

Nevada Key Realty 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. What is the significance of benchmark plates in urban areas?**
 - A. They create property tax assessments**
 - B. They serve as elevation reference points**
 - C. They determine property boundaries**
 - D. They are used for construction permits**

- 2. What does the term "remainder interest" signify in property law?**
 - A. Right to lease after death**
 - B. Automatic transfer to heirs**
 - C. Life tenancy rights**
 - D. Distribution of assets after sale**

- 3. When can a real estate salesperson charge a commission for selling property?**
 - A. When they have a verbal agreement**
 - B. When the property is their own**
 - C. When they are licensed and in voluntary active status**
 - D. When they have a contract with the buyer**

- 4. Which of the following is NOT a classification of a contract?**
 - A. Unilateral**
 - B. Bilateral**
 - C. Adhesion**
 - D. Enduring**

- 5. What type of property ownership allows for unequal shares?**
 - A. Tenancy in common**
 - B. Joint tenancy**
 - C. Life estate**
 - D. Community property**

6. What does an irrevocable offer imply regarding its status?

- A. It can be changed at any time**
- B. It is temporary and can be revoked**
- C. It is unchangeable and cannot be revoked**
- D. It requires mutual consent to alter**

7. How long must records of real estate transactions be retained in Nevada?

- A. 5 years**
- B. 10 years**
- C. 2 years**
- D. Indefinitely until a legal request is made**

8. What is the primary function of title insurance?

- A. To protect property owners and lenders against loss from disputes over property ownership**
- B. To cover property taxes during the buying process**
- C. To ensure repairs are made before the sale**
- D. To provide financial backing for real estate purchases**

9. Which lending program requires a DD-214 and is applicable for owner-occupied properties?

- A. FHA loan**
- B. Conventional loan**
- C. VA loan**
- D. USDA loan**

10. How do Mutual Savings Banks primarily operate?

- A. They operate for the benefit of shareholders**
- B. They have no stockholders and operate for the benefit of their depositors**
- C. They are solely for-profit institutions**
- D. They act as brokers between lenders and borrowers**

Answers

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

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Explanations

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1. What is the significance of benchmark plates in urban areas?

- A. They create property tax assessments
- B. They serve as elevation reference points**
- C. They determine property boundaries
- D. They are used for construction permits

Benchmark plates play a crucial role in urban areas by serving as elevation reference points. These plates are precisely surveyed markers installed at known elevations, which are vital for various applications, especially in construction and civil engineering projects. Their primary significance lies in providing a standardized reference that helps to ensure consistency in elevation measurements across a geographic area. This is particularly important for projects that require precise grading, drainage, and infrastructure development, as discrepancies in elevation can lead to significant issues in construction and land use. By utilizing these benchmarks, professionals can accurately gauge the height above a defined level, which is essential for appropriate planning and to comply with zoning regulations. In contrast to the other options, benchmark plates do not directly relate to property tax assessments, define property boundaries, or are used for construction permits. While those activities are important in real estate and urban planning, they are not the primary purpose of benchmark plates in urban settings.

2. What does the term "remainder interest" signify in property law?

- A. Right to lease after death
- B. Automatic transfer to heirs**
- C. Life tenancy rights
- D. Distribution of assets after sale

The term "remainder interest" in property law specifically refers to an interest in property that becomes effective after the termination of a prior interest, most commonly a life estate. In this context, it signifies a future interest that a person holds in real property that will take effect upon the death of the life tenant or the termination of their interest. When a property owner grants a life estate to one person, they may designate another individual to receive the property once the life estate ends. This second individual's future interest is the remainder interest. It is a key concept in understanding how property can be transferred upon death and how ownership can be structured across different parties. In summary, the remainder interest ensures that the property will automatically transfer to the specified heirs or beneficiaries after the initial interest holder (the life tenant) has passed away or the term of their interest has ended. This is why it is aligned with the notion of automatic transfer to heirs, making the selected answer accurate.

3. When can a real estate salesperson charge a commission for selling property?

- A. When they have a verbal agreement
- B. When the property is their own
- C. When they are licensed and in voluntary active status**
- D. When they have a contract with the buyer

A real estate salesperson can charge a commission for selling property when they are licensed and in voluntary active status. This is crucial because being in a licensed and active status ensures that the salesperson is authorized to perform real estate transactions legally. In Nevada, as in many other states, obtaining a real estate license involves meeting educational requirements, passing a licensing exam, and maintaining a good standing by not being subject to disciplinary actions. When a salesperson is in voluntary active status, it signifies they are actively engaged in real estate activities and can legally represent clients, conduct sales, and collect commissions for their services. Without this status, even if they have the necessary training and knowledge, they would not be able to operate within the boundaries of the law. Other situations, such as having a verbal agreement or being the owner of the property, do not inherently authorize a real estate salesperson to collect a commission. A verbal agreement lacks the formal requirements needed for enforcing a commission structure in real estate transactions. Furthermore, selling one's property does not involve a professional commission structure; individuals typically handle their sales without needing to pay themselves a commission. Lastly, having a contract with the buyer is critical for a transaction but does not affect the necessity of being licensed and active to collect any commissions.

4. Which of the following is NOT a classification of a contract?

- A. Unilateral
- B. Bilateral
- C. Adhesion
- D. Enduring**

The classification of contracts typically includes various types based on their characteristics. Unilateral contracts involve one party making a promise in exchange for an act, while bilateral contracts involve mutual promises between two parties. Adhesion contracts are typically standardized agreements imposed by one party, leaving little to no room for negotiation. Enduring, however, is not recognized as a standard classification of contracts. It does not accurately describe any type of contract based on promise exchange, conditions, or legal enforceability. Unlike the other classifications, which are established in contract law, enduring does not convey any specific characteristics that would help in categorizing contracts. Thus, selecting it highlights a clear distinction from recognized contract classifications.

5. What type of property ownership allows for unequal shares?

- A. Tenancy in common**
- B. Joint tenancy**
- C. Life estate**
- D. Community property**

Tenancy in common is the correct answer because it is a form of co-ownership where two or more people hold title to a property together, but each person can own a different percentage or share of the property. This means that one owner might have a 50% interest, while another might own only 25%, or any other unequal distribution that the co-owners agree upon. This flexibility allows individuals to invest different amounts in the property, tailoring their ownership interest based on their contributions or agreements. When one owner passes away, their share can be transferred to their heirs rather than automatically passing to the other owners, as is the case in joint tenancy. In contrast, joint tenancy requires that all owners have equal shares and rights to the property, which eliminates the possibility of unequal ownership interests. A life estate is a different arrangement where a person has rights to the property for the duration of their life, after which the ownership reverts to another party. Community property refers to a marital property agreement where both spouses have equal ownership of assets acquired during the marriage, but again does not allow for unequal shares. Thus, tenancy in common is unique in its allowance for unequal ownership shares among co-owners.

6. What does an irrevocable offer imply regarding its status?

- A. It can be changed at any time**
- B. It is temporary and can be revoked**
- C. It is unchangeable and cannot be revoked**
- D. It requires mutual consent to alter**

An irrevocable offer signifies that the offer remains open and binding for the duration specified, and cannot be altered or revoked by the offeror during that period. This means that once the offer is made irrevocable, the offeree can rely on the offer being valid without the risk of it being withdrawn. The essence of an irrevocable offer is stability and certainty in the negotiation process, allowing parties to engage in discussions or preparations without fear that the terms will change unexpectedly. Understanding the nature of an irrevocable offer is crucial in real estate transactions or other contractual scenarios where commitment and trust are paramount. This ensures that once parties agree to the terms, the offer stands firm until acceptance or expiration, facilitating smooth business dealings.

7. How long must records of real estate transactions be retained in Nevada?

- A. 5 years**
- B. 10 years**
- C. 2 years**
- D. Indefinitely until a legal request is made**

In Nevada, the law requires that records of real estate transactions be retained for a minimum of five years. This retention period is significant as it ensures that all necessary documentation is available for reference in case of disputes or legal inquiries that may arise after the transaction has been completed. Keeping records for this duration supports regulatory compliance and offers protection for both the buyer and the seller involved in the transaction. The rationale for a five-year retention period is aligned with typical statutes of limitations for legal claims, allowing adequate time for potential issues to be identified and addressed. This period strikes a balance between maintaining sufficient records for accountability and not holding onto records indefinitely, which could lead to unnecessary clutter and potential difficulty in managing documents over time. The other options either suggest longer or shorter retention periods that do not comply with Nevada regulations.

8. What is the primary function of title insurance?

- A. To protect property owners and lenders against loss from disputes over property ownership**
- B. To cover property taxes during the buying process**
- C. To ensure repairs are made before the sale**
- D. To provide financial backing for real estate purchases**

The primary function of title insurance is to protect property owners and lenders against financial loss due to defects in the title or disputes over property ownership. This means that if a problem arises, such as a claim from a previous owner or an undisclosed lien on the property, the title insurance will cover the legal costs and any losses up to the amount of the policy. Title insurance works by conducting a thorough examination of public records related to the property to identify any issues that could affect ownership rights. Problems can arise from various sources, including errors in public records, unknown heirs, or fraudulent deeds. By having title insurance in place, property owners and lenders gain peace of mind knowing they are financially protected against these potential risks. In contrast to the other options, which address different aspects of the real estate process, the focus of title insurance remains squarely on the assurance of clear ownership and the safeguarding of rights against claims that could challenge that ownership. This distinction highlights why the protection against disputes over property ownership is central to the role of title insurance in real estate transactions.

9. Which lending program requires a DD-214 and is applicable for owner-occupied properties?

- A. FHA loan**
- B. Conventional loan**
- C. VA loan**
- D. USDA loan**

The VA loan is specifically designed for eligible veterans, service members, and certain members of the National Guard and Reserves. One of the key requirements for obtaining a VA loan is the submission of a DD-214, which is a Certificate of Release or Discharge from Active Duty. This document serves as proof of military service and eligibility for the loan program. VA loans also have distinct benefits, such as no down payment requirement, no private mortgage insurance (PMI), and favorable terms that can make home ownership more accessible for those who have served in the military. The program is meant primarily for owner-occupied properties, which aligns with the objective of supporting veteran homeownership. Other loan types like FHA loans, conventional loans, and USDA loans do not have the same specific eligibility criteria tied to military service or require a DD-214. FHA and USDA loans target different types of borrowers and property requirements, while conventional loans are more general and do not offer the same unique benefits to military personnel. Thus, the connection between the DD-214 requirement and the intent of the VA loan program clearly delineates why this option is correct.

10. How do Mutual Savings Banks primarily operate?

- A. They operate for the benefit of shareholders**
- B. They have no stockholders and operate for the benefit of their depositors**
- C. They are solely for-profit institutions**
- D. They act as brokers between lenders and borrowers**

Mutual Savings Banks primarily operate for the benefit of their depositors and do not have stockholders. This structure means that the focus of these banks is on serving the interests of the individuals who have deposited money with them, rather than generating profits for shareholders. Instead of distributing profits to stockholders in the form of dividends, any earnings generated by the bank are typically reinvested into the institution or returned to depositors through higher interest rates on savings accounts or lower rates on loans. This model is designed to create a symbiotic relationship between the bank and its depositors, as the success of the institution directly benefits those who hold accounts there. In contrast, other types of banks, such as commercial banks, operate for profit and have shareholders who expect returns. This fundamental difference emphasizes the mutual nature of these banks, where the priority is on enhancing the overall financial well-being of the depositors rather than extracting profits for external investors.

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://nvkeyrealty.examzify.com>

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

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