

THE CE SHOP NATIONAL PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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. 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. A seller wants to net \$10,000 after the broker's commission of 6% and a loan balance of \$250,000 are paid. For how much does the property need to sell?**
 - A. \$276,596
 - B. \$250,000
 - C. \$300,000
 - D. \$250,500

- 2. What type of lending is typically exempt from usury laws?**
 - A. Personal loans
 - B. Credit cards
 - C. Mortgage loans
 - D. Business loans

- 3. What is an example of the duty of loyalty in a client-agent relationship?**
 - A. Providing confidential information to a third party
 - B. Prioritizing the client's interests above all
 - C. Informing the client of potential conflicts
 - D. Allowing the client to decide the listing price

- 4. Which situation would most likely require a detailed review by the Building Department?**
 - A. Minor home renovations
 - B. Development of a new subdivision
 - C. Issuance of property surveys
 - D. Signing tenant leases

- 5. How much will the loan origination fee be for a buyer obtaining a 90% loan on a home appraised at \$80,000 with a one point origination fee?**
 - A. \$712
 - B. \$720
 - C. \$728
 - D. \$800

- 6. What crucial information does a building code aim to regulate?**
- A. Property tax assessment
 - B. Workmanship and safety standards
 - C. Market value of properties
 - D. Financing options for properties
- 7. What additional benefit does Evan receive when purchasing a unit in a housing cooperative?**
- A. Contract of mortgage
 - B. Deed
 - C. Plat maps
 - D. Shares in the cooperative corporation
- 8. If a bank offers Ashish an insurable title, what does this imply?**
- A. The title is guaranteed to have no defects
 - B. The title may have known defects but is still insurable
 - C. The title is not suitable for financing
 - D. The title is transferable without conditions
- 9. What document must the lender return to the borrower once the loan is paid in full?**
- A. A satisfaction of mortgage document
 - B. The original loan agreement
 - C. Any unpaid invoice
 - D. A summary of payments
- 10. What role does the planning board typically serve in a community?**
- A. Directing business expansion
 - B. Developing long-term community plans
 - C. Supervising daily operations of local government
 - D. Creating and enforcing zoning laws

Answers

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

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Explanations

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1. A seller wants to net \$10,000 after the broker's commission of 6% and a loan balance of \$250,000 are paid. For how much does the property need to sell?

A. \$276,596

B. \$250,000

C. \$300,000

D. \$250,500

To determine the amount for which the property needs to sell so that the seller nets \$10,000 after paying a 6% broker's commission and a loan balance of \$250,000, you start by defining the variables involved in the transaction. Let (P) represent the selling price of the property. The broker's commission is calculated as 6% of the selling price, which can be represented as $(0.06P)$. After the commission is deducted from the selling price, the amount available to the seller before paying off the loan balance is $(P - 0.06P)$ or $(0.94P)$. Next, the seller has to pay off the loan balance of \$250,000. Thus, the remaining amount after paying the loan will be expressed as $(0.94P - 250,000)$. The seller wants to net \$10,000, so you can set up the equation: $[0.94P - 250,000 = 10,000]$ Solving this equation will lead to the required selling price: 1. First, add \$250,000 to both sides to isolate the term involving (P) : $[0$.

2. What type of lending is typically exempt from usury laws?

A. Personal loans

B. Credit cards

C. Mortgage loans

D. Business loans

The correct answer, which is credit cards, is tied to the way certain financial products are regulated regarding interest rates. Usury laws are designed to protect consumers from exorbitant interest rates on loans, but there are certain types of lending that often fall outside these regulations. Credit cards, for instance, are typically subject to different regulations than personal loans or mortgage loans and can allow issuers to charge higher interest rates that may exceed the limits set by usury laws. This is largely because credit card agreements are usually governed by the laws of the state from which the lender operates, allowing for more flexibility in interest rate settings to accommodate the business models of credit card companies. The other types of lending, such as personal loans, mortgage loans, and business loans, often have stricter regulatory frameworks and are more commonly subject to state usury laws, which dictate the maximum interest rates that can be charged to borrowers. Therefore, credit cards represent a unique case within the realm of lending where these laws may not apply as strictly, allowing issuers greater leeway in determining their rates.

3. What is an example of the duty of loyalty in a client-agent relationship?

- A. Providing confidential information to a third party
- B. Prioritizing the client's interests above all**
- C. Informing the client of potential conflicts
- D. Allowing the client to decide the listing price

In a client-agent relationship, the duty of loyalty fundamentally emphasizes that the agent must prioritize the client's interests above all else. This principle is crucial because it ensures that the agent acts in a way that is beneficial to the client, placing the client's needs, desires, and goals at the forefront of all decisions and actions taken. For example, if a client is selling a property, the agent must advocate for the best possible sale terms and negotiate in the client's favor, even if it would be easier or more profitable for the agent to take a different course of action. Devoting loyalty to the client fosters trust and a strong working relationship, allowing the client to have confidence that their agent is committed to serving their best interests. Other concepts—such as informing clients of potential conflicts—although important, are part of the broader responsibility of transparency and ethics rather than directly embodying the duty of loyalty. Overall, the duty of loyalty is all about commitment to the client above any competing interests.

4. Which situation would most likely require a detailed review by the Building Department?

- A. Minor home renovations
- B. Development of a new subdivision**
- C. Issuance of property surveys
- D. Signing tenant leases

The development of a new subdivision is a situation that typically requires a detailed review by the Building Department due to the complexity and scale of the project. This process involves assessing various factors such as zoning regulations, environmental impacts, infrastructure needs, utilities, and compliance with local building codes. Subdivisions often affect land use, community design, and available services, making thorough oversight essential to ensure that all aspects align with applicable regulations and community standards. In contrast, minor home renovations usually fall under simpler permit procedures that do not necessitate the same level of scrutiny. Issuance of property surveys is generally a straightforward process that verifies property boundaries and does not require extensive review. Similarly, signing tenant leases involves fulfilling legal agreements between parties and does not engage the Building Department's regulatory framework in the same way as the development of new subdivisions.

5. How much will the loan origination fee be for a buyer obtaining a 90% loan on a home appraised at \$80,000 with a one point origination fee?

- A. \$712
- B. \$720**
- C. \$728
- D. \$800

To calculate the loan origination fee, you first need to determine the loan amount based on the percentage of the home's value. Since the buyer is obtaining a 90% loan on a home appraised at \$80,000, you can calculate the loan amount by multiplying \$80,000 by 0.90: $\$80,000 \times 0.90 = \$72,000$. The one-point origination fee is typically calculated as 1% of the loan amount. Therefore, to find the fee, you would take 1% of the \$72,000 loan amount: $\$72,000 \times 0.01 = \720 . This means the correct origination fee that the buyer will pay for the loan is \$720. This understanding of calculating percentages and origination fees is crucial for anyone working in real estate financing.

6. What crucial information does a building code aim to regulate?

- A. Property tax assessment
- B. Workmanship and safety standards**
- C. Market value of properties
- D. Financing options for properties

A building code primarily aims to regulate workmanship and safety standards to ensure that structures are safe, habitable, and built to a certain standard of quality. These codes set the minimum requirements for the construction and occupancy of buildings, covering aspects such as structural integrity, fire safety, plumbing, and electrical systems. By adhering to these regulations, builders, contractors, and property owners contribute to the safety and welfare of the public. While property tax assessments, market value, and financing options are important elements in the real estate landscape, they are not the primary focus of building codes. Tax assessments are based on property value and location, market value is determined by various economic factors and buyer demand, and financing options relate to the terms and conditions for acquiring loans to purchase properties. These factors are influenced by market conditions and real estate trends rather than the structural and safety standards outlined in building codes.

7. What additional benefit does Evan receive when purchasing a unit in a housing cooperative?

- A. Contract of mortgage
- B. Deed
- C. Plat maps
- D. Shares in the cooperative corporation**

When purchasing a unit in a housing cooperative, the buyer receives shares in the cooperative corporation. This is a critical aspect of cooperative ownership, as it signifies that the buyer is not just acquiring a specific living space but is also becoming a member of the cooperative and has a vested interest in the overall management and operations of the community. In this structure, instead of owning real estate outright, residents hold shares that grant them the right to occupy a unit. This system allows for collective decision-making regarding the property and can often lead to a more community-oriented living experience. Additionally, owning shares may provide privileges such as voting rights in cooperative matters, which can influence policies, budgets, and other community decisions. The other options do not align with the nature of a housing cooperative. For example, a mortgage contract pertains to traditional real estate ownership rather than cooperative ownership. A deed signifies ownership of real property, which is not how cooperatives operate since residents do not receive a deed for their unit. Plat maps are used in real estate to show the layout of the land; while they might be relevant in some contexts, they do not serve as a direct benefit to the resident in terms of ownership structure in a cooperative. Thus, the shares in the cooperative corporation represent the primary

8. If a bank offers Ashish an insurable title, what does this imply?

- A. The title is guaranteed to have no defects
- B. The title may have known defects but is still insurable**
- C. The title is not suitable for financing
- D. The title is transferable without conditions

When a bank offers Ashish an insurable title, it suggests that the title may have known defects but is still insurable. This means that although there may be some issues associated with the title, the bank can provide insurance to cover potential losses arising from those defects. Insurable titles are common in real estate transactions; they ensure that the buyer has some protection against historic claims or defects in the title that could affect their ownership rights. It's important to understand that insurable titles do not mean the title is free of defects; rather, it indicates that there is a willingness from an insurer to provide coverage despite the defects. In many cases, if there are issues with the title, they may be resolved or documented in a way that allows for the title to still be considered insurable. The implication of an insurable title also suggests that the buyer may take the necessary steps to rectify any issues, but it does not guarantee the title is flawless or completely devoid of problems. This understanding helps buyers like Ashish make informed decisions regarding their real estate investments.

9. What document must the lender return to the borrower once the loan is paid in full?

- A. A satisfaction of mortgage document**
- B. The original loan agreement
- C. Any unpaid invoice
- D. A summary of payments

When a borrower pays off their loan in full, it is essential for the lender to provide a satisfaction of mortgage document. This document serves as proof that the borrower has fulfilled their obligations under the loan agreement and that the lender has released their claim on the property. The satisfaction of mortgage indicates that the mortgage is no longer a lien against the property, and it effectively clears the borrower's title. This is important for future transactions, as it confirms to any prospective purchasers or lenders that the property is free of the mortgage obligation. In contrast, other documents like the original loan agreement or summaries of payments do not serve the same legal purpose. The original loan agreement is simply a record of the terms and conditions of the loan, while a summary of payments does not provide formal clearances or fulfill the legal requirements for discharging the mortgage. Any unpaid invoice is irrelevant, as it pertains to amounts still owed rather than the confirmation of a paid-in-full status.

10. What role does the planning board typically serve in a community?

- A. Directing business expansion
- B. Developing long-term community plans**
- C. Supervising daily operations of local government
- D. Creating and enforcing zoning laws

The planning board typically serves the role of developing long-term community plans. This includes assessing the needs of the community and creating strategies that address various aspects such as land use, housing development, infrastructure, and environmental sustainability. They evaluate how these plans align with the overall vision for the community's future, and their goal is to ensure balanced growth and development that reflects the aspirations of the residents. While other roles, such as creating zoning laws, are also important to a planning board, they are more about the implementation of the plans rather than the planning itself. Additionally, the planning board does not supervise daily operations of local government; that responsibility usually falls to elected officials. The directing of business expansion can occur through the planning board indirectly via community plans, but it is not their primary function. Thus, developing long-term community plans encapsulates the core responsibilities of a planning board.

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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://theceshopnational.examzify.com>

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

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