

# Oregon Broker PSI 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**

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**1. What does the term "foreclosure" mean?**

- A. A legal process by which a lender takes possession of a property**
- B. A method used to purchase properties at auction**
- C. A type of government assistance for homeowners**
- D. A term for real estate market recovery**

**2. What does a contingency removal signify in a real estate transaction?**

- A. That all parties disagree on the purchase agreement**
- B. That financing for the property has been secured**
- C. That all conditions initially outlined in a purchase agreement are met or waived**
- D. That the buyer has withdrawn their offer**

**3. What should a real estate agent do if they receive a request for information they cannot provide?**

- A. Attempt to answer based on personal opinion**
- B. Admit they do not know and provide no response**
- C. Redirect the inquiry to a more knowledgeable source**
- D. Contact a legal advisor for guidance**

**4. What is a "1031 exchange" in real estate?**

- A. A program that allows homeowners to exchange their homes**
- B. A tax-deferred exchange of real estate investments**
- C. A governmental regulation on property exchanges**
- D. A financial aid program for real estate investors**

**5. What is involved in "due diligence" in real estate?**

- A. A quick visual inspection of the property**
- B. A financial appraisal of the property only**
- C. A thorough investigation of the property's condition**
- D. A review of market trends without examination**

**6. What is the primary purpose of a home inspection?**

- A. To assess the market value of the property**
- B. To investigate the potential for resale**
- C. To identify any major issues before closing**
- D. To ensure compliance with local zoning laws**

**7. What does a market analysis involve in real estate?**

- A. Calculating the average maintenance costs of properties**
- B. Assessing current market conditions to evaluate property values**
- C. Estimating renovation costs for properties**
- D. Identifying the best time to sell properties**

**8. Describe the role of the Listing Agent.**

- A. Representing the buyer in a transaction**
- B. Managing rental properties for landlords**
- C. Representing the seller and facilitating negotiations**
- D. Assisting clients in finding rental properties**

**9. Which of the following is NOT considered tangible property?**

- A. A plot of land**
- B. A residential home**
- C. A mortgage note**
- D. A commercial building**

**10. At what point can a buyer back out of a transaction if a disclosure statement is not provided?**

- A. Only after 72 hours**
- B. At any time before closing**
- C. After they have signed a contract**
- D. Within 24 hours of the offer**

## **Answers**

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

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## **Explanations**

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## 1. What does the term "foreclosure" mean?

**A. A legal process by which a lender takes possession of a property**

**B. A method used to purchase properties at auction**

**C. A type of government assistance for homeowners**

**D. A term for real estate market recovery**

The term "foreclosure" refers specifically to a legal process in which a lender takes possession of a property when the borrower fails to meet the obligations of the mortgage agreement, typically by not making the necessary payments. This process allows the lender to recover the outstanding loan amount by selling the property, often at a public auction. This definition captures the essence of foreclosure as it illustrates the contractual relationship between the lender and borrower and the consequence of defaulting on a mortgage. Understanding this process is crucial for anyone involved in real estate or the financial sector, as it directly relates to property ownership rights and the risks associated with taking on mortgage debt. The other options, while they pertain to real estate or financial assistance, do not accurately capture the legal nature and implications of foreclosure.

## 2. What does a contingency removal signify in a real estate transaction?

**A. That all parties disagree on the purchase agreement**

**B. That financing for the property has been secured**

**C. That all conditions initially outlined in a purchase agreement are met or waived**

**D. That the buyer has withdrawn their offer**

A contingency removal in a real estate transaction signifies that all conditions initially outlined in a purchase agreement are met or waived. This process indicates that any contingencies previously established—such as inspections, financing, or the sale of another property—have either been fulfilled or relinquished by the party responsible for them. By removing these contingencies, the buyer and seller essentially move the transaction closer to closing, signifying that they are committed to the terms of the purchase agreement. This step is critical because it reflects the buyer's confidence in progressing with the purchase without any unresolved conditions that could delay or derail the transaction. Thus, reaching the point of contingency removal demonstrates a significant advancement in the sales process, indicating that the transaction is on track to finalize.

### 3. What should a real estate agent do if they receive a request for information they cannot provide?

- A. Attempt to answer based on personal opinion**
- B. Admit they do not know and provide no response**
- C. Redirect the inquiry to a more knowledgeable source**
- D. Contact a legal advisor for guidance**

A real estate agent receiving a request for information they cannot provide should redirect the inquiry to a more knowledgeable source because this ensures that the inquirer receives accurate and reliable information. Real estate is complex and subject to various regulations and details that agents may not be familiar with. By directing the individual to someone who has the necessary expertise—such as a specialist in a specific field, a legal expert, or a senior colleague—the agent maintains professionalism and ensures the inquirer can access the correct information. Redirecting the inquiry not only helps the individual seeking information but also protects the agent from potential liability that could arise from providing inaccurate or misleading information based on personal opinions or assumptions. This approach fosters trust and builds a reputation for integrity within the real estate profession.

### 4. What is a "1031 exchange" in real estate?

- A. A program that allows homeowners to exchange their homes**
- B. A tax-deferred exchange of real estate investments**
- C. A governmental regulation on property exchanges**
- D. A financial aid program for real estate investors**

A "1031 exchange" refers specifically to a provision in the U.S. tax code that allows for the tax-deferred exchange of certain types of real estate investments. This involves swapping one investment property for another of equal or greater value, thereby deferring capital gains taxes that would typically be levied when selling a property for a profit. This strategy benefits real estate investors by allowing them to reinvest their profits into new properties without immediate tax consequences, ultimately fostering increased investment within the real estate market. The nature of the 1031 exchange facilitates investment mobility and encourages property owners to upgrade or diversify their investment portfolios. The transaction must adhere to specific IRS guidelines to qualify for this deferral, including timelines for identifying and closing on the replacement property, making careful planning essential for investors. Understanding this exchange is crucial for anyone involved in real estate investment, as it can significantly affect financial strategies and tax liabilities.

## 5. What is involved in "due diligence" in real estate?

- A. A quick visual inspection of the property**
- B. A financial appraisal of the property only**
- C. A thorough investigation of the property's condition**
- D. A review of market trends without examination**

The concept of "due diligence" in real estate refers to the comprehensive and systematic process that a buyer or investor undertakes to thoroughly investigate a property before finalizing a transaction. This process includes examining the physical condition of the property, verifying its legal status and title, understanding its market value, and assessing any potential issues that may affect its future use or profitability. Choosing the option that indicates a thorough investigation of the property's condition aligns with the core purpose of due diligence, which is to ensure that all relevant factors are considered before making a significant financial commitment. This would typically involve inspections, reviewing property disclosures, checking for any liens or encumbrances, assessing zoning regulations, and evaluating the surrounding neighborhood. By conducting this level of examination, the buyer can identify potential risks and make an informed decision. The other options reflect insufficient approaches to due diligence. A quick visual inspection does not provide the depth of information required; a financial appraisal alone lacks a comprehensive understanding of the property's physical and regulatory conditions; and reviewing market trends without a detailed examination misses crucial insights that could affect the investment's viability. Thus, a thorough investigation is essential to fulfill the due diligence process effectively.

## 6. What is the primary purpose of a home inspection?

- A. To assess the market value of the property**
- B. To investigate the potential for resale**
- C. To identify any major issues before closing**
- D. To ensure compliance with local zoning laws**

The primary purpose of a home inspection is to identify any major issues before closing. During a home inspection, a qualified inspector thoroughly examines the property, including its structural elements, systems, and appliances, to uncover potential problems that could affect the property's safety, functionality, or value. This process is crucial for buyers as it provides them with an informed overview of the property's condition, allowing them to make decisions about repairs, price negotiations, and whether to proceed with the purchase. Identifying major issues can prevent unexpected costs and facilitate a smoother transaction by ensuring both the buyer and seller are aware of any necessary repairs or concerns. This serves to protect the buyer's investment and aid in making an informed purchasing decision.

## 7. What does a market analysis involve in real estate?

- A. Calculating the average maintenance costs of properties**
- B. Assessing current market conditions to evaluate property values**
- C. Estimating renovation costs for properties**
- D. Identifying the best time to sell properties**

A market analysis in real estate primarily involves assessing current market conditions to evaluate property values, which is what makes the selected answer accurate. This process requires an examination of various factors, including recent sales of comparable properties, current listings in the area, trends in the real estate market, and economic indicators. The idea is to determine a property's fair market value based on the data collected and analyzed. This type of analysis is crucial for both buyers and sellers, as it provides insights that guide pricing strategies, negotiations, and investment decisions. For example, understanding the demand and supply dynamics in the region can help in setting a competitive listing price or determining a reasonable offer. While other options touch on aspects that may relate to real estate, they do not specifically encompass the comprehensive evaluation of property values based on market conditions. Average maintenance costs, renovation costs, and the timing of property sales may be important considerations in certain contexts but do not define the essence of market analysis itself.

## 8. Describe the role of the Listing Agent.

- A. Representing the buyer in a transaction**
- B. Managing rental properties for landlords**
- C. Representing the seller and facilitating negotiations**
- D. Assisting clients in finding rental properties**

The role of the Listing Agent is fundamentally centered around representing the seller in a real estate transaction. This includes several critical responsibilities, such as preparing the property for sale, establishing a market strategy, and effectively marketing the property to potential buyers. The Listing Agent acts as the seller's advocate, guiding them through the complexities of the selling process. This involves not only negotiating offers and counteroffers but also advising on pricing strategies and conditions that can make the property more appealing in the market. Furthermore, the Listing Agent coordinates showings, provides feedback, and helps navigate the closing process, ensuring that both the seller's interests are prioritized and that the transaction proceeds smoothly. This specific focus on the seller's needs and the facilitation of negotiations distinguishes the Listing Agent's role from that of other real estate professionals who may assist buyers or manage rental properties. Such delineation is important because understanding the Listing Agent's function provides clarity on the dynamics of real estate representation and the responsibility they bear in a transaction.

**9. Which of the following is NOT considered tangible property?**

- A. A plot of land**
- B. A residential home**
- C. A mortgage note**
- D. A commercial building**

Tangible property refers to physical assets that can be touched or physically measured. This includes real estate such as land, homes, and commercial buildings, all of which are concrete and have a physical presence. In contrast, a mortgage note represents a legal promise to pay back money borrowed to finance the purchase of property. It is essentially a financial instrument and does not have a physical form; therefore, it cannot be touched or quantified in the same way that a plot of land, a residential home, or a commercial building can be. This distinction between tangible and intangible properties is critical, particularly in the context of real estate and finance, as it helps to categorize assets based on their nature and handling in transactions. Understanding which properties are tangible versus intangible aids investors and real estate professionals in their decision-making processes.

**10. At what point can a buyer back out of a transaction if a disclosure statement is not provided?**

- A. Only after 72 hours**
- B. At any time before closing**
- C. After they have signed a contract**
- D. Within 24 hours of the offer**

A buyer can back out of a transaction at any time before closing if a required disclosure statement has not been provided. This principle is essential in real estate transactions, as the disclosure statement contains critical information about the property that enables the buyer to make an informed decision. Without this information, the buyer retains the legal right to withdraw from the transaction to protect their interests. The timeline aspect of the other options does not align with the buyer's rights in the event of a missing disclosure statement. The situation does not impose a required waiting period for backing out, allowing more flexibility for the buyer to reassess their decision based on the necessary information. This option accurately reflects the protections afforded to buyers in Oregon real estate transactions, emphasizing the importance of transparency and disclosure in the process.

# 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://oregonbrokerpsi.examzify.com>**

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

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