HAWAII PRE-LICENSING 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.

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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!

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Questions

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1. According to the Federal Fair Housing Act as amended in 1988, which condition is considered handicapping?

A. Having a minor physical injury

B. Having a mental impairment that substantially limits a major life activity

C. Having a learning disability only

D. Being over the age of 65

2. Under the Federal Fair Housing Act, how should a broker respond to a homeowner's preference for a specific type of family as tenants?

A. Follow the preference if possible

B. Inform the owner that such preferences cannot be followed

C. Advise to conduct a thorough background check

D. Agree to the preference for legal reasons

3. Which of the following is an example of a restrictive covenant?

A. Not allowing mobile homes on a property

B. Setting rules for lawn maintenance

C. Adjusting the property tax rate

D. Creating homeowners association fees

4. What type of facts must be disclosed as part of the full disclosure requirement?

A. Only positive aspects of the property

B. All material facts that could affect a buyer's decision

C. Seller's personal financial status

D. Competition from similar properties

5. Under which principle may the state acquire title to abandoned property?

A. Confiscation

B. Escheat

C. Taxation

D. Eminent domain

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6. What is the main purpose of a home inspection?

A. To negotiate the sale price of the property

B. To identify any potential issues or repairs needed before the sale

C. To confirm the property value for financing

D. To ensure compliance with local laws

7. In a tenants in common agreement, if one owner dies, how is the property distributed?

A. The property is sold and divided evenly

B. It is divided, with the surviving owner's interest remaining intact

C. The entire property goes to the state

D. It is divided, with the surviving party retaining their original interest

8. Which of the following can negatively impact a property's value?

A. High demand in the housing market

B. Recent renovations to the property

C. Crime rates, environmental hazards, and poor school districts

D. Increased interest rates on mortgages

9. A title insurance policy will protect a buyer from financial losses that are caused by:

A. Accidental property damage

B. An encumbrance to which the policy has not taken an exception

C. Natural disasters affecting the property

D. Acts of vandalism on the property

10. How does a leasehold estate differ from a fee simple estate?

A. A leasehold grants temporary use; a fee simple is full ownership

B. A leasehold is indefinite; a fee simple is temporary

C. A fee simple is for commercial properties; a leasehold is residential

D. A leasehold involves shared ownership; fee simple does not

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Answers

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

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Explanations

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1. According to the Federal Fair Housing Act as amended in 1988, which condition is considered handicapping?

A. Having a minor physical injury

B. Having a mental impairment that substantially limits a major life activity

C. Having a learning disability only

D. Being over the age of 65

The correct answer identifies a condition described in the Federal Fair Housing Act, specifically regarding what constitutes a handicap or disability. According to the act, a condition is considered a handicap if it results from a mental impairment that substantially limits one or more major life activities. This aligns with the legal definition, emphasizing the significant impact that such impairments can have on an individual's daily life. In the context of the act, it is important to note that "major life activities" can include tasks such as walking, communicating, or caring for oneself. This broader consideration aims to protect individuals with various disabilities from discrimination in housing situations. The definition under the Fair Housing Act is comprehensive and acknowledges mental impairments alongside physical disabilities. Other conditions listed, such as having a minor physical injury or being over the age of 65, do not meet the legal thresholds as outlined in the Fair Housing Act. Similarly, having a learning disability alone may not encompass the broader implications of impairing major life activities as required for protection under the act. Thus, the focus on mental impairment that substantially limits major life activities accurately captures the intention of the legislation.

2. Under the Federal Fair Housing Act, how should a broker respond to a homeowner's preference for a specific type of family as tenants?

A. Follow the preference if possible

B. Inform the owner that such preferences cannot be followed

C. Advise to conduct a thorough background check

D. Agree to the preference for legal reasons

The Federal Fair Housing Act is designed to prevent discrimination in housing based on race, color, national origin, religion, sex, familial status, and disability. When a homeowner expresses a preference for a specific type of family as tenants, a broker must adhere to the mandates of this act, which prohibits discriminatory practices. Informing the homeowner that such preferences cannot be followed is the correct approach because it upholds fair housing laws, ensuring that all potential tenants are treated equally and without bias. This response is crucial not only to comply with legal obligations but also to promote equal opportunity in housing. The broker's role includes educating clients about these laws and helping them understand the importance of non-discriminatory practices in rental situations. This approach also protects the broker from potential legal consequences that could arise from facilitating discriminatory preferences. Therefore, it is essential for brokers to firmly communicate that they cannot act on any customer or owner preferences that violate the Fair Housing Act, fostering an inclusive and equitable rental environment.

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3. Which of the following is an example of a restrictive covenant?

A. Not allowing mobile homes on a property

B. Setting rules for lawn maintenance

C. Adjusting the property tax rate

D. Creating homeowners association fees

A restrictive covenant is a provision in a property deed that restricts the ways in which the property can be used. In this context, not allowing mobile homes on a property is a prime example of a restrictive covenant because it legally prohibits specific types of structures from being placed on the property. This type of clause is often included to maintain the character of a neighborhood or community. Setting rules for lawn maintenance, while influencing the aesthetic appearance of a property, is generally more about maintenance guidelines rather than restricting property use outright. Adjusting the property tax rate is a financial matter governed by tax laws and does not pertain to property use restrictions. Creating homeowners association fees relates to the financial obligations of property ownership but does not impose restrictions on the actual use or structure of the property. Therefore, the first choice is clearly focused on usage limitations, fitting the definition of a restrictive covenant appropriately.

4. What type of facts must be disclosed as part of the full disclosure requirement?

A. Only positive aspects of the property

B. All material facts that could affect a buyer's decision

C. Seller's personal financial status

D. Competition from similar properties

The requirement for full disclosure in real estate transactions mandates that all material facts be disclosed that could influence a buyer's decision-making process. Material facts are those that would significantly impact the value or desirability of the property and can range from issues like structural integrity, zoning changes, or any defects in the property. By ensuring that buyers are informed about all relevant material facts, the aim is to foster transparency, protect consumers, and maintain fairness in the transaction. The other options do not fulfill the full disclosure requirement because only focusing on positive aspects of the property fails to provide a complete picture, while a seller's personal financial status and competition from similar properties do not directly affect the intrinsic characteristics of the property itself relevant to the buyer's decision.

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5. Under which principle may the state acquire title to abandoned property?

A. Confiscation

B. Escheat

C. Taxation

D. Eminent domain

The principle under which the state may acquire title to abandoned property is known as escheat. Escheat occurs when a person's property reverts to the state because the owner has died without a will (intestate) and without any heirs to inherit the property, or when property has been abandoned and remains unclaimed for a certain period of time. This legal process ensures that property does not remain in indefinite limbo but instead can be put to use by the state for the public good. In the context of abandoned property, escheat allows the state to take control over a property that has no identifiable owner, effectively preventing it from falling into decay or misuse. States have specific laws and procedures that govern how this process is carried out, including the length of time property must remain abandoned before escheat can occur. Other principles, such as confiscation, taxation, and eminent domain, do not apply to the same scenario of acquiring abandoned property. Confiscation typically refers to the seizure of property by authorities due to illegal activity, taxation involves collecting revenue through property taxes, and eminent domain is the government's right to take private property for public use with compensation to the owner. These concepts address different legal circumstances and do not relate directly to the acquisition

6. What is the main purpose of a home inspection?

A. To negotiate the sale price of the property

B. To identify any potential issues or repairs needed before the sale

C. To confirm the property value for financing

D. To ensure compliance with local laws

The primary purpose of a home inspection is to identify any potential issues or repairs needed before the sale. This comprehensive assessment provides buyers with crucial information about the condition of the property, highlighting areas that may require repairs, maintenance, or further evaluation by specialists. By uncovering these issues early in the transaction process, buyers can make informed decisions, negotiate repairs or credits, or even reconsider their purchase offer if significant problems are found. While negotiating the sale price is an important aspect of a real estate transaction, the home inspection itself serves as a tool to uncover facts rather than directly to negotiate price. Similarly, while confirming property value for financing plays a role in the purchase process, it typically involves appraisals rather than inspections. Compliance with local laws may also be relevant, but home inspections mainly focus on the physical condition and safety of the structure and its systems, rather than legal compliance. In summary, the home inspection is fundamentally about assessing the property's condition to ensure a smoother and more transparent purchasing experience.

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7. In a tenants in common agreement, if one owner dies, how is the property distributed?

A. The property is sold and divided evenly

B. It is divided, with the surviving owner's interest remaining intact

C. The entire property goes to the state

D. It is divided, with the surviving party retaining their original interest

In a tenants in common agreement, when one owner passes away, that owner's share of the property does not automatically transfer to the remaining co-owners but rather becomes a part of their estate. The survivor retains their original interest in the property, and the deceased co-owner's share is distributed according to their will or the state's laws of intestacy if there is no will. This means the surviving co-owner still maintains their percentage of ownership, and the deceased's interest can be passed on to their heirs or beneficiaries, depending on the circumstances. This structure is distinct from joint tenancy, where the right of survivorship ensures that the remaining owners automatically inherit the deceased's share. In a tenants in common arrangement, the continuity of ownership and the flexibility in managing each party's share is preserved, allowing heirs to inherit without disrupting the ownership structure among the surviving co-owners.

8. Which of the following can negatively impact a property's value?

A. High demand in the housing market

B. Recent renovations to the property

C. Crime rates, environmental hazards, and poor school districts

D. Increased interest rates on mortgages

Factors such as crime rates, environmental hazards, and poor school districts can significantly detract from a property's value. When prospective buyers assess a neighborhood, these concerns often weigh heavily in their decision-making process. High crime rates instill fear and uncertainty about safety, which can lead to decreased demand. Similarly, environmental hazards—such as proximity to toxic sites or flood zones—raise serious concerns about health and property integrity. Additionally, properties located in school districts that are considered inferior can deter families who prioritize education for their children, thus reducing overall property demand in those areas. In contrast, while high demand in the housing market and recent renovations typically contribute positively to property values, and increased interest rates on mortgages can affect buyer affordability, they do not intrinsically impose a negative value on a property itself. Therefore, option C identifies external factors that can have detrimental consequences on property valuation, making it the correct answer.

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9. A title insurance policy will protect a buyer from financial losses that are caused by:

A. Accidental property damage

B. An encumbrance to which the policy has not taken an exception

C. Natural disasters affecting the property

D. Acts of vandalism on the property

A title insurance policy is specifically designed to protect property buyers and lenders from financial losses associated with defects in the title or issues that could affect ownership rights. When considering the correct choice, it's essential to understand that title insurance covers risks related to the legal status of a property rather than physical damage or disasters. The correct choice emphasizes that the policy will protect against any encumbrances or claims against the property that are not excluded in the policy exceptions. For instance, if an earlier mortgage or lien not disclosed during the closing process is later discovered, and it leads to a financial loss for the buyer, the title insurance would cover that loss. This emphasis on undisclosed encumbrances is a key reason why title insurance is vital in real estate transactions, as it assures buyers that they hold clear title to the property. The other options, while they may relate to property risks in general, do not align with the scope of title insurance. Accidental property damage and acts of vandalism pertain to physical damage to the property, which is typically covered by homeowners' insurance rather than title insurance. Meanwhile, natural disasters, such as floods or earthquakes, fall under separate insurance policies designed for such events, not title insurance. Thus, the correct choice directly reflects the unique

10. How does a leasehold estate differ from a fee simple estate?

A. A leasehold grants temporary use; a fee simple is full ownership

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C. A fee simple is for commercial properties; a leasehold is residential

D. A leasehold involves shared ownership; fee simple does not

A leasehold estate differs from a fee simple estate primarily in terms of ownership and duration. A leasehold estate grants the tenant temporary use of the property, for a specific period as defined in the lease agreement, typically ranging from a few months to several decades. In contrast, a fee simple estate represents full ownership of the property, allowing the owner to use, sell, or transfer the property without time limitations. This distinction is fundamental in real estate as it affects the rights and responsibilities of each party involved. The leaseholder knows they have control over the property only for the specified duration of the lease, while the fee simple owner has endless rights to the property until they decide to sell or otherwise dispose of it. This difference in rights and the nature of ownership is key to understanding property law and the various forms of real estate ownership. The other options do not accurately reflect the essential differences in ownership and rights related to leasehold and fee simple estates. For example, the idea that a leasehold is indefinite is incorrect, as leaseholds are specifically defined by their duration. Additionally, fee simple estates are not exclusive to commercial properties, nor do they involve shared ownership in the way that might be suggested.

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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:

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

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