

NEVADA REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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. A real estate salesperson working for a listing must always disclose:**
 - A. all facts to the seller only
 - B. all material facts to the seller only
 - C. all facts to both seller and buyer
 - D. all material facts to both the seller and the buyer
- 2. What type of insurance is typically required to protect a lender's interests during a mortgage transaction?**
 - A. Homeowners insurance
 - B. Title insurance
 - C. Liability insurance
 - D. Flood insurance
- 3. Who cannot make a claim for money from the Recovery Fund?**
 - A. Buyer in a subdivision
 - B. Seller of a residence
 - C. Mortgagor
 - D. Licensee
- 4. What is a potential consequence if a broker commingles client funds?**
 - A. Prevents property transfer
 - B. Leads to a breach of contract
 - C. Can result in legal action
 - D. Increases property value
- 5. What was the total amount repaid on a \$45,000 straight loan at 7% interest over 6 months?**
 - A. \$3,150
 - B. \$1,575
 - C. \$46,575
 - D. \$48,150

6. What is a leasehold interest?

- A. An ownership interest in property
- B. An interest in real property created by a lease agreement
- C. An interest that includes the right to sell the property
- D. An interest that grants rights to develop land

7. What is the purpose of a real estate broker?

- A. To sell properties exclusively
- B. To provide legal advice
- C. To facilitate transactions between buyers and sellers
- D. To appraise property values

8. What does a "right of first refusal" allow?

- A. It allows the seller to refuse any offers
- B. It allows a buyer to match the highest offer
- C. It gives a party the first choice to purchase property before it is sold to others
- D. It grants the seller the right to cancel any sale

9. What is a short sale?

- A. A sale that takes place quickly
- B. A sale where the property sells for less than the amount owed on the mortgage
- C. A regular sale through a bank
- D. A sale involving multiple buyers

10. What is the statutory redemption period after a trustee's sale?

- A. 90 days
- B. 6 months
- C. one year
- D. none

Answers

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

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Explanations

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1. A real estate salesperson working for a listing must always disclose:

- A. all facts to the seller only
- B. all material facts to the seller only
- C. all facts to both seller and buyer**
- D. all material facts to both the seller and the buyer

In the context of real estate transactions, a salesperson has an obligation to engage in full disclosure to maintain transparency and fairness. This is particularly important in ensuring that both parties are informed about any significant aspects that could influence the transaction. The correct answer emphasizes the necessity for the salesperson to disclose all material facts to both the seller and the buyer. Material facts are information that could affect the decision-making process of either party, such as issues regarding the property's condition, title problems, or zoning restrictions. By disclosing these facts to both parties, the salesperson upholds the ethical standards of practice and ensures compliance with legal expectations, fostering trust and reducing the risk of future disputes. The focus on both the seller and buyer is crucial because it helps to create a balanced and fair negotiation environment. This approach allows both sides to make informed decisions based on the same information, minimizing misunderstandings that could lead to legal ramifications down the line. While other options limit the disclosure to only one party or suggest that the salesperson does not need to disclose some facts entirely, they fail to recognize the comprehensive duty that a real estate professional has in fostering transparency and ethical practice within transactions.

2. What type of insurance is typically required to protect a lender's interests during a mortgage transaction?

- A. Homeowners insurance
- B. Title insurance**
- C. Liability insurance
- D. Flood insurance

Title insurance is essential in a mortgage transaction as it protects the lender's interests against any claims or issues that may arise related to the title of the property. When a lender provides financing for a real estate purchase, they want assurance that the property is free of liens, encumbrances, or other legal issues that could affect ownership rights or the ability to sell the property in the future. Title insurance serves to verify the title's validity and provide financial protection in case any claims arise after the purchase. For example, if a previous owner had unpaid liens or issues related to the title that were not discovered during the title search, the title insurance would cover the costs associated with resolving these disputes, ensuring that the lender's investment is secure. In contrast, homeowners insurance protects the homeowner from losses due to damage to the property or liability claims, but it does not cover the lender's interests regarding the title. Liability insurance typically covers bodily injury or property damage claims against the property owner and also does not pertain directly to the security of the title. Flood insurance is specifically for properties located in flood-prone areas and protects against flood damage but does not address title issues. Thus, title insurance is uniquely suited to meet the needs of the lender in a mortgage transaction.

3. Who cannot make a claim for money from the Recovery Fund?

- A. Buyer in a subdivision
- B. Seller of a residence
- C. Mortgagor
- D. Licensee**

The Recovery Fund is designed to protect individuals who are harmed by the actions of licensed real estate professionals, specifically in transaction-related matters. A licensee, or a licensed real estate agent, cannot make a claim against the Recovery Fund because the fund is intended to compensate unsatisfied claims of the public against real estate professionals. This means that consumers, such as buyers, sellers, and mortgagors, who may have suffered from fraud, misrepresentation, or other wrongful acts committed by a licensed agent can seek recovery from the fund. However, because licensees are the ones who are regulated and hold the responsibility to act ethically in their dealings, they are excluded from making claims. This exclusion helps maintain the integrity of the professional standards within the real estate industry. In contrast, buyers in a subdivision, sellers of a residence, and mortgagors are all members of the public who may experience losses due to the malpractice of a real estate professional, making them eligible to file a claim against the Recovery Fund.

4. What is a potential consequence if a broker commingles client funds?

- A. Prevents property transfer
- B. Leads to a breach of contract
- C. Can result in legal action**
- D. Increases property value

When a broker commingles client funds, it means that the broker has mixed clients' money with their own personal or business funds. This practice is a violation of real estate laws and regulations, which require brokers to maintain separate accounts for client funds to ensure that they are managed appropriately and safely. The consequence of commingling client funds can result in legal action against the broker. Regulatory agencies may impose penalties, which can include fines, revocation of the broker's license, or even criminal charges. This action protects clients and maintains the integrity of the real estate profession. The other options do not accurately describe the consequences of commingling funds. For instance, preventing property transfer and leading to a breach of contract are indirect outcomes but not immediate consequences specifically tied to commingling. Increasing property value is unrelated to financial practices and does not directly connect to the actions of a broker regarding client funds. The focus remains on the legal responsibilities brokers have toward handling client funds correctly.

5. What was the total amount repaid on a \$45,000 straight loan at 7% interest over 6 months?

- A. \$3,150
- B. \$1,575
- C. \$46,575**
- D. \$48,150

To determine the total amount repaid on a \$45,000 straight loan at 7% interest over a duration of 6 months, it's important to first calculate the interest incurred during that period. For a straight loan, the interest is calculated based on the principal amount and the interest rate, which is applied for the total time of the loan. The interest for a period can be calculated using the formula: $\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$ Where: - The principal is \$45,000. - The annual interest rate is 7%, or 0.07 when expressed as a decimal. - The time frame for the loan is 6 months, which can be represented as 0.5 years. Plugging in these numbers: $\text{Interest} = \$45,000 \times 0.07 \times 0.5$ $\text{Interest} = \$45,000 \times 0.035$ $\text{Interest} = \$1,575$ Now that we have the total interest calculated, we can find the total amount that needs to be repaid by adding the interest to the principal: $\text{Total Repayment} = \text{Principal} + \text{Interest}$ $\text{Total Repayment} = \$45,000 + \$1,575$ $\text{Total Repayment} = \$46,575$ Thus, the total

6. What is a leasehold interest?

- A. An ownership interest in property
- B. An interest in real property created by a lease agreement**
- C. An interest that includes the right to sell the property
- D. An interest that grants rights to develop land

A leasehold interest refers specifically to the rights one possesses in a property under the terms of a lease agreement. When an individual enters into a lease, they acquire the right to use and occupy a property for a specified period, as dictated by the lease term, while the ownership still resides with the landlord or property owner. This arrangement allows the tenant to utilize the property, often under certain conditions and for agreed-upon rent, without obtaining full ownership rights. The concept of a leasehold interest is foundational in real estate, as it distinguishes the tenant's rights and privileges from those of the property owner. In contrast to ownership interests, which would include title and the ability to sell the property, a leasehold interest is temporary and does not conflate with ownership in the property itself. This definition clarifies why the other options do not accurately represent leasehold interests. An ownership interest implies full rights over a property, which does not apply to leasehold scenarios. The option regarding the right to sell the property suggests complete ownership rights, which are not part of a leasehold arrangement. Meanwhile, the notion of rights to develop land could apply in certain leasing contexts but more often refers to ownership rights rather than the specific rights encapsulated in a lease.

7. What is the purpose of a real estate broker?

- A. To sell properties exclusively
- B. To provide legal advice
- C. To facilitate transactions between buyers and sellers**
- D. To appraise property values

The role of a real estate broker is primarily to facilitate transactions between buyers and sellers, serving as an intermediary in the real estate market. Brokers possess specialized knowledge about the market, are skilled negotiators, and have the ability to navigate the complexities of real estate transactions. They assist clients with listing properties, marketing them, negotiating offers, and guiding both parties through the closing process. This function is critical because real estate transactions can be intricate and require expertise to ensure all legal requirements are met and parties are satisfied with the deal. While brokers may sell properties, their purpose extends beyond just sales to encompass a wide range of transaction facilitation activities that benefit both buyers and sellers.

8. What does a "right of first refusal" allow?

- A. It allows the seller to refuse any offers
- B. It allows a buyer to match the highest offer
- C. It gives a party the first choice to purchase property before it is sold to others**
- D. It grants the seller the right to cancel any sale

A "right of first refusal" is a contractual agreement that grants a specified party the priority to purchase a property before the owner can sell it to anyone else. This means that if the property owner decides to sell, the party with the right of first refusal must be given the first chance to buy the property, often at the same price and terms offered by any potential buyers. This right protects the interests of the holder, allowing them access to the property under certain conditions before it can be sold to another party. In contrast, the other options do not accurately reflect the nature of a right of first refusal. The option that suggests the seller has the ability to refuse any offers misinterprets the contract's intent, which focuses on giving preference to the specified party rather than outright refusal to engage with offers. Similarly, the notion of allowing a buyer to match the highest offer is a different concept often linked to bidding scenarios, rather than the priority access provided by the right of first refusal. Lastly, the suggestion that it grants the seller the right to cancel any sale does not align with the definition of this right, as the right of first refusal is concerned with giving the buyer the opportunity to purchase before other sales are considered.

9. What is a short sale?

- A. A sale that takes place quickly
- B. A sale where the property sells for less than the amount owed on the mortgage**
- C. A regular sale through a bank
- D. A sale involving multiple buyers

A short sale refers specifically to a transaction where a property is sold for less than the outstanding balance on the mortgage. This often occurs when a homeowner is unable to afford their mortgage payments and is seeking to sell the property. In these instances, the lender agrees to accept a lower payoff amount than what is owed, understanding that this may be better than forcing the property into foreclosure. The process usually involves negotiations between the homeowner, the buyer, and the lender, with the goal of settling the mortgage debt in a way that mitigates losses for all parties involved. The other options do not accurately define a short sale. A quick sale does not necessarily involve the financial considerations that define a short sale. A regular sale through a bank does not imply the reduced sale price associated with a short sale, and a sale involving multiple buyers does not relate to the concept of a short sale at all. Understanding these distinctions is important in the context of real estate transactions and the unique circumstances surrounding short sales.

10. What is the statutory redemption period after a trustee's sale?

- A. 90 days
- B. 6 months
- C. one year
- D. none**

In Nevada, after a trustee's sale, there is no statutory redemption period available to the borrower. This means that once the property has been sold at a trustee's foreclosure sale, the previous owner does not have the ability to redeem the property within a designated period of time. This distinguishes Nevada from some other states where a redemption period allows the former owner a chance to reclaim their property after a foreclosure. Understanding this aspect of Nevada law is crucial for those involved in real estate transactions and foreclosure processes. The absence of a redemption period means that buyers at a trustee's sale can often take possession of the property immediately, solidifying their ownership rights without risk of the former owner reclaiming the property later on. It is important to note that while there are other potential legal actions a borrower could pursue, those do not involve the statutory redemption process as it is understood in other jurisdictions.

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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://nevadarealestate.examzify.com>

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

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