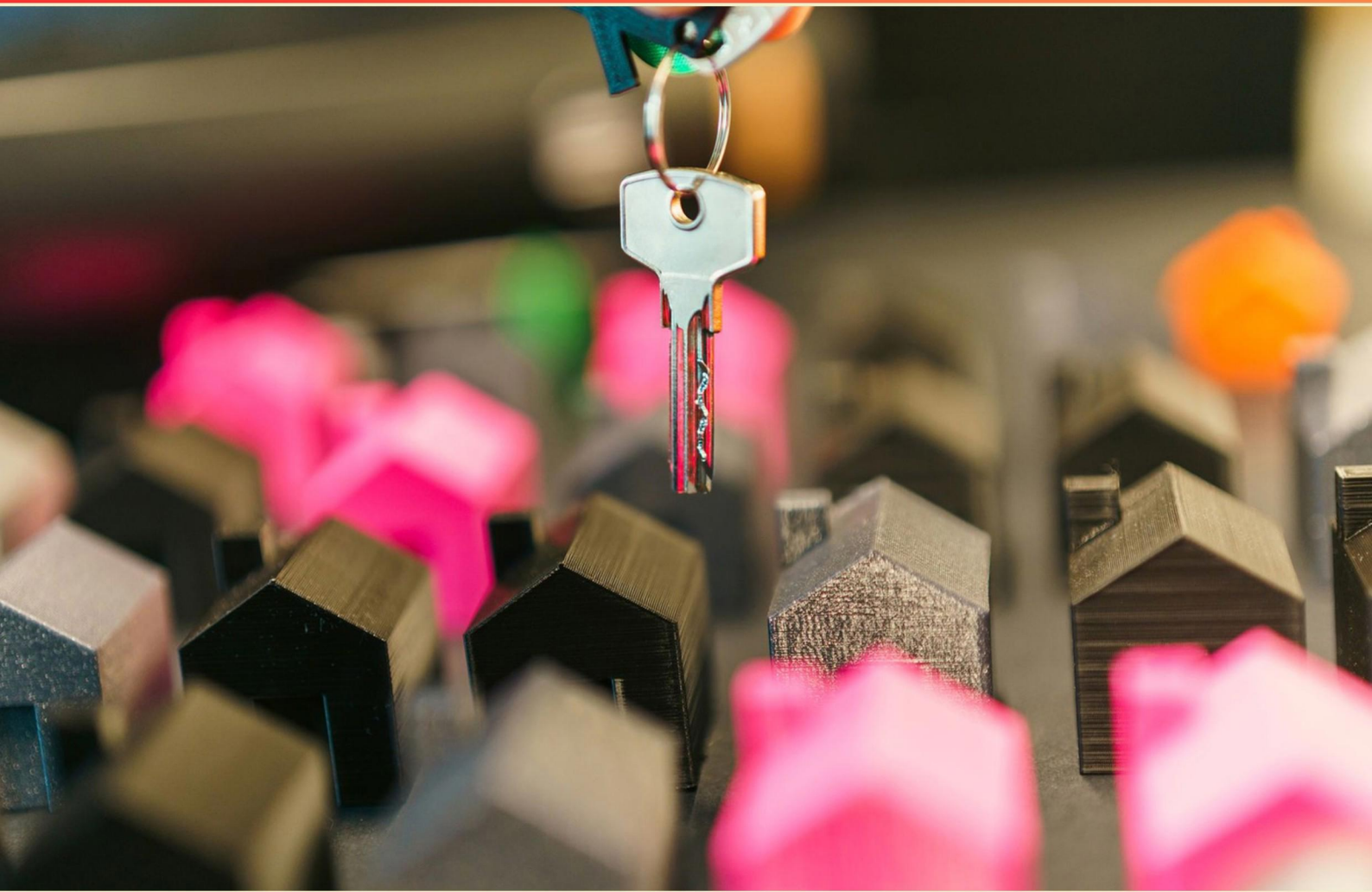


PSI PROPERTY OWNERSHIP PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

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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 a trust in property ownership?

- A. A legal document that details property taxes
- B. A legal arrangement where one party holds property for another
- C. A type of insurance for property damage
- D. A government program for property ownership

2. In a cooperative ownership, what does an occupant own?

- A. Real property rights to the unit
- B. Stock in the cooperative company
- C. A leasehold interest
- D. An unqualified interest in the property

3. What does a lease allow one party to do in terms of property ownership?

- A. To fully own the property after a period
- B. To use and occupy property owned by another for a specified time in exchange for rent
- C. To sell the property to a third party
- D. To renovate the property at their expense

4. What are closing costs?

- A. Fees paid to real estate agents
- B. Expenses related to finalizing a property transaction
- C. Costs associated with property maintenance
- D. Taxes charged on property sales

5. What type of lien is created automatically by statute when a tax obligation is not met?

- A. Judgement lien
- B. Equitable lien
- C. Statutory lien
- D. Mechanic's lien

- 6. What does "fair housing" refer to in property ownership?**
- A. Laws prohibiting discrimination in housing
 - B. Rules regarding property maintenance
 - C. Guidelines for property appraisals
 - D. Standards for tenant screening
- 7. Which survey system establishes markers for accurate land surveying?**
- A. National Geospatial Data Framework
 - B. US Coast and Geodetic Survey System
 - C. Geographic Information System
 - D. Land Information System
- 8. How does "joint tenancy" differ from "tenancy in common"?**
- A. Joint tenancy requires a written contract, while tenancy in common does not
 - B. Joint tenancy includes the right of survivorship, which does not exist in tenancy in common
 - C. Tenancy in common allows for shared ownership, while joint tenancy does not
 - D. Joint tenancy is only for commercial properties, while tenancy in common is for residential
- 9. What does the term "subdivision" refer to in real estate?**
- A. The process of selling individual properties
 - B. Dividing a larger property into smaller lots
 - C. The purchase of property for commercial use
 - D. Consolidating multiple properties into one
- 10. Which term best describes the improvements made to land that affect its economic value?**
- A. Intangible enhancements
 - B. Capital improvements
 - C. Permanent property enhancements
 - D. Temporary fixtures

Answers

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

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Explanations

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1. What is a trust in property ownership?

- A. A legal document that details property taxes
- B. A legal arrangement where one party holds property for another**
- C. A type of insurance for property damage
- D. A government program for property ownership

A trust in property ownership refers to a legal arrangement where one party, known as the trustee, holds and manages property for the benefit of another party, known as the beneficiary. This structure allows the property to be administered according to the terms set forth in the trust agreement, which can specify how the property is to be used, managed, or distributed. Trusts are often utilized in estate planning to ensure that assets are managed after the owner's death and can provide various benefits, including tax advantages and protection from creditors. The other choices focus on distinct concepts: a legal document detailing property taxes pertains to tax obligations and regulations, not ownership structures; insurance addresses protection against damage or loss, rather than the management of property; and a government program might involve subsidies or assistance for property ownership but does not define how property is held or managed. This highlights the specificity of a trust in establishing a fiduciary relationship concerning property ownership.

2. In a cooperative ownership, what does an occupant own?

- A. Real property rights to the unit
- B. Stock in the cooperative company**
- C. A leasehold interest
- D. An unqualified interest in the property

In a cooperative ownership arrangement, the occupants do not own real property in the traditional sense, but rather they own shares in a corporation that owns the entire property. When an individual purchases a unit in a cooperative, they are essentially buying stock in the cooperative entity, which grants them the right to occupy a specific unit and participate in the governance of the corporation. This structure means that the occupant's ownership is tied to the shares they hold, rather than direct ownership of the land or building. By owning shares, residents have an interest in the whole property and typically benefit from common amenities and shared responsibilities as part of the cooperative community. This is in contrast to other types of property ownership where one might own a leasehold interest or real property rights directly associated with a specific unit.

3. What does a lease allow one party to do in terms of property ownership?

- A. To fully own the property after a period
- B. To use and occupy property owned by another for a specified time in exchange for rent**
- C. To sell the property to a third party
- D. To renovate the property at their expense

A lease specifically allows one party to use and occupy property that is owned by another for a designated period, in exchange for rent. This arrangement creates a landlord-tenant relationship where the tenant gains the right to utilize the property while the owner retains actual ownership. While the notion of eventual ownership after a period may sound appealing, a lease does not provide for the full transfer of ownership to the tenant; that would require a different legal structure, such as a lease-to-own agreement or a purchase agreement. Although tenants do often have the ability to make certain renovations or improvements to the property, this is not an inherent part of what a lease entails and is typically subject to the landlord's approval and the stipulations within the lease agreement. Furthermore, a lease does not grant the tenant the authority to sell the property to a third party, as the tenant remains a temporary user and does not hold ownership rights that would allow them to sell the property.

4. What are closing costs?

- A. Fees paid to real estate agents
- B. Expenses related to finalizing a property transaction**
- C. Costs associated with property maintenance
- D. Taxes charged on property sales

Closing costs refer to the various expenses incurred during the process of finalizing a property transaction. These costs can include a wide range of fees and expenses that both buyers and sellers must pay to complete the sale. When a property transaction reaches the closing stage, it typically involves several necessary services and fees that ensure the transfer of ownership is executed correctly and legally. This includes items like title insurance, escrow fees, appraisals, credit report fees, inspection fees, and loan origination fees, among others. Each of these components plays a role in facilitating the sale and ensuring that all legal and financial obligations are met. Understanding closing costs is essential for anyone involved in real estate transactions, as they can significantly impact the overall cost of purchasing or selling a property. Thus, describing closing costs as "expenses related to finalizing a property transaction" accurately encapsulates the multitude of financial obligations that must be settled for a successful closing.

5. What type of lien is created automatically by statute when a tax obligation is not met?

- A. Judgement lien
- B. Equitable lien
- C. Statutory lien**
- D. Mechanic's lien

A statutory lien is a type of lien that is established through legislative action and is automatically created by law when specific conditions are met, such as the failure to pay taxes. This means that when a property owner does not fulfill their tax obligation, the government can impose a lien on the property without the need for a court proceeding. Statutory liens are often used for property taxes, and they highlight the government's legal right to recover owed taxes by placing a claim against the property. In the context of tax obligations, this type of lien ensures that the government can enforce collection by having a legal claim on the property, which may eventually lead to foreclosure if the debt remains unpaid. Understanding statutory liens is crucial for property owners, as they can significantly affect property rights and the ability to sell or refinance the property until the debt is satisfied.

6. What does "fair housing" refer to in property ownership?

A. Laws prohibiting discrimination in housing

B. Rules regarding property maintenance

C. Guidelines for property appraisals

D. Standards for tenant screening

"Fair housing" refers explicitly to laws that prohibit discrimination in housing based on certain protected characteristics, such as race, color, national origin, religion, sex, familial status, and disability. These laws aim to ensure equal access to housing opportunities for all individuals, regardless of their background, effectively promoting social equity in the housing market. The essence of fair housing is rooted in the desire to eliminate barriers that prevent certain groups from obtaining housing, thereby fostering an inclusive environment in which everyone has the right to secure housing without facing discrimination. This legal framework is crucial for protecting potential buyers and renters and is enforced through various regulations and policies at both the federal and state levels. In contrast, other options such as rules regarding property maintenance, guidelines for property appraisals, and standards for tenant screening pertain to different aspects of property management and do not address the core principle of non-discrimination that is foundational to fair housing. Hence, the focus and importance of "fair housing" lie distinctly within the realm of anti-discrimination laws.

7. Which survey system establishes markers for accurate land surveying?

A. National Geospatial Data Framework

B. US Coast and Geodetic Survey System

C. Geographic Information System

D. Land Information System

The US Coast and Geodetic Survey System is recognized for establishing precise markers essential for accurate land surveying. This system provides a framework that allows surveyors to determine exact locations and delineate property boundaries reliably. By creating strategic benchmarks and utilizing triangulation techniques, the survey system generates data crucial for mapping and defining land areas. This system plays a pivotal role in ensuring that survey measurements are consistent and can be referenced over time, which is vital for land ownership documentation, construction projects, and various environmental assessments. The standards and methodologies developed by this system have endured and remain fundamental to modern surveying practices, thus supporting its selection as the correct answer. The other choices, while related to geographic and spatial data, do not specifically focus on setting physical markers for land surveying as effectively as the US Coast and Geodetic Survey System does.

8. How does "joint tenancy" differ from "tenancy in common"?

- A. Joint tenancy requires a written contract, while tenancy in common does not
- B. Joint tenancy includes the right of survivorship, which does not exist in tenancy in common**
- C. Tenancy in common allows for shared ownership, while joint tenancy does not
- D. Joint tenancy is only for commercial properties, while tenancy in common is for residential

The distinction between joint tenancy and tenancy in common is critical in property law, particularly concerning ownership rights and the implications of death on property interests. In joint tenancy, a key feature is the right of survivorship. This means that when one tenant in a joint tenancy dies, their share of the property automatically passes to the surviving joint tenants, rather than being inherited by the deceased tenant's heirs. This right of survivorship creates a seamless transfer of ownership and ensures that the remaining owners retain full control over the property without the complications of probate. In contrast, tenancy in common allows for individual shares of property to be owned independently. If one co-owner passes away, their share can be inherited by their heirs according to their will or the laws of intestacy, rather than passing to the other tenants. This means that, while multiple parties can share ownership in both forms of tenancy, the implications of death and inheritance differ significantly. Understanding these differences is crucial for property owners when deciding how to hold title to real estate, as each form of ownership has different legal and financial ramifications.

9. What does the term "subdivision" refer to in real estate?

- A. The process of selling individual properties
- B. Dividing a larger property into smaller lots**
- C. The purchase of property for commercial use
- D. Consolidating multiple properties into one

In real estate, the term "subdivision" specifically refers to the process of dividing a larger parcel of land into smaller lots for the purpose of development and sale. This process often involves creating new property boundaries and may include the development of infrastructure such as roads, utilities, and other amenities to support the new smaller lots. Subdivision is a critical aspect of real estate as it allows for more efficient use of land resources and provides opportunities for residential and commercial development. The result of a subdivision can lead to the establishment of new neighborhoods or commercial areas, making it a fundamental concept in urban planning and real estate development. In contrast, the other choices do not accurately capture the definition of subdivision. Selling individual properties focuses on the transaction aspect rather than the division of land itself, the purchase of property for commercial use does not inherently involve dividing land, and consolidating multiple properties into one describes the opposite process of subdivision.

10. Which term best describes the improvements made to land that affect its economic value?

- A. Intangible enhancements
- B. Capital improvements**
- C. Permanent property enhancements
- D. Temporary fixtures

The term "capital improvements" best describes the enhancements made to land that have a lasting impact on its economic value. Capital improvements refer to significant upgrades or additions that improve the functionality, efficiency, or overall value of a property. These can include infrastructure changes such as the construction of buildings, installation of permanent fixtures, or significant renovations. Such improvements are essential to consider in property ownership because they not only increase the property's market value but may also enhance its usability and aesthetics. In many cases, these enhancements are designed to last a long time, thereby contributing to the property's overall worth over the years. Other terms, while they might describe different aspects of property attributes, do not encapsulate the lasting nature and economic relevance as accurately. For instance, intangible enhancements could refer to things like brand reputation or location desirability, which do not involve physical changes to the property. Permanent property enhancements may sound similar, but the term 'capital improvements' specifically emphasizes the financial investment aspect involved in upgrading the property. Temporary fixtures refer to additions that can be removed and don't contribute to long-term value, making them less relevant in this context. Thus, "capital improvements" is the most accurate term to describe improvements to land that enhance its economic value.

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://psipropertyownership.examzify.com>

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

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