

New Hampshire State Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. If a licensee allows their license to expire, how long do they have to reinstate it without penalty?**
 - A. There is no "free" time**
 - B. Up to 30 days**
 - C. No more than 365 days**
 - D. 3 months without engaging in activities**
- 2. What is "dual agency" in real estate?**
 - A. When one agency represents multiple sellers**
 - B. When a broker represents both the buyer and seller in the same transaction**
 - C. When two different brokers represent a buyer and seller**
 - D. When a broker represents a buyer in multiple transactions**
- 3. The NH Real Estate Commission may investigate a licensee based on which of the following grounds?**
 - A. Random selection of licensees**
 - B. Written complaint from a disgruntled customer**
 - C. Initiative of the commission**
 - D. Motion from commission members**
- 4. Which of the following is not a type of property ownership?**
 - A. Sole Ownership**
 - B. Joint Tenancy**
 - C. Common Tenancy**
 - D. Tenancy in Common**
- 5. What does "closing" refer to in a real estate transaction?**
 - A. The negotiation phase of the sale**
 - B. The final step where ownership is transferred and documents are signed**
 - C. The initial listing of the property for sale**
 - D. The inspection period before purchase**

- 6. What is a mortgage contingency?**
- A. A clause enabling a buyer to back out if financing isn't secured**
 - B. A penalty for late mortgage payments**
 - C. A reduction in the mortgage interest rate**
 - D. An appraisal requirement for loan approval**
- 7. What does zoning regulate?**
- A. Type of construction materials used in real estate development**
 - B. The regulation of land use by local governments**
 - C. Market value assessment of properties**
 - D. The tax rates applied to specific properties**
- 8. How can real estate be financed?**
- A. Only through mortgages**
 - B. Through mortgages, cash purchases, or other loan types**
 - C. Using credit cards for down payments**
 - D. Only via bank loans**
- 9. What is a real estate investment trust (REIT)?**
- A. A non-profit organization for housing**
 - B. A company that owns, operates, or finances income-producing real estate**
 - C. A government program for housing development**
 - D. A type of investment fund for stocks only**
- 10. Which statement is true regarding Housing for Older Persons in New Hampshire?**
- A. There must be significant facilities designed to meet the physical and social needs of older persons in housing qualifying for persons 55 years of age or older**
 - B. Housing reserved exclusively for persons 60 years of age or older is exempt from familial status protections**
 - C. Apartments may be reserved for persons 55 years of age and older as long as 50% of the units have at least one person 55 years of age or older**
 - D. In housing for older persons, at least 25% of the units must be reserved for families with children**

Answers

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

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Explanations

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1. If a licensee allows their license to expire, how long do they have to reinstate it without penalty?

- A. There is no "free" time**
- B. Up to 30 days**
- C. No more than 365 days**
- D. 3 months without engaging in activities**

When a real estate licensee allows their license to expire, they do not have a grace period or "free" time for reinstatement without penalty. This means that once a license expires, the licensee must take immediate action to renew or reinstate the license, as any continued practice of real estate without a valid license is considered illegal and can carry penalties. The other choices imply there is a specific time frame during which the license can be reinstated without incurring penalties, which is not accurate in this context. A licensee must stay attentive to renewal deadlines and complete the necessary requirements before expiration to avoid complications. Ensuring timely renewal is crucial for maintaining licensure in real estate practice.

2. What is "dual agency" in real estate?

- A. When one agency represents multiple sellers**
- B. When a broker represents both the buyer and seller in the same transaction**
- C. When two different brokers represent a buyer and seller**
- D. When a broker represents a buyer in multiple transactions**

Dual agency in real estate refers to a situation where a single broker represents both the buyer and seller in the same transaction. This arrangement creates a unique dynamic, as the broker has fiduciary duties to both parties. The benefits of dual agency can include streamlined communication and efficiency since one broker is facilitating the entire deal. However, it also raises potential conflicts of interest since the broker must balance the interests of both the buyer and seller, which can sometimes lead to challenges in negotiating effectively on behalf of each party. Proper disclosures and agreements are essential in dual agency situations to ensure that both parties fully understand and consent to this arrangement. This clarification helps protect the interests of both the buyer and the seller and maintain transparency in the transaction process.

3. The NH Real Estate Commission may investigate a licensee based on which of the following grounds?

- A. Random selection of licensees**
- B. Written complaint from a disgruntled customer**
- C. Initiative of the commission**
- D. Motion from commission members**

The New Hampshire Real Estate Commission has the authority to investigate a licensee when it receives a written complaint from a disgruntled customer. This mechanism serves as a critical part of the regulatory framework for real estate practices. When a consumer voice concerns or dissatisfaction regarding a licensee's behavior or practices, it prompts an official inquiry. This process is essential for maintaining the integrity of the real estate profession and ensuring that licensees adhere to established laws and ethical standards. Complaints typically describe specific incidents or issues that suggest possible violations of real estate regulations, providing the Commission with a basis to initiate an investigation. This allows the Commission to address potential misconduct, protect public interests, and uphold the standards expected of real estate professionals in New Hampshire. Other scenarios such as random selection of licensees, initiative of the commission, or motion from commission members, while they might seem plausible means for initiating an investigation, do not typically constitute valid grounds for the Commission to act without a specific complaint or allegation directly related to a licensee's conduct. The framework prioritizes consumer complaints to ensure that investigations are grounded in real issues faced by actual individuals utilizing real estate services.

4. Which of the following is not a type of property ownership?

- A. Sole Ownership**
- B. Joint Tenancy**
- C. Common Tenancy**
- D. Tenancy in Common**

Common Tenancy is not recognized as a formal type of property ownership within real estate terminology. The other options—Sole Ownership, Joint Tenancy, and Tenancy in Common—are well-defined forms of property ownership. Sole Ownership refers to property that is owned by a single individual, giving that owner complete control and rights over the property. Joint Tenancy involves two or more owners who hold equal shares of the property and a right of survivorship, meaning if one owner dies, their share automatically passes to the surviving owners. Tenancy in Common allows two or more individuals to hold property simultaneously, but unlike Joint Tenancy, each owner has an individual share that does not automatically transfer upon death. Recognizing common terminology in real estate is essential, and understanding the distinctions between these forms of ownership helps clarify the rights and responsibilities that come with each type.

5. What does "closing" refer to in a real estate transaction?

- A. The negotiation phase of the sale
- B. The final step where ownership is transferred and documents are signed**
- C. The initial listing of the property for sale
- D. The inspection period before purchase

In a real estate transaction, "closing" refers to the final step where ownership of the property is officially transferred from the seller to the buyer. This process involves the signing of essential documents that legally formalize the sale, including the deed and mortgage documents, while also facilitating the transfer of funds. During closing, all parties review the terms of the sale, settle any outstanding costs, and ensure that the title of the property is clear, meaning that there are no liens or claims that would impede the transfer of ownership. The significance of this stage is that it finalizes the entire transaction, concluding negotiations and contractual obligations. Once the closing documents are signed and funds are exchanged, the buyer becomes the new legal owner of the property. This comprehensive process ensures that all legal requirements for the transfer of property rights are adhered to, marking the end of the sale. Other options pertain to stages of the real estate transaction that precede closing; for example, negotiation is an earlier phase where terms are discussed, initial listing refers to the beginning step of advertising the property for sale, and the inspection period comes before closing, allowing potential buyers to evaluate the property's condition. Each of these phases plays an essential role but do not encapsulate the finality and legal significance

6. What is a mortgage contingency?

- A. A clause enabling a buyer to back out if financing isn't secured**
- B. A penalty for late mortgage payments
- C. A reduction in the mortgage interest rate
- D. An appraisal requirement for loan approval

A mortgage contingency is a crucial element typically included in a real estate purchase agreement. It acts as a safeguard for buyers, allowing them to withdraw from the contract without penalty if they are unable to secure financing for the property. This clause outlines that the purchase is contingent upon the buyer obtaining a mortgage within a specified timeframe and under certain terms. If the buyer cannot fulfill this condition, they are usually entitled to a refund of any earnest money they may have deposited, providing financial protection during the buying process. The other options do not accurately reflect the definition of a mortgage contingency. A penalty for late mortgage payments pertains to the consequences of failing to make scheduled payments and has no relevance to the initial financing conditions of a purchase. A reduction in the mortgage interest rate relates to the terms of the financing itself rather than a protective clause in the purchase agreement. An appraisal requirement for loan approval refers to a necessary step in the lending process to determine the property's value, which does not provide the same protective backing that a mortgage contingency does for the buyer's interests.

7. What does zoning regulate?

- A. Type of construction materials used in real estate development
- B. The regulation of land use by local governments**
- C. Market value assessment of properties
- D. The tax rates applied to specific properties

Zoning primarily serves to regulate land use by local governments, which determines how various parcels of land can be utilized within a community. This regulation encompasses a range of elements, including residential, commercial, industrial, and agricultural designations. By establishing zoning laws, local authorities can control the density of development, the types of activities that can occur in different areas, and the overall vision for community development. For instance, zoning can help maintain the character of a neighborhood by preventing high-density commercial developments in predominantly residential areas, thereby ensuring that local interests and needs are preserved. It also plays a vital role in planning for infrastructure, traffic flow, and public services. In contrast, options that discuss the materials used in construction, the market value assessment, or tax rates focus on different aspects of real estate and land management that zoning does not directly address. Thus, zoning is specifically concerned with the regulation of land use, making it a critical tool for local governance.

8. How can real estate be financed?

- A. Only through mortgages
- B. Through mortgages, cash purchases, or other loan types**
- C. Using credit cards for down payments
- D. Only via bank loans

Real estate can be financed through a variety of methods, which is why the selection that includes mortgages, cash purchases, or other loan types is correct. Mortgages are a common way to finance real estate, allowing buyers to borrow money from lenders to purchase a property, while repaying it over time with interest. Cash purchases offer an alternative for those who can afford to buy property outright, removing the need for a loan altogether. Additionally, other loan types, such as home equity loans or personal loans, can also be utilized to finance a real estate transaction. This flexibility in financing options caters to different buyers' situations, allowing for a range of approaches in acquiring property. The other options are limited in scope and do not accurately capture the breadth of financing available in real estate transactions; therefore, they do not represent a complete understanding of how real estate can indeed be financed.

9. What is a real estate investment trust (REIT)?

- A. A non-profit organization for housing
- B. A company that owns, operates, or finances income-producing real estate**
- C. A government program for housing development
- D. A type of investment fund for stocks only

A real estate investment trust (REIT) is correctly defined as a company that owns, operates, or finances income-producing real estate. These companies invest in various types of real estate properties, such as residential apartments, commercial buildings, or specialized facilities like shopping centers or hospitals. By pooling the capital of numerous investors, REITs allow individual investors to earn a share of the income produced through real estate investments without having to buy or manage properties directly. The structure of a REIT typically allows it to receive favorable tax treatment, provided it adheres to specific regulatory requirements, such as distributing at least 90% of its taxable income to shareholders in the form of dividends. This structure not only provides investors with a reliable income stream but also makes real estate investment accessible to a broader audience who may not have the necessary capital to invest in real estate directly. Understanding the function and benefits of REITs is important for anyone interested in real estate investing, as they represent a crucial mechanism through which individuals can diversify their investment portfolios and gain exposure to the real estate sector.

10. Which statement is true regarding Housing for Older Persons in New Hampshire?

- A. There must be significant facilities designed to meet the physical and social needs of older persons in housing qualifying for persons 55 years of age or older**
- B. Housing reserved exclusively for persons 60 years of age or older is exempt from familial status protections
- C. Apartments may be reserved for persons 55 years of age and older as long as 50% of the units have at least one person 55 years of age or older
- D. In housing for older persons, at least 25% of the units must be reserved for families with children

The statement regarding Housing for Older Persons in New Hampshire that is accurate is that there must be significant facilities designed to meet the physical and social needs of older persons in housing qualifying for persons 55 years of age or older. This is a crucial aspect of the regulations governing such housing, as it emphasizes that the design and amenities provided in these facilities cater specifically to the requirements of older adults. In the context of Housing for Older Persons, ensuring that the living conditions accommodate their unique needs — such as accessibility features, social gathering spaces, and healthcare services — is essential for fostering a supportive environment. This focus on the physical and social needs enhances the quality of life for residents, making it an important criterion for housing that qualifies under the Fair Housing Act for older persons. Understanding this context also highlights why other statements are less correct. For instance, while families with children may have certain exemptions, the requirement for facilities that truly cater to older adults holds significant importance in the ethos of supportive housing. Additionally, there are specific criteria about the eligibility of individuals in such housing, but the focus on facilities designed for their unique needs is paramount in defining the standard for Housing for Older Persons.

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://nhstaterealestate.examzify.com>

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