

Texas 30-Hour Principles of Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. An inheritable freehold estate that's a fee simple defeasible (where the grantor can reclaim ownership) is also known as what?**
 - A. Life estate**
 - B. Qualified fee**
 - C. Fee simple absolute**
 - D. Conditional fee**
- 2. Which statement is true regarding brokers and sales agents specializing in property transactions?**
 - A. Only brokers can specialize in property types**
 - B. Brokers and sales agents may specialize**
 - C. Specialization is limited to commercial properties**
 - D. Sales agents cannot specialize**
- 3. What is the term for the substitution of one party in a contract for another party?**
 - A. Delegation**
 - B. Assumption**
 - C. Assignment**
 - D. Novation**
- 4. What does "open agency" allow a buyer to do?**
 - A. Work with only one broker**
 - B. Work with an unlimited number of brokers**
 - C. Compete with the agent in selling the property**
 - D. Sign a long-term exclusivity contract with a broker**
- 5. If a Texas licensee violates fair housing laws, which entity can award monetary damages?**
 - A. Texas Department of Insurance**
 - B. Texas Real Estate Commission**
 - C. Texas Workforce Commission**
 - D. TWCCRD**

6. Which agency is responsible for handling complaints related to the Equal Credit Opportunity Act (ECOA)?

- A. The Federal Trade Commission.**
- B. The Consumer Financial Protection Bureau.**
- C. The Department of Housing and Urban Development.**
- D. The Federal Reserve System.**

7. How far in advance must a reservation be made for the licensing exam?

- A. 48 hours**
- B. 24 hours**
- C. 1 week**
- D. 12 hours**

8. Under the statute of frauds, which requirement is NOT necessary for Henry's real estate offer to be enforceable?

- A. Offer must be signed**
- B. Contract must be in writing**
- C. The contract must be notarized**
- D. Terms of agreement must be clear**

9. When a buyer insists the agent breaches their duty to the contract, what is at odds with the agent's duty?

- A. Duty of confidentiality**
- B. Duty of obedience**
- C. Duty of loyalty**
- D. Duty of disclosure**

10. Which practice can lead to disparate treatment in real estate?

- A. Offering different terms to clients**
- B. Providing the same service to all clients**
- C. Following standardized protocols**
- D. Ensuring equal opportunities**

Answers

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

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Explanations

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1. An inheritable freehold estate that's a fee simple defeasible (where the grantor can reclaim ownership) is also known as what?

- A. Life estate**
- B. Qualified fee**
- C. Fee simple absolute**
- D. Conditional fee**

A fee simple defeasible is an inheritable freehold estate that has conditions or limitations placed on it by the grantor. In this type of estate, the ownership can revert to the grantor if certain conditions are not met. The term "qualified fee" accurately describes this type of ownership because it indicates that the property is owned outright, but with specific conditions or qualifications attached. If those conditions are violated, the grantor has the right to reclaim the property. In contrast, a life estate is granted for the duration of a person's life and does not allow for conditions that could lead to the property reverting to the grantor. A fee simple absolute presents the strongest form of property ownership without conditions and does not include any limitations on the title. A conditional fee, while it may seem similar, is not the term commonly used in real estate to describe a fee simple defeasible; rather, it's more informal and not widely recognized in legal terms. Thus, "qualified fee" is the most precise term to describe an inheritable freehold estate with the specific condition that the grantor can reclaim ownership.

2. Which statement is true regarding brokers and sales agents specializing in property transactions?

- A. Only brokers can specialize in property types**
- B. Brokers and sales agents may specialize**
- C. Specialization is limited to commercial properties**
- D. Sales agents cannot specialize**

Brokers and sales agents may specialize in various property types, which is an important aspect of their roles in the real estate industry. This flexibility allows both brokers and sales agents to focus their expertise on specific areas, such as residential properties, commercial properties, or industrial real estate. Specialization enables them to gain in-depth knowledge of market trends, property values, zoning laws, and client demographics, which enhances their ability to serve buyers and sellers effectively. In contrast, the notion that only brokers can specialize is incorrect. While brokers typically have more experience and perhaps a broader range of responsibilities, sales agents also have the opportunity to choose a niche in the real estate market. Additionally, the statement that specialization is limited to commercial properties overlooks the diverse nature of the real estate market where specialization can encompass residential, agricultural, and other types of properties. The claim that sales agents cannot specialize is also incorrect, as many sales agents successfully carve out niches, enabling them to better meet their clients' needs. Overall, the correct statement highlights the collaborative and diverse nature of the roles that brokers and sales agents hold within the property transaction ecosystem.

3. What is the term for the substitution of one party in a contract for another party?

- A. Delegation**
- B. Assumption**
- C. Assignment**
- D. Novation**

The term that refers to the substitution of one party in a contract for another party is known as novation. Novation involves the replacement of one of the original parties with a new party in a contract, which requires the consent of all parties involved. Through novation, the original party is released from any obligations and liabilities under the contract, while the new party assumes those obligations. In a real estate or legal context, novation ensures that the new party takes on the rights and responsibilities of the original party, creating a new contractual relationship that all parties recognize. This is particularly important in situations like assigning a lease or transferring a mortgage, where one party wishes to exit the contract, and a new party is willing to step in. Understanding novation is crucial for both real estate professionals and clients, as it impacts the transferability of contracts and obligations in real estate transactions. The term "assignment," while related, typically refers to the transfer of rights but not the obligations in a contract, which is why novation is the more accurate term in this context.

4. What does "open agency" allow a buyer to do?

- A. Work with only one broker**
- B. Work with an unlimited number of brokers**
- C. Compete with the agent in selling the property**
- D. Sign a long-term exclusivity contract with a broker**

"Open agency" allows a buyer to work with an unlimited number of brokers. This arrangement provides the buyer with the flexibility to explore multiple options and leverage multiple agents in their search for properties. In this type of agency, each broker is competing for the buyer's business, which often encourages agents to be more proactive and motivated in showing properties and providing services. Since there is no exclusive agreement, the buyer is free to terminate relationships with any of the brokers and to choose whom they feel works best for them. This openness can lead to a broader perspective on the real estate market as buyers receive diverse opportunities and insights from various agents.

5. If a Texas licensee violates fair housing laws, which entity can award monetary damages?

- A. Texas Department of Insurance**
- B. Texas Real Estate Commission**
- C. Texas Workforce Commission**
- D. TWCCRD**

The Texas Workforce Commission's Civil Rights Division (TWCCRD) is responsible for enforcing the Texas Fair Housing Act, which prohibits discrimination in housing practices. When a licensed individual violates these fair housing laws, the TWCCRD has the authority to investigate complaints and can award monetary damages to the aggrieved parties. This includes compensatory damages that are intended to cover losses incurred due to the discriminatory practices. On the other hand, the Texas Department of Insurance and the Texas Real Estate Commission do not have jurisdiction over fair housing violations in the same manner; their roles focus more broadly on regulatory aspects of insurance and real estate brokerage, respectively. The Texas Workforce Commission, while it oversees a wide range of workforce-related issues, specifically the Civil Rights Division is the one that directly addresses violations of housing discrimination. Therefore, when it comes to awarding monetary damages specifically related to fair housing laws, the TWCCRD is the correct entity for this purpose.

6. Which agency is responsible for handling complaints related to the Equal Credit Opportunity Act (ECOA)?

- A. The Federal Trade Commission.**
- B. The Consumer Financial Protection Bureau.**
- C. The Department of Housing and Urban Development.**
- D. The Federal Reserve System.**

The Consumer Financial Protection Bureau (CFPB) is the agency responsible for handling complaints related to the Equal Credit Opportunity Act (ECOA). The ECOA is designed to prevent discrimination in credit transactions based on race, color, religion, national origin, sex, marital status, or age. The CFPB has the authority to enforce federal consumer financial laws, including the ECOA, and ensures that consumers have equal access to credit. In this context, the CFPB plays a crucial role by investigating complaints, providing education, and taking enforcement actions against lenders that violate the ECOA. This empowers consumers and promotes fair lending practices. Other agencies mentioned, such as the Federal Trade Commission and the Department of Housing and Urban Development, also deal with consumer protection and housing-related issues but do not specifically oversee complaints regarding the ECOA. The Federal Reserve System primarily focuses on monetary policy and regulation of banking institutions rather than direct consumer complaints under the ECOA.

7. How far in advance must a reservation be made for the licensing exam?

- A. 48 hours**
- B. 24 hours**
- C. 1 week**
- D. 12 hours**

In Texas, a reservation for the licensing exam must be made at least 24 hours in advance. This requirement ensures that the testing centers can adequately prepare for the number of candidates that will show up and allow for proper scheduling. It also gives candidates time to confirm their attendance and be aware of the specific details related to the exam, such as location and time. Making a reservation too close to the exam time could lead to complications, such as the possibility of the test center being full or not having enough resources ready for the candidates. Therefore, the 24-hour notice is a necessary protocol to promote an efficient and organized testing experience for all individuals involved.

8. Under the statute of frauds, which requirement is NOT necessary for Henry's real estate offer to be enforceable?

- A. Offer must be signed**
- B. Contract must be in writing**
- C. The contract must be notarized**
- D. Terms of agreement must be clear**

For a real estate offer to be enforceable under the statute of frauds, it indeed must meet certain requirements. The correct choice points out that notarization of the contract is not a necessary requirement for enforceability. The statute of frauds primarily requires that contracts for the sale of real estate must be in writing, signed by the party to be charged, and must include clear terms that outline the agreement between the parties. Notarization may serve as a method of verification or authentication but does not affect the validity of the contract itself. Consequently, a real estate offer can be enforceable if it fulfills the written and signature requirements along with having clear terms, even if it hasn't been notarized. This distinction is important for understanding the legal requirements surrounding real estate transactions.

9. When a buyer insists the agent breaches their duty to the contract, what is at odds with the agent's duty?

- A. Duty of confidentiality**
- B. Duty of obedience**
- C. Duty of loyalty**
- D. Duty of disclosure**

The correct response highlights the obligation of the agent to follow the lawful instructions of the client as part of their duties under a contract. Duty of obedience requires agents to comply with their client's directives, as long as those directives are lawful and in line with the contractual agreement. When a buyer claims that the agent has breached this duty, it suggests that the agent may not have adhered strictly to the buyer's instructions or desires within the scope of the contract. In contrast, the other duties listed—such as confidentiality, loyalty, and disclosure—each pertain to different aspects of the agent-client relationship. For instance, the duty of confidentiality requires agents to keep their clients' information private, while the duty of loyalty emphasizes putting the client's interests above all others. The duty of disclosure involves informing clients of all material facts that might affect their decisions. While these duties are essential, they do not directly relate to the obligation to obey the client's instructions. Therefore, when an allegation of breach is made pertaining to the agent's responsibilities under the contract, the duty of obedience is specifically at issue.

10. Which practice can lead to disparate treatment in real estate?

- A. Offering different terms to clients**
- B. Providing the same service to all clients**
- C. Following standardized protocols**
- D. Ensuring equal opportunities**

Offering different terms to clients can lead to disparate treatment in real estate because it may imply that individuals or groups are being treated differently based on characteristics such as race, gender, ethnicity, or other protected classes. Disparate treatment occurs when a person is treated less favorably than others due to a specific characteristic, and in real estate, this might manifest as offering more favorable leases, financing, or other terms to one group over another. For instance, if a real estate agent provides better financing options to a buyer of a particular demographic while offering less favorable terms to another group, this could be seen as discriminatory behavior. Real estate practices must focus on treating all clients fairly and equally, ensuring that all individuals have access to the same opportunities and terms regardless of their background.

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://tx30hrprinciplesofrealestate.examzify.com>

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

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