

Oregon 30-Hour Real Estate Law Practice Test (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

- 1. What should be included in a property manager's list of responsibilities?**
 - A. Tenant recruitment**
 - B. Interior decorating**
 - C. Personal banking**
 - D. Family counseling**
- 2. What type of contract is classified as executory?**
 - A. Voice agreement**
 - B. One where terms are fully completed**
 - C. One where terms still need to be completed**
 - D. One that is verbal only**
- 3. Which term refers to a situation where a property is owned by a bank after a foreclosure?**
 - A. Foreclosure**
 - B. REO**
 - C. Short Sale**
 - D. Lis Pendens**
- 4. What is the primary focus of an equity REIT?**
 - A. Investing in mortgage securities**
 - B. Owning and managing income-producing properties**
 - C. Providing short-term loans to real estate developers**
 - D. Engaging in property flipping activities**
- 5. What must occur for Meg to legally transfer her property to her son, Christian?**
 - A. Christian must be present during the signing.**
 - B. Meg must sign the deed and have her signature acknowledged.**
 - C. The property must be appraised before transfer.**
 - D. Meg must wait until Christian turns 18.**

- 6. Under which condition may agency be legally terminated?**
- A. The client changes their mind about selling**
 - B. The broker becomes incapacitated**
 - C. The property is sold**
 - D. The market conditions change**
- 7. What type of agent is Paulo when managing properties for a landlord?**
- A. Special**
 - B. General**
 - C. Designated**
 - D. Limited**
- 8. What type of agency can arise if both the buyer and seller are represented by different agents?**
- A. Exclusive agency**
 - B. Underwriting agency**
 - C. Single agency**
 - D. Dual agency**
- 9. What is the primary role of environmental assessments in real estate?**
- A. To enhance property aesthetics**
 - B. To determine compliance with local regulations**
 - C. To identify potential environmental liabilities**
 - D. To estimate property values**
- 10. Your aunt's property was used to pay her tax bill after bequeathing it to you. Is this legal?**
- A. No, bequests take precedence over debts**
 - B. Yes, due to operation of law**
 - C. No, you need to formally accept the bequest**
 - D. Yes, but only if you were notified**

Answers

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

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Explanations

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1. What should be included in a property manager's list of responsibilities?

- A. Tenant recruitment**
- B. Interior decorating**
- C. Personal banking**
- D. Family counseling**

A property manager's primary responsibilities revolve around effectively managing and maintaining rental properties. Tenant recruitment is a crucial part of this role. This includes advertising vacant properties, conducting property showings, screening potential tenants, and ultimately selecting qualified individuals to fill vacancies. Engaging in these activities ensures that properties are rented out efficiently and to suitable tenants who can fulfill their lease obligations. The other options do not fall under the responsibilities typically assigned to a property manager. Interior decorating involves aesthetic design and personal taste, which is not a standard duty for property management. Personal banking pertains to an individual's financial management and is unrelated to property management, while family counseling involves emotional support and guidance that is outside the scope of a property manager's professional expertise. Therefore, tenant recruitment is the most appropriate and relevant responsibility for a property manager.

2. What type of contract is classified as executory?

- A. Voice agreement**
- B. One where terms are fully completed**
- C. One where terms still need to be completed**
- D. One that is verbal only**

An executory contract is one in which some or all of the terms remain to be completed by the parties involved. This type of contract indicates that there are obligations that have yet to be fulfilled. For example, in a real estate transaction, if the buyer has made an offer and the seller has accepted, but the transaction has not yet closed, the contract remains executory until all conditions are met, such as payment and transfer of the property title. In contrast, contracts that are fully completed would not be classified as executory because all obligations have been fulfilled. Similarly, while a voice agreement or a verbal-only contract might be valid, they don't inherently reflect the executory nature of a contract where actions or terms are still pending completion. This distinction is crucial for understanding the status of obligations in real estate transactions and can affect legal rights and responsibilities.

3. Which term refers to a situation where a property is owned by a bank after a foreclosure?

A. Foreclosure

B. REO

C. Short Sale

D. Lis Pendens

The term that refers to a situation where a property is owned by a bank after a foreclosure is "REO," which stands for Real Estate Owned. This designation indicates that the financial institution has taken possession of the property after the foreclosure process has been completed. During foreclosure, a borrower defaults on their mortgage, and the bank repossesses the home to recover the outstanding debt. If the property fails to sell at foreclosure auction, it becomes part of the bank's real estate inventory, hence the term REO. The other terms are distinct and do not represent the same situation. For instance, foreclosure refers to the process by which a lender attempts to recover the amount owed on a defaulted loan by taking control of the property. A short sale is where the homeowner sells the property for less than what is owed on the mortgage with the lender's approval, often to avoid foreclosure. Lis pendens is a legal term indicating that a lawsuit has been filed concerning a property, which can complicate its sale but does not imply ownership by a bank. Understanding REO and its implications is crucial for real estate professionals, especially when navigating the aftermath of a foreclosure.

4. What is the primary focus of an equity REIT?

A. Investing in mortgage securities

B. Owning and managing income-producing properties

C. Providing short-term loans to real estate developers

D. Engaging in property flipping activities

The primary focus of an equity REIT (Real Estate Investment Trust) is owning and managing income-producing properties. Equity REITs generate revenue primarily through leasing space and collecting rents on the properties they own. This income is then distributed to shareholders in the form of dividends. Equity REITs typically invest directly in commercial real estate such as apartment complexes, shopping malls, office buildings, and industrial properties. Their objective is to generate a stable income stream over the long term, which makes them a popular choice for investors looking for both income and capital appreciation. In contrast, other options involve different aspects of real estate investment. For example, investing in mortgage securities relates to mortgage REITs, which focus on the financing rather than the physical properties. Providing short-term loans is also a function of certain real estate investment models but does not align with the main operations of equity REITs. Engaging in property flipping involves buying properties to renovate and sell quickly for profit, which is a strategy unrelated to the long-term income focus that characterizes equity REITs.

5. What must occur for Meg to legally transfer her property to her son, Christian?

- A. Christian must be present during the signing.**
- B. Meg must sign the deed and have her signature acknowledged.**
- C. The property must be appraised before transfer.**
- D. Meg must wait until Christian turns 18.**

For Meg to legally transfer her property to her son, Christian, it is essential that she signs the deed and has her signature acknowledged. This process involves Meg formally executing the deed that transfers ownership and having her signature verified by a notary public or other authorized official. Acknowledgment serves as a safeguard against potential disputes regarding the authenticity of the signing, ensuring that Meg acted voluntarily and was of sound mind when making the transfer. The other requirements mentioned in the options are not necessary for the transfer of property to take place. For instance, Christian's presence during the signing is not a legal requirement; the deed can be executed without him being there. Additionally, an appraisal of the property can be beneficial for various reasons, such as understanding its market value, but it is not a legal prerequisite for the transfer itself. Lastly, there is no legal requirement for Meg to wait until Christian turns 18 to transfer property to him; she can gift or transfer the property to him as a minor. Therefore, the requirement for the deed to be signed and acknowledged is critical for a legitimate and enforceable property transfer.

6. Under which condition may agency be legally terminated?

- A. The client changes their mind about selling**
- B. The broker becomes incapacitated**
- C. The property is sold**
- D. The market conditions change**

When considering the termination of an agency relationship, one key factor that legally concludes this relationship is the incapacity of the broker. Agency agreements are predicated on the ability of both parties to perform their duties. If a broker becomes incapacitated, they are unable to fulfill their responsibilities, such as negotiating or managing the sale of property. This incapacity disrupts the fundamental operation of the agency agreement, thus terminating the legal relationship between the agent and the client. In contrast, while a client changing their mind about selling may lead to a practical termination of the relationship, it doesn't legally nullify the agency unless explicitly communicated and documented. Similarly, the sale of the property does indeed terminate the agency relationship, but the question focuses on conditions that may arise outside of an action taken by the client or the agent in the case of property transactions. Additionally, changes in market conditions might impact an agency's effectiveness, but they do not terminate the agency itself. Therefore, the broker's incapacity stands out as a clear, legal ground for termination of the agency.

7. What type of agent is Paulo when managing properties for a landlord?

- A. Special**
- B. General**
- C. Designated**
- D. Limited**

When managing properties for a landlord, Paulo is a general agent. A general agent has broad authority to act on behalf of the principal (in this case, the landlord) in a variety of matters related to the property management, including leasing, maintenance, and financial transactions. This role allows the general agent to conduct activities that are typical and necessary for the property's operation without needing to seek advance approval from the landlord for each action taken. This relationship is characterized by the ability to perform a wide range of tasks on behalf of the landlord, creating a long-term, ongoing relationship that encompasses various aspects of property management. In contrast, a special agent would be limited to a specific task or transaction and would not have the comprehensive authority that a general agent possesses. A designated agent typically represents one party in a transaction (like a buyer or seller) and does not engage in complete property management. A limited agent would have restricted powers outlined by the principal, which is not the case for Paulo's role as a general agent. Thus, the classification of Paulo as a general agent reflects his ability to manage properties comprehensively for the landlord.

8. What type of agency can arise if both the buyer and seller are represented by different agents?

- A. Exclusive agency**
- B. Underwriting agency**
- C. Single agency**
- D. Dual agency**

When both the buyer and the seller are represented by different agents within the same transaction, a dual agency is formed. This occurs when a single real estate firm represents both parties, creating a situation where one agent represents the seller and another agent from the same firm represents the buyer. In a dual agency scenario, the agent has a fiduciary duty to both clients, which can lead to complexities and potential conflicts of interest, as the agent must balance the interests of both parties. This arrangement is legal in Oregon but requires informed consent from both the buyer and the seller, ensuring they understand the implications of the dual representation. This contrasts with the other types of agency mentioned. Exclusive agency refers to a relationship where the seller retains the right to sell the property themselves without paying a commission, while single agency involves one agent representing only one party in a transaction, either the buyer or the seller, but not both. Underwriting agency is not a recognized term in real estate agency law and is typically related to insurance and financial services rather than real estate transactions.

9. What is the primary role of environmental assessments in real estate?

- A. To enhance property aesthetics**
- B. To determine compliance with local regulations**
- C. To identify potential environmental liabilities**
- D. To estimate property values**

The primary role of environmental assessments in real estate is to identify potential environmental liabilities. These assessments are conducted to evaluate the condition of a property in relation to environmental risks, such as contamination from hazardous materials, groundwater issues, or compliance with environmental laws. By identifying these liabilities, stakeholders can make informed decisions about the property, whether that involves purchasing, developing, or managing the real estate. Addressing environmental concerns is critical in real estate transactions, as they can significantly affect property value, usability, and legal liabilities. If an environmental issue is discovered, it can lead to costly remediation efforts and affect the overall feasibility of a project. Therefore, understanding potential liabilities through environmental assessments is essential for protecting investments and ensuring compliance with environmental regulations. While enhancing property aesthetics, determining compliance with local regulations, and estimating property values are all important aspects of real estate transactions, they are not the primary focus of environmental assessments. The critical task of these assessments is to uncover risks that could pose significant financial and legal challenges to property owners and investors.

10. Your aunt's property was used to pay her tax bill after bequeathing it to you. Is this legal?

- A. No, bequests take precedence over debts**
- B. Yes, due to operation of law**
- C. No, you need to formally accept the bequest**
- D. Yes, but only if you were notified**

The situation where your aunt's property was used to pay her tax bill after she bequeathed it to you is legal due to the operation of law. When a person passes away, their estate must settle any outstanding debts and liabilities before distributing the remaining assets to the heirs or beneficiaries. This process is governed by probate law, which ensures that all creditors are paid before heirs receive their inheritance. In this context, the tax bill represents a debt of the estate. Since the property was part of the estate, the law allows the estate to use it to cover these debts. This ensures that the financial obligations of the deceased are fulfilled, and creditors are paid, which is a fundamental principle of estate management. Therefore, the bequest is subject to the estate's liabilities and can be used to settle these debts, including tax obligations. Other choices may suggest a misunderstanding of how debts and bequests interact. For example, the idea that bequests take precedence over debts does not hold, as all debts must be resolved first. Similarly, the notion that formal acceptance of the bequest is necessary before debts can be settled overlooks the automatic legal processes that take precedence. Additionally, while being notified can be important in some contexts, it does not change the legal requirement of

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!