

North Carolina Post Licensing 302 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. Which of these is NOT commonly a buyer's expense at closing?**
 - A. Reserves deposited with lender**
 - B. Deed preparation**
 - C. Homeowner's insurance**
 - D. Title insurance premium**

- 2. What defines an option in real estate transactions?**
 - A. It is a mutual agreement between two parties**
 - B. It is a unilateral contract**
 - C. It binds both parties to the sale**
 - D. It requires a deposit to be valid**

- 3. Which addendum should be read along with the real estate purchase contract?**
 - A. FHA/VA addendum**
 - B. Standard Operating Procedures addendum**
 - C. Rental Application addendum**
 - D. None of them are necessary**

- 4. What can a brokerage do with the earnest money if a buyer's transaction closes?**
 - A. Return it to the buyer**
 - B. Hold it indefinitely**
 - C. Retain it as commission**
 - D. Transfer it to the seller**

- 5. Under what circumstance must sellers provide a rescission period for buyers?**
 - A. Only if the buyer keeps the information for more than seven days**
 - B. When buyers are not given the necessary disclosures**
 - C. For all purchases involving multiple buyers**
 - D. Rescission is not applicable under any conditions**

- 6. In the context of offer and acceptance, what occurs when a buyer makes a counter offer?**
- A. The original offer is voided**
 - B. The seller must accept the counter offer**
 - C. The buyer can withdraw the counter offer at any time**
 - D. The original offer remains open**
- 7. What is required from brokers regarding lead-based paint disclosures?**
- A. Brokers must provide a pamphlet about hazards**
 - B. Brokers are not required to disclose anything**
 - C. Brokers can provide disclosures only upon request**
 - D. Brokers must conduct a lead inspection**
- 8. What constitutes the total due from the borrower at closing?**
- A. Purchase price only**
 - B. Closing costs only**
 - C. Purchase price plus closing costs**
 - D. Purchase price minus closing costs**
- 9. Who is responsible for ensuring the accuracy of loan estimates?**
- A. Real Estate Brokers**
 - B. Lenders**
 - C. Borrowers**
 - D. Settlement Agents**
- 10. Can personal disclosures be revoked after consent in electronic transactions?**
- A. No, once consent is given, it is final**
 - B. Yes, but only with legal intervention**
 - C. Yes, consumers have the right to revoke consent**
 - D. Only if the transaction is not completed**

Answers

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

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Explanations

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1. Which of these is NOT commonly a buyer's expense at closing?

- A. Reserves deposited with lender**
- B. Deed preparation**
- C. Homeowner's insurance**
- D. Title insurance premium**

The correct choice identifies the deed preparation as not typically being a buyer's expense at closing. In real estate transactions, deed preparation is generally the responsibility of the seller. This is due to the seller needing to provide a clear title and ensure that the deed is in compliance with applicable laws and properly transferred to the buyer. On the other hand, the other expenses are commonly associated with the buyer. Reserves deposited with the lender, such as for property taxes or homeowner's insurance premiums, are standard practice to ensure that the lender has funds available to cover these costs after the closing. Homeowner's insurance is essential for protecting the buyer's investment in the property, so it is considered a necessary cost borne by the buyer. Additionally, title insurance premium is also a common expense for buyers as it protects them against potential disputes regarding the property's title. This distinction is crucial for buyers to understand, as it helps them budget for their closing costs accurately and anticipate what expenses they will be responsible for in the transaction.

2. What defines an option in real estate transactions?

- A. It is a mutual agreement between two parties**
- B. It is a unilateral contract**
- C. It binds both parties to the sale**
- D. It requires a deposit to be valid**

An option in real estate transactions is specifically characterized as a unilateral contract. This type of contract involves one party granting another the right to purchase or lease a property within a specified time frame, without the obligation for the other party to commit. Essentially, the seller (optionor) gives the buyer (optionee) the right to decide whether to complete the transaction, making it unilateral because only one party is obligated to perform under the agreement. In this context, the optionee can choose to exercise their right, depending on their interest in the property, while the optionor is bound to adhere to the terms agreed upon if the option is exercised. This flexibility distinguishes it from bilateral agreements, which involve mutual commitments from both parties. The other options touch on aspects related to contracts generally but do not capture the essence of an option as distinctly as the definition of a unilateral contract does. An option does not necessarily bind both parties to a sale, nor does it require a deposit to be valid, although an option might include a consideration or fee to the optionor. Hence, the characterization of an option as a unilateral contract is the definitive feature that distinguishes it in real estate transactions.

3. Which addendum should be read along with the real estate purchase contract?

- A. FHA/VA addendum**
- B. Standard Operating Procedures addendum**
- C. Rental Application addendum**
- D. None of them are necessary**

The FHA/VA addendum is essential to read alongside the real estate purchase contract because it includes specific terms and conditions relevant to loans backed by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA). These addenda provide important information about financing options for buyers who may qualify for these government-backed loans, outlining any additional requirements or protections for the buyer and seller. For instance, it may detail aspects like the appraisals, credit scores, or pitfalls related to financing that may not be addressed in the standard purchase agreement. While there may be other addenda available that pertain to different situations, such as rental applications or standard operating procedures, they do not specifically address the nuances of FHA or VA financing in the context of a purchase contract. Understanding these details is crucial for both buyers and sellers involved in a transaction that utilizes such financing. Therefore, the FHA/VA addendum serves a significant purpose in ensuring all parties are aware of and agree to the specific stipulations that influence the transaction.

4. What can a brokerage do with the earnest money if a buyer's transaction closes?

- A. Return it to the buyer**
- B. Hold it indefinitely**
- C. Retain it as commission**
- D. Transfer it to the seller**

In a real estate transaction, earnest money serves as a good faith deposit from the buyer to indicate their commitment to purchasing the property. When a transaction successfully closes, the brokerage typically has specific protocols regarding how the earnest money should be handled. Retaining the earnest money as commission can occur only if it is agreed upon in the terms of the contract, and certain conditions are met, such as the buyer not fulfilling their obligations. If the transaction proceeds to closing, the earnest money often gets applied towards the buyer's down payment or closing costs, rather than being retained by the brokerage as a commission. In transactions that do not close, the earnest money could be subject to dispute between the buyer and seller, so it's not appropriate for the brokerage to simply retain it as their commission under standard circumstances. Understanding the protocols for handling earnest money is crucial in real estate transactions, particularly in ensuring that all parties are aligned with the terms agreed upon in the purchase agreement.

5. Under what circumstance must sellers provide a rescission period for buyers?

A. Only if the buyer keeps the information for more than seven days

B. When buyers are not given the necessary disclosures

C. For all purchases involving multiple buyers

D. Rescission is not applicable under any conditions

Sellers are required to provide a rescission period for buyers when the necessary disclosures are not provided to the buyers. The rescission period allows buyers the opportunity to reconsider their decision once they are fully informed, particularly about important factors such as the condition of the property or other pertinent disclosures that affect their purchasing decision. Providing disclosures is a critical aspect of real estate transactions, as it ensures buyers are aware of any potential issues, obligations, or rights associated with the property they are considering. If these disclosures are not provided, it undermines the fairness of the transaction and can lead to the buyer making an uninformed decision. The rescission period acts as a safeguard, ensuring that buyers have adequate time to reflect and potentially withdraw from the transaction if they feel they were misled or uninformed about essential details. The other situations presented do not necessitate a rescission period under North Carolina law, which emphasizes the importance of proper disclosures to ensure informed consent in real estate transactions.

6. In the context of offer and acceptance, what occurs when a buyer makes a counter offer?

A. The original offer is voided

B. The seller must accept the counter offer

C. The buyer can withdraw the counter offer at any time

D. The original offer remains open

When a buyer makes a counter offer, the original offer is voided. This is because the act of making a counter offer signifies that the buyer is not accepting the terms of the original offer as they stand. Instead, the buyer proposes new terms or conditions, which essentially creates a new offer that the seller can choose to accept, reject, or counter. Once the counter offer is made, the initial offer cannot be accepted unless it is re-extended by the seller after the counter offer has been presented. This process is a fundamental aspect of contract negotiation, illustrating how offers and acceptances interact in real estate transactions.

7. What is required from brokers regarding lead-based paint disclosures?

- A. Brokers must provide a pamphlet about hazards**
- B. Brokers are not required to disclose anything**
- C. Brokers can provide disclosures only upon request**
- D. Brokers must conduct a lead inspection**

Brokers are required to provide a pamphlet about the hazards of lead-based paint. This requirement stems from the federal Residential Lead-Based Paint Hazard Reduction Act, which mandates that properties built before 1978 disclose any known lead-based paint hazards. By providing the pamphlet, brokers ensure that buyers and tenants receive essential information regarding the potential risks associated with lead-based paint, allowing them to make informed decisions about the properties they are considering. This requirement not only protects the health of occupants but also holds brokers accountable for adhering to regulatory standards regarding lead-based paint disclosures. The other options do not align with the legal obligations regarding lead-based paint. Brokers cannot simply refrain from disclosing information or only provide it upon request, as this would not fulfill their duty of disclosure. Additionally, conducting a lead inspection is not a general requirement for brokers; it is a specific action that may be taken under certain circumstances but is not mandatory for all properties.

8. What constitutes the total due from the borrower at closing?

- A. Purchase price only**
- B. Closing costs only**
- C. Purchase price plus closing costs**
- D. Purchase price minus closing costs**

The total due from the borrower at closing is calculated by summing the purchase price of the property and the closing costs. This total represents the overall financial obligation the borrower must meet at the closing table. The purchase price is the agreed-upon amount for which the property is being sold, while closing costs encompass various fees and expenses incurred during the transaction. These can include loan origination fees, title insurance, appraisal fees, recording fees, and other necessary costs to finalize the real estate purchase. Thus, to accurately determine the total amount the borrower needs to bring or pay at closing, both components—the purchase price and the closing costs—must be considered. This comprehensive calculation ensures that all financial obligations of the transaction are accounted for, allowing for a smoother closing process.

9. Who is responsible for ensuring the accuracy of loan estimates?

- A. Real Estate Brokers**
- B. Lenders**
- C. Borrowers**
- D. Settlement Agents**

The responsibility for ensuring the accuracy of loan estimates primarily lies with lenders. Lenders must provide borrowers with accurate, clear, and detailed loan estimates as mandated by regulatory guidelines. This process includes calculating loan costs, interest rates, closing costs, and other key financial details that influence a borrower's decision. Lenders are equipped with the necessary information about the mortgage products they offer and the relevant regulations governing loan estimates. They need to disclose accurate terms to consumers to promote transparency and comparability among various loan options. This accountability also plays a crucial role in protecting borrowers from unexpected costs and financial surprises during the loan process. While other parties, such as brokers or settlement agents, play supportive roles in the transaction, it is ultimately the lender's responsibility to ensure that the loan estimates are correct and comply with legal standards. Borrowers can review these estimates but do not hold responsibility for their accuracy.

10. Can personal disclosures be revoked after consent in electronic transactions?

- A. No, once consent is given, it is final**
- B. Yes, but only with legal intervention**
- C. Yes, consumers have the right to revoke consent**
- D. Only if the transaction is not completed**

Consumers have the right to revoke their consent regarding personal disclosures in electronic transactions. This principle is rooted in the understanding that individuals should maintain control over their personal information, even once they have initially agreed to share it. Under various privacy regulations and rules governing electronic communications, consumers can change their minds about how their data is used and disclosed. This allows for greater protection and accountability in digital transactions, ensuring that individuals feel empowered to manage their personal information. Other options suggest limitations on the revocation of consent, such as needing legal intervention or that consent is final once given, which does not align with the overarching theme of consumer rights in privacy regulations.

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://northcarolinapostlicensing302.examzify.com>

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

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