

NATIONAL REAL ESTATE 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. What is a notable exception under the Federal Fair Housing Act?

- A. Multi-family units owned by a corporation
- B. Religious organizations renting out their property
- C. Government-owned properties
- D. Properties listed by real estate agents

2. What is the primary purpose of the Fair Housing Act?

- A. To regulate housing prices in the market
- B. To create affordable housing options for families
- C. To prevent discrimination in housing based on specific characteristics
- D. To ensure landlords can charge any rent they desire

3. What does market value primarily represent?

- A. The price set by the seller
- B. An estimate of potential future price
- C. An estimate of probably price on appraisal date
- D. The minimum price accepted by the buyer

4. What is a writ of attachment used for?

- A. To transfer ownership of property
- B. To secure a debtor's property during a lawsuit
- C. To finalize a purchase agreement
- D. To notify tax authorities of ownership

5. What is a short sale in real estate?

- A. A sale where the homeowner sells the property for less than the mortgage balance with lender approval
- B. A quick sale of a property at market value
- C. A transaction that occurs in under 30 days
- D. A sale conducted only by real estate agents

- 6. What is a "real estate disclosure" in the context of a property sale?**
- A. A statement summarizing the features of the property
 - B. A statement that provides potential buyers with information about property conditions
 - C. A detailed report on the property's history
 - D. A warranty provided by the seller
- 7. Which term refers to a property ownership type where a husband and wife hold title together?**
- A. Tenant in common
 - B. Joint tenancy
 - C. Tenancy by the entirety
 - D. Severalty
- 8. Which of the following best describes an encumbrance?**
- A. A property that is fully owned without any claims
 - B. A claim or liability attached to property
 - C. A type of zoning restriction
 - D. A method of financing a property
- 9. Which type of agreement typically requires the broker to receive a commission regardless of the seller's actions?**
- A. Exclusive right to sell listing
 - B. Exclusive agency listing
 - C. Open listing
 - D. For-sale-by-owner agreement
- 10. What is the role of an escrow agent in a real estate transaction?**
- A. To negotiate sales prices between buyers and sellers
 - B. To hold and manage funds and documents until all conditions are met
 - C. To advertise properties to potential buyers
 - D. To conduct property appraisals for lenders

Answers

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

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Explanations

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1. What is a notable exception under the Federal Fair Housing Act?

- A. Multi-family units owned by a corporation
- B. Religious organizations renting out their property**
- C. Government-owned properties
- D. Properties listed by real estate agents

The Federal Fair Housing Act includes certain exceptions which allow for some flexibility in specific situations. One notable exception is the provision that allows religious organizations to rent out property owned by the organization without being subjected to the same obligations under the Act. This is because the federal law recognizes the right of religious organizations to operate their properties in a manner that reflects their values and doctrines, allowing them to provide housing specifically to members of their faith or adhere to their religious beliefs. In contrast, multi-family units owned by a corporation, government-owned properties, and properties listed by real estate agents typically fall under the purview of the Fair Housing Act, requiring compliance with anti-discrimination laws in terms of tenant selection and leasing practices. These properties do not enjoy the same religious-specific exemptions, as they are often considered public or commercial entities that must adhere to fair housing standards.

2. What is the primary purpose of the Fair Housing Act?

- A. To regulate housing prices in the market
- B. To create affordable housing options for families
- C. To prevent discrimination in housing based on specific characteristics**
- D. To ensure landlords can charge any rent they desire

The primary purpose of the Fair Housing Act is to prevent discrimination in housing based on specific characteristics such as race, color, national origin, religion, sex, familial status, and disability. Enacted in 1968 as part of the Civil Rights Movement, this piece of legislation aims to ensure that everyone has equal access to housing opportunities without facing bias. The act seeks to create a more equitable housing market where individuals can choose where to live without fear of being treated unfairly due to their personal attributes. This focus on non-discrimination is crucial because historically, marginalized groups have faced considerable barriers in accessing housing. By prohibiting discriminatory practices, the Fair Housing Act helps foster a diverse and inclusive environment within communities, ultimately contributing to social justice and equality in housing. The other choices reflect misconceptions about the Act's purpose. While affordability and pricing in the market are significant housing issues, they are not addressed by the Fair Housing Act, as it does not regulate prices or create affordable housing. The Act focuses specifically on discrimination rather than on economic conditions or landlord rights regarding rent setting.

3. What does market value primarily represent?

- A. The price set by the seller
- B. An estimate of potential future price
- C. An estimate of probable price on appraisal date**
- D. The minimum price accepted by the buyer

Market value primarily represents an estimate of the likely price that a property would sell for on a specific date, given current market conditions, comparable sales, and other relevant factors. This estimation is crucial for both buyers and sellers as it considers what a willing buyer would pay and a willing seller would accept in an open and competitive market. Real estate appraisers use various methods to arrive at an opinion of market value, including the sales comparison approach, the cost approach, and the income approach. These methods rely on the analysis of comparable properties and market trends to assess what the property is worth at that particular point in time. The key aspect here is that market value provides a realistic snapshot based on current data rather than an anticipated future scenario or historical pricing. Other options reflect differing perspectives: the price set by the seller or the minimum price accepted by the buyer do not necessarily align with prevailing market trends and can be subjective based on individual circumstances. An estimate of potential future price hints at speculative value rather than the concrete assessment of value at the present time. Hence, the estimate of probable price on the appraisal date is the most accurate representation of market value.

4. What is a writ of attachment used for?

- A. To transfer ownership of property
- B. To secure a debtor's property during a lawsuit**
- C. To finalize a purchase agreement
- D. To notify tax authorities of ownership

A writ of attachment is a legal order that allows a creditor to secure a debtor's property as part of a lawsuit. This mechanism is used to ensure that the debtor's assets are preserved and available to satisfy a potential judgment in favor of the creditor. By obtaining a writ of attachment, the court can effectively place a hold on the debtor's assets, which prevents the debtor from selling or hiding those assets before the court resolves the dispute. This process is particularly important in ensuring that, if the creditor ultimately wins the lawsuit, the debtor's property can be used to satisfy the debt. Other choices relate to different legal concepts: transferring ownership of property is typically achieved through deeds; finalizing a purchase agreement involves contract execution rather than securing assets; and notifying tax authorities is handled through other forms of documentation or filings, not a writ of attachment. Thus, the use of a writ of attachment is specific to the context of securing a debtor's property during legal proceedings.

5. What is a short sale in real estate?

- A. A sale where the homeowner sells the property for less than the mortgage balance with lender approval**
- B. A quick sale of a property at market value
- C. A transaction that occurs in under 30 days
- D. A sale conducted only by real estate agents

A short sale in real estate occurs when a homeowner sells their property for less than the amount owed on their mortgage. For this process to take place, it requires the approval of the lender, as they will be agreeing to accept a lower payoff on the mortgage than what is currently due. This situation typically arises when the homeowner is facing financial difficulties and unable to continue making mortgage payments, but the property still holds some value that can be realized by selling it, even if for less than the mortgage balance. The necessity for lender approval is a key aspect of short sales; it is not just a straightforward sale but rather a negotiated process involving the lender's willingness to accept less than what they are owed. This differentiates it from other types of property sales which do not require such approval. Other options such as a quick sale at market value or a transaction that occurs within a specific timeframe do not accurately capture the defining features of a short sale. Likewise, a sale conducted exclusively by real estate agents does not reflect the conditions or requirements specific to short sales. In essence, option A encapsulates the essential nature of short sales, highlighting the financial and approval components integral to this kind of transaction.

6. What is a "real estate disclosure" in the context of a property sale?

- A. A statement summarizing the features of the property
- B. A statement that provides potential buyers with information about property conditions**
- C. A detailed report on the property's history
- D. A warranty provided by the seller

A "real estate disclosure" is fundamentally a statement that provides potential buyers with crucial information about the conditions of the property being sold. This encompasses various aspects, including any known defects, issues, or significant repairs that have been made to the property. The purpose of this disclosure is to ensure that buyers have all the necessary information to make an informed purchasing decision, promote transparency, and uphold legal responsibilities. Such disclosures typically cover elements like structural issues, pest infestations, water damage, compliance with local codes, and any other material facts that could influence a buyer's decision. By providing this information upfront, sellers help to establish trust in the transaction and mitigate potential disputes that could arise after the sale is finalized. Other options, while related to property sales, do not encapsulate the true essence of what a real estate disclosure is. Summarizing features of the property does not address the key concerns regarding its condition. A detailed report on the property's history might include valuable insights but does not focus specifically on current conditions necessary for the buyer. Lastly, a warranty provided by the seller pertains to assurances about the property's condition rather than a formal disclosure of existing issues. Thus, the essence of a real estate disclosure lies specifically in providing prospective buyers with vital information about the

7. Which term refers to a property ownership type where a husband and wife hold title together?

- A. Tenant in common
- B. Joint tenancy
- C. Tenancy by the entirety**
- D. Severalty

The term that refers to a property ownership type where a husband and wife hold title together is "tenancy by the entirety." This specific form of co-ownership is designed exclusively for married couples, allowing them to own property jointly with equal rights, and it includes features such as the right of survivorship. This means that if one spouse passes away, the surviving spouse automatically inherits the deceased spouse's share of the property, circumventing the probate process. Tenancy by the entirety also provides certain protections; for example, creditors of one spouse cannot attach the property to satisfy individual debts, as the property is considered jointly owned. This type of ownership emphasizes both partnership and unity within the marriage, reinforcing the communal aspect of property ownership between spouses.

8. Which of the following best describes an encumbrance?

- A. A property that is fully owned without any claims
- B. A claim or liability attached to property**
- C. A type of zoning restriction
- D. A method of financing a property

An encumbrance is best defined as a claim or liability attached to a property, which can affect the owner's rights or the property's value. In this context, encumbrances can take many forms, such as mortgages, liens, easements, or restrictions that limit the use of the property in some way. This characteristic is central to understanding property ownership, as it indicates that while an individual may hold legal title to the property, there are other interests or claims that may impose restrictions or obligations on that property. For instance, if a property has a mortgage, the lender holds an encumbrance on the property that must be cleared before the owner can sell or transfer clear title. Similarly, easements grant others the right to use part of the property for specific purposes, which can limit how the owner may use their land. This is why option B most accurately encapsulates the essence of what an encumbrance is in real estate.

9. Which type of agreement typically requires the broker to receive a commission regardless of the seller's actions?

- A. Exclusive right to sell listing**
- B. Exclusive agency listing
- C. Open listing
- D. For-sale-by-owner agreement

The exclusive right to sell listing is a type of agreement where the broker is granted the sole right to market and sell the property, regardless of whether the seller finds a buyer themselves. In this arrangement, the broker earns a commission for their services even if the seller decides to sell the property independently or if another broker brings in a buyer. This guarantees the broker a commission, providing them with a strong incentive to market the property aggressively. In contrast, an exclusive agency listing allows the seller to retain the right to sell the property themselves without incurring a commission if they successfully find a buyer without broker assistance. An open listing does not guarantee any exclusive rights to the broker, allowing multiple brokers to list the property while the seller can also sell it on their own without paying a commission. The for-sale-by-owner agreement typically does not involve any broker at all, meaning there's no commission arrangement through a broker. Thus, the exclusive right to sell listing distinctly establishes the broker's entitlement to a commission regardless of how the sale occurs.

10. What is the role of an escrow agent in a real estate transaction?

- A. To negotiate sales prices between buyers and sellers
- B. To hold and manage funds and documents until all conditions are met**
- C. To advertise properties to potential buyers
- D. To conduct property appraisals for lenders

The role of an escrow agent in a real estate transaction is to hold and manage funds and documents until all conditions of the sale are met. This function is crucial in ensuring that the transaction proceeds smoothly and fairly. The escrow agent acts as a neutral third party, safeguarding the interests of both the buyer and seller. This means they hold the buyer's earnest money deposit and the seller's property deed, ensuring that neither party can access these key items until all terms of the agreement are fulfilled, such as inspections, financing, and other contingencies. In this role, the escrow agent helps facilitate communication between all parties involved and ensures that the transaction adheres to the agreed-upon terms. Once everything is in order and the conditions of the escrow are satisfied, the agent releases the funds to the seller and provides the buyer with ownership of the property. Other options refer to responsibilities that fall outside the scope of the escrow agent's duties. For example, negotiating sales prices is typically the role of real estate agents or brokers, while advertising properties is also a function specific to real estate agents. Conducting property appraisals is a task for certified appraisers, not escrow agents.

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://nationalrealestate.examzify.com>

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

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