

# Texas Real Estate State 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. What generally triggers the requirement for a seller's disclosure in real estate?**
  - A. Any known defects or issues affecting the property's value or safety**
  - B. The presence of a real estate agent**
  - C. The buyer's request for financing**
  - D. Changes in market conditions**
- 2. Which type of land description is the most common in residential listing agreements?**
  - A. Rectangular/ Government Survey**
  - B. Monuments**
  - C. Lot, Block, and Subdivision**
  - D. Metes and Bounds**
- 3. In Texas real estate transactions, what is the consequence of prepaying a mortgage according to the Prepayment Clause?**
  - A. No consequences**
  - B. Requirement for additional collateral**
  - C. Imposition of a fee**
  - D. Automatic loan assumption**
- 4. Which term refers to a map or layout of improvements on a property site?**
  - A. Plot**
  - B. Plat**
  - C. Voluntary lien**
  - D. Involuntary lien**
- 5. What does the Chain of Title refer to?**
  - A. List of all previous offers made**
  - B. Record of property taxes paid**
  - C. List of all owners of the property**
  - D. Record of maintenance history**

**6. Which type of clause allows the lender to raise the existing interest rate on a mortgage in Texas?**

- A. Subordination Clause**
- B. Power of Sale Clause**
- C. Escalation Clause**
- D. Assumption Clause**

**7. What type of estate could be defeated or terminated if specific conditions are violated?**

- A. Life Estate**
- B. Qualified Defeasible Fee**
- C. Fee Simple Absolute**
- D. Defeasible Fee**

**8. Which type of easement involves the dominant estate using the driveway of the servient estate for property access?**

- A. Easement appurtenant**
- B. Encroachment**
- C. License**
- D. Easement in Gross**

**9. How can easements be terminated?**

- A. Merger of adjacent property**
- B. Adverse Possession (Squatter's rights)**
- C. Release**
- D. Reservation**

**10. What is the definition of Land in real estate?**

- A. Land alone without any improvements**
- B. Personal Property**
- C. Land, Improvements attached to the land, and the rights to use them**
- D. Real estate transactions**

## **Answers**

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

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## **Explanations**

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## 1. What generally triggers the requirement for a seller's disclosure in real estate?

- A. Any known defects or issues affecting the property's value or safety**
- B. The presence of a real estate agent**
- C. The buyer's request for financing**
- D. Changes in market conditions**

The requirement for a seller's disclosure in real estate is generally triggered by any known defects or issues affecting the property's value or safety. This responsibility ensures that sellers provide potential buyers with crucial information about the property's condition, which can significantly impact a buyer's decision-making process. By disclosing known defects, sellers promote transparency and help buyers understand what they are investing in, thus protecting both parties' interests and reducing the likelihood of disputes after the sale. Other options such as the presence of a real estate agent, a buyer's request for financing, or changes in market conditions do not establish a legal obligation for a seller to provide disclosures regarding the property's condition.

## 2. Which type of land description is the most common in residential listing agreements?

- A. Rectangular/ Government Survey**
- B. Monuments**
- C. Lot, Block, and Subdivision**
- D. Metes and Bounds**

The most common type of land description used in residential listing agreements is the Lot, Block, and Subdivision method. This approach allows for a clear and straightforward identification of properties that are part of a platted subdivision. In this system, land is divided into lots that are within blocks, which are part of a larger subdivision. This format is particularly user-friendly and is widely recognized, making it easier for buyers, sellers, and real estate professionals to communicate about properties. This method is favored in residential real estate because it provides a clear and concise framework for defining property boundaries. It simplifies the process for potential buyers to understand where the property is located within the community, as well as the characteristics of the neighborhood. Additionally, this method aligns with how properties are often marketed and identified in local tax assessments and county records. While other methods like Metes and Bounds, Monuments, and the Rectangular/Government Survey are legitimate forms of legal land descriptions, they tend to be more complex and less commonly used for standard residential transactions. This complexity can lead to confusion among buyers and sellers who are less familiar with technical land descriptions. Hence, the Lot, Block, and Subdivision method stands out as the most practical choice for everyday residential property agreements.

**3. In Texas real estate transactions, what is the consequence of prepaying a mortgage according to the Prepayment Clause?**

- A. No consequences**
- B. Requirement for additional collateral**
- C. Imposition of a fee**
- D. Automatic loan assumption**

The option "No consequences" is incorrect because there are consequences involved in prepaying a mortgage according to the Prepayment Clause. This clause may be included in a mortgage contract to outline the terms and conditions for early repayment of the loan. The option "Requirement for additional collateral" is incorrect because a Prepayment Clause does not typically impose a requirement for additional collateral. This clause is specifically related to prepaying the mortgage, not obtaining additional collateral. The option "Automatic loan assumption" is incorrect because the Prepayment Clause does not automatically assume or transfer the loan to another party. This clause only pertains to prepayment of the mortgage. The correct answer, "Imposition of a fee," is the consequence of prepaying a mortgage according to the Prepayment Clause. This fee may be charged by the lender in order to compensate for the loss of interest that would have been received if the loan continued to its full term.

**4. Which term refers to a map or layout of improvements on a property site?**

- A. Plot**
- B. Plat**
- C. Voluntary lien**
- D. Involuntary lien**

The correct term for a map or layout of improvements on a property site is "plat." A plat is a detailed drawing that illustrates how land is subdivided into lots, showing the boundaries, easements, and locations of buildings and other improvements. This term is commonly used in real estate when referring to either existing subdivisions or proposed developments, as it helps stakeholders visualize the layout and spatial relationships of the property. The other terms do not pertain to the layout or mapping of property. A "plot" can refer to a specific piece of land but doesn't carry the same implication of a formalized, detailed layout as a plat. "Voluntary lien" and "involuntary lien" refer to legal claims against property, which are unrelated to the mapping or physical layout of improvements on the property.

## 5. What does the Chain of Title refer to?

- A. List of all previous offers made**
- B. Record of property taxes paid**
- C. List of all owners of the property**
- D. Record of maintenance history**

The Chain of Title refers to a list of all owners of the property, also known as the ownership history. This record is important in the real estate industry as it provides a clear timeline of property ownership and can help identify any potential issues or discrepancies. Option A, a list of all previous offers made, is incorrect as it does not pertain to property ownership. Option B, a record of property taxes paid, is incorrect as it only reflects a small portion of the property's history and does not include ownership information. Option D, a record of maintenance history, is incorrect as it also only reflects a small portion of the property's history and does not include ownership information.

## 6. Which type of clause allows the lender to raise the existing interest rate on a mortgage in Texas?

- A. Subordination Clause**
- B. Power of Sale Clause**
- C. Escalation Clause**
- D. Assumption Clause**

The correct answer is indeed the escalation clause. This type of clause specifically allows a lender to increase the interest rate on a mortgage under certain specified conditions, often related to changes in financial markets or the borrower's creditworthiness. For example, if the borrower does not meet certain performance criteria, the lender may have the right to adjust the interest rate. In Texas real estate finance, understanding the implications of an escalation clause is crucial for both borrowers and lenders, as it directly affects the cost of borrowing over the term of the loan. This clause is generally spelled out in the loan agreement, so borrowers should be aware of its existence and the conditions under which it can be activated. Other clauses mentioned serve different purposes: a subordination clause relates to the priority of liens, a power of sale clause enables a lender to foreclose without court action, and an assumption clause allows a subsequent buyer to take over the mortgage terms but does not impact interest rates directly.

**7. What type of estate could be defeated or terminated if specific conditions are violated?**

- A. Life Estate**
- B. Qualified Defeasible Fee**
- C. Fee Simple Absolute**
- D. Defeasible Fee**

The correct answer is a Defeasible Fee. A Defeasible Fee, also known as a fee simple subject to a condition subsequent or a fee simple subject to a special limitation, is a type of estate in real property that can be invalidated or terminated if certain specified conditions are not met or are violated. For instance, if the property is granted for a specific purpose, such as for use as a school, and that use ceases or is changed, the grantor may have the right to reclaim the property. This characteristic differentiates it from other types of estates like a Fee Simple Absolute, which is perpetual and not subject to any conditions that could terminate the estate. In regards to the other choices, while a Life Estate is linked to the life of an individual and reverts back to the grantor upon their death, it does not operate on conditions that can be violated. A Qualified Defeasible Fee shares some similarities with a Defeasible Fee but is a specific version associated with certain limitations. Despite its unique attributes, it is often grouped under broader categories alongside Defeasible Fees. Lastly, Fee Simple Absolute represents the highest form of property ownership, and its status cannot be defeated by the violation of conditions, making it a

**8. Which type of easement involves the dominant estate using the driveway of the servient estate for property access?**

- A. Easement appurtenant**
- B. Encroachment**
- C. License**
- D. Easement in Gross**

An easement appurtenant is a type of easement that allows the dominant estate (the property or party benefiting from the easement) to use or access the driveway of the servient estate (the property burdened by the easement) for ingress and egress. This type of easement is attached to the land and cannot be transferred separately from the dominant estate. Option B, encroachment, refers to a situation where a physical part of one property crosses onto another property without legal permission. This does not involve the use of a driveway or easement for access. Option C, license, is a temporary right given by the owner of a property to another party. It is not attached to the land and can be revoked at any time. Option D, easement in gross, allows a person or entity to use the servient estate for a specific purpose, such as utility access. It does not involve the use of a driveway for property access.

## 9. How can easements be terminated?

- A. Merger of adjacent property**
- B. Adverse Possession (Squatter's rights)**
- C. Release**
- D. Reservation**

Easements can be terminated through the merger of adjacent properties. When the same owner acquires both the dominant and servient estates, the easement is no longer necessary as the owner now has control over both parcels of land. This eliminates the need for the easement and effectively terminates it. Options B, C, and D are incorrect: - Adverse Possession (Option B) is a method through which someone can acquire title to another person's property through continuous and hostile possession over a statutory period. This does not directly relate to the termination of easements. - Release (Option C) refers to a voluntary agreement between the grantor (holder of the easement) and the grantee (holder of the servient estate) to terminate the easement. However, this is not the only way easements can be terminated. - Reservation (Option D) is the act of retaining a particular right, title, or interest in or to real property when conveying the property to another person. This is not a method to terminate an existing easement.

## 10. What is the definition of Land in real estate?

- A. Land alone without any improvements**
- B. Personal Property**
- C. Land, Improvements attached to the land, and the rights to use them**
- D. Real estate transactions**

Land in real estate refers to the physical surface of the earth, as well as anything permanently attached to it, such as buildings, trees, or structures. This includes not only the physical elements of the land, but also the rights associated with its use. Option A is incorrect because it does not take into account any improvements attached to the land. Option B is also incorrect because personal property refers to movable items, while land is fixed and immovable. Option D is incorrect because real estate transactions can involve various types of property, not just land. The most accurate definition of land in real estate is option C, which encompasses all elements and rights associated with the land.

# 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://texasrealestate.examzify.com>**

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

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