# NEBRASKA REAL ESTATE PRACTICE 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. **In which market may a lender sell a loan that a mortgage banker has previously originated?**

   A. Primary market

   B. Secondary market

   C. Tertiary market

   D. Wholesale market

2. **What does "FSBO" mean in real estate?**

   A. A property sold through a real estate agent

   B. A property being sold directly by the owner without the assistance of a licensed real estate agent

   C. A type of financing option for buyers

   D. A term for properties sold at auction

3. **Who holds the position of chairman of the Nebraska Real Estate Commission?**

   A. Governor of Nebraska

   B. Secretary of State

   C. State Attorney General

   D. Commission Executive Director

4. **In Nebraska, what is the significance of an access easement?**

   A. It prevents construction on a property

   B. It allows individuals the right to pass through another person's property for access purposes

   C. It grants ownership of a property to a neighbor

   D. It allows for public access to private land

5. **What factors can contribute to a property's functional obsolescence?**

   A. New zoning laws

   B. Economic downturns

   C. Poor design and age of the structure

   D. Location in a highly desirable area

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**6. If the Pickets are purchasing a home for $780,000 with a 90% loan at 5% interest and a 2% loan origination fee, what is the loan origination fee they must pay?**

A. $7,020

B. $14,040

C. $15,600

D. $21,000

**7. What is typically included in the Closing Disclosure?**

A. A listing of neighborhood property values

B. A detailed account of charges and adjustments for the transaction

C. A summary of the property's history

D. A schedule for future maintenance

**8. What potential issue arises if earnest money is commingled with a broker's personal funds?**

A. Increased financial stability

B. Violation of license law

C. Improved customer trust

D. No significant issue

**9. What type of transaction is characterized as at-arms-length?**

A. A transaction between family members

B. A straightforward market transaction

C. A transaction with multiple offers

D. A negotiated transaction

**10. An increase in the availability of money typically results in what effect on interest rates?**

A. Increase interest rates

B. No effect on interest rates

C. Decrease interest rates

D. Fluctuating interest rates depending on the economy

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# Answers

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

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# Explanations

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## 1. In which market may a lender sell a loan that a mortgage banker has previously originated?

A. Primary market

B. Secondary market

C. Tertiary market

D. Wholesale market

*The secondary market is where lenders can sell loans that have been originated, such as those created by mortgage bankers. In this market, loans are purchased by investors, which can include banks, insurance companies, and other financial institutions, allowing the original lenders to recoup their funds and continue making new loans. The primary market, in contrast, involves the initial transaction where borrowers obtain loans directly from lenders. Once a loan is made in the primary market, it can then be sold in the secondary market. The tertiary market is not typically a term used in the context of mortgage lending and does not involve the buying and selling of loans like the secondary market does. Lastly, the wholesale market refers to a type of operation where loans are offered in bulk, usually to other mortgage lenders, but it does not describe the general process of selling loans after they have been originated. Thus, the secondary market is the correct answer because it is specifically designed for the trading of loans post-origination.*

## 2. What does "FSBO" mean in real estate?

A. A property sold through a real estate agent

B. A property being sold directly by the owner without the assistance of a licensed real estate agent

C. A type of financing option for buyers

D. A term for properties sold at auction

*In real estate, "FSBO" stands for "For Sale By Owner." This term is used to describe a situation where a property is being sold directly by the owner without the involvement of a licensed real estate agent. This means that the owner takes on the responsibility of marketing the property, negotiating with potential buyers, and handling the sale process themselves. Choosing to sell a home as FSBO can be appealing to some owners because it allows them to avoid paying real estate commissions to agents, which can be a significant cost. However, it also requires that the owner have adequate knowledge of the market and the selling process to effectively navigate the complexities involved in a real estate transaction. This understanding contrasts with the other options, which refer to different aspects of real estate transactions. For example, properties sold through agents involve professional representation, while different financing options pertain to how buyers finance their purchases, and auction properties are those sold in a competitive bidding format. Thus, the definition of FSBO focuses specifically on the direct sale by the owner.*

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## 3. Who holds the position of chairman of the Nebraska Real Estate Commission?

A. Governor of Nebraska

B. Secretary of State

C. State Attorney General

D. Commission Executive Director

*The chairman of the Nebraska Real Estate Commission is typically selected from within the commission's members, and it is not held by the Governor, Secretary of State, or the State Attorney General. Instead, the commission itself encompasses various appointed members who have relevant experience and expertise in real estate. While the Secretary of State plays a significant role in various state functions, including overseeing the registration of businesses and maintaining official state records, they do not serve as the chairman of the Real Estate Commission. The role of the chairman is essential in leading the commission's activities, ensuring that it effectively regulates the real estate industry to protect the interests of the public and the integrity of real estate practices. Hence, the answer that identifies the Secretary of State does not align with the actual governance structure of the commission in Nebraska. The precise current leadership of the commission would be appropriately referenced from an official source or the commission's website for the most accurate and current information.*

## 4. In Nebraska, what is the significance of an access easement?

A. It prevents construction on a property

B. It allows individuals the right to pass through another person's property for access purposes

C. It grants ownership of a property to a neighbor

D. It allows for public access to private land

*In Nebraska, an access easement is significant because it grants individuals the legal right to pass through another person's property specifically for access purposes. This is particularly important in situations where a property may be landlocked or lacking direct access to public roads. Such easements ensure that property owners have the necessary means to reach their land, which can be critical for various activities, including accessing homes, businesses, or agricultural land. This legal right does not entail any ownership of the land through which the easement runs. Instead, it simply permits reasonable use of that land to facilitate access. Understanding this concept is vital for property owners and prospective buyers, as it establishes how land can be used and what rights individuals have regarding passage across someone else's property. Other options do not accurately represent the function of an access easement. For instance, preventing construction or granting ownership does not align with what an easement entails. Similarly, allowing public access to private land is not the primary purpose of an access easement, which is typically restricted to certain individuals or conditions. Thus, option B clearly highlights the core function of an access easement in real estate law in Nebraska.*

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## 5. What factors can contribute to a property's functional obsolescence?

A. New zoning laws

B. Economic downturns

C. Poor design and age of the structure

D. Location in a highly desirable area

*Functional obsolescence refers to a reduction in a property's usefulness or desirability due to design flaws or outdated features, which can arise from various factors including poor design and the age of the structure. When a building does not meet the current standards of functionality required by modern tenants or buyers, it can lead to challenges in attracting interest or achieving favorable pricing in the market. For instance, a home with outdated layouts, insufficient amenities, or impractical configurations may be seen as less desirable compared to newer properties that cater to contemporary preferences. Similarly, age can introduce issues such as outdated electrical systems, plumbing, or lack of energy-efficient systems, which are increasingly important for today's buyers. These characteristics can significantly impact the property's overall marketability and value, hence contributing to functional obsolescence. In contrast, new zoning laws could impose changes that impact how a property is used but do not inherently alter the property's functionality. Economic downturns primarily influence market demand and property values rather than the intrinsic functions of the property design itself. Being located in a highly desirable area tends to enhance a property's value and desirability, rather than contribute to obsolescence.*

## 6. If the Pickets are purchasing a home for $780,000 with a 90% loan at 5% interest and a 2% loan origination fee, what is the loan origination fee they must pay?

A. $7,020

B. $14,040

C. $15,600

D. $21,000

*To calculate the loan origination fee, first determine the amount of the loan based on the home purchase price and the percentage financed through the loan. The Pickets are purchasing a home for $780,000, and they will be financing 90% of this amount. Calculating 90% of $780,000 gives: \[ 0.90 \times 780,000 = 702,000 \] This means the loan amount will be $702,000. Next, the loan origination fee is typically calculated as a percentage of the loan amount. In this case, there is a 2% loan origination fee. To find the fee amount: \[ 0.02 \times 702,000 = 14,040 \] Thus, the total loan origination fee they must pay is $14,040. This amount directly correlates with the correct calculation involving both the loan percentage and the percentage fee assessed on that loan. Therefore, the answer reflects a proper understanding of how to calculate the loan origination fee based on the initial purchase price and financing terms.*

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## 7. What is typically included in the Closing Disclosure?

A. A listing of neighborhood property values

B. A detailed account of charges and adjustments for the transaction

C. A summary of the property's history

D. A schedule for future maintenance

*The Closing Disclosure is a critical document in a real estate transaction, providing a comprehensive overview of the financial details and terms between the buyer and the seller. It includes a detailed account of charges and adjustments associated with the transaction, such as loan terms, monthly payments, closing costs, and any other fees that may be applicable. This transparency is designed to ensure that both parties are fully informed about the financial obligations involved in the sale. The inclusion of this detailed financial information is essential for buyers, as it allows them to review and understand all costs they will incur at closing, ensuring that there are no surprises. It also aids in the comparison of loan offers and enables buyers to make informed decisions based on the comprehensive breakdown of their financial responsibilities. Other options may provide information that is relevant to real estate but are not part of the Closing Disclosure. For instance, while listing neighborhood property values can be beneficial for understanding market trends, it does not directly relate to the transaction's closing details. Similarly, summarizing the property's history or scheduling future maintenance is valuable information but does not pertain to the specific costs and closings associated with the sale. Thus, the detailed account of charges and adjustments stands out as the correct inclusion in the Closing Disclosure.*

## 8. What potential issue arises if earnest money is commingled with a broker's personal funds?

A. Increased financial stability

B. Violation of license law

C. Improved customer trust

D. No significant issue

*The potential issue that arises if earnest money is commingled with a broker's personal funds primarily involves a violation of license law. Commingling earnest money with personal funds undermines the integrity of the trust accounts that brokers are required to maintain. License laws are put in place to protect buyers and sellers by ensuring that their funds are handled properly and securely. When a broker mixes these funds, it can lead to mismanagement or misuse, posing risks to clients and potentially leading to legal consequences for the broker. Upholding these regulations is crucial for maintaining ethical standards in real estate practices and protecting the interests of all parties involved in a transaction.*

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## 9. What type of transaction is characterized as at-arms-length?

A. A transaction between family members

B. A straightforward market transaction

C. A transaction with multiple offers

D. A negotiated transaction

*An at-arms-length transaction is defined as a deal negotiated between parties who are typically acting in their own self-interest, without any special relationship influencing the terms or the agreement. This kind of transaction ensures that each party has equal bargaining power, and the transaction is conducted fairly and openly. A straightforward market transaction encapsulates these elements well. It reflects a scenario where both the buyer and seller are independent and have no prior connections that might affect their negotiation. In such situations, the pricing and terms are determined by the market conditions, and both parties are motivated solely by their own interests, leading to a fair exchange of value. When analyzing other options, a transaction between family members is often not at-arms-length due to personal relationships affecting the negotiating power and terms. A transaction with multiple offers may involve competitive dynamics but does not inherently guarantee that the parties are independent. Similarly, a negotiated transaction can take many forms and may or may not involve an at-arms-length scenario depending on the relationships of the parties involved. Thus, a straightforward market transaction best describes the essence of an at-arms-length transaction.*

## 10. An increase in the availability of money typically results in what effect on interest rates?

A. Increase interest rates

B. No effect on interest rates

C. Decrease interest rates

D. Fluctuating interest rates depending on the economy

*When there is an increase in the availability of money, this typically leads to a decrease in interest rates. This relationship is grounded in the basic principles of supply and demand. When more money is available in the financial system, lenders have more funds to offer to borrowers. To attract more borrowers, they tend to lower the cost of borrowing, which is reflected in lower interest rates. This decrease can stimulate economic activity since lower interest rates generally make borrowing cheaper for consumers and businesses. This can lead to increased spending and investment, further enhancing economic growth. In contrast, an increase in interest rates often occurs when money is less available, making it more expensive to borrow. This can lead to a slowdown in borrowing and spending, dampening economic activity. Understanding this dynamic is crucial for recognizing how monetary policy and the broader economy interact.*

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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://nerealestate.examzify.com

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

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