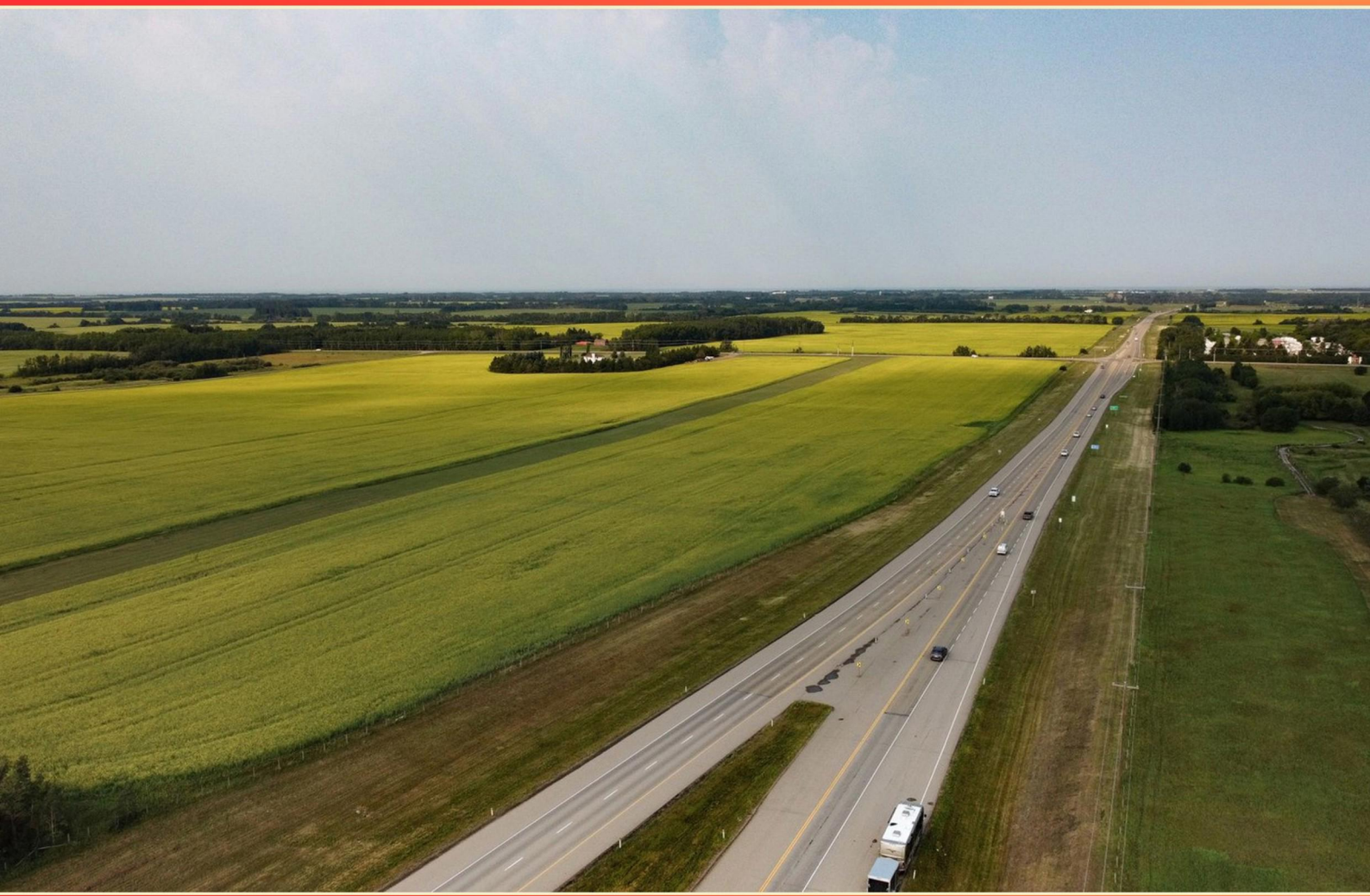
NORTH DAKOTA REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://northdakota-realestate.examzify.com

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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. **How often may the Real Estate Commission submit a report to the governor and secretary of state?**

   A. Monthly

   B. Biennial

   C. Annually

   D. Quarterly

2. **A broker applicant must successfully complete their required 60-hour course before taking the exam. Is this statement true or false?**

   A. True

   B. False

   C. Depends on the state

   D. Only for initial applicants

3. **What characterizes an adjustable-rate mortgage (ARM)?**

   A. A fixed interest rate for the entire mortgage term

   B. An interest rate that remains constant over time

   C. An interest rate that may change periodically based on a financial index

   D. A loan that requires no down payment

4. **In what scenario would a claim against the Real Estate fund typically be denied?**

   A. The claimant is a licensee

   B. The claim is based on a verbal agreement

   C. The claim is filed after the deadline

   D. The claim is for general dissatisfaction

5. **What does "REO" stand for in real estate?**

   A. Real Estate Opportunity

   B. Real Estate Owned

   C. Real Estate Office

   D. Recent Estate Oversight

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6. What is "title insurance"?

A. Insurance against natural disasters

B. Insurance that protects against losses due to defects in the title of a property

C. Insurance for personal property within a home

D. Insurance against foreclosure

7. What is the minimum age requirement to obtain a real estate license in North Dakota?

A. 16 years old

B. 17 years old

C. 18 years old

D. 21 years old

8. What is required for a person to act under a power of attorney in real estate transactions?

A. The power of attorney must be revoked at the time of sale

B. The transaction must be recurrent and frequent

C. The power of attorney must be duly executed and not recurrent

D. The power of attorney must be filed with the commission

9. What is a necessary condition for the subdivision process?

A. Establishing zoning regulations

B. Approval from local government authorities

C. Completion of environmental impact assessments

D. All of the above

10. If the method of disposition is adopted to evade registration provisions, how is this treated?

A. It becomes legal

B. It remains exempt

C. It violates the act

D. It is regulated under different laws

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Answers

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

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Explanations

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1. How often may the Real Estate Commission submit a report to the governor and secretary of state?

A. Monthly

B. Biennial

C. Annually

D. Quarterly

The Real Estate Commission in North Dakota is required to submit a report to the governor and secretary of state biennially. This means that the commission will prepare and submit a report every two years. This reporting frequency is typically designed to provide a comprehensive overview of the commission's activities, updates on regulations, and insights into the real estate market to the state's leaders without overwhelming them with too frequent updates. This two-year cycle allows for a more substantial collection of data and results, ensuring that the governor and secretary of state have a clear view of the commission's performance over a significant period, rather than the more frequent intervals like monthly, quarterly, or annually, which are typically used for other reporting or operational matters.

2. A broker applicant must successfully complete their required 60-hour course before taking the exam. Is this statement true or false?

A. True

B. False

C. Depends on the state

D. Only for initial applicants

The statement is true because, in North Dakota, a broker applicant is required to complete a specific pre-licensure education of at least 60 hours before they are eligible to take the broker licensing exam. This requirement ensures that applicants possess the necessary foundational knowledge about real estate practices, regulations, and responsibilities, which are crucial for operating as a broker. Completing this coursework not only prepares applicants for the exam but also equips them with essential skills and insights to effectively manage real estate transactions and adhere to legal standards in the industry. Understanding the importance of this educational requirement helps reinforce why completion of the 60-hour course is a critical step in the licensing process.

3. What characterizes an adjustable-rate mortgage (ARM)?

A. A fixed interest rate for the entire mortgage term

B. An interest rate that remains constant over time

C. An interest rate that may change periodically based on a financial index

D. A loan that requires no down payment

An adjustable-rate mortgage (ARM) is characterized by an interest rate that may change periodically based on a financial index. This means that the initial interest rate is usually lower than that of a fixed-rate mortgage, but it can fluctuate over time depending on changes in the specified index, such as Treasury rates or other benchmark rates. The benefit of an ARM is often the lower initial rate, which can make homeownership more affordable in the short term. However, borrowers need to be aware that as the rate adjusts, their monthly payments could also increase, which is a key aspect of the financial risk involved. In contrast, a fixed-rate mortgage maintains the same interest rate throughout the life of the loan, providing stability in monthly payments. Similarly, an interest rate that remains constant over time describes a fixed-rate mortgage rather than an ARM. Additionally, a loan requiring no down payment does not specifically relate to the interest characteristics of the mortgage but rather refers to the financing terms, which can apply to various mortgage types. Thus, option C accurately represents the defining feature of adjustable-rate mortgages.

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4. In what scenario would a claim against the Real Estate fund typically be denied?

A. The claimant is a licensee

B. The claim is based on a verbal agreement

C. The claim is filed after the deadline

D. The claim is for general dissatisfaction

A claim against the Real Estate Fund would typically be denied if it is filed after the deadline. This is because claims against such funds are subject to strict filing deadlines set by the governing regulations. Failing to adhere to these timelines generally results in the forfeiture of the right to seek reimbursement or compensation from the fund, regardless of the merits of the claim itself. Timeliness is crucial in the administration of claims, and deadlines ensure that the process remains orderly and that the fund can manage its resources adequately. Therefore, any claim submitted beyond the established time frame is likely to be dismissed, emphasizing the importance of prompt action in legal and financial matters related to real estate.

5. What does "REO" stand for in real estate?

A. Real Estate Opportunity

B. Real Estate Owned

C. Real Estate Office

D. Recent Estate Oversight

In real estate, "REO" stands for Real Estate Owned. This term refers to properties that have gone through the foreclosure process and are now owned by a lender, typically a bank or government agency. After a property is foreclosed on, it is usually placed up for sale to recover the losses incurred from the loan. By owning these properties, lenders can gain a more direct way to control their assets and manage the sale process to potentially recoup losses. Understanding this terminology is essential for navigating the real estate market, especially when dealing with distressed properties and bank-owned listings, which can represent opportunities for investors and homebuyers looking for potential deals. The other choices do not reflect established terms used in the real estate industry related to properties owned by financial institutions after foreclosure.

6. What is "title insurance"?

A. Insurance against natural disasters

B. Insurance that protects against losses due to defects in the title of a property

C. Insurance for personal property within a home

D. Insurance against foreclosure

Title insurance is a form of indemnity insurance that protects property buyers and mortgage lenders from losses related to defects or issues in a property's title. This includes problems such as outstanding liens, fraudulent titles, or disputes over ownership. When a person purchases property, they want to ensure that they have clear ownership without risks of claims or disputes arising from previous owners or other parties that could affect their rights to the property. In this context, selecting title insurance ensures that the buyer is financially protected if any title issues come to light after the purchase. This is important in real estate transactions, as discovering defects in the title can lead to significant financial loss or legal challenges. The other choices do not accurately describe title insurance. Insurance against natural disasters is related to different types of insurance that cover physical damages, while insurance for personal property within a home pertains to homeowners or renters insurance. Insurance against foreclosure addresses different financial risks concerning the inability to repay a mortgage, rather than concerns pertaining to the title of a property itself.

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7. What is the minimum age requirement to obtain a real estate license in North Dakota?

A. 16 years old

B. 17 years old

C. 18 years old

D. 21 years old

To obtain a real estate license in North Dakota, an individual must be at least 18 years old. This age requirement is established to ensure that licensees have reached a level of maturity and legal status necessary to engage in contracts and professional responsibilities associated with real estate transactions. Being 18, individuals are legally considered adults and can consent to contracts, which is fundamental in real estate dealings where formal agreements are essential. This requirement also aligns with the general practice in many states, where 18 is the typical age at which individuals can enter into binding agreements. Understanding this age requirement helps future real estate professionals recognize the legal framework surrounding real estate practice in North Dakota, including the responsibilities and liabilities that come with being licensed.

8. What is required for a person to act under a power of attorney in real estate transactions?

A. The power of attorney must be revoked at the time of sale

B. The transaction must be recurrent and frequent

C. The power of attorney must be duly executed and not recurrent

D. The power of attorney must be filed with the commission

To act under a power of attorney in real estate transactions, it is essential that the power of attorney is duly executed and does not need to be recurrent. Duly executed means that the document has been properly completed and signed in accordance with the legal requirements, which typically includes witnessing and notarization, depending on state laws. This execution validates the authority granted to the attorney-in-fact (the person designated to act on behalf of the principal) to handle the specific real estate transaction. Furthermore, the non-recurrent nature indicates that the authority can be given for a specific transaction without the need for it to be on an ongoing basis. Real estate transactions often involve singular events, such as the sale or purchase of property, where a one-time power of attorney is appropriate and sufficient. This allows for flexibility and the ability to act swiftly in real estate dealings without needing ongoing oversight or repeated authorizations. In contrast, options that suggest revocation at the time of sale, a requirement for frequent transactions, or a need to file the power of attorney with a commission do not align with the standard legal protocols governing real estate transactions and the use of powers of attorney. Therefore, the emphasis on a duly executed and tailored document encapsulates the necessary legal framework for such an

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9. What is a necessary condition for the subdivision process?

A. Establishing zoning regulations

B. Approval from local government authorities

C. Completion of environmental impact assessments

D. All of the above

The subdivision process involves dividing a larger parcel of land into smaller lots, which can be developed or sold individually. One key aspect of this process is that it typically requires compliance with various regulations and approvals, which include zoning regulations, local government authority approval, and sometimes environmental impact assessments. Establishing zoning regulations is crucial because these regulations dictate how the land can be used, what types of buildings can be constructed, and the density of development allowed. Without adhering to these regulations, a subdivision may not be permissible. Approval from local government authorities is also essential. Local governments often have specific requirements and procedures that must be followed in the subdivision process. This may include review by planning commissions or city councils, which ensure that the subdivision conforms to community planning objectives and infrastructure capacity. Additionally, in many cases, environmental impact assessments are required to evaluate how a proposed subdivision might affect the surrounding environment. This is particularly important in areas where natural resources, wildlife habitats, or sensitive ecosystems are present. All of these components are interconnected and play a vital role in ensuring that subdivisions are developed responsibly and in accordance with legal and community standards. Hence, the necessity of all these conditions supports the conclusion that they collectively represent vital steps in the subdivision process.

10. If the method of disposition is adopted to evade registration provisions, how is this treated?

A. It becomes legal

B. It remains exempt

C. It violates the act

D. It is regulated under different laws

When the method of disposition is adopted specifically to evade registration provisions, it is treated as a violation of the act. This is because registration provisions exist to protect consumers, ensure transparency in real estate transactions, and uphold the integrity of the real estate market. Evading these requirements undermines the purpose of regulation and can lead to potential legal repercussions for those involved in the transaction. By engaging in such practices, individuals or entities are not only disregarding the established laws but also potentially exposing themselves to penalties, fines, or other legal actions that stem from non-compliance with the registration requirements. Thus, the intention to evade these provisions solidifies the act as a violation, highlighting the importance of adhering to legal frameworks in real estate transactions.

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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://northdakota-realestate.examzify.com

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

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