

# PSI Virginia Real Estate 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

- 1. What does the term "fiduciary" imply in real estate relationships?**
  - A. A friendly relationship between the broker and the client**
  - B. A legally binding contract for sales**
  - C. A trust-based relationship with specific duties to the principal**
  - D. A temporary arrangement for property selling**
- 2. When does a dual agency occur?**
  - A. When an agent represents only the seller**
  - B. When different agents represent the buyer and seller**
  - C. When one agent represents both the buyer and seller**
  - D. When there are multiple buyers involved**
- 3. What does the term 'zoning' refer to in real estate?**
  - A. Covenants that restrict property use**
  - B. Density limitations for residential areas**
  - C. Regulations dictating property use in specific areas**
  - D. Lease agreements for commercial properties**
- 4. What does a promissory note represent in real estate?**
  - A. A legal document indicating a borrower's promise to repay a loan**
  - B. A declaration of property ownership**
  - C. A contract for selling the property**
  - D. A document to apply for financing**
- 5. What is the purpose of conducting a title search?**
  - A. To establish property value**
  - B. To confirm legal ownership and identify liens**
  - C. To verify zoning regulations**
  - D. To determine property taxes**

- 6. What distinguishes an installment contract?**
- A. A contract for full payment upfront**
  - B. A contract that requires delivery in two or more separate lots**
  - C. A contract that guarantees financing for a new purchase**
  - D. A non-negotiable agreement between two parties**
- 7. What is the general rule regarding the Do-Not-Call List?**
- A. Real estate professionals can call anyone at any time**
  - B. Calls can only be made if there's an existing business relationship**
  - C. Calls are allowed without any restrictions**
  - D. Only emergency calls are permitted**
- 8. What constitutes Dual Agency in real estate?**
- A. Representing only buyers**
  - B. Representing only sellers**
  - C. Representing both parties without consent**
  - D. Representing both parties with consent**
- 9. How can prospective homebuyers research special assessments on a property?**
- A. At the local public library**
  - B. Through the county assessor's office**
  - C. By contacting the local mayor's office**
  - D. Via online real estate platforms**
- 10. By which day must earnest money and down payments be deposited?**
- A. 1st day**
  - B. 3rd day**
  - C. 5th day**
  - D. 7th day**



## **Answers**

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

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## **Explanations**

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## 1. What does the term "fiduciary" imply in real estate relationships?

- A. A friendly relationship between the broker and the client
- B. A legally binding contract for sales
- C. A trust-based relationship with specific duties to the principal**
- D. A temporary arrangement for property selling

The term "fiduciary" in real estate relationships indicates a trust-based relationship characterized by specific duties owed by one party to another, primarily the agent to the principal. In this context, it means that the real estate agent or broker has a legal and ethical obligation to act in the best interest of their client (the principal), which can include loyalty, confidentiality, full disclosure, and reasonable care. This fiduciary duty is foundational in real estate transactions, as it establishes a framework that promotes trust and transparency. The agent must prioritize the client's needs and work towards their objectives, which creates a higher standard of conduct than what is generally expected in typical business transactions. Thus, acknowledging the fiduciary relationship underscores the importance of ethics and responsibility in real estate dealings. Other options do not accurately define fiduciary relationships. A friendly relationship does not inherently include the legal duties of a fiduciary. A legally binding contract pertains to agreements but does not capture the essence of the fiduciary relationship. Similarly, a temporary arrangement for selling property does not encompass the deeper trust and commitment involved in a fiduciary relationship.

## 2. When does a dual agency occur?

- A. When an agent represents only the seller
- B. When different agents represent the buyer and seller
- C. When one agent represents both the buyer and seller**
- D. When there are multiple buyers involved

Dual agency occurs when one agent represents both the buyer and the seller in a real estate transaction. This situation can arise in various scenarios, such as when a buyer expresses interest in a property listed by the same agent who represents the seller. In such cases, the agent has a fiduciary duty to both parties, which can create potential conflicts of interest since the agent must navigate representing the interests of both the buyer and seller simultaneously. Understanding dual agency is crucial as it comes with specific legal obligations. In many jurisdictions, including Virginia, agents must disclose their dual agency status to both parties and obtain their consent to proceed. This ensures that both the buyer and seller are aware of the potential limitations on the agent's ability to advocate fully for either party, as the agent cannot disclose confidential information from one client to the other without permission. Recognizing the dynamics of dual agency is vital for real estate professionals to maintain ethical standards and comply with legal obligations, contributing to fair and transparent transactions.

### 3. What does the term 'zoning' refer to in real estate?

- A. Covenants that restrict property use
- B. Density limitations for residential areas
- C. Regulations dictating property use in specific areas**
- D. Lease agreements for commercial properties

The term 'zoning' in real estate refers to regulations that dictate property use in specific areas. Zoning laws are established by local governments to control how land can be used, which can include residential, commercial, industrial, and agricultural purposes. They help allocate space within a community and can dictate specific uses, such as whether an area is designated for single-family homes, multi-family units, or commercial enterprises. These regulations play a crucial role in urban planning and development, ensuring that different types of properties are appropriately situated to promote harmonious living conditions and efficient use of resources. For example, zoning can mitigate issues such as traffic congestion and environmental impact by keeping certain types of developments separate from one another. Other options provided relate to different concepts. While covenants and restrictions might influence property use, they do so on a more individual basis rather than through broad municipal regulations like zoning. Density limitations pertain to the number of buildings or units allowed in a specific area, which is only one aspect of zoning. Lease agreements for commercial properties fall under leasing rather than zoning policies. Understanding zoning is essential for anyone involved in real estate, as it directly impacts property rights, development potential, and community organization.

### 4. What does a promissory note represent in real estate?

- A. A legal document indicating a borrower's promise to repay a loan**
- B. A declaration of property ownership
- C. A contract for selling the property
- D. A document to apply for financing

A promissory note is a crucial legal document in real estate transactions that represents a borrower's commitment to repay a loan under specific terms. It includes details such as the loan amount, interest rate, repayment schedule, and any penalties for late payments. This document is binding, meaning that the borrower is legally obligated to fulfill the promise contained within it, thereby giving the lender security regarding repayment. While the other options touch on important aspects of real estate transactions, they do not accurately define what a promissory note is. The declaration of property ownership involves documents like a deed, while contracts for selling property focus on the transfer of title rather than loan repayment promises. As for the application for financing, this is a pre-loan step that does not pertain to the actual commitment to repay money borrowed, which is the essence of a promissory note.

**5. What is the purpose of conducting a title search?**

- A. To establish property value
- B. To confirm legal ownership and identify liens**
- C. To verify zoning regulations
- D. To determine property taxes

Conducting a title search serves the essential purpose of confirming legal ownership of a property and identifying any liens or encumbrances that may exist on it. This process involves reviewing public records to trace the history of the property's title, ensuring that the seller has the right to transfer ownership. It also uncovers any claims against the property, such as mortgages or unpaid taxes, which could affect the buyer's interest in the property. Understanding the ownership and any associated liabilities is critical before proceeding with a real estate transaction, as it protects both the buyer and lender from future disputes or legal issues regarding property rights. Establishing property value, verifying zoning regulations, and determining property taxes, while important aspects of real estate transactions, do not directly relate to the primary function of a title search. These factors are typically assessed through different processes and research methods.

**6. What distinguishes an installment contract?**

- A. A contract for full payment upfront
- B. A contract that requires delivery in two or more separate lots**
- C. A contract that guarantees financing for a new purchase
- D. A non-negotiable agreement between two parties

An installment contract is characterized by the fact that it allows for the payment for an asset or property to be made in several parts over a specified period. This structure means that instead of requiring the full payment upfront, the buyer makes smaller, periodic payments until the full amount is settled. This method is particularly useful in real estate transactions, where large sums may pose financial strain, allowing buyers to manage their cash flow better while still securing the property at the beginning of the agreement. The option regarding making payments in two or more separate lots aligns with the essence of an installment contract, as it specifically points to the division of payment over time rather than lump-sum payment requirements. Hence, it effectively illustrates the nature of installment contracts, distinguishing them from other types of agreements that may not offer this flexibility.

## 7. What is the general rule regarding the Do-Not-Call List?

- A. Real estate professionals can call anyone at any time
- B. Calls can only be made if there's an existing business relationship**
- C. Calls are allowed without any restrictions
- D. Only emergency calls are permitted

The general rule regarding the Do-Not-Call List is that real estate professionals can only make calls to individuals with whom they have an existing business relationship. This means that if a consumer has engaged in previous business dealings with a real estate agent, such as having received services or having expressed interest in their services, then the agent may contact them without violating Do-Not-Call regulations. This provision is in place to respect consumers' preferences while still allowing real estate professionals to maintain communication with clients who have demonstrated a willingness to engage in business. It's important for agents to keep track of these relationships and ensure they are compliant with the regulations regarding telemarketing. In contrast, cold calling individuals who have opted into the Do-Not-Call List or have not previously engaged in any business relationship could lead to legal repercussions. Understanding the regulations and adhering to them helps ensure respectful communication practices and compliance with the law.

## 8. What constitutes Dual Agency in real estate?

- A. Representing only buyers
- B. Representing only sellers
- C. Representing both parties without consent
- D. Representing both parties with consent**

Dual agency in real estate occurs when a single agent or brokerage represents both the buyer and the seller in the same transaction. The defining feature of dual agency is that both parties are informed of this arrangement and give their consent to the representation. By doing so, the agent maintains transparency and adheres to legal and ethical standards, which prioritize the interests of both clients. In this scenario, both the buyer and seller must understand that the agent is acting on behalf of both parties and agree to this dual representation. This ensures that all parties are aware of potential conflicts of interest and can make informed decisions during the transaction. It's crucial for agents to communicate clearly with both clients about the nature of their relationship and any limitations that may arise from representing both sides. In contrast, representing only buyers or only sellers does not constitute dual agency because there is no simultaneous representation of both parties. Additionally, representing both parties without consent would violate ethical guidelines and legal requirements, as agents must have the explicit agreement of all parties involved to practice dual agency.

**9. How can prospective homebuyers research special assessments on a property?**

- A. At the local public library**
- B. Through the county assessor's office**
- C. By contacting the local mayor's office**
- D. Via online real estate platforms**

Researching special assessments on a property involves obtaining specific information regarding any additional charges that may apply to the property beyond regular taxes, often for improvements or local services benefiting the property. The county assessor's office is the most authoritative source for this type of information. This office maintains accurate records on property tax assessments, including any special assessments levied by the local government. They can provide detailed records that a prospective homebuyer would need to understand what special assessments apply to a specific property, how they are valued, and the implications on future financial responsibilities. While other options may offer some insights—such as the local public library which may have general resources, or real estate platforms that could provide basic information and reports—they do not usually offer the detailed, authoritative data that the county assessor's office provides. The mayor's office is typically focused on broader municipal issues rather than specific property assessments. Therefore, leveraging the county assessor's office is the most effective approach for accurately researching special assessments related to a property.

**10. By which day must earnest money and down payments be deposited?**

- A. 1st day**
- B. 3rd day**
- C. 5th day**
- D. 7th day**

In a real estate transaction, the timely deposit of earnest money is crucial as it demonstrates the buyer's commitment to the purchase and provides a level of security to the seller. According to Virginia regulations, earnest money and down payments must be deposited within five days of the mutual acceptance of the contract. This timeframe helps to ensure that all parties are acting in good faith and that the transaction process continues smoothly. Depositing within this specified period minimizes the risk of disputes arising regarding the buyer's intent and secures the funds necessary for the transaction, making the five-day requirement the essential guideline for real estate practices in Virginia.



## 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://psi-virginiarealestate.examzify.com>**

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