

TREC SALES AGENT PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://trecsalesagent.examzify.com>



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

SAMPLE

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

SAMPLE

- 1. In real estate, what is a "Short Sale"?**
 - A. A sale made at an auction
 - B. A sale for more than the amount owed on the mortgage
 - C. A sale of a property for less than the amount owed on the mortgage, with lender approval
 - D. A sale involving a non-bank lender
- 2. What right does a homeowner have to redeem their property prior to a foreclosure sale?**
 - A. Right of entry
 - B. Right of first refusal
 - C. Equitable right of redemption
 - D. Statutory right of redemption
- 3. What does the Texas Statute of Frauds require for enforceability in leases?**
 - A. All leases must be notarized
 - B. Leases for more than one year must be in writing
 - C. Leases can be verbal if both parties agree
 - D. A signed lease must be witnessed by a notary
- 4. What action could lead to the revocation of a sales agent's license by TREC?**
 - A. Failing to market a property properly
 - B. Depositing a buyer's earnest money into the sales agent's account
 - C. Refusing to disclose property defects
 - D. Misrepresenting the property value
- 5. Mrs. Smith granted property to the animal shelter with a condition. What type of estate is this?**
 - A. Life estate
 - B. Fee simple absolute
 - C. Fee simple defeasible estate
 - D. Leasehold estate

- 6. What consequence may result if the TREC makes a payment from the Real Estate Trust Account for a license holder?**
- A. The license holder may receive a warning.
 - B. The license holder's license may be suspended.
 - C. The license holder's license may be revoked.
 - D. The license holder may be required to repay the amount.
- 7. If a license holder fails to provide a title advisory notice, what could be the consequence?**
- A. The buyer may lose their deposit
 - B. TREC may revoke the agent's license
 - C. The transaction can be delayed
 - D. The sale price may increase
- 8. What occurs when an application fee is paid and the application is rejected?**
- A. The application fee is refunded.
 - B. The application fee is non-refundable.
 - C. The application fee is credited to first month's rent.
 - D. The application fee is donated to charity.
- 9. Which of the following is NOT a duty of a sales agent?**
- A. Listing properties.
 - B. Financing a purchase.
 - C. Disclosing material facts.
 - D. Providing signed documents to clients.
- 10. Which of the following is not a requirement for a corporate or LLC business name?**
- A. File an Assumed Name Certificate with the county clerk
 - B. Use the name registered with the secretary of state
 - C. Have a legal representative available
 - D. File an Assumed Name Certificate in Texas

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. In real estate, what is a "Short Sale"?

- A. A sale made at an auction
- B. A sale for more than the amount owed on the mortgage
- C. A sale of a property for less than the amount owed on the mortgage, with lender approval**
- D. A sale involving a non-bank lender

A short sale in real estate refers to the transaction of selling a property for less than the amount owed on the mortgage, and it requires the approval of the lender. This situation typically arises when the homeowner is facing financial difficulties and can no longer keep up with mortgage payments. To facilitate the sale, the lender must agree to accept a lower payoff than what is due, thereby allowing the property to be sold at a market value that is less than the outstanding mortgage balance. This process is critical because the lender is essentially agreeing to forgive a portion of the debt, and this requires their consent. Short sales can be an alternative to foreclosure, providing a way for homeowners to avoid the trauma and credit damage associated with foreclosure while allowing lenders to recover at least a portion of the loan amount without having to undertake the lengthy and costly foreclosure process. Thus, understanding the specifics of a short sale is essential for anyone involved in real estate transactions, as it impacts both the buyer's and the seller's positions in the market.

2. What right does a homeowner have to redeem their property prior to a foreclosure sale?

- A. Right of entry
- B. Right of first refusal
- C. Equitable right of redemption**
- D. Statutory right of redemption

The correct answer is the equitable right of redemption. This concept allows homeowners to reclaim their property by paying off the amount owed on the mortgage, plus any associated costs, before a foreclosure sale takes place. The equitable right of redemption is rooted in the principle of fairness and allows homeowners a chance to avoid losing their property due to financial hardship. This right is often available for a limited time after a default occurs but before the auction of the property. Homeowners can exercise this right by settling their debts, including any outstanding payments, late fees, and foreclosure costs, effectively stopping the foreclosure process and keeping their property. Understanding this right is crucial for both homeowners and real estate professionals, as it underscores the importance of proactive communication between lenders and borrowers to address payment difficulties early on. In contrast, the other options do not pertain to the specific process of redeeming a property prior to a foreclosure sale. The right of entry typically refers to a landlord's ability to enter rental property for maintenance or inspections, while the right of first refusal gives an individual the opportunity to buy a property before the owner sells it to someone else, neither of which pertains directly to foreclosure situations. The statutory right of redemption is a separate concept, often applicable after a foreclosure sale occurs, allowing

3. What does the Texas Statute of Frauds require for enforceability in leases?

- A. All leases must be notarized
- B. Leases for more than one year must be in writing**
- C. Leases can be verbal if both parties agree
- D. A signed lease must be witnessed by a notary

The Texas Statute of Frauds necessitates that leases for a term exceeding one year must be documented in writing to be enforceable. This requirement is to prevent disputes about the terms of the lease and ensure clarity and proof of the agreement between the parties involved. The writing must include essential terms, such as the parties' names, the property description, and the lease duration, making it a formal and binding contract. This written requirement helps protect both tenants and landlords by providing clear evidence of the lease agreement, promoting transparency and reducing the potential for misunderstandings that could arise from verbal agreements. While shorter leases may indeed be valid without a written contract, lengthy leases must adhere to this statute to ensure legal enforceability and protection for both parties.

4. What action could lead to the revocation of a sales agent's license by TREC?

- A. Failing to market a property properly
- B. Depositing a buyer's earnest money into the sales agent's account**
- C. Refusing to disclose property defects
- D. Misrepresenting the property value

The revocation of a sales agent's license by the Texas Real Estate Commission (TREC) can result from serious violations that compromise the integrity of real estate transactions. One such action is depositing a buyer's earnest money directly into the sales agent's personal account. This practice is considered a violation of ethical standards and legal regulations governing real estate transactions. Earnest money is meant to demonstrate a buyer's good faith in a transaction and must be held in a dedicated trust account, separate from the agent's personal or business accounts, to ensure that the funds are safeguarded until closing. Any breach of this requirement suggests mismanagement or dishonesty, which is why it can lead to severe disciplinary actions, including license revocation. In contrast, other actions like failing to market a property properly or refusing to disclose property defects, while detrimental to the transaction and potentially leading to other disciplinary actions, do not have the same immediate legal implications as mishandling earnest money. Misrepresenting property value is also very serious, but the direct legal framework around handling earnest money makes that action particularly severe in the eyes of TREC.

5. Mrs. Smith granted property to the animal shelter with a condition. What type of estate is this?

- A. Life estate
- B. Fee simple absolute
- C. Fee simple defeasible estate**
- D. Leasehold estate

The correct answer is a fee simple defeasible estate. This type of estate is characterized by a condition that must be fulfilled; if the condition is not met, the property can revert back to the grantor or to a specified third party. In the scenario with Mrs. Smith granting property to the animal shelter, the stipulation of a condition indicates that her intention was to create an estate where the shelter's ownership is contingent upon fulfilling certain terms. In contrast, a life estate grants ownership for the duration of a person's life and typically reverts back to the original owner or their heirs upon the death of that individual. A fee simple absolute represents the most complete form of ownership in real estate without conditions or restrictions, allowing the holder to do anything with the property without the risk of losing it due to unmet conditions. A leasehold estate, on the other hand, allows a tenant to occupy property for a specified duration under a lease agreement, which is unrelated to the conditions tied to ownership of property like in this scenario. Thus, the specific existence of a condition attached to the property transfer aligns perfectly with the definition of a fee simple defeasible estate.

6. What consequence may result if the TREC makes a payment from the Real Estate Trust Account for a license holder?

- A. The license holder may receive a warning.
- B. The license holder's license may be suspended.
- C. The license holder's license may be revoked.**
- D. The license holder may be required to repay the amount.

If the Texas Real Estate Commission (TREC) makes a payment from the Real Estate Trust Account for a license holder, the potential consequence can be severe. Specifically, the license holder's license may be revoked. This action typically occurs when a license holder is found to be in violation of ethical standards or regulations, particularly concerning the misappropriation of funds, which is often taken seriously in the real estate profession. The use of the Real Estate Trust Account is strictly governed by regulations to protect consumers, and misuse can lead to significant consequences. The severity of license revocation highlights the importance of maintaining ethical standards in real estate transactions and the accountability of licensed professionals. While warning, suspension, or repayment could be relevant actions in various other contexts involving violations, revocation directly addresses the most serious breaches of trust and ethical conduct associated with the Funds of clients or customers.

7. If a license holder fails to provide a title advisory notice, what could be the consequence?

- A. The buyer may lose their deposit
- B. TREC may revoke the agent's license**
- C. The transaction can be delayed
- D. The sale price may increase

If a license holder fails to provide a title advisory notice, one significant consequence is that TREC may revoke the agent's license. This highlights the importance of compliance with legal obligations within real estate transactions. The title advisory notice is designed to inform buyers about potential issues related to title defects or concerns that could affect property ownership. By not providing this notice, the license holder may be considered negligent or in violation of their duty to a client, which can lead to disciplinary action from TREC. In real estate, maintaining transparency and adhering to regulations is critical for protecting buyers and ensuring fair practices. If an agent fails to meet these standards, TREC holds the authority to enforce penalties, including revoking the agent's license, as a means to uphold the integrity of the profession. Therefore, compliance with such requirements is essential, as it not only safeguards the interests of the client but also the professional standing of the agent.

8. What occurs when an application fee is paid and the application is rejected?

- A. The application fee is refunded.
- B. The application fee is non-refundable.**
- C. The application fee is credited to first month's rent.
- D. The application fee is donated to charity.

When an application fee is paid and the application is rejected, the appropriate outcome is that the application fee is non-refundable. This means that the fee is retained by the landlord or property management company regardless of the application's outcome. Application fees are typically used to cover the costs associated with processing the application, such as background checks, credit checks, and administrative expenses. Real estate practices often establish these fees as non-refundable to ensure that applicants are serious and committed to pursuing the rental property. This approach also helps landlords manage the expense of processing multiple applications, as re-evaluating applications can be costly in time and resources. Consequently, even if a candidate does not secure the rental, the applicant fee is retained to compensate for the incurred costs, solidifying the position that this type of fee is generally non-refundable.

9. Which of the following is NOT a duty of a sales agent?

- A. Listing properties.
- B. Financing a purchase.
- C. Disclosing material facts.
- D. Providing signed documents to clients.

A sales agent is primarily responsible for tasks that facilitate the buying and selling of real estate, which includes listing properties, disclosing material facts, and providing signed documents to clients. Each of these duties plays a critical role in ensuring transparency and protecting the interests of the parties involved in a transaction. Listing properties involves marketing and promoting homes for sale, aiming to attract potential buyers. Disclosing material facts is crucial for maintaining ethical standards and legal compliance; agents must inform clients about any significant issues related to the property that could influence their decision-making. Providing signed documents is essential as it formalizes agreements and ensures that all parties have the necessary documentation to proceed. In contrast, financing a purchase falls outside the typical duties of a sales agent. Sales agents do not provide financing themselves; rather, they can guide clients to lenders or financial institutions that can assist with obtaining loans. The financing process involves specialized knowledge and functions that are generally handled by mortgage brokers and lenders, making it not a direct duty of the sales agent.

10. Which of the following is not a requirement for a corporate or LLC business name?

- A. File an Assumed Name Certificate with the county clerk
- B. Use the name registered with the secretary of state
- C. Have a legal representative available
- D. File an Assumed Name Certificate in Texas

The requirement for a corporate or LLC business name typically involves certain formalities aimed at ensuring transparency and legality in business operations. While many aspects, such as filing an Assumed Name Certificate or using the name registered with the secretary of state, are integral to establishing a business identity, having a legal representative is not a specific requirement for the business name itself. A legal representative might be necessary for various operational or legal reasons within a business, but it does not influence the validity or formation of the business name. Thus, it is not a requirement directly associated with the naming protocols for corporations or LLCs. Consequently, understanding that some responsibilities pertain to overall business practices, while others are specifically tied to naming conventions and legal registrations helps delineate the correct answer.

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://treccsalesagent.examzify.com>

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

SAMPLE