

NEBRASKA REAL ESTATE PRACTICE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
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. According to Nebraska license law, which of the following must be included in listing agreements?**
 - A. Real estate taxes
 - B. Listing price and commission rate
 - C. Property age
 - D. Personal finance history of the seller
- 2. What factors determine a reasonable commission rate in Nebraska?**
 - A. Only the services provided by the agent
 - B. Market rates and the complexity of the transaction
 - C. Geographic location of the property
 - D. Types of properties sold
- 3. What is the role of the Nebraska Real Estate Commission's "Complaint Process"?**
 - A. To assist brokers in negotiating deals
 - B. To settle disputes between buyers and sellers
 - C. To investigate complaints against licensees and ensure adherence to laws
 - D. To promote real estate market trends
- 4. What kind of interest is considered usury?**
 - A. Interest rates below the legal limit
 - B. Loan terms that do not require repayment
 - C. Interest rates above the interest rate ceiling
 - D. Interest charged on secured loans only
- 5. What document describes the different types of brokerage relationships in Nebraska real estate transactions?**
 - A. The NREC License Agreement
 - B. The NREC Transfer Checklist
 - C. The NREC Disclosure of Brokerage Relationships pamphlet
 - D. The Real Estate Broker's Guide

- 6. In an installment land contract, what type of title does the seller retain?**
- A. Legal title
 - B. Equitable title
 - C. Fee simple title
 - D. Possessory title
- 7. What type of loan allows a borrower to buy a house with no down payment?**
- A. FHA Loan
 - B. VA Loan
 - C. Conventional Loan
 - D. Subprime Loan
- 8. What does the concept of "eminent domain" refer to in real estate?**
- A. The ability of property owners to decide land use
 - B. The government's right to take private property for public use
 - C. The process of determining property value
 - D. The right of a buyer to demand repairs before purchase
- 9. In Nebraska real estate practice, what is required to be a licensed broker?**
- A. Completion of high school education only
 - B. Completion of a real estate program and passing the state exam
 - C. Experience as a real estate agent for two years
 - D. Membership in a professional real estate organization
- 10. What is the significance of the initial disclosure documents provided to borrowers under TRID?**
- A. To serve as a marketing tool for lenders
 - B. To establish a legal contract between parties
 - C. To inform borrowers about the terms of their loan
 - D. To calculate the real estate commission

Answers

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

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Explanations

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1. According to Nebraska license law, which of the following must be included in listing agreements?

- A. Real estate taxes
- B. Listing price and commission rate**
- C. Property age
- D. Personal finance history of the seller

In Nebraska, listing agreements must clearly state essential terms of the agreement to ensure transparency and clarity between the parties involved. The inclusion of the listing price and commission rate is critical, as these details outline the financial aspects of the agreement. The listing price indicates how much the property will be marketed for, while the commission rate specifies the compensation the real estate agent or broker will receive upon a successful sale. Including these details helps protect both the seller and the agent by defining expectations right from the outset. It ensures both parties are aware of what is being agreed upon and avoids potential disputes regarding financial arrangements later on. In contrast, while real estate taxes and property age might be relevant during a transaction or as part of the property's overall assessment, they are not required elements in the listing agreement itself. Personal finance history of the seller is not pertinent information needed in a listing agreement and would not be included to protect the seller's privacy and confidentiality.

2. What factors determine a reasonable commission rate in Nebraska?

- A. Only the services provided by the agent
- B. Market rates and the complexity of the transaction**
- C. Geographic location of the property
- D. Types of properties sold

A reasonable commission rate in Nebraska is influenced primarily by market rates and the complexity of the transaction. The real estate market is dynamic, and commission rates often reflect what is common in the area for similar transactions. As market demand fluctuates, so might the rates agents charge. Additionally, the complexity of the transaction—such as whether it involves unique properties, multi-family units, or challenging negotiations—can warrant higher commissions due to the increased effort, time, and expertise required from the real estate professional. While the other options touch on relevant aspects of real estate transactions, they do not encompass the full picture of how commission rates are determined. The services provided by the agent certainly play a role, but they are part of the broader context of market conditions and transaction intricacies. Geographic location can also influence commission rates, as some areas may naturally command higher rates due to demand or property values. Types of properties sold can impact commission discussions as well; however, these factors are typically considered in conjunction with market conditions and transaction complexity when establishing a reasonable commission rate. Thus, focusing on market rates and the complexity of the transaction is key to understanding commission determinations in Nebraska.

3. What is the role of the Nebraska Real Estate Commission's "Complaint Process"?

- A. To assist brokers in negotiating deals
- B. To settle disputes between buyers and sellers
- C. To investigate complaints against licensees and ensure adherence to laws**
- D. To promote real estate market trends

The role of the Nebraska Real Estate Commission's "Complaint Process" primarily focuses on investigating complaints against licensees and ensuring that they adhere to established laws and regulations governing real estate practices in the state. This process is essential for maintaining the integrity of the real estate profession. When individuals file complaints against real estate licensees, the Commission undertakes an investigation to determine if any violations have occurred. This ensures accountability among real estate professionals, protects consumers, and promotes ethical behavior within the industry. By addressing complaints effectively, the Commission helps maintain public trust in real estate transactions and ensures that licensed professionals operate within the legal framework set forth by Nebraska law. The other options, such as assisting brokers in negotiating deals or promoting real estate market trends, do not reflect the primary purpose of the Complaint Process. While settling disputes between buyers and sellers is a critical aspect of real estate, it typically falls under the realm of mediation or arbitration services rather than the Commission's complaint handling process.

4. What kind of interest is considered usury?

- A. Interest rates below the legal limit
- B. Loan terms that do not require repayment
- C. Interest rates above the interest rate ceiling**
- D. Interest charged on secured loans only

Usury refers to the practice of lending money at unreasonably high-interest rates that exceed the legal limit set by law. The legal interest rate varies by jurisdiction to protect borrowers from predatory lending practices. When lenders charge interest rates above this established ceiling, it is classified as usury, making the loans illegal or unenforceable. This law is in place to prevent lenders from exploiting borrowers, particularly those who may be in desperate financial situations. Consequently, interest rates that fall below the legal limit are not usurious; similarly, loan terms that do not require repayment or interest charged on secured loans do not pertain to the usury definition. Usury specifically addresses the rate at which interest is charged in relation to legal limits, making the option that suggests interest rates above the legal ceiling correct.

5. What document describes the different types of brokerage relationships in Nebraska real estate transactions?

- A. The NREC License Agreement
- B. The NREC Transfer Checklist
- C. The NREC Disclosure of Brokerage Relationships pamphlet**
- D. The Real Estate Broker's Guide

The correct answer is the document that outlines the different types of brokerage relationships in Nebraska real estate transactions, which is the NREC Disclosure of Brokerage Relationships pamphlet. This pamphlet is specifically designed to inform consumers about the various brokerage relationships that can exist, such as seller agency, buyer agency, and dual agency. It provides a clear and concise explanation of what each relationship entails, ensuring that clients understand their rights and the nature of the services they'll receive from their real estate professionals. This emphasis on clarity helps to promote transparency in real estate transactions, allowing all parties involved to make informed decisions. By educating consumers through this pamphlet, the Nebraska Real Estate Commission (NREC) ensures that individuals are aware of their options regarding representation and the obligations of their agents. The other options relate to aspects of real estate practice but do not serve the same purpose as the NREC Disclosure of Brokerage Relationships pamphlet. For instance, the NREC License Agreement pertains to the licensure of agents, and the NREC Transfer Checklist is likely focused on the procedural aspects of transferring property or agents, while the Real Estate Broker's Guide may provide broader information about brokerage practices without specific detail on types of relationships.

6. In an installment land contract, what type of title does the seller retain?

- A. Legal title**
- B. Equitable title
- C. Fee simple title
- D. Possessory title

In an installment land contract, the seller retains legal title to the property until the buyer fulfills the terms of the contract, typically by making all required payments. This means that the seller still has ownership rights and can enforce the terms of the agreement, while the buyer gains equitable title, which allows them to obtain the benefits of the property, such as use and possession, despite not having full legal ownership. Legal title is crucial in this context as it reflects the formal, recorded ownership of the property that remains with the seller until the contract is completed. This arrangement allows for a level of security for the seller while offering the buyer an opportunity to purchase the property over time, creating a balance between their respective rights. The other types of titles mentioned do not accurately represent the seller's retained interest in this agreement. Equitable title refers to the buyer's interest and rights to the property during the payment period. Fee simple title entails complete, unconditional ownership, which the seller does not relinquish until all terms are met. Possessory title involves the right to occupy and use property, but does not confer ownership, which again is retained by the seller until the contract is completed.

7. What type of loan allows a borrower to buy a house with no down payment?

- A. FHA Loan
- B. VA Loan**
- C. Conventional Loan
- D. Subprime Loan

A VA loan allows a borrower to purchase a house with no down payment, making it an attractive option for eligible veterans, active duty service members, and certain members of the National Guard and Reserves. This type of loan is backed by the U.S. Department of Veterans Affairs, which means the lender is protected against loss, allowing them to offer more favorable terms, including the possibility of zero down payment and no private mortgage insurance (PMI). In addition to not requiring a down payment, VA loans often come with competitive interest rates and are designed to help veterans and service members achieve homeownership. Eligibility for VA loans also includes specific service requirements, so those interested need to verify that they qualify based on their military service history. While FHA loans may offer low down payments, they still typically require a minimum down payment, making them distinct from VA loans which can eliminate this requirement entirely for eligible borrowers. Conventional loans tend to require a down payment, usually around 5% to 20%, and subprime loans are typically associated with higher risk borrowers and can come with even less favorable terms.

8. What does the concept of "eminent domain" refer to in real estate?

- A. The ability of property owners to decide land use
- B. The government's right to take private property for public use**
- C. The process of determining property value
- D. The right of a buyer to demand repairs before purchase

Eminent domain is a crucial concept in real estate that refers to the government's power to take private property for public use, provided that the property owner is compensated fairly. This authority allows the government to acquire land to build infrastructure, such as roads, schools, or parks, which serve the public interest. The process includes a legal framework that ensures property owners receive just compensation, aligning with the Fifth Amendment of the U.S. Constitution. This concept is foundational to understanding the balance between private property rights and the needs of the community. It emphasizes the government's role in promoting public welfare by facilitating development that benefits society as a whole. In contrast, the other options highlight aspects that do not encapsulate the essence of eminent domain. For instance, the ability of property owners to decide land use focuses on private rights rather than public authority. Similarly, determining property value and the buyer's right to demand repairs do not pertain to the government's right of eminent domain, which is specifically about public acquisition of private property.

9. In Nebraska real estate practice, what is required to be a licensed broker?

- A. Completion of high school education only
- B. Completion of a real estate program and passing the state exam**
- C. Experience as a real estate agent for two years
- D. Membership in a professional real estate organization

To become a licensed broker in Nebraska, individuals must complete a real estate program that meets the state's educational requirements and successfully pass the state exam. This is a critical step as the educational program provides foundational knowledge about real estate laws, practices, and principles essential for operating as a broker. Beyond this formal education, passing the state exam demonstrates that the candidate has the requisite knowledge and skills to perform the responsibilities of a broker competently. This combination of education and examination is designed to ensure that brokers are well-prepared to handle the complexities of real estate transactions, provide guidance to clients, and comply with state regulations. While experience as a real estate agent can be beneficial and might be required for certain advanced roles or positions, it is not the sole requirement to obtain a broker's license. Similarly, while membership in a professional real estate organization can provide networking and educational opportunities, it is also not a prerequisite for licensure.

10. What is the significance of the initial disclosure documents provided to borrowers under TRID?

- A. To serve as a marketing tool for lenders
- B. To establish a legal contract between parties
- C. To inform borrowers about the terms of their loan**
- D. To calculate the real estate commission

The significance of the initial disclosure documents provided to borrowers under the TILA-RESPA Integrated Disclosure (TRID) Rule primarily lies in their role in informing borrowers about the terms of their loan. These documents, which include the Loan Estimate, are designed to provide clear and concise information about the loan terms, estimated monthly payments, and closing costs. This transparency helps borrowers understand the costs associated with borrowing and enables them to make informed decisions. By presenting the essential details upfront, the initial disclosure documents aim to prevent surprises at closing and promote responsible lending practices. They also support the comparison shopping process, allowing borrowers to evaluate different loan offers based on key financial information. The other options do not accurately reflect the primary purpose of these disclosures. They are not marketing tools, legal contracts, or related to real estate commissions, which distinguishes the correct answer as the most relevant to the function of the TRID disclosures.

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://nerealestate.examzify.com>

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

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