

South Carolina 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

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- 1. What is the continuing education requirement for license renewal in South Carolina?**
 - A. 5 hours of continuing education**
 - B. 10 hours of continuing education**
 - C. 15 hours of continuing education**
 - D. No continuing education required**
- 2. How long must a Broker in Charge or Property Manager in Charge retain their Trust Fund Account records?**
 - A. 2 years**
 - B. 3 years**
 - C. 5 years**
 - D. 7 years**
- 3. Salespersons must present any client monies received to their broker within what timeframe?**
 - A. 1 business day**
 - B. 2 business days**
 - C. 24 hours**
 - D. 1 week**
- 4. What does the term "blighted area" refer to in real estate?**
 - A. An area with historical significance**
 - B. An area that hinders municipal growth and poses risks**
 - C. An area with high property values**
 - D. An area designated for parks and recreation**
- 5. Is South Carolina a community property state?**
 - A. Yes**
 - B. No**
 - C. Only for married couples**
 - D. Only for inheritance**

- 6. If a contract signed by two parties is bilateral but the contract is not executed, the contract is:**
- A. Void**
 - B. Executed**
 - C. Unilateral**
 - D. Executory**
- 7. Which of the following limits the interest rate fluctuations over the life of a mortgage?**
- A. Adjustment cap**
 - B. Interest cap**
 - C. Life cap**
 - D. Rate ceiling**
- 8. What term describes real property where all owners share ownership of common areas and the building, except for their own units?**
- A. Townhome**
 - B. Condominium**
 - C. Cooperative**
 - D. Apartment**
- 9. What is the common name for the hazardous-waste cleanup fund established by CERCLA?**
- A. Brownfield fund**
 - B. Superfund**
 - C. Clean Water fund**
 - D. Environmental Recovery fund**
- 10. Which of the following statements is true about security deposit returns in South Carolina?**
- A. They must be returned within 15 days**
 - B. They must be returned within 30 days**
 - C. They can be held indefinitely**
 - D. They must be returned within 60 days**

Answers

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

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Explanations

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1. What is the continuing education requirement for license renewal in South Carolina?

- A. 5 hours of continuing education**
- B. 10 hours of continuing education**
- C. 15 hours of continuing education**
- D. No continuing education required**

In South Carolina, the continuing education requirement for license renewal is 10 hours. This requirement ensures that real estate professionals stay updated on industry practices, laws, and regulations, which is essential for maintaining competency in a continuously evolving field. The 10 hours of continuing education typically includes specific courses designated by the South Carolina Real Estate Commission that focus on various aspects of real estate, including ethics, contracts, and the latest market trends. This structure aims to promote professionalism and protect consumers by ensuring that agents remain informed about best practices and changes in the law. The answer of 10 hours reflects the commitment to ongoing education that enhances the skills and knowledge necessary for effective practice in real estate.

2. How long must a Broker in Charge or Property Manager in Charge retain their Trust Fund Account records?

- A. 2 years**
- B. 3 years**
- C. 5 years**
- D. 7 years**

In South Carolina, a Broker in Charge or a Property Manager in Charge is required to retain their Trust Fund Account records for a period of 5 years. This duration is mandated to ensure that there is a clear, auditable trail of all transactions involving client funds, which is crucial for maintaining transparency and accountability in real estate transactions. Keeping records for 5 years allows for proper review and auditing processes in case of disputes or regulatory inquiries, providing adequate time for oversight by compliance agencies. This retention policy helps uphold the integrity of the industry by ensuring that all financial activities can be traced and evaluated, ultimately protecting both consumers and real estate professionals. Other options reflect shorter or longer retention periods, which do not align with the established legal requirements in South Carolina. Thus, the 5-year timeline is both a requirement and a best practice for managing trust fund accounts effectively.

3. Salespersons must present any client monies received to their broker within what timeframe?

- A. 1 business day**
- B. 2 business days**
- C. 24 hours**
- D. 1 week**

Salespersons are required to present any client monies received to their broker within one business day to ensure timely and secure handling of funds. This prompt action is crucial as it helps maintain a clear and transparent accounting of all financial transactions, as well as protects both clients and the real estate professionals involved. By expecting salespersons to adhere to this timeframe, regulatory guidelines aim to minimize risks associated with mishandling or misappropriation of client funds. Additionally, it underscores the importance of the broker's oversight in managing client trust accounts and ensuring compliance with industry standards and regulations. The other options, while reflecting a sense of urgency, do not align with the designated timeframe set by the regulations governing real estate practices in many jurisdictions, including South Carolina.

4. What does the term "blighted area" refer to in real estate?

- A. An area with historical significance**
- B. An area that hinders municipal growth and poses risks**
- C. An area with high property values**
- D. An area designated for parks and recreation**

The term "blighted area" in real estate specifically refers to a location that has deteriorated to the extent that it hinders municipal growth and poses risks to health, safety, and public welfare. Such areas often experience a decline in property values, increased crime rates, and inadequate infrastructure. Governments typically address blighted areas through redevelopment efforts, revitalization programs, or urban renewal initiatives aimed at improving the conditions and desirability of the neighborhood. This definition captures the essence of what constitutes a blighted area—sites that not only require attention and intervention but also indicate a failure to thrive due to various factors such as abandonment, neglect, or economic despair. Understanding this concept is crucial for real estate professionals, as it influences investment opportunities, regulatory considerations, and community planning efforts.

5. Is South Carolina a community property state?

- A. Yes
- B. No**
- C. Only for married couples
- D. Only for inheritance

South Carolina is not a community property state. Instead, it follows the doctrine of equitable distribution when it comes to dividing property during a divorce. In equitable distribution states, the court divides marital property in a manner that it deems fair, but not necessarily equal. This means that each spouse may leave the marriage with different amounts or values of property, depending on various factors such as the length of the marriage, the contributions of each spouse, and the financial situation of both parties. In contrast, community property states generally regard all property acquired during the marriage as belonging equally to both spouses, regardless of which spouse earned it. The couple's property is typically divided 50/50 upon divorce. Since South Carolina does not adhere to this rule, it confirms that the state does not classify itself as a community property state.

6. If a contract signed by two parties is bilateral but the contract is not executed, the contract is:

- A. Void
- B. Executed
- C. Unilateral
- D. Executory**

A bilateral contract is one in which both parties have made promises to each other, creating obligations that must be fulfilled. When such a contract is described as not executed, it means that the terms of the contract have not yet been fulfilled, and thus, performance is still pending. In this context, the term "executory" is used to describe contracts that remain to be performed in the future by one or both parties. Therefore, the correct answer indicates that the contract is executory because while both parties have agreed to the terms, the obligations have not yet been completed. This distinction is crucial in real estate and contract law, as it informs parties of their ongoing obligations and rights regarding the deal they are engaged in. Recognizing a contract's executory status helps in understanding the responsibilities each party has until the contract is fulfilled.

7. Which of the following limits the interest rate fluctuations over the life of a mortgage?

- A. Adjustment cap**
- B. Interest cap**
- C. Life cap**
- D. Rate ceiling**

The correct choice is the life cap, which is a specific feature found in adjustable-rate mortgages (ARMs). A life cap serves to limit the total amount by which the interest rate can increase over the life of the loan. This means that, regardless of how the index value rises, the interest rate on the mortgage cannot exceed a certain predetermined percentage increase from the original rate. This feature is particularly important for borrowers as it provides a level of predictability and security, ensuring they won't face an overwhelming increase in their mortgage payments if interest rates rise significantly. The life cap gives borrowers assurance regarding the maximum potential cost of their financing, which can be especially beneficial in a fluctuating interest rate environment. In contrast, the other options refer to different forms of caps or limits that may apply within adjustable-rate mortgages. For example, the adjustment cap references limits on how much the interest rate can change at each adjustment interval, while the interest cap may indicate a specific cap on the interest rate itself. The rate ceiling could also refer to limits placed on specific adjustments, but it lacks the broader applicability that a life cap offers over the entire loan term. By understanding how a life cap functions, borrowers can better assess their risk exposure and make informed decisions when selecting mortgage products

8. What term describes real property where all owners share ownership of common areas and the building, except for their own units?

- A. Townhome**
- B. Condominium**
- C. Cooperative**
- D. Apartment**

The term that accurately describes real property where all owners share ownership of common areas and the building, while retaining individual ownership of their own units, is "Condominium." In a condominium arrangement, each owner has a separate title to their individual unit, while also being a co-owner of the shared spaces such as hallways, pools, and other amenities. This structure allows for a unique combination of private ownership and communal living, distinguishing it from other property types. In contrast, townhomes typically involve ownership of the land and the structure itself, while cooperatives involve collective ownership where shareholders own shares in the corporation that owns the entire property rather than individual units. Apartments, on the other hand, are typically rented rather than owned, which further distinguishes them from condominiums. Understanding these differences is key to identifying various residential property types within real estate.

9. What is the common name for the hazardous-waste cleanup fund established by CERCLA?

- A. Brownfield fund**
- B. Superfund**
- C. Clean Water fund**
- D. Environmental Recovery fund**

The hazardous-waste cleanup fund established by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) is commonly known as the Superfund. This program was created to facilitate the cleanup of some of the most contaminated sites in the United States, ensuring that prompt and effective remediation occurs to protect human health and the environment from hazardous substances. The term "Superfund" stems from the fact that the program was originally funded by a tax on chemical and petroleum industries and is designed to address abandoned and uncontrolled hazardous waste sites. The Superfund program provides a federal response to spills and the cleanup of contaminated sites, which is critical for restoring affected areas and preventing future environmental damage. This fund primarily supports the investigation and remediation of sites that pose significant health risks due to hazardous waste. Its effectiveness is rooted in its capacity to mobilize resources and expertise to tackle complex environmental challenges, thereby enhancing public safety and ecological restoration. Hence, it serves a vital role in environmental law and public health policy in the United States.

10. Which of the following statements is true about security deposit returns in South Carolina?

- A. They must be returned within 15 days**
- B. They must be returned within 30 days**
- C. They can be held indefinitely**
- D. They must be returned within 60 days**

In South Carolina, landlords are required by law to return a tenant's security deposit within 30 days after the tenancy ends, provided the tenant has given the required notice of intention to vacate the premises. This timeframe allows the landlord to assess any damages to the property, deduct appropriate costs if necessary, and prepare an itemized list of deductions if any funds are withheld. Failure to return the security deposit within this 30-day period can expose the landlord to legal repercussions, including potential claims for the full deposit amount plus additional damages. This regulation is designed to ensure fairness and transparency in the handling of security deposits, providing both tenants and landlords a clear guideline for the process following the termination of a lease. Other options suggest either shorter or more extended timeframes that do not comply with state law. For example, a 15-day timeframe is insufficient for landlords to conduct necessary evaluations, while holding a deposit indefinitely would violate the tenant's rights to their funds. Similarly, a 60-day return period does not align with the regulatory requirement, making the 30-day rule the accurate and legally mandated timeframe.

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://southcarolinarealestate.examzify.com>

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

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