanding these regulations, licensees can identify issues that may affect the property's legality, safety, or future resale value. For instance, if a home has unpermitted work or doesn't meet local codes, it could lead to significant concerns for the buyer, such as potential fines or the need for costly repairs. By proactively informing clients about these potential problems, the licensee can help them make informed decisions. In contrast, while filing building permits, advising on landscaping, or calculating property value may also relate to aspects of real estate, these require specific expertise or do not directly align with the fundamental understanding of building ordinances in the context of alerting clients to issues they might face.

10. Which situation exemplifies discrimination in mortgage lending?

- A. Using credit scores to determine eligibility
- B. Discriminating when doing a property appraisal**
- C. Refusing to lend based on employment status
- D. Offering different interest rates to first-time buyers

The situation that exemplifies discrimination in mortgage lending is discrimination during the property appraisal process. Appraisals are meant to provide an objective value for a property based on various factors such as location, condition, and market trends. However, if an appraiser allows personal biases or stereotypes to influence their valuation—whether based on the racial or ethnic background of the homeowner, for instance—this constitutes discrimination. Such practices can lead to unfair lending decisions and perpetuate inequalities in home ownership and property value, which are critical aspects of the broader issue of systemic discrimination in housing. Using credit scores to determine eligibility, evaluating employment status, and offering different interest rates to first-time buyers can all be considered standard practices in mortgage lending. These factors are typically based on objective criteria that relate directly to the borrower's financial readiness, rather than subjective biases. Therefore, they do not indicate discriminatory practices in the same way that biased appraisals can undermine fair access to mortgage lending.

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!

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