

New Mexico Broker State 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. What is typically included under 'Fixtures and Personal Property' in an Offer/Purchase Agreement?**
 - A. The buyer's personal assets**
 - B. Items that will remain with the property vs. those the seller will take**
 - C. The current taxes owed on the property**
 - D. Details regarding home warranties**
- 2. Which term describes an agreement allowing a tenant to stay on the property after the lease has ended with landlord consent?**
 - A. Periodic tenancy**
 - B. Tenancy at sufferance**
 - C. Holdover tenancy**
 - D. Lease continuation**
- 3. Which type of transactions does the UCC govern to ensure fairness?**
 - A. Real estate sales**
 - B. Consumer lending**
 - C. Business transactions involving personal property**
 - D. Employment agreements**
- 4. What is the residency requirement for members of the New Mexico Real Estate Commission?**
 - A. Two years**
 - B. Three years**
 - C. Four years**
 - D. Five years**
- 5. What is the responsibility of a landlord in an assignment of lease?**
 - A. To accept any tenant**
 - B. To allow anyone to sublet**
 - C. To give written permission for substitution**
 - D. To relieve all past tenants from liability**

- 6. The commission can recover what in addition to fines for violations?**
- A. The costs of the hearing**
 - B. The amount of any profit from the violating transaction**
 - C. The license renewal fee**
 - D. The legal fees of the commission**
- 7. Which of the following describes 'Costs to Be Paid' in an Offer/Purchase Agreement?**
- A. Only the listing agent's commission**
 - B. Details on who is responsible for closing costs and other fees**
 - C. Buyer's down payment requirements**
 - D. Costs related to property maintenance**
- 8. Which of the following documents would provide definitions of key terms in a real estate transaction?**
- A. The inspection report**
 - B. The offer letter**
 - C. The contract definitions section**
 - D. The seller's disclosure form**
- 9. When can original contractors claim a lien in New Mexico after finishing their work?**
- A. 90 days**
 - B. 120 days**
 - C. 60 days**
 - D. 150 days**
- 10. What is greywater?**
- A. Rainwater collected for reuse**
 - B. Used water from household activities**
 - C. Water treated for irrigation**
 - D. Water used in industrial processes**

Answers

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

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Explanations

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1. What is typically included under 'Fixtures and Personal Property' in an Offer/Purchase Agreement?

A. The buyer's personal assets

B. Items that will remain with the property vs. those the seller will take

C. The current taxes owed on the property

D. Details regarding home warranties

In an Offer/Purchase Agreement, the distinction between fixtures and personal property is crucial for both buyers and sellers. Fixtures are items that are permanently attached to the property, making them part of the real estate when it is sold, such as built-in appliances, lighting fixtures, and cabinetry. Personal property, on the other hand, refers to movable items not attached to the property and can be taken by the seller unless specifically stated otherwise in the agreement. By including items that clarify what will remain with the property versus what the seller will take, the agreement helps prevent disputes and misunderstandings at the time of sale. This clear delineation ensures that both parties understand exactly which items are included in the sale, contributing to a smoother transaction. In contrast, the other options do not accurately represent common inclusions in an Offer/Purchase Agreement. The buyer's personal assets, current taxes owed on the property, and details regarding home warranties are typically dealt with under different provisions and do not directly relate to the understanding of fixtures and personal property within the context of real estate transactions.

2. Which term describes an agreement allowing a tenant to stay on the property after the lease has ended with landlord consent?

A. Periodic tenancy

B. Tenancy at sufferance

C. Holdover tenancy

D. Lease continuation

The term that best describes an agreement allowing a tenant to stay on the property after the lease has ended with landlord consent is holdover tenancy. In a holdover tenancy, a tenant remains in possession of the rental property after the lease has expired, and the landlord allows this continued occupancy. This situation often arises when the tenant has not vacated the premises, and the landlord chooses not to enforce the eviction immediately, effectively creating a new tenancy under the same lease terms, unless otherwise negotiated. Understanding this concept is crucial as it deals with tenant rights and landlord responsibilities after a lease officially ends. In contrast, periodic tenancy refers to a lease arrangement that continues for successive periods until terminated by either party. Tenancy at sufferance occurs when a tenant remains in possession of the property without the landlord's consent after the lease has expired, which does not align with landlord approval. Lease continuation is not a standardized legal term and lacks the precise definition found in real estate law. Therefore, holdover tenancy accurately captures the essence of the agreement between the landlord and tenant in this scenario.

3. Which type of transactions does the UCC govern to ensure fairness?

- A. Real estate sales**
- B. Consumer lending**
- C. Business transactions involving personal property**
- D. Employment agreements**

The Uniform Commercial Code (UCC) primarily governs business transactions involving personal property, which is why this choice is the correct answer. The UCC is a comprehensive set of laws that standardize transactions and promote fairness and efficiency in the commercial arena, particularly focusing on the sale of goods and secured transactions. By establishing uniform rules, the UCC helps clarify the rights and duties of parties involved in commercial transactions, thereby reducing disputes and improving predictability in business relationships. In the context of fairness, the UCC incorporates various principles such as good faith, strict adherence to commercial standards, and guidelines for commercial contracts. This legal framework fosters a reliable and consistent environment for parties engaged in buying, selling, and securing goods. The other transaction types mentioned fall outside the scope of the UCC. Real estate sales are governed by state law and traditional real estate regulations rather than the provisions outlined in the UCC. Consumer lending typically involves regulations that are more closely aligned with consumer protection laws and financial statutes, also outside the UCC's reach. Lastly, employment agreements are governed by labor laws and contract law, which deal with the rights and responsibilities of employees and employers, not the commercial guidelines set forth in the UCC.

4. What is the residency requirement for members of the New Mexico Real Estate Commission?

- A. Two years**
- B. Three years**
- C. Four years**
- D. Five years**

The residency requirement for members of the New Mexico Real Estate Commission is three years. This requirement ensures that commission members have a sufficient understanding of local real estate practices, market conditions, and community nuances, which can significantly influence real estate transactions and regulatory decisions. By requiring a three-year residency, the state ensures that members are not only familiar with the laws and regulations but also have a tangible connection to the areas they oversee, which is vital for informed and effective governance of real estate practices in New Mexico. This level of familiarity benefits both the commission's decision-making process and the public's trust in the commission's capabilities.

5. What is the responsibility of a landlord in an assignment of lease?

- A. To accept any tenant**
- B. To allow anyone to sublet**
- C. To give written permission for substitution**
- D. To relieve all past tenants from liability**

In an assignment of lease, the correct responsibility of a landlord is to give written permission for substitution. This means that if a tenant wishes to transfer their lease to another party, the landlord must formally agree to this change. It is important for landlords to maintain control over who occupies their property and to ensure that the new tenant meets any necessary qualifications or standards they may have. This written permission is integral as it protects the rights of the landlord, ensuring that they have the final say over who is engaged in a lease agreement for their property. In many leasing agreements, landlords also specify conditions under which assignments or subletting are allowed. This protects the landlord's interests and ensures that the property is maintained in accordance with the lease terms. Without this written permission, the assignment could be considered a breach of contract, potentially allowing the landlord to take legal action or terminate the lease. In contrast, the other options presented do not accurately reflect the responsibilities in an assignment situation, as they imply rights or obligations that aren't typically granted under lease agreements. For instance, not all tenants can simply be accepted by a landlord as they must first fulfill the landlord's criteria. Allowing anyone to sublet would undermine the landlord's right to control their property and manage its tenants.

6. The commission can recover what in addition to fines for violations?

- A. The costs of the hearing**
- B. The amount of any profit from the violating transaction**
- C. The license renewal fee**
- D. The legal fees of the commission**

The commission's ability to recover the amount of any profit from the violating transaction is grounded in the principle of ensuring accountability and fairness in real estate practices. When a broker or agent violates regulations, not only can they be penalized with fines, but the commission also seeks to prevent violators from benefiting financially from their misconduct. By recovering profits from the transaction that resulted from the violation, the commission reestablishes a standard of ethical practice and deters future violations. This restitution serves to uphold the integrity of the real estate market, ensuring that those who engage in unethical behavior do not gain an unfair advantage over compliant practitioners. Other options, such as the costs of the hearing or legal fees, involve administrative aspects rather than direct financial restitution linked to the violation itself. The license renewal fee does not pertain to punitive measures for violations, making it a separate consideration. Hence, recovering profits from a violating transaction aligns most directly with the commission's role in promoting fair and legal real estate transactions.

7. Which of the following describes 'Costs to Be Paid' in an Offer/Purchase Agreement?

- A. Only the listing agent's commission**
- B. Details on who is responsible for closing costs and other fees**
- C. Buyer's down payment requirements**
- D. Costs related to property maintenance**

In an Offer/Purchase Agreement, "Costs to Be Paid" refers specifically to the details regarding the allocation of costs involved in the purchase of the property. This includes closing costs, which can encompass various expenses such as title insurance, appraisals, inspections, and lender fees. By clearly outlining who is responsible for which costs, the agreement helps to establish transparency and prevent disputes between the buyer and seller. In this context, it is essential for both parties to understand their financial obligations concerning these costs, as they can significantly impact the overall cost of the transaction. This information is critical during negotiations and helps ensure a smoother closing process. The other options focus on specific aspects that do not encompass the full meaning of "Costs to Be Paid." For example, the listing agent's commission pertains only to a portion of the transaction, while the buyer's down payment refers specifically to the initial out-of-pocket expense rather than all associated costs. Costs related to property maintenance are also not relevant to the agreement, as they involve ongoing expenses rather than costs incurred during the purchase process.

8. Which of the following documents would provide definitions of key terms in a real estate transaction?

- A. The inspection report**
- B. The offer letter**
- C. The contract definitions section**
- D. The seller's disclosure form**

The document that provides definitions of key terms in a real estate transaction is the contract definitions section. This section is specifically designed to clarify and define terms that are essential to understanding the agreement between the parties involved. By including definitions, the contract minimizes any potential misunderstandings that could arise due to the varied interpretations of specific terms. For example, it will define terms like "closing," "default," or "escrow," ensuring that all parties are aligned in their understanding of the contract's language and obligations. In contrast, the inspection report typically focuses on the findings related to the condition of a property and does not delve into defining legal or contractual terms. The offer letter serves to make a proposal for purchase and may include just basic terms related to the offer itself, but it lacks an in-depth glossary. The seller's disclosure form is designed to inform the buyer of any known issues with the property and is not a place for definitions of contractual terms. Thus, the contract definitions section is the key component that provides clarity and precision in the vocabulary used throughout the real estate transaction.

9. When can original contractors claim a lien in New Mexico after finishing their work?

- A. 90 days
- B. 120 days**
- C. 60 days
- D. 150 days

In New Mexico, original contractors can file a lien for unpaid work within 120 days after completing their contract work. This timeframe is significant because it establishes the period within which a contractor has the legal right to assert a claim against the property they worked on to secure payment. This ensures that contractors have a reasonable opportunity to collect any unpaid debts for the labor and materials they have provided. Understanding this timeline is crucial for contractors to protect their financial interests and to ensure they act within the legal limitations set by the state. This 120-day period allows for the necessary time to assess the situation after completion and take appropriate legal action if payment has not been received, balancing the interests of both contractors and property owners.

10. What is greywater?

- A. Rainwater collected for reuse
- B. Used water from household activities**
- C. Water treated for irrigation
- D. Water used in industrial processes

Greywater refers specifically to used water that has been generated from household activities, excluding water that has come from toilets as that is considered black water. Typical sources of greywater include water from sinks, showers, bathtubs, and washing machines. This type of water is often recyclable and can be reused for non-potable applications such as irrigation and flushing toilets, making it a valuable resource in sustainable water management practices. By identifying used water from household activities as greywater, it highlights its potential for conservation and efficient resource use, particularly in areas facing water scarcity. Understanding the definition and scope of greywater is important for environmental awareness and developing systems that support water recycling within residential settings.

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://nmbroker.examzify.com>

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