

REEDC New York Real Estate Salesperson Practice Test (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 a characteristic of tenancy in common?**
 - A. Equal management rights**
 - B. Rights of survivorship**
 - C. Independent interests**
 - D. Community property**

- 2. From which agency do you purchase flood insurance?**
 - A. FEMA**
 - B. National Flood Insurance Program**
 - C. State Insurance Department**
 - D. Federal Reserve**

- 3. What is the purpose of an earnest money deposit?**
 - A. To cover closing costs**
 - B. To show the buyer's intent to purchase**
 - C. To pay real estate commission**
 - D. To secure financing**

- 4. What should you do if a client refuses to sign the agency disclosure form?**
 - A. Terminate the relationship**
 - B. Use verbal consent**
 - C. Have them sign an affidavit of refusal**
 - D. Proceed without the form**

- 5. When a landlord removes a tenant without the court's intervention, what is this process called?**
 - A. Actual eviction**
 - B. Easement by necessity**
 - C. Holdover tenant**
 - D. Estate at sufferance**

- 6. What defines a conforming loan?**
 - A. A loan lacking interest rates**
 - B. A loan meeting federal reserve bank guidelines**
 - C. A loan with no repayment terms**
 - D. A loan exclusively available for first-time buyers**

- 7. What is a synonym for proration in real estate transactions?**
- A. Calculation**
 - B. Distribution**
 - C. Adjustment**
 - D. Reconciliation**
- 8. What is the prorated share of using the common area referred to in terms of usable foot?**
- A. Rentable ft + 2**
 - B. Usable ft + 1**
 - C. Gross ft + 3**
 - D. Net ft + 1**
- 9. What is the possible penalty for not fulfilling fiduciary obligations to a client?**
- A. \$500**
 - B. \$1,000 or one year in jail**
 - C. \$2,000**
 - D. Community service**
- 10. What is the purpose of an alteration agreement in a cooperative?**
- A. To dictate maintenance fees**
 - B. To set rules for shareholder meetings**
 - C. To allow changes to an occupied unit**
 - D. To establish leasing terms**

Answers

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

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Explanations

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1. What is a characteristic of tenancy in common?

- A. Equal management rights
- B. Rights of survivorship
- C. Independent interests**
- D. Community property

In tenancy in common, each co-owner has a distinct and independent interest in the property, which means they own a specific share without the need for equal ownership among all co-tenants. This characteristic allows different owners to have different percentages of ownership, and they can sell, transfer, or will their shares to others without needing the consent of the other co-owners. This flexibility is a key aspect of tenancy in common, differentiating it from other forms of co-ownership, such as joint tenancy, which requires equal shares and includes rights of survivorship. Understanding this independent nature is essential for recognizing the rights and responsibilities of co-owners in a tenancy in common arrangement. Each owner can make decisions regarding their share independent of the others, further reinforcing the distinct ownership interest characteristic of this type of tenancy.

2. From which agency do you purchase flood insurance?

- A. FEMA**
- B. National Flood Insurance Program
- C. State Insurance Department
- D. Federal Reserve

Flood insurance is primarily obtained through the National Flood Insurance Program (NFIP), which is administered by FEMA (Federal Emergency Management Agency). While FEMA oversees the NFIP, policies are actually purchased through the program itself. FEMA itself is not where you go to buy insurance directly; rather, it acts as the federal agency responsible for the NFIP, setting regulations and standards. The NFIP provides flood insurance to property owners, renters, and businesses in participating communities, making it the specific agency through which the flood insurance policies are issued. In this context, while FEMA is integral to the management and oversight of the NFIP, the fundamental source of purchase for flood insurance is through the NFIP program, which is the correct response. Understanding how NFIP and FEMA interact is crucial for navigating the processes involved in purchasing flood insurance.

3. What is the purpose of an earnest money deposit?

- A. To cover closing costs
- B. To show the buyer's intent to purchase**
- C. To pay real estate commission
- D. To secure financing

The purpose of an earnest money deposit is primarily to demonstrate the buyer's intent to purchase the property. This deposit acts as a show of good faith from the buyer, indicating their commitment to follow through with the transaction. By placing this money into escrow, the buyer reassures the seller that they are serious about their offer, which can strengthen the buyer's negotiating position. In a real estate transaction, the earnest money is typically held by the real estate brokerage or an escrow company until the sale is finalized. If the transaction proceeds as planned, the earnest money often gets applied towards the buyer's closing costs or down payment. Conversely, if the buyer backs out of the agreement without a legitimate reason as outlined in the purchase agreement, the seller may have the right to retain the deposit as compensation for taking the property off the market. This contrasts with the other options provided, which do not accurately represent the primary role of an earnest money deposit. For instance, while closing costs, real estate commissions, and financing are all significant aspects of real estate transactions, they do not relate to the initial intent of the buyer conveyed through the earnest money deposit.

4. What should you do if a client refuses to sign the agency disclosure form?

- A. Terminate the relationship
- B. Use verbal consent
- C. Have them sign an affidavit of refusal**
- D. Proceed without the form

The correct approach when a client refuses to sign the agency disclosure form is to have them sign an affidavit of refusal. This step is important because it formally documents the client's decision not to sign the agency disclosure, ensuring that you have a record of their refusal. This documentation helps protect you and your brokerage from potential legal issues in the future by showing that you did provide the client with the opportunity to understand the agency relationship and that they chose not to engage with it. Having an affidavit of refusal not only preserves transparency but also upholds the ethical standards required in real estate transactions. By obtaining a written record, you demonstrate professionalism and adherence to regulations governing agency relationships in real estate. This is particularly crucial in New York, where compliance with agency disclosure laws is mandatory for agents. In contrast, options like terminating the relationship or using verbal consent do not provide the same level of documentation and protection. Proceeding without the form altogether could jeopardize compliance with legal requirements and potentially expose a salesperson to liability.

5. When a landlord removes a tenant without the court's intervention, what is this process called?

- A. Actual eviction**
- B. Easement by necessity**
- C. Holdover tenant**
- D. Estate at sufferance**

The process of a landlord removing a tenant without the court's intervention is termed actual eviction. This situation typically occurs when a landlord physically removes a tenant from the property, often through self-help methods, rather than going through the legal eviction process. Actual eviction implies that the tenant is forced to leave the premises, which can lead to legal consequences for the landlord, as this practice is often considered illegal and can infringe on tenant rights. The concept of actual eviction highlights the importance of following proper legal procedures to remove a tenant, which usually requires a court order or judgment. Understanding this term is crucial for landlords and tenants alike, as it emphasizes the rights of tenants to due process and the legal protections against unlawful eviction actions. In contrast, the other terms in the list relate to different aspects of tenancy and property rights. Easement by necessity refers to a legal right to access someone's land for a specific purpose, typically allowing access to a landlocked parcel. A holdover tenant is someone who remains in a rental property after their lease has expired, and estate at sufferance refers to the situation where a tenant continues to occupy the property without the landlord's consent after the lease expires. Understanding these distinctions further underscores why actual eviction is the appropriate term for the scenario described.

6. What defines a conforming loan?

- A. A loan lacking interest rates**
- B. A loan meeting federal reserve bank guidelines**
- C. A loan with no repayment terms**
- D. A loan exclusively available for first-time buyers**

A conforming loan is defined by its adherence to specific guidelines set forth by government-sponsored entities, primarily Fannie Mae and Freddie Mac. These guidelines include limits on the loan amount, the borrower's creditworthiness, and other eligibility criteria. By meeting these standards, a conforming loan is considered eligible for purchase by these entities, which helps ensure that the loan has liquidity in the secondary mortgage market. This structure allows conforming loans to typically offer lower interest rates compared to non-conforming loans because they present a lower risk to lenders. The other choices do not accurately capture the essence of what a conforming loan is or the criteria needed for a loan to be classified as such. For instance, a loan lacking interest rates would not be feasible or practical, and a loan with no repayment terms would not function as a standard mortgage. Additionally, conforming loans are available to a broad range of borrowers, not limited to first-time buyers. This broad accessibility emphasizes the role of conforming loans in the overall residential mortgage market.

7. What is a synonym for proration in real estate transactions?

- A. Calculation**
- B. Distribution**
- C. Adjustment**
- D. Reconciliation**

In the context of real estate transactions, proration refers to the process of calculating and distributing costs or expenses proportionally among parties involved, typically based on time or usage. An adjustment is synonymous with proration because it involves altering figures to ensure that each party pays their fair share of expenses like property taxes, insurance, or utilities that might have been incurred over a specific timeframe. An adjustment reflects the necessary recalibration of financial obligations so that they correspond accurately with the closing date or effective transfer of ownership. This ensures that the buyer and seller each pay only for the portion of the expenses that corresponds to their period of ownership. In contrast, while calculation and distribution may relate to how figures are derived or shared, they lack the specific focus on the proportional nature that is intrinsic to proration. Reconciliation, on the other hand, generally refers to the process of resolving discrepancies or ensuring agreement between different sets of accounts or records, which does not specifically capture the essence of adjusting amounts based on a shared time frame or usage.

8. What is the prorated share of using the common area referred to in terms of usable foot?

- A. Rentable ft + 2**
- B. Usable ft + 1**
- C. Gross ft + 3**
- D. Net ft + 1**

The prorated share of using the common area in a commercial or office building is typically calculated based on the rentable square footage, which includes both the usable space and the proportionate share of the common areas. When referring to the common area, the calculation usually involves the total rentable square footage of a tenant's space plus a factor to account for the common areas. In this context, "Rentable ft + 2" indicates that the calculation for a tenant's share of common areas is based on their rentable square footage plus an additional space factor, which accounts for the shared spaces—such as lobbies, restrooms, and hallways. This extra component ensures that tenants appropriately contribute to and benefit from the shared facilities. Understanding this calculation is crucial for tenants in order to accurately assess lease terms regarding their financial obligations related to shared spaces. In many commercial leases, tenants are often responsible for a proportionate share of common area maintenance costs, and these calculations help to determine that share comprehensively.

9. What is the possible penalty for not fulfilling fiduciary obligations to a client?

- A. \$500
- B. \$1,000 or one year in jail**
- C. \$2,000
- D. Community service

Not fulfilling fiduciary obligations to a client can have significant legal consequences, as these obligations are fundamental to maintaining the trust and integrity of the client-agent relationship. The correct answer highlights that the penalty can involve a fine of \$1,000 or a jail sentence of up to one year. This reflects the serious nature of fiduciary duties in real estate transactions, where agents are expected to act in their clients' best interests, maintain confidentiality, and provide complete loyalty. A penalty of fines or imprisonment illustrates the legal framework designed to enforce ethical practices among real estate professionals. Violating this trust not only jeopardizes the client's financial interests but also undermines the credibility of the real estate profession as a whole. It's important for real estate professionals to be well-acquainted with their fiduciary responsibilities to avoid legal repercussions and ensure ethical conduct in their business dealings. In contrast, the other options represent penalties that are either too lenient or not typically associated with breaches of fiduciary duty, which typically warrant more serious consequences. This underlines the importance of adhering to fiduciary obligations in the real estate field.

10. What is the purpose of an alteration agreement in a cooperative?

- A. To dictate maintenance fees
- B. To set rules for shareholder meetings
- C. To allow changes to an occupied unit**
- D. To establish leasing terms

An alteration agreement in a cooperative serves the specific purpose of allowing changes to an occupied unit. When residents want to make modifications to their apartments, such as renovations or improvements, they typically need to obtain permission from the cooperative's board of directors. This agreement outlines the parameters under which alterations can occur, ensuring that they align with the building's policies, aesthetics, and safety standards. It protects the interests of both the cooperative and the shareholder by detailing the approval process, the responsibilities of the shareholder during the alteration, and how the alterations will affect the property as a whole. In this context, maintenance fees, rules for shareholder meetings, and leasing terms are governed by separate agreements and regulations within the cooperative. Maintenance fees relate to the costs of upkeep for common areas and services, while rules for shareholder meetings are established to ensure orderly governance of the cooperative's affairs. Establishing leasing terms is pertinent to the rental of units but does not pertain to the individual alterations that a resident may wish to make to their unit. Therefore, the alteration agreement is distinctively focused on the modifications residents seek to implement within their living spaces.

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://reedcnyrealestatesalesperson.examzify.com>

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

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