

Oregon 30-Hour Real Estate Law Practice Test (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

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- 1. What defect might a home inspector note due to its association with lung cancer?**
 - A. Lead paint**
 - B. Mold**
 - C. Asbestos tiles**
 - D. Radon levels**
- 2. A "legally competent" party in contract law must possess which of the following?**
 - A. Financial resources**
 - B. Knowledge of industry standards**
 - C. Legal and mental capacity**
 - D. Global market awareness**
- 3. What does FAR, or floor-to-area ratio, include?**
 - A. Only the main structure on a lot**
 - B. A portion of the lot's unbuildable space**
 - C. All of the habitable structures on a lot**
 - D. Only the commercial structures on a lot**
- 4. If a client requests a 24-hour notice for showings that potentially reduces showings, which fiduciary duty is at odds with this request?**
 - A. The duty of accounting**
 - B. The duty of obedience**
 - C. The duty of disclosure**
 - D. The duty of loyalty**
- 5. Which example illustrates the duty of disclosure?**
 - A. Explaining the closing costs to the buyer.**
 - B. Informing parties about material facts related to the transaction.**
 - C. Providing property history to the buyer.**
 - D. Discussing staging options with the seller.**

6. In which case has the licensee violated duties of loyalty and disclosure?

- A. Nate disclosed his client's financial situation**
- B. Nate informed his client about the property condition**
- C. Nate didn't disclose a conflict of interest**
- D. Nate was transparent about commission rates**

7. What assistance might property owner Barbara require from her property manager for tax filing?

- A. Property value appraisal**
- B. Recommendations for tax avoidance**
- C. Income and expenses reporting**
- D. Tenant background checks**

8. What is a common title defect in Oregon that stemmed from the secondary mortgage market?

- A. Lack of property inspections**
- B. Loans traded on the MERS causing ownership queries**
- C. Erroneous tax assessments**
- D. Conflicts in property zoning**

9. Which duty is violated if an agent does not inform their client of a conflict of interest?

- A. The duty of loyalty**
- B. The duty of accounting**
- C. The duty of disclosure**
- D. The duty of obedience**

10. Which type of REIT specializes in mortgage securities?

- A. Equity REITs**
- B. Mortgage REITs**
- C. Hybrid REITs**
- D. Public non-listed REITs**

Answers

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

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Explanations

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1. What defect might a home inspector note due to its association with lung cancer?

- A. Lead paint**
- B. Mold**
- C. Asbestos tiles**
- D. Radon levels**

The identification of asbestos tiles as a defect by a home inspector is important due to their association with serious health risks, including lung cancer. Asbestos is a naturally occurring mineral that was commonly used in building materials for its fire-resistant properties. However, when asbestos fibers are disturbed, they can become airborne and be inhaled, leading to respiratory diseases, including lung cancer and mesothelioma. Asbestos exposure typically happens over prolonged periods and can have significant latency periods before health effects manifest. Given its established link to lung cancer, the presence of asbestos tiles in a home should be noted as a significant defect that could pose health risks to the occupants. Other options, while they may also have health implications, do not tie directly to lung cancer in the same manner. Lead paint is primarily linked to neurological issues, particularly in children. Mold can cause respiratory problems but is not specifically associated with lung cancer. Radon levels, although a known carcinogen related to lung cancer, is not a physical defect in the same sense as asbestos tiles can be identified in a home's construction materials. Thus, the focus on asbestos tiles reflects its direct and serious association with lung cancer.

2. A "legally competent" party in contract law must possess which of the following?

- A. Financial resources**
- B. Knowledge of industry standards**
- C. Legal and mental capacity**
- D. Global market awareness**

A "legally competent" party in contract law is defined by their legal and mental capacity. This means that the individual must be of legal age, typically 18 years or older, and must have the mental ability to understand the nature and consequences of the contract they are entering into. Legal capacity ensures that the party can engage in a contract and is fully aware of their rights and obligations. Having legal capacity protects those who might be vulnerable in the contracting process, such as minors and individuals with mental incapacities, ensuring that only those capable of making informed decisions can enter into binding agreements. The other options, while potentially relevant in different contexts of business or contract performance, do not directly relate to the essential legal definition of competency in contracts. For example, financial resources, while important for fulfilling contractual obligations, do not inherently determine a party's legal ability to consent to a contract. Knowledge of industry standards and global market awareness may contribute to effective negotiations and execution of a contract but do not pertain to the legal competencies required to enter into an agreement.

3. What does FAR, or floor-to-area ratio, include?

- A. Only the main structure on a lot
- B. A portion of the lot's unbuildable space
- C. All of the habitable structures on a lot**
- D. Only the commercial structures on a lot

The concept of floor-to-area ratio (FAR) is a crucial measurement in real estate that reflects the relationship between the total floor area of a building and the area of the lot on which it is situated. This ratio is essential for understanding the density of building development in a given area. FAR includes all habitable structures on a lot, which encompasses the entire effective floor space of a building that can be used for human occupancy. This typically refers to the sum of all floors within a building that are usable, which means anything that contributes to the usable square footage, but it does not account for areas specifically excluded by zoning regulations, such as parking or uninhabitable zones. In contrast, the other options focus on specific subsets of this area. For instance, only considering the main structure limits the calculation of density to singular buildings, while a strict exclusion of unbuildable space or focusing only on commercial structures could misrepresent the overall density and development potential of the entire property. This makes the inclusion of all habitable structures on a lot a more comprehensive and accurate understanding of how FAR operates in real estate.

4. If a client requests a 24-hour notice for showings that potentially reduces showings, which fiduciary duty is at odds with this request?

- A. The duty of accounting
- B. The duty of obedience**
- C. The duty of disclosure
- D. The duty of loyalty

The duty of obedience requires a real estate professional to follow the legal instructions of their client as long as those instructions do not violate any laws or regulations. In this scenario, if a client is requesting a 24-hour notice for showings, this requirement may be at odds with the duty to act in a manner that promotes the sale of the property, as it could significantly limit the number of potential showings and thus reduce the opportunities for selling the property. While the agent must respect the wishes of the client, this request could hinder effective marketing strategies. The duty of obedience involves complying with the client's instructions, even when those instructions may impede the agent's ability to serve the client's best interests in achieving a sale. Balancing these duties with practical outcomes is crucial, leading to a situation where following the client's direction may not align with promoting the property effectively.

5. Which example illustrates the duty of disclosure?

- A. Explaining the closing costs to the buyer.**
- B. Informing parties about material facts related to the transaction.**
- C. Providing property history to the buyer.**
- D. Discussing staging options with the seller.**

The duty of disclosure refers to the legal obligation of a real estate agent to inform the parties in a transaction about relevant information that could affect their decisions or the value of the property. This includes revealing material facts that are significant and could impact a buyer's or seller's interests. The choice that exemplifies this duty is the act of informing parties about material facts related to the transaction. This encompasses things such as previous damage to the property, pending litigations, or any other information that could pose risks or affect the desirability of the property. Such disclosures are crucial in maintaining transparency and integrity within real estate dealings. Other options, while relevant to real estate transactions, do not specifically represent the duty of disclosure. For instance, explaining closing costs and discussing staging options involve providing helpful information but do not necessarily encompass material disclosures about the property's condition or legal obligations. Providing property history can be important, but it may not always relate to critical facts that influence the transaction in the same way as disclosing material facts does.

6. In which case has the licensee violated duties of loyalty and disclosure?

- A. Nate disclosed his client's financial situation**
- B. Nate informed his client about the property condition**
- C. Nate didn't disclose a conflict of interest**
- D. Nate was transparent about commission rates**

The scenario in which Nate didn't disclose a conflict of interest exemplifies a violation of the duties of loyalty and disclosure required of a licensee. In real estate transactions, agents have a fiduciary duty to act in the best interest of their clients, which includes being honest and forthright about any potential conflicts that could affect their judgment or loyalty. Failing to disclose a conflict of interest compromises the trust essential to the agent-client relationship. Clients rely on their agents to protect their interests, and when an agent has a conflicting interest—such as having a stake in the property or a personal relationship with a party involved in the transaction—the agent must disclose this to ensure that decisions made are transparent and in the best interest of the client. In contrast, disclosing a client's financial situation, informing a client about the property condition, or being transparent about commission rates align with the duty of disclosure. These actions enhance the client's understanding and help them make informed decisions, thereby fulfilling the licensee's obligations rather than undermining them.

7. What assistance might property owner Barbara require from her property manager for tax filing?

- A. Property value appraisal**
- B. Recommendations for tax avoidance**
- C. Income and expenses reporting**
- D. Tenant background checks**

When filing taxes, property owners often need precise documentation of their income and expenses related to the operation of their properties. This includes rental income received and any expenses incurred, such as maintenance, repairs, property management fees, and utilities. A property manager plays a crucial role in providing this information, as they typically maintain detailed financial records throughout the year. Having accurate income and expenses reporting helps ensure that Barbara can appropriately report her earnings and deduct eligible expenses, which is essential for compliance with tax regulations. In contrast, while a property value appraisal could inform property taxes, it's not directly related to the necessary documentation for filing tax returns. Recommendations for tax avoidance may not be pertinent to the property manager's role, as those strategies often require the expertise of a tax professional. Tenant background checks, though important for the management of the property and ensuring suitable tenants, are irrelevant to tax filing requirements. Thus, the property manager's assistance in providing comprehensive income and expenses reporting is vital for Barbara's tax filing process.

8. What is a common title defect in Oregon that stemmed from the secondary mortgage market?

- A. Lack of property inspections**
- B. Loans traded on the MERS causing ownership queries**
- C. Erroneous tax assessments**
- D. Conflicts in property zoning**

The presence of loans traded on the Mortgage Electronic Registration Systems (MERS) is a notable concern related to title defects in Oregon, particularly because it introduces complexities in tracking ownership. MERS operates as a database that tracks mortgage loans and their ownership changes without recording these changes in the public land records, which can lead to confusion and uncertainty regarding who holds legal title to a property. When loans are originated and then subsequently sold or transferred multiple times between various financial institutions, it becomes challenging to ascertain the true owner of the mortgage. This can cause problems during the foreclosure process, as potential buyers or lenders may be unsure of the rightful party to negotiate with or may even face legal disputes over ownership. This uncertainty can lead to significant issues for property owners and buyers alike, ultimately impacting the title and ownership verification process during real estate transactions. The other options, while they could relate to real estate transactions, do not directly derive from practices specific to the secondary mortgage market in the way that the confusion and ownership queries arising from MERS do. This is why the use of MERS is distinctly a common title defect associated with this market situation in Oregon.

9. Which duty is violated if an agent does not inform their client of a conflict of interest?

- A. The duty of loyalty**
- B. The duty of accounting**
- C. The duty of disclosure**
- D. The duty of obedience**

The duty of disclosure is fundamentally about an agent's obligation to inform their clients of any material information that could impact their decisions regarding a real estate transaction. This includes notifying clients of conflicts of interest that may arise during the agency relationship. When an agent fails to disclose a conflict of interest, they are not meeting their responsibility to provide all relevant facts that may affect the client's interests or choices. By not informing the client, the agent undermines the trust that is essential to the agent-client relationship and potentially puts the client at a disadvantage. This breach can lead to significant consequences, not only for the agent in terms of legal ramifications but also for the client, who may make uninformed decisions based on incomplete information. Therefore, fulfilling the duty of disclosure is crucial in upholding the integrity of the agent's role.

10. Which type of REIT specializes in mortgage securities?

- A. Equity REITs**
- B. Mortgage REITs**
- C. Hybrid REITs**
- D. Public non-listed REITs**

Mortgage REITs focus specifically on generating income from mortgage securities. Unlike equity REITs, which invest primarily in physical properties and generate revenue through leasing and managing real estate, mortgage REITs invest in existing mortgage loans and mortgage-backed securities. This investment strategy allows them to earn income from the interest payments on the mortgages they hold. Mortgage REITs often utilize leverage to amplify their returns, borrowing capital to purchase more mortgage assets. This approach can be particularly beneficial in low-interest-rate environments, where they can borrow at lower costs and then invest those funds into higher-yielding mortgage assets. Understanding the distinction between these types of REITs is important for anyone studying real estate investment strategies.

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://oregon30hour-realestatelaw.examzify.com>

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

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