

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. How quickly must a principal broker register a business name after determining to operate under that name?**
 - A. Before the first sale
 - B. Within one month
 - C. Immediately
 - D. Within a year
- 2. What is expected of a part-time employee in a real estate development?**
 - A. They must complete extensive training
 - B. They must continuously acquire new clients
 - C. They must have oversight from a licensed broker while performing their duties
 - D. They are not required to perform any tasks
- 3. Under what circumstances is a seller required to provide a property disclosure statement in Oregon?**
 - A. In all commercial transactions
 - B. In most residential transactions
 - C. Only if there are visible defects
 - D. When the buyer requests it explicitly
- 4. What is the outcome of a successful 1031 exchange?**
 - A. Immediate capital gains taxes due
 - B. Tax deferral on reinvested property sales
 - C. Increase in property taxes
 - D. Decreased value of the replacement property
- 5. In Oregon, how is the commission typically paid to a real estate broker?**
 - A. As a flat fee for each transaction
 - B. By an hourly wage
 - C. As a percentage of the sale price
 - D. Through a government grant

- 6. What does the term "seller's market" indicate?**
- A. A market where supply exceeds demand, leading to lower prices
 - B. A market where demand exceeds supply, often resulting in higher prices
 - C. A stable market with balanced supply and demand
 - D. A market characterized by low buyer interest
- 7. What is one primary requirement for obtaining a broker's license in Oregon?**
- A. Completion of a criminal background check
 - B. Completion of a pre-licensing education program totaling 150 hours
 - C. Proving prior sales experience
 - D. Payment of a licensing fee only
- 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. What distinguishes "dual agency" from "single agency"?**
- A. Dual agency involves representing only the seller
 - B. Single agency represents both buyer and seller in a transaction
 - C. Dual agency means representing both the buyer and seller
 - D. Single agency requires the broker to be part of a team
- 10. How does the Oregon Residential Landlord and Tenant Act impact landlords?**
- A. It restricts their ability to raise rents
 - B. It clearly defines their rights and responsibilities
 - C. It requires them to provide housing for low-income families
 - D. It allows them to evict tenants without notice

Answers

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

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Explanations

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1. How quickly must a principal broker register a business name after determining to operate under that name?

- A. Before the first sale
- B. Within one month
- C. Immediately**
- D. Within a year

The requirement for a principal broker to register a business name is based on ensuring that all business operations are legally recognized and compliant with state laws. When a principal broker decides to operate under a new business name, it is essential to register that name immediately to provide transparency and maintain regulatory standards. This registration helps protect both the broker and consumers by ensuring that the business is officially recognized and accountable. Procrastination in this matter could lead to complications with business operations, liability issues, and potential legal ramifications. Thus, the immediate registration establishes a formal connection between the business entity and the services being offered, promoting trust with clients and partners. In contrast to the other options, which suggest either waiting for a defined period or delaying until a sale occurs or within a year, these would not satisfy the legal requirements set forth by the governing bodies. The emphasis on immediate registration underscores the importance of compliance in the real estate industry.

2. What is expected of a part-time employee in a real estate development?

- A. They must complete extensive training
- B. They must continuously acquire new clients
- C. They must have oversight from a licensed broker while performing their duties**
- D. They are not required to perform any tasks

The expectation for a part-time employee in real estate development to have oversight from a licensed broker while performing their duties stems from regulatory requirements and best practices in the real estate industry. In many states, including Oregon, individuals who help in activities related to real estate must operate under the supervision of a licensed broker. This oversight ensures that all legal and ethical standards are upheld, protecting both the employee and the clients they serve. Having a licensed broker supervising part-time employees ensures that these individuals are supported by experienced professionals who can guide them in their tasks, answer any questions they may have, and help mitigate any potential legal issues arising from their work. This collaborative relationship fosters a more knowledgeable and compliant workforce, which is critical in a field where transactions often involve substantial financial stakes and complex regulations. The other choices reflect expectations that are not universally applicable to all part-time roles in real estate development. Extensive training may not always be necessary for someone in a part-time capacity, acquiring new clients is often a more advanced responsibility typically placed on full-time agents, and suggesting that part-time employees are not required to perform any tasks ignores the fundamental purpose of employment in real estate development, which does require some level of contribution or engagement.

3. Under what circumstances is a seller required to provide a property disclosure statement in Oregon?

- A. In all commercial transactions
- B. In most residential transactions**
- C. Only if there are visible defects
- D. When the buyer requests it explicitly

In Oregon, a seller is required to provide a property disclosure statement in most residential transactions as part of the legal obligations involved in the sale of residential real property. This requirement is rooted in the state's efforts to ensure transparency and protect buyers by informing them of the property's condition. The property disclosure statement typically includes information about the condition of the property, including any known issues regarding structural integrity, plumbing, electrical systems, and other significant details that could influence a buyer's decision. By mandating this disclosure, the law aims to prevent disputes that can arise from hidden defects and misinformation, fostering a more ethical and transparent real estate market. In contrast to the other options, the requirement is not limited to only certain situations, such as visible defects or buyer requests. It applies broadly to most residential transactions, reinforcing the idea that sellers must proactively inform potential buyers about the property's status.

4. What is the outcome of a successful 1031 exchange?

- A. Immediate capital gains taxes due
- B. Tax deferral on reinvested property sales**
- C. Increase in property taxes
- D. Decreased value of the replacement property

A successful 1031 exchange allows for the deferral of capital gains taxes when an investor sells an investment property and reinvests the proceeds into another similar type of property. This tax-deferral mechanism, stipulated under Section 1031 of the Internal Revenue Code, allows investors to preserve their capital for future investments instead of paying taxes at the time of the sale. When the criteria for a 1031 exchange are met, the investor does not face immediate taxation on the capital gains from the sale of the original property, meaning they can use the entire proceeds for reinvesting into a new property. This strategy is advantageous for real estate investors seeking to grow their portfolios without the immediate tax burden that would otherwise arise from selling properties. The other options do not represent outcomes of a successful 1031 exchange. There are no immediate capital gains taxes due, property taxes remain unchanged in this context, and a 1031 exchange does not inherently decrease the value of the replacement property. Instead, the goal is to maintain or increase value through reinvestment.

5. In Oregon, how is the commission typically paid to a real estate broker?

- A. As a flat fee for each transaction
- B. By an hourly wage
- C. As a percentage of the sale price**
- D. Through a government grant

In Oregon, the commission for a real estate broker is typically paid as a percentage of the sale price. This method aligns the agent's compensation with the value of the property being sold, incentivizing brokers to maximize the sale price for their clients. It is a common practice in the real estate industry, allowing for a more performance-based compensation structure where brokers earn more as property values increase. This system encourages brokers to provide better service and marketing efforts to achieve higher sales prices for their clients. The other methods mentioned, such as a flat fee for transactions, hourly wages, or payments through government grants, do not reflect the standard practice in Oregon real estate transactions. Flat fees may exist in some contexts, but they are not the norm for commission structures related to property sales. Hourly wages for brokers are less common as real estate transactions are typically commission-based, which is generally more advantageous for clients and brokers alike. Government grants do not pertain to how commissions are structured; they relate to assistance programs for buyers or sellers but do not serve as a method for compensating brokers. Thus, the percentage-based commission reflects the industry standard and benefits all parties involved in a real estate transaction.

6. What does the term "seller's market" indicate?

- A. A market where supply exceeds demand, leading to lower prices
- B. A market where demand exceeds supply, often resulting in higher prices**
- C. A stable market with balanced supply and demand
- D. A market characterized by low buyer interest

The term "seller's market" refers to a situation where demand for properties exceeds the available supply. In this type of market, potential buyers are often competing for a limited number of homes, which creates upward pressure on prices. As a result, sellers can command higher prices, as buyers may have to bid more aggressively to secure a property. This scenario typically leads to fast sales and often results in multiple offers on a single listing, further driving up the price. In contrast, a market characterized by supply exceeding demand results in a buyer's market, where sellers may need to lower prices to attract offers. A stable market is one where supply and demand are roughly equal, which creates a more predictable environment for both buyers and sellers, but it does not favor either side. Lastly, low buyer interest indicates a lack of demand, which can lead to lower prices but does not fit the definition of a seller's market. Hence, a seller's market distinctly highlights a scenario of high demand leading to advantageous conditions for sellers.

7. What is one primary requirement for obtaining a broker's license in Oregon?

- A. Completion of a criminal background check
- B. Completion of a pre-licensing education program totaling 150 hours**
- C. Proving prior sales experience
- D. Payment of a licensing fee only

To obtain a broker's license in Oregon, one of the primary requirements is the completion of a pre-licensing education program totaling 150 hours. This educational requirement is essential because it ensures that prospective brokers have a thorough understanding of the real estate principles, laws, and practices necessary to operate effectively and ethically in the industry. The 150 hours of education involves various topics, including property management, contracts, and real estate finance, allowing candidates to acquire the knowledge needed to succeed in their real estate careers. While other factors such as background checks and licensing fees are necessary components of the application process, they do not fulfill the core educational requirement that establishes a foundational understanding of the industry. Therefore, the completion of the education program is the critical step in ensuring that all candidates meet a standard level of competency before entering the field.

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. What distinguishes "dual agency" from "single agency"?

- A. Dual agency involves representing only the seller
- B. Single agency represents both buyer and seller in a transaction
- C. Dual agency means representing both the buyer and seller**
- D. Single agency requires the broker to be part of a team

Dual agency is characterized by a broker representing both the buyer and the seller in a real estate transaction. This situation can arise when the same broker or brokerage firm is involved with both parties, creating a unique scenario where the interests of both must be balanced. This representation requires careful handling to avoid conflicts of interest, as the broker must maintain neutrality and confidentiality for both sides. In contrast, single agency refers to a representation model in which the broker represents only one party, either the buyer or the seller, in a transaction. This allows the broker to advocate fully for the interests of their client, providing advice and negotiation strategies that align solely with one party's objectives. Understanding the implication of dual agency is crucial for licensed agents, as it affects how they disclose information and negotiate on behalf of their clients, ensuring compliance with legal and ethical duties.

10. How does the Oregon Residential Landlord and Tenant Act impact landlords?

- A. It restricts their ability to raise rents
- B. It clearly defines their rights and responsibilities**
- C. It requires them to provide housing for low-income families
- D. It allows them to evict tenants without notice

The Oregon Residential Landlord and Tenant Act significantly impacts landlords by clearly defining their rights and responsibilities. This clarity is crucial, as it ensures that landlords understand what is expected of them in terms of tenant relations, maintenance of the property, handling security deposits, and adherence to legal eviction processes, among other obligations. This framework is designed to promote fair housing practices and create a balanced relationship between landlords and tenants. In contrast to this correct answer, the options regarding restrictions on rent increases or the requirement to provide housing for low-income families do not accurately reflect the nature of the Act. While there are regulations surrounding rental price adjustments, these do not imply an outright restriction, but rather guidelines to ensure transparency and fairness. Additionally, the Act does not mandate that landlords provide housing specifically for low-income families, as this is not within its purview. The provision suggesting that landlords can evict tenants without notice contradicts the protections offered to tenants under the Act, which establishes legal protocols for eviction that typically require proper notice and justification. Thus, the correct answer emphasizes the Act's role in clearly delineating the framework within which landlords must operate.

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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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