

Ohio 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,

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

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!

SAMPLE

Questions

- 1. Substituting new parties to an existing obligation is known as what?**
 - A. Assignment**
 - B. Novation**
 - C. Transfer**
 - D. Delegation**
- 2. What must an ad valorem tax be based on?**
 - A. Market sales**
 - B. Approved tax rates**
 - C. Assessed property value**
 - D. Local government needs**
- 3. What type of warranty is implied in the covenant of freehold warranty?**
 - A. A warranty against future defects in the property**
 - B. A warranty that the seller is not related to the buyer**
 - C. A warranty that the property is free of liens**
 - D. A warranty to refund the purchase price**
- 4. What does Regulation Z require from lenders regarding APR?**
 - A. To disclose the APR to borrowers**
 - B. To hide any fees associated with loans**
 - C. To provide verbal consent of the borrower**
 - D. To limit the APR to a specific percentage**
- 5. What does Regulation Z of the Truth in Lending Act primarily focus on?**
 - A. Disclosures related to real estate sales**
 - B. Lending practices and requirements for disclosures**
 - C. Fair housing regulations**
 - D. Title insurance requirements**

- 6. When must a borrower receive a loan estimate under RESPA guidelines?**
- A. Within 24 hours of application**
 - B. Within 3 days of submitting an application**
 - C. Before the closing date**
 - D. When the loan is approved**
- 7. What clause is unique to the mortgage in title theory states?**
- A. Acceleration Clause**
 - B. Defeasance Clause**
 - C. Prepayment Clause**
 - D. Due-on-Sale Clause**
- 8. What is a Blanket Mortgage commonly used for?**
- A. To finance a single property only**
 - B. To cover multiple lots by a developer**
 - C. To refinance existing debt**
 - D. To secure a home equity line of credit**
- 9. Which type of loan does NOT require insurance or guarantee?**
- A. Wraparound Loan**
 - B. Conventional Loan**
 - C. FHA Loan**
 - D. VA Loan**
- 10. What characterizes an Involuntary Lien?**
- A. A lien that requires the owner's consent**
 - B. A lien placed on property without owner consent**
 - C. A temporary financial burden**
 - D. A type of voluntary agreement**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Substituting new parties to an existing obligation is known as what?

- A. Assignment**
- B. Novation**
- C. Transfer**
- D. Delegation**

The process of substituting new parties to an existing obligation is known as novation. In real estate and contract law, novation occurs when one of the original parties to a contract is replaced by a new party, effectively creating a new contractual relationship. This means that the original party is released from their obligations, and the new party assumes those obligations, with the consent of all parties involved. Novation is significant because it not only transfers the rights and obligations but also releases the original party from any liability related to the contract. This is distinct from other terms related to contractual obligations. For instance, assignment involves transferring rights but not necessarily obligations, while delegation refers to transferring duties but does not release the original party from obligations unless a novation occurs. The term transfer is more generic and does not specifically address the substitution of parties in a contractual relationship.

2. What must an ad valorem tax be based on?

- A. Market sales**
- B. Approved tax rates**
- C. Assessed property value**
- D. Local government needs**

An ad valorem tax is primarily based on the assessed value of property. This type of tax is commonly used in real estate to determine how much property tax an owner owes to the government. The assessed value is a percentage of the property's market value, which is determined by local tax assessors. The rationale behind using assessed property value is that it provides a consistent method of taxation that reflects the value of the property ownership based on established criteria. These assessments are periodically reviewed and adjusted to account for changes in the market or property improvements, ensuring that the tax collected corresponds to the actual value of the property. While market sales and approved tax rates can influence how much tax an individual property owner pays, they do not form the basis of the ad valorem tax itself. Additionally, local government needs may guide spending and budgeting but do not directly impact the calculation of the tax rate based on property value. Thus, focusing on assessed property value allows for a fair and transparent means of taxation for property owners within a jurisdiction.

3. What type of warranty is implied in the covenant of freehold warranty?

- A. A warranty against future defects in the property**
- B. A warranty that the seller is not related to the buyer**
- C. A warranty that the property is free of liens**
- D. A warranty to refund the purchase price**

The implied warranty in the covenant of freehold warranty specifically provides protection to the buyer against future defects in the property. This covenant ensures that the seller guarantees the title to the property and that the buyer will have the right to use and enjoy the property without interference. In practice, when a seller offers a freehold warranty, they are asserting that they own the property and have lawful authority to sell it. Moreover, should any issues arise in the future regarding the title or claims against the property that were not disclosed at the time of sale, the warranty will protect the buyer. This form of warranty is foundational in real estate transactions, as it promotes confidence in the integrity and quality of the property being purchased. A warranty against future defects aligns with the principles of property law and the obligations of the seller, aimed at providing the buyer peace of mind regarding the transaction and the future use of the property.

4. What does Regulation Z require from lenders regarding APR?

- A. To disclose the APR to borrowers**
- B. To hide any fees associated with loans**
- C. To provide verbal consent of the borrower**
- D. To limit the APR to a specific percentage**

Regulation Z, which is part of the Truth in Lending Act, requires lenders to disclose the Annual Percentage Rate (APR) to borrowers. This regulation aims to ensure transparency in lending practices by providing borrowers with clear and understandable information about the costs of credit. The APR is a crucial figure because it represents the total cost of borrowing expressed as a yearly interest rate, taking into account not only the interest charged but also any associated fees. By mandating disclosure of the APR, Regulation Z enables consumers to make informed comparisons between different lenders and loan products, facilitating better decision-making regarding credit options. The other options do not align with the requirements set forth by Regulation Z. Therefore, the emphasis on disclosing the APR directly supports the goals of consumer protection and transparency in lending, marking it as a vital requirement for lenders.

5. What does Regulation Z of the Truth in Lending Act primarily focus on?

- A. Disclosures related to real estate sales**
- B. Lending practices and requirements for disclosures**
- C. Fair housing regulations**
- D. Title insurance requirements**

Regulation Z, which is part of the Truth in Lending Act (TILA), specifically focuses on lending practices and the requirements for disclosures that lenders must provide to borrowers. It mandates that lenders disclose certain information about the terms and costs of credit clearly and prominently, ensuring that consumers can understand the actual cost of borrowing money. This includes information such as the Annual Percentage Rate (APR), finance charges, and the total amount financed. By emphasizing full disclosure, Regulation Z helps protect consumers from predatory lending practices and ensures they can make informed decisions when taking out loans. This regulation is critical in promoting transparency in lending, thereby allowing borrowers to compare different loan offers easily and understand the implications of their borrowing.

6. When must a borrower receive a loan estimate under RESPA guidelines?

- A. Within 24 hours of application**
- B. Within 3 days of submitting an application**
- C. Before the closing date**
- D. When the loan is approved**

Under the Real Estate Settlement Procedures Act (RESPA), a borrower must receive a loan estimate within three business days of submitting a loan application. This requirement is in place to ensure that borrowers have clear and timely information about the costs associated with their mortgage loan. The loan estimate provides crucial details, such as the estimated monthly payments, closing costs, and other relevant financial information, allowing borrowers to compare loan options from different lenders effectively. Receiving this information promptly helps borrowers make informed decisions about their financing options and expectations regarding the transaction. Waiting longer than three days would not align with the intent of RESPA, which aims to promote transparency and protect consumers in the mortgage process. Understanding this timeframe is essential for anyone involved in real estate transactions and mortgage lending, as it ensures that all parties adhere to federal regulations designed to safeguard borrower interests.

7. What clause is unique to the mortgage in title theory states?

- A. Acceleration Clause**
- B. Defeasance Clause**
- C. Prepayment Clause**
- D. Due-on-Sale Clause**

The defeasance clause is a significant feature in mortgage agreements particularly in title theory states. These states operate under the principle that the lender holds title to the property until the mortgage is paid off in full. The defeasance clause serves the purpose of nullifying the mortgage obligation upon the full repayment of the loan. Essentially, when the borrower fulfills their financial obligations, the clause ensures that the lender must release the title back to the borrower. This clause is crucial because it formalizes that once the debt is eliminated, the borrower once again fully owns the property without any encumbrances. In contrast, other clauses such as the acceleration clause, prepayment clause, and due-on-sale clause, while common in various mortgage agreements, do not specifically pertain to title theory or serve the unique function of nullifying the mortgage obligation in regard to the title. The acceleration clause allows the lender to demand full repayment of the loan if certain conditions are breached, the prepayment clause governs the borrower's ability to pay off the loan early (often with penalties), and the due-on-sale clause gives the lender the right to call the loan due if the property is sold. These clauses do not have the same implications for property title as the defeasance clause does in

8. What is a Blanket Mortgage commonly used for?

- A. To finance a single property only**
- B. To cover multiple lots by a developer**
- C. To refinance existing debt**
- D. To secure a home equity line of credit**

A Blanket Mortgage is specifically designed to finance multiple properties under one loan agreement, making it particularly useful for developers or investors who own several lots or properties. This type of mortgage allows the borrower to manage multiple properties more efficiently, as they can be funded and secured under a single financing arrangement rather than having to obtain individual loans for each property. Developers often utilize a Blanket Mortgage to cover the purchase of multiple lots within a subdivision, facilitating construction and development activities while also easing the administrative burden associated with managing several separate loans. This can also simplify the process of selling individual lots, as payments can be allocated from the overall proceeds. In contrast, financing a single property is characteristic of traditional mortgages, while refinancing existing debt and securing a home equity line of credit pertain to different financing structures that are not typically associated with the benefits of a Blanket Mortgage.

9. Which type of loan does NOT require insurance or guarantee?

- A. Wraparound Loan**
- B. Conventional Loan**
- C. FHA Loan**
- D. VA Loan**

A conventional loan is a mortgage that is not insured or guaranteed by the federal government. This means that lenders offering conventional loans assess the borrower's creditworthiness without any backing from government entities like the FHA or VA. Conventional loans typically adhere to guidelines established by Fannie Mae and Freddie Mac, but they do not have the same insurance requirements that other types of loans might have. Wraparound loans, FHA loans, and VA loans involve different levels of insurance and guarantees. For instance, FHA loans require mortgage insurance premiums because they are backed by the Federal Housing Administration, while VA loans are guaranteed by the Department of Veterans Affairs, which also protects lenders against losses. A wraparound loan, often used in seller financing arrangements, may or may not require insurance depending on its specific structure, but it is not a conventional loan categorized under typical financing options. Overall, a conventional loan stands out as it allows for more flexibility in terms of insurance requirements, making it an option for borrowers who may not need or want the additional costs associated with insurance or guarantees.

10. What characterizes an Involuntary Lien?

- A. A lien that requires the owner's consent**
- B. A lien placed on property without owner consent**
- C. A temporary financial burden**
- D. A type of voluntary agreement**

An involuntary lien is characterized by being placed on a property without the consent of the owner. This means that the property owner does not agree to the lien; rather, it is imposed due to circumstances such as unpaid debts, property taxes, or legal judgments. Involuntary liens secure the interests of creditors or government entities seeking to recover amounts owed. For example, if a homeowner fails to pay property taxes, the government can place a tax lien on the property to ensure that the debt is paid before the property can be sold. This type of lien is critical in understanding property rights and financial obligations, as it can affect the property owner's ability to sell or refinance the property, given that the lien must be resolved first. In contrast, a lien that requires the owner's consent would be classified as a voluntary lien. This includes things like mortgages, where the property owner agrees to use their property as collateral for a loan. Temporary financial burdens and types of voluntary agreements do not correctly define involuntary liens, as they imply different characteristics of owner consent and intention.

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://ohiorealestate.examzify.com>

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