HAWAII REAL ESTATE SALESPERSON 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. Regarding Employee Retirement System (ERS) mortgage loans, what is a requirement if the unit is on leased land?

A. The loan must be a conventional type, FHA, or VA

B. Construction must commence within six months

C. The term of the lease must exceed the term of the loan by at least ten years

D. There is a mandatory insurance policy requirement

2. What must a salesperson do before starting to work at a new brokerage?

A. The new broker must notify the commission of the change

B. The salesperson's license and fees must be returned to the commission

C. The salesperson must take her license to the new brokerage

D. The first broker must transfer the salesperson's license

3. If a seller is aware of major issues with a plumbing system, what should they disclose?

A. Some issues but not all

B. Only those that were reported

C. All known issues

D. No issues, if they think it will not affect the sale

4. A licensed broker who obtains an offer from a buyer is legally entitled to what if the seller initially accepts but later withdraws?

A. New listing agreement

B. Delayed commission payment

C. Retain the buyer's deposit

D. Commission payment

5. At what age does an individual reach legal competence to enter into contracts in Hawaii?

A. 16

B. 18

C. 21

D. 25

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6. What is the activity an unlicensed office assistant can do at an open house?

A. Answer any questions visitors may ask about the property

B. Negotiate the price with potential buyers

C. Provide the fact sheet prepared by the licensee

D. Walk through the home and point out desirable features

7. What must a real estate broker disclose if they know a property has a cracked foundation and that the former owner committed suicide?

A. The suicide, but not the foundation.

B. The cracked foundation, but not the suicide.

C. Both facts.

D. Neither fact.

8. Under RESPA, who must receive the good faith estimate statement at the time of loan application?

A. The seller

B. Neither the buyer nor the seller

C. The buyer

D. The lender

9. After how many years of marriage does a surviving spouse typically receive 65 percent of the estate?

A. 10 years

B. 15 years

C. 20 years

D. 25 years

10. What do the terms "grantor" and "grantee" refer to in real estate transactions?

A. Buyer and Seller

B. Landlord and Tenant

C. Developer and Municipality

D. Agent and Client

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Answers

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

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Explanations

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1. Regarding Employee Retirement System (ERS) mortgage loans, what is a requirement if the unit is on leased land?

A. The loan must be a conventional type, FHA, or VA

B. Construction must commence within six months

C. The term of the lease must exceed the term of the loan by at least ten years

D. There is a mandatory insurance policy requirement

The correct requirement concerning mortgage loans from the Employee Retirement System (ERS) when the unit is on leased land is that the term of the lease must exceed the term of the loan by at least ten years. This stipulation ensures that the borrower has a secure and prolonged occupancy right over the property, which is critical when financing a home on leased land. Leasing land, as opposed to owning it outright, introduces complexities regarding ownership and use. If the lease were to expire before or shortly after the loan term, the lenders would face significant risks, including the possibility that the borrower could lose their right to the property, thereby affecting the security of the loan. By requiring that the lease term exceeds the loan term by a minimum of ten years, the ERS creates a buffer zone that protects both the borrower and the lender. This requirement is rooted in the nature of mortgage securities and the necessity for stability and predictability in real estate financing. It reassures lenders that their investment will remain secure for a sufficient period, thereby facilitating lending in situations where the land may not be owned outright.

2. What must a salesperson do before starting to work at a new brokerage?

A. The new broker must notify the commission of the change

B. The salesperson's license and fees must be returned to the commission

C. The salesperson must take her license to the new brokerage

D. The first broker must transfer the salesperson's license

To begin work at a new brokerage, the correct step is to ensure that the salesperson's license and fees are returned to the commission. This action is necessary because the salesperson's license is tied to their current brokerage, and to officially move to a new brokerage, the license must be in the control of the new broker. Returning the license to the commission facilitates the proper transfer and ensures that the salesperson's licensing status is up to date with the new brokerage. Transferring to a new brokerage involves a formal process that maintains the integrity of the real estate licensing system. By returning the license and appropriate fees, the salesperson ensures that all regulatory requirements are met before resuming work, providing a solid foundation for their new role. The other options present alternative actions that do not accurately reflect the necessary steps for a salesperson transitioning to a new brokerage. The primary concern is that the proper procedures are followed in notifying and processing the change within the regulatory framework governing real estate practice in Hawaii.

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3. If a seller is aware of major issues with a plumbing system, what should they disclose?

A. Some issues but not all

B. Only those that were reported

C. All known issues

D. No issues, if they think it will not affect the sale

When it comes to real estate transactions, transparency is key, and the ethical and legal responsibility of the seller is to disclose all known issues with a property. This includes any significant problems with the plumbing system. Full disclosure protects both buyers and sellers by ensuring that potential issues are identified before a sale is finalized. By disclosing all known issues, the seller helps to establish trust with the buyer and can potentially avoid future litigation or disputes related to non-disclosure. Additionally, many states have specific laws regarding disclosure obligations, which typically require sellers to inform buyers about anything that might affect the property's value or livability. Choosing to only disclose some issues, only those reported, or no issues at all can lead to serious consequences, including legal ramifications and damaged reputations. The obligation to disclose all known issues is crucial in maintaining transparency and fostering a fair real estate market.

4. A licensed broker who obtains an offer from a buyer is legally entitled to what if the seller initially accepts but later withdraws?

A. New listing agreement

B. Delayed commission payment

C. Retain the buyer's deposit

D. Commission payment

The licensed broker is entitled to a commission payment in this scenario because the broker facilitated a valid offer from the buyer, which the seller initially accepted. Under the principles of real estate agency, once a seller accepts an offer through the broker, the broker earns the right to the commission, as they provided the service of bringing a buyer to the transaction. Even though the seller later withdraws their acceptance of the offer, the broker's role in presenting a ready, willing, and able buyer means they have fulfilled their obligation to earn a commission. The commission is generally based on the successful conclusion of the sale, but in cases where the seller backs out after acceptance, the broker may still have rights to the commission due to their involvement in the transaction. This situation underscores the importance of the broker's role as an intermediary and the legal agreements that define the terms of commission, regardless of the final outcome of the sale.

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5. At what age does an individual reach legal competence to enter into contracts in Hawaii?

A. 16

B. 18

C. 21

D. 25

In Hawaii, the legal age of competence to enter into contracts is 18 years old. This means that once an individual reaches this age, they can legally enter into binding agreements, including real estate contracts, without the need for parental or guardian consent. This legal benchmark is consistent with the majority of U.S. states, where adulthood and the capacity to make legal decisions are typically recognized at 18. The significance of reaching this age is crucial in real estate transactions, as it ensures that individuals can engage in financial commitments, such as purchasing property, making them accountable for their actions under the law. The other ages provided do not align with the state's legal framework for contract capacity. For example, individuals younger than 18 are generally considered minors and lack the full legal capacity to engage in contracts, which is why they may need a parent or guardian to co-sign.

6. What is the activity an unlicensed office assistant can do at an open house?

A. Answer any questions visitors may ask about the property

B. Negotiate the price with potential buyers

C. Provide the fact sheet prepared by the licensee

D. Walk through the home and point out desirable features

An unlicensed office assistant can indeed provide the fact sheet prepared by the licensee at an open house. This activity falls within the realm of permissible tasks for unlicensed individuals, as they are delivering information that has been formally prepared by a licensed real estate professional. The fact sheet typically contains information about the property, such as details about its features, pricing, and relevant disclosures, which are all facts rather than opinions or advice. This is a clear distinction from more complex activities such as negotiating the price or answering questions that involve subjective analysis or interpretations of the property. Additionally, while walking through the home and pointing out features may seem like an innocuous task, it can easily lead to scenarios where the unlicensed assistant might provide unauthorized opinions or advice, which they are not permitted to do. Thus, providing a fact sheet is a straightforward, fact-based task that ensures compliance with licensing laws while still contributing to the open house activity.

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7. What must a real estate broker disclose if they know a property has a cracked foundation and that the former owner committed suicide?

A. The suicide, but not the foundation.

B. The cracked foundation, but not the suicide.

C. Both facts.

D. Neither fact.

In the context of real estate transactions, certain disclosures are required by law to ensure that buyers are fully informed about the condition of a property they are considering. In Hawaii, as in many other states, a real estate broker is obligated to disclose any material facts that could influence a buyer's decision regarding the purchase of a property. Having knowledge of a cracked foundation represents a physical defect that could significantly affect the property's value and integrity. Buyers need to understand any issues that might require costly repairs or could affect their enjoyment of the property. Therefore, disclosing the cracked foundation is essential. Additionally, the suicide that took place in the property can be viewed as a material fact, impacting the buyer's perception of the property and possibly its resale value. This is especially pertinent if cultural or stigmatization issues around the event could affect a buyer's emotional or psychological comfort with the property. Consequently, both the information regarding the cracked foundation and the past incident of suicide must be disclosed by the real estate broker to ensure transparency and protect the interests of all parties involved in the transaction. This requirement stems from a commitment to ethical practices within the industry, recognizing that potential property buyers deserve to be aware of all relevant factors that could influence their purchase decision.

8. Under RESPA, who must receive the good faith estimate statement at the time of loan application?

A. The seller

B. Neither the buyer nor the seller

C. The buyer

D. The lender

The correct choice indicates that the buyer must receive the good faith estimate statement at the time of loan application. This requirement is part of the Real Estate Settlement Procedures Act (RESPA), which aims to provide consumers with timely information about the costs associated with their mortgage loans. The good faith estimate is an important document that outlines the estimated costs the buyer can expect to encounter during the closing process, including loan fees, closing costs, and other expenses. By providing this disclosure to the buyer at the time of loan application, RESPA helps ensure that consumers are informed and can make better financial decisions. This requirement emphasizes the buyer's need for transparency in the mortgage process, allowing them to compare different loan offers and understand the overall financial commitment they are entering into. In summary, the good faith estimate is crucial for the buyer as it aids in their preparation for the closing costs, making it essential that they receive it as part of their loan application process.

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9. After how many years of marriage does a surviving spouse typically receive 65 percent of the estate?

A. 10 years

B. 15 years

C. 20 years

D. 25 years

In the context of estate and inheritance laws, a surviving spouse's entitlement to a percentage of the deceased spouse's estate often correlates with the length of the marriage. In Hawaii, after 20 years of marriage, the surviving spouse typically receives a higher percentage of the estate, which is established at 65 percent. This provision is designed to reflect the significant commitment and contribution a spouse has made over a long duration of marriage. The specific figure underscores that the longer a couple has been married, the more the surviving spouse is recognized in terms of their financial support and partnership, especially in the case of estates. Years of marriage can influence the distribution of assets, thereby balancing the scales of equity among beneficiaries based on their familial relationships and contributions over time.

10. What do the terms "grantor" and "grantee" refer to in real estate transactions?

A. Buyer and Seller

B. Landlord and Tenant

C. Developer and Municipality

D. Agent and Client

In real estate transactions, the term "grantor" refers to the party that conveys or transfers ownership of a property, while the "grantee" is the individual or entity that receives the property or interest being conveyed. This terminology is foundational in understanding property transfers, as it identifies the roles of the parties involved in the transaction. When a seller sells property, they are acting as the grantor because they are granting ownership of the real estate to the buyer, who is the grantee. This delineation is important for clarity in legal documents, such as deeds, as it establishes the direction of ownership change. Thus, in the context of real estate transactions, the answer accurately reflects the distinct roles of buyers and sellers in property conveyance. Other options like landlord and tenant, developer and municipality, or agent and client do not pertain to the property ownership transfer process in the same way as grantor and grantee. These relationships involve different legal responsibilities and rights concerning property use or management rather than ownership transfer.

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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://hirealestatesalesperson.examzify.com

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

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