

Oregon Broker PSI 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. What is the role of the Oregon Real Estate Commissioner?**
 - A. To represent buyers in transactions**
 - B. To oversee the licensing and regulation of real estate professionals**
 - C. To manage property sales**
 - D. To promote real estate investment strategies**
- 2. Who holds liability in a real estate transaction if material facts are undisclosed?**
 - A. Only the buyer**
 - B. The seller, broker, and buyer jointly**
 - C. The seller and broker**
 - D. The title company alone**
- 3. When informing the real estate agency about a trust account opening, which information must be included?**
 - A. Name of the account holder only**
 - B. Name of bank and account number only**
 - C. Name of account, bank, date created, and acknowledgment**
 - D. Date of the transaction only**
- 4. What happens to an inactive real estate broker's license after 30 days if not addressed?**
 - A. It is automatically reactivated**
 - B. It becomes revoked**
 - C. It remains inactive indefinitely**
 - D. It can only be renewed after an exam**
- 5. What does it mean when a broker represents both the buyer and seller?**
 - A. That they are acting unethically**
 - B. It is called dual agency**
 - C. This is not allowed in Oregon**
 - D. It is a standard practice in all states**

6. What are the consequences of failing to disclose material facts in Oregon?

- A. The seller may face tax penalties**
- B. The seller and broker may be held liable for damages and lawsuits**
- C. There are no consequences for non-disclosure**
- D. The buyer can rescind the contract with no penalties**

7. What is required of brokers in terms of maintaining client confidentiality?

- A. They must disclose all client wishes publicly**
- B. They should only maintain confidentiality during negotiations**
- C. They must ensure that all client information is kept secret at all times**
- D. They only need to keep client information private if requested**

8. Under what condition may an Oregon resident engage in real estate transactions without a license?

- A. They are an attorney**
- B. They are a family member of the property owner**
- C. They deal in estate property as an appointed executor**
- D. They have previous real estate experience**

9. What is an "exclusive right to sell" listing?

- A. A listing where the seller can work with multiple brokers**
- B. A listing agreement where only one broker has the exclusive right to earn a commission on the sale**
- C. A contract stating that a property is not for sale**
- D. A listing that requires a higher commission**

10. In real estate, what is "escrow"?

- A. A type of insurance for buyers**
- B. A neutral third party that holds funds and documents until certain conditions are met**
- C. A legal description of the property**
- D. The process of negotiating sale prices**

Answers

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

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Explanations

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1. What is the role of the Oregon Real Estate Commissioner?

- A. To represent buyers in transactions
- B. To oversee the licensing and regulation of real estate professionals**
- C. To manage property sales
- D. To promote real estate investment strategies

The role of the Oregon Real Estate Commissioner is to oversee the licensing and regulation of real estate professionals in the state. This includes ensuring that agents, brokers, and real estate firms adhere to state laws and regulations, maintaining standards of practice, and protecting the public from unethical practices within the real estate industry. The Commissioner is responsible for enforcing the Oregon Real Estate Code, which involves issuing licenses, investigating complaints, and conducting disciplinary actions when necessary. This position is pivotal in ensuring that real estate transactions are conducted fairly and legally, promoting professionalism within the industry, and safeguarding consumer interests. By focusing on the regulation of real estate professionals, the Commissioner helps maintain the integrity of the real estate market in Oregon, providing essential oversight to foster trust between agents and the consumers they serve.

2. Who holds liability in a real estate transaction if material facts are undisclosed?

- A. Only the buyer
- B. The seller, broker, and buyer jointly
- C. The seller and broker**
- D. The title company alone

In a real estate transaction, if material facts are undisclosed, both the seller and the broker typically hold liability. The seller has an obligation to disclose known material defects and issues related to the property, ensuring that the buyer has all necessary information for making an informed decision. This duty arises from the seller's responsibility for the condition of the property and the potential impact on its value or desirability. The broker, as a representative of the seller and facilitator of the transaction, shares in this duty. Brokers are expected to conduct due diligence and encourage their clients to disclose relevant information. If a material fact is undisclosed and causes harm or loss to the buyer, the broker can be held accountable for failing to uphold their fiduciary duty, which includes acting in the best interest of their clients and the integrity of the transaction. Thus, the correct answer identifies the dual liability between the seller and the broker, as both play critical roles in the transaction and are responsible for ensuring that all material facts are disclosed to potential buyers.

3. When informing the real estate agency about a trust account opening, which information must be included?

- A. Name of the account holder only**
- B. Name of bank and account number only**
- C. Name of account, bank, date created, and acknowledgment**
- D. Date of the transaction only**

When informing the real estate agency about a trust account opening, it is essential to provide comprehensive information that ensures transparency and proper management of the account. Including the name of the account, the bank, the date created, and an acknowledgment demonstrates compliance with legal requirements and industry standards. The name of the account is important because it provides identification of the specific purpose of the trust account, often linked to managing client funds. Specifying the bank allows the agency to verify that the account is held at a reputable financial institution that meets the legal requirements for holding trust funds. The date the account was created is also critical, as it indicates when the agency can start recording transactions and helps maintain accurate financial records. Finally, the acknowledgment signifies that all parties are aware of the trust account's existence and its purpose, fostering accountability and trust in the real estate transaction process.

4. What happens to an inactive real estate broker's license after 30 days if not addressed?

- A. It is automatically reactivated**
- B. It becomes revoked**
- C. It remains inactive indefinitely**
- D. It can only be renewed after an exam**

An inactive real estate broker's license in Oregon will become revoked if the inactivity is not addressed within 30 days. This provides a specific timeframe for the broker to take necessary actions, such as renewing or reactivating their status. The revoke status reflects a regulatory measure to ensure that all practicing brokers maintain an active, compliant standing in the field. If a broker does not engage in the necessary processes to maintain their license, they will no longer hold a valid license to operate in real estate, emphasizing the importance of staying current and engaged in the profession. The other choices do not accurately reflect the policy regarding inactive licenses in Oregon. Automatic reactivation implies that the broker could continue without any action, which is not the case. Remaining inactive indefinitely does not align with the regulations that require periodic review of licensing status. Lastly, suggesting that renewal can only happen after taking an exam does not convey the process that typically allows for reactivation without such stringent measures, assuming the license was simply inactive rather than expired or revoked for other reasons.

5. What does it mean when a broker represents both the buyer and seller?

- A. That they are acting unethically
- B. It is called dual agency**
- C. This is not allowed in Oregon
- D. It is a standard practice in all states

When a broker represents both the buyer and the seller in a transaction, this arrangement is called dual agency. In this situation, the broker has a fiduciary responsibility to both parties, meaning they must act in the best interests of both the buyer and the seller. However, because the broker has to balance the interests of both clients, this practice can lead to potential conflicts of interest. Dual agency is a legal practice in many jurisdictions, including Oregon, but it requires disclosure to both parties, and their consent must be obtained. This is essential in ensuring transparency and trust in the transaction. It is important for brokers to navigate the dual agency role carefully to avoid any ethical dilemmas while adhering to state laws and regulations. The other options do not correctly reflect the nature of dual agency or its legal standing. It's not inherently unethical if managed properly; it is not universally banned across all states; and while it's common, it's not standard practice in every state without specific regulations governing it.

6. What are the consequences of failing to disclose material facts in Oregon?

- A. The seller may face tax penalties
- B. The seller and broker may be held liable for damages and lawsuits**
- C. There are no consequences for non-disclosure
- D. The buyer can rescind the contract with no penalties

When material facts are not disclosed in a real estate transaction in Oregon, the seller and broker can indeed be held liable for damages and lawsuits. Non-disclosure of material facts can lead to significant legal repercussions because it breaches the duty of honesty and transparency that sellers and brokers owe to buyers. This liability can stem from various legal principles, including misrepresentation and breach of contract. Buyers rely on accurate information when making purchasing decisions, and failure to disclose can result in financial loss or other damages, which provides a basis for legal claims against both the seller and the broker. The possibility of legal action emphasizes the importance of full disclosure in real estate transactions, fostering trust and protecting all parties involved. Additionally, such consequences are a reflection of the regulatory framework designed to ensure fair practices within the real estate industry.

7. What is required of brokers in terms of maintaining client confidentiality?

- A. They must disclose all client wishes publicly**
- B. They should only maintain confidentiality during negotiations**
- C. They must ensure that all client information is kept secret at all times**
- D. They only need to keep client information private if requested**

Brokers are required to maintain client confidentiality by ensuring that all client information is kept secret at all times. This obligation is foundational in real estate and client-agent relationships because it builds trust and protects the client's interests. Confidentiality extends beyond just negotiations, meaning that even after a transaction is complete, brokers must continue to protect sensitive information about their clients. This includes details such as financial information, personal circumstances, and any other confidential communications that may have occurred during their professional relationship. The requirement is rooted in ethical standards and often reinforced by state laws governing real estate practices. Maintaining confidentiality not only safeguards the client's interests but also helps uphold the integrity of the profession as a whole. Thus, it is essential for brokers to understand that their duty to protect client information is continuous and not limited to specific situations or time frames.

8. Under what condition may an Oregon resident engage in real estate transactions without a license?

- A. They are an attorney**
- B. They are a family member of the property owner**
- C. They deal in estate property as an appointed executor**
- D. They have previous real estate experience**

An Oregon resident may engage in real estate transactions without a license when they are dealing with estate property as an appointed executor. This exemption is based on the legal responsibilities that come with being an executor or administrator of an estate. Executors are tasked with managing the property of the deceased, which may include selling real estate or transferring property titles. They act within the scope of their duties to settle the estate's affairs, and this authority encompasses real estate transactions related to the estate. In contrast, while attorneys may also perform certain functions related to real estate transactions without a license due to their legal training and authority, this is not a blanket exemption provided to all attorneys for real estate dealings. Family members of a property owner may engage informally in various aspects but typically require a license for formal transactions unless certain conditions apply. Previous real estate experience does not exempt an individual from licensing requirements in Oregon; rather, proper education and licensure are mandated to engage in real estate activities legally.

9. What is an "exclusive right to sell" listing?

- A. A listing where the seller can work with multiple brokers
- B. A listing agreement where only one broker has the exclusive right to earn a commission on the sale**
- C. A contract stating that a property is not for sale
- D. A listing that requires a higher commission

An "exclusive right to sell" listing is a type of listing agreement in which a seller grants one specific broker the exclusive authority to represent them in the sale of their property. Under this arrangement, the selected broker has the sole right to earn a commission regardless of who ultimately finds a buyer for the property, including the seller themselves. This type of listing is advantageous for brokers, as it gives them a strong incentive to promote and market the property effectively, knowing they will receive compensation for their efforts if the property sells during the term of the listing. Furthermore, it provides a clear and straightforward agreement between the seller and the broker, establishing defined expectations for both parties involved in the transaction. Other types of agreements, such as those allowing sellers to work with multiple brokers, do not guarantee a single broker's compensation, which distinguishes the exclusive right to sell from more open listing arrangements.

10. In real estate, what is "escrow"?

- A. A type of insurance for buyers
- B. A neutral third party that holds funds and documents until certain conditions are met**
- C. A legal description of the property
- D. The process of negotiating sale prices

In real estate, escrow refers to the involvement of a neutral third party in the transaction who is responsible for holding and managing funds and documents until the terms of the agreement are fulfilled. This process is designed to protect all parties involved by ensuring that the buyer's funds aren't released to the seller, and the seller's title isn't transferred until all conditions of the sale are met. During the escrow period, the escrow agent or company acts impartially, handling the receipt of the buyer's payment, ensuring that necessary documents, such as deeds and title insurance, are prepared and executed, and confirming that any contingencies, like inspections or financing, are satisfied before finalizing the transaction. This role is crucial because it adds a layer of security and trust—both for the buyer and seller—ensuring that neither party is at risk of losing their interests before the deal is closed. This clarity on the neutral third-party role in escrow contrasts with other options that do not accurately describe the escrow process, such as insurance types, property descriptions, or negotiating processes, which are distinctly different components of a real estate transaction.

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://oregonbrokerpsi.examzify.com>

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

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