Pass Texas Premium Study Series

FULL SCORED-DISTRIBUTION SIMULATION

Texas Real Estate Exam 120-Question Practice Simulation

120 original questions arranged in the official 80-question National / General and 40-question Texas State Law scored distribution, with explanations, exam traps and source cues.

80	40	14	120
NATIONAL QUESTIONS	TEXAS QUESTIONS	OFFICIAL EXAM AREAS	ANSWER EXPLANATIONS

Original study questions
These are Pass Texas questions, not reproduced Pearson VUE live exam items. Unscored pretest items are not simulated because Pearson does not identify them during the real exam.

Verified August 30, 2026 | Version 2.0

SIMULATION PROTOCOL

Take it like the real exam

- Complete the National and Texas portions separately and without notes.
- Answer every question. Mark uncertainty, but do not leave blanks.
- Use only the calculator and materials permitted by the current candidate handbook.
- Score each portion separately. The official minimum is 56 of 80 National and 28 of 40 Texas State Law.
- Treat 80 percent on fresh questions as a readiness benchmark, not an official requirement.

PORTION	RAW SCORE	OFFICIAL MINIMUM	80% PRACTICE TARGET
National / General	____ / 80	56	64
Texas State Law	____ / 40	28	32

LEARN THE CONCEPT

www.passtexasrealestate.com/free-texas-real-estate-practice-test

PRACTICE THIS TOPIC

www.passtexasrealestate.com/practice-exam

NATIONAL / GENERAL

Real Estate Contracts and Agency

16 questions in this simulation, matching the official scored-item allocation.

QUESTION 1 | CONTRACTS & AGENCY

1. A buyer and seller shake hands on the sale of a vacant lot for $90,000, but nothing is put in writing. Before closing, the seller backs out. Can the buyer force the sale?

A. Yes, because a verbal agreement on price and property is a binding contract
B. Yes, because the buyer relied on the seller's promise
C. No, because under the Statute of Frauds a contract for the sale of real property must be in writing and signed to be enforceable
D. No, because vacant land cannot be sold without a survey

QUESTION 2 | CONTRACTS & AGENCY

2. Which set lists the four essential elements every valid contract must have?

A. Earnest money, a licensed broker, a survey, and a closing date
B. Competent parties, mutual assent (offer and acceptance), a lawful purpose, and consideration
C. A written document, a notary, two witnesses, and recording
D. Offer, counteroffer, acceptance, and contingency

QUESTION 3 | CONTRACTS & AGENCY

3. A buyer offers $320,000. The seller responds with a counteroffer at $335,000. The buyer then says, I accept your original $340,000 list price. Does a binding contract exist?

A. Yes, because the buyer agreed to a higher price than the seller asked in the counteroffer
B. Yes, because the list price is a standing offer the buyer can accept anytime
C. No, because the seller's counteroffer terminated the buyer's original offer, and the buyer's statement is itself a new offer the seller is free to accept or reject
D. No, because the buyer already rejected the counteroffer, ending all negotiation permanently

QUESTION 4 | CONTRACTS & AGENCY

4. A 16-year-old signs a contract to buy a home. Under contract law, this agreement is

A. void, because a minor has no legal capacity to contract
B. voidable at the option of the minor, who may enforce it or disaffirm it
C. valid and fully binding on the minor
D. void, because real property cannot be sold to a minor

QUESTION 5 | CONTRACTS & AGENCY

5. A seller signs a valid contract to sell a unique waterfront home, then refuses to close because she received a higher offer. The buyer wants the house, not money. The remedy that forces the seller to complete the sale is

A. liquidated damages
B. specific performance
C. rescission
D. novation

QUESTION 6 | CONTRACTS & AGENCY

6. A property owner signs a written agreement authorizing a broker to market the property and represent the owner. This is an example of agency created by

A. ratification
B. estoppel
C. express agreement
D. implied conduct

QUESTION 7 | CONTRACTS & AGENCY

7. An agent representing a seller learns the seller will accept far less than the list price, then quietly tells the buyer to lowball. Which fiduciary duty did the agent most clearly violate?

A. Accounting
B. Obedience
C. Confidentiality
D. Reasonable care

QUESTION 8 | CONTRACTS & AGENCY

8. Buyer A assigns her purchase contract to Buyer B. Later, all three parties sign a new agreement that substitutes Buyer B for Buyer A entirely and releases Buyer A from any further liability. This release of the original party is accomplished through

A. assignment
B. novation
C. rescission
D. subrogation

QUESTION 9 | CONTRACTS & AGENCY

9. A contract entered for an illegal purpose is best described as

A. voidable by one party
B. void, with no legal effect from the start
C. fully enforceable
D. valid until a court acts

QUESTION 10 | CONTRACTS & AGENCY

10. An option contract, in which a seller is paid to hold an offer open while the buyer decides, is an example of a

A. bilateral contract
B. unilateral contract
C. void contract
D. implied contract

QUESTION 11 | CONTRACTS & AGENCY

11. After both parties sign a sales contract but before closing, the contract is

A. executed
B. executory
C. void
D. rescinded

QUESTION 12 | CONTRACTS & AGENCY

12. A buyer defaults and the contract states the seller may keep the earnest money as the agreed remedy. The earnest money here functions as

A. a penalty that courts will not enforce
B. liquidated damages agreed to in advance
C. a gift to the broker
D. a loan to the seller

QUESTION 13 | CONTRACTS & AGENCY

13. An agency relationship between a seller and a broker may be terminated by

A. performance, expiration, mutual agreement, or revocation
B. the buyer's preference alone
C. the weather
D. nothing; it lasts forever

QUESTION 14 | CONTRACTS & AGENCY

14. A purchase contract is contingent on the buyer obtaining financing, and the buyer cannot get a loan despite a good-faith effort. The buyer generally may

A. be forced to buy with cash
B. terminate under the financing contingency and recover the earnest money per the contract
C. lose the earnest money automatically
D. sue the lender for the house

QUESTION 15 | CONTRACTS & AGENCY

15. Which agreement must be in writing to be enforceable under the statute of frauds?

A. A lease for a six-month term
B. A lease for a three-year term and any contract for the sale of real estate
C. A verbal agreement to mow a lawn once
D. An oral promise to paint a fence

QUESTION 16 | CONTRACTS & AGENCY

16. A One to Four Family Residential Contract is signed with 7 filled in as the number of option-period days, but the option fee blank is left empty. On day 4 the buyer delivers a notice of termination. What is the buyer's position?

A. The buyer terminated properly, because the option period was 7 days

B. The buyer has no unrestricted right to terminate, because no dollar amount was stated as the option fee

C. The buyer may terminate but forfeits the earnest money

D. The contract is void for lack of consideration

NATIONAL / GENERAL

Real Property Characteristics, Legal Descriptions and Property Use

11 questions in this simulation, matching the official scored-item allocation.

QUESTION 17 | PROPERTY CHARACTERISTICS

17. A homeowner installs a built-in dishwasher, bolting it into the cabinetry and connecting it to plumbing. With no contrary agreement, this dishwasher is now

A. personal property the seller may remove

B. a fixture that has become part of the real property

C. a trade fixture

D. an emblement

QUESTION 18 | PROPERTY CHARACTERISTICS

18. A business tenant installs display shelving and a walk-in cooler to run a restaurant. These items are

A. fixtures that must stay with the building

B. trade fixtures the tenant may remove before the lease ends

C. emblements owned by the landlord

D. real property once installed

QUESTION 19 | PROPERTY CHARACTERISTICS

19. When deciding whether an item is a fixture, courts often weigh the method of attachment, adaptability, relationship of the parties, intent, and any agreement. Which factor usually controls?

A. Only whether the item is bolted down

B. The intent of the party who installed it and any written agreement

C. The cost of the item

D. Whether the item is visible from the street

QUESTION 20 | PROPERTY CHARACTERISTICS

20. Which is considered the most important economic characteristic of land?

A. Indestructibility

B. Immobility

C. Area preference, also called situs

D. Non-homogeneity

QUESTION 21 | PROPERTY CHARACTERISTICS

21. A legal description that starts at a defined point of beginning and traces the boundary by direction and distance, returning to the start, uses which method?

A. Lot and block

B. Rectangular (government) survey

C. Metes and bounds

D. Street address

QUESTION 22 | PROPERTY CHARACTERISTICS

22. A recorded subdivision plat assigns each parcel a number within a numbered block. A deed that describes a parcel by referring to this plat uses the

A. metes-and-bounds method

B. rectangular survey method

C. lot-and-block (recorded plat) method

D. monument method

QUESTION 23 | PROPERTY CHARACTERISTICS

23. A developer extends utilities and builds roads that make nearby parcels more useful and valuable. Which economic characteristic of land does this illustrate?

A. Modification, also called improvements

B. Immobility

C. Indestructibility

D. Nonhomogeneity

QUESTION 24 | PROPERTY CHARACTERISTICS

24. A city adopts a zoning ordinance limiting an area to single-family homes, with no payment to affected owners. This exercise of government authority is

A. eminent domain, which requires adequate compensation

B. police power, which does not require compensation

C. escheat

D. a private deed restriction

QUESTION 25 | PROPERTY CHARACTERISTICS

25. Movable items of personal property, such as furniture, are called

A. fixtures

B. chattels (personal property)

C. appurtenances

D. improvements

QUESTION 26 | PROPERTY CHARACTERISTICS

26. An easement that benefits one parcel (the dominant estate) and burdens an adjoining parcel (the servient estate) is an easement that

A. ends when the property is sold

B. runs with the land and transfers with ownership

C. applies only to the original owner

D. must be renewed each year

QUESTION 27 | PROPERTY CHARACTERISTICS

27. Which set lists the physical characteristics of land?

A. Scarcity, improvements, and permanence

B. Immobility, indestructibility, and uniqueness (nonhomogeneity)

C. Demand, utility, and transferability

D. Location, location, and location

NATIONAL / GENERAL

Property Value and Appraisal

11 questions in this simulation, matching the official scored-item allocation.

QUESTION 28 | VALUE & APPRAISAL

28. An appraiser is valuing a typical single-family home in a neighborhood with many recent sales. The most appropriate approach to value is

A. the cost approach
B. the income approach
C. the sales comparison approach
D. the gross rent multiplier method

QUESTION 29 | VALUE & APPRAISAL

29. In the sales comparison approach, a comparable property has a swimming pool that the subject lacks. To adjust for this, the appraiser should

A. add the pool's value to the subject
B. subtract the pool's value from the comparable, because the comparable is superior in that feature
C. add the pool's value to the comparable
D. make no adjustment, because amenities are ignored

QUESTION 30 | VALUE & APPRAISAL

30. Which approach to value is most appropriate for a special-purpose property such as a school or a fire station, where comparable sales and income data are scarce?

A. Sales comparison approach
B. Income approach
C. Cost approach
D. Gross rent multiplier

QUESTION 31 | VALUE & APPRAISAL

31. An income property produces $60,000 of net operating income, and the market cap rate is 8 percent. Using the income approach, the estimated value is

A. $480,000
B. $750,000
C. $7,500,000
D. $4,800,000

QUESTION 32 | VALUE & APPRAISAL

32. A home has an outdated floor plan with a bedroom that can only be reached by walking through another bedroom. This loss in value is an example of

A. physical deterioration
B. functional obsolescence
C. external (economic) obsolescence
D. appreciation

QUESTION 33 | VALUE & APPRAISAL

33. A home loses value because a new landfill opened next door. This type of depreciation is

A. physical deterioration, which is always curable
B. functional obsolescence
C. external (economic) obsolescence, which is incurable
D. not a form of depreciation

QUESTION 34 | VALUE & APPRAISAL

34. Which definition best describes market value?

A. The price a property actually sold for
B. The most probable price a property should bring in an arm's-length sale with informed parties and reasonable market exposure
C. The cost to rebuild the structure today
D. The amount the owner paid plus improvements

QUESTION 35 | VALUE & APPRAISAL

35. An appraiser determines the use that is legally permissible, physically possible, financially feasible, and maximally productive. This is the principle of

A. substitution
B. highest and best use
C. conformity
D. anticipation

QUESTION 36 | VALUE & APPRAISAL

36. Which organization provides federal oversight of state appraiser and appraisal-management-company regulatory programs?

A. The Appraisal Subcommittee (ASC)
B. The Appraiser Qualifications Board (AQB)
C. The Appraisal Standards Board (ASB)
D. The Texas Real Estate Commission (TREC)

QUESTION 37 | VALUE & APPRAISAL

37. A rental property rents for $2,000 per month and the gross rent multiplier (GRM) for the area is 120. The estimated value is

A. $24,000
B. $120,000
C. $240,000
D. $360,000

QUESTION 38 | VALUE & APPRAISAL

38. When an appraiser arrives at a final value opinion from the different approaches, the appraiser performs

A. an average of the three values
B. reconciliation, weighing each approach by reliability for the property
C. a coin flip
D. a simple addition of the values

NATIONAL / GENERAL

Real Estate Practice

10 questions in this simulation, matching the official scored-item allocation.

QUESTION 39 | REAL ESTATE PRACTICE

39. A seller signs a listing in which the broker earns a commission no matter who finds the buyer, including the seller. Which listing type is this?

A. Open listing

B. Exclusive agency listing

C. Exclusive right-to-sell listing

D. Net listing

QUESTION 40 | REAL ESTATE PRACTICE

40. A net listing, in which the broker keeps any amount above the seller's stated net, is disfavored because it

A. guarantees the seller the highest price

B. creates a conflict of interest between the broker and the seller

C. is the only listing that pays a commission

D. must always be in writing

QUESTION 41 | REAL ESTATE PRACTICE

41. Which set lists the federally protected classes under the Fair Housing Act?

A. Race, color, religion, national origin, sex, familial status, and disability

B. Age, income, occupation, and credit score

C. Marital status, education, and political affiliation

D. Only race and color

QUESTION 42 | REAL ESTATE PRACTICE

42. An agent tells a homeowner that minority families are moving in and values will drop, urging a quick sale. This illegal practice is

A. steering

B. blockbusting

C. redlining

D. puffing

QUESTION 43 | REAL ESTATE PRACTICE

43. A lender refuses to make loans in a particular neighborhood based on its racial composition. This illegal practice is

A. steering
B. blockbusting
C. redlining
D. a tie-in arrangement

QUESTION 44 | REAL ESTATE PRACTICE

44. Two brokers from competing firms agree to both charge sellers the same commission rate so neither undercuts the other. This agreement is

A. permissible because commission rates are set by local custom
B. price-fixing, an antitrust violation, even though the rate sounds standard
C. permissible if both brokers disclose the rate in writing
D. a tie-in arrangement

QUESTION 45 | REAL ESTATE PRACTICE

45. A residential sales agent is asked to list a specialized industrial site in a market the agent has never worked. What is the best first step?

A. Accept because an active license proves competence in every property type
B. Disclose the limits of the agent's competence and obtain qualified help or refer the assignment
C. Accept if the seller promises to supply all technical information
D. Draft a disclaimer shifting all responsibility to the buyer

QUESTION 46 | REAL ESTATE PRACTICE

46. A licensee states that a roof is in perfect condition when the licensee knows it leaks. This is

A. puffing, which is lawful opinion
B. misrepresentation, which can expose the licensee to liability
C. a permissible sales technique
D. a Fair Housing violation

QUESTION 47 | REAL ESTATE PRACTICE

47. An agent shows minority buyers homes only in certain neighborhoods and white buyers homes in others. This practice is

A. good customer service

B. steering, a fair housing violation

C. required by law

D. permitted if the buyer agrees

QUESTION 48 | REAL ESTATE PRACTICE

48. An advertisement for a rental states 'adults only, no children.' This advertisement is

A. acceptable

B. a fair housing violation based on familial status

C. required disclosure

D. only a problem in commercial property

NATIONAL / GENERAL

Forms of Ownership, Transfer and Recording of Title

9 questions in this simulation, matching the official scored-item allocation.

QUESTION 49 | OWNERSHIP & TITLE

49. An owner holds property with rights that last forever, pass to heirs, and carry no condition that could end the ownership. This estate is

A. a life estate

B. fee simple absolute, the highest and most complete form of ownership

C. fee simple defeasible

D. a leasehold estate

QUESTION 50 | OWNERSHIP & TITLE

50. A woman is granted the right to live in a home for the rest of her life, after which the home passes to her nephew. The nephew's future interest is called a

A. reversion

B. remainder, and the nephew is the remainderman

C. leasehold

D. fee simple defeasible

QUESTION 51 | OWNERSHIP & TITLE

51. Two business partners take title with equal shares, the right of survivorship, and all four unities of time, title, interest, and possession. This form of co-ownership is

A. tenancy in common

B. community property

C. joint tenancy with right of survivorship

D. a life estate

QUESTION 52 | OWNERSHIP & TITLE

52. Two unmarried friends buy a property together. The deed says nothing about survivorship, and their shares are unequal. When one dies, that share passes to her heirs. This is

A. joint tenancy

B. community property

C. tenancy in common, the default co-ownership form

D. a life estate

QUESTION 53 | OWNERSHIP & TITLE

53. Which item is NOT required for a deed to be valid?

A. A competent grantor and an identifiable grantee

B. A legal description and words of conveyance

C. Delivery and acceptance

D. The grantee's signature

QUESTION 54 | OWNERSHIP & TITLE

54. Which deed gives the grantee the greatest protection by warranting title against defects arising at any time, even before the grantor owned the property?

A. Quitclaim deed

B. Special warranty deed

C. General warranty deed

D. Deed of trust

QUESTION 55 | OWNERSHIP & TITLE

55. A person openly, exclusively, and continuously occupies someone else's land without permission for the statutory period and then claims ownership. This involuntary transfer is

A. escheat

B. adverse possession

C. eminent domain

D. novation

QUESTION 56 | OWNERSHIP & TITLE

56. A buyer receives and accepts a properly executed deed but never records it. As between the buyer and the seller, the deed is

A. invalid until recorded
B. valid and effective even though it is not recorded
C. void
D. valid only if witnessed

QUESTION 57 | OWNERSHIP & TITLE

57. An owner's title insurance policy primarily protects

A. the lender against the borrower defaulting
B. the buyer against defects in title that existed before the policy
C. the seller against future buyers
D. the broker against a lost commission

NATIONAL / GENERAL

Property Disclosures and Environmental Issues

9 questions in this simulation, matching the official scored-item allocation.

QUESTION 58 | DISCLOSURES & ENVIRONMENTAL

58. A seller has never tested a 1975 home for lead-based paint. Before the buyer becomes obligated, what does federal law require?

A. The seller must test every painted surface
B. The seller must disclose the lack of known lead information, provide available records and the current EPA pamphlet, include the warning, and give the buyer the inspection opportunity
C. The seller must remove all original paint
D. Nothing, because the seller lacks test results

QUESTION 59 | DISCLOSURES & ENVIRONMENTAL

59. Which statement correctly distinguishes radon guidance from a transaction mandate?

A. EPA's 4 pCi/L action level requires every seller to test before closing
B. EPA recommends fixing a home at 4 pCi/L, but federal law does not require every home sale to include a radon test
C. Radon is a fibrous building material
D. Radon can be identified by smell

QUESTION 60 | DISCLOSURES & ENVIRONMENTAL

60. A facility plans to discharge pollutants from a pipe into covered surface water. Which federal law and permit program are the closest match?

A. Clean Air Act and NAAQS
B. Clean Water Act and NPDES
C. CERCLA and the National Priorities List
D. Title X and the lead warning statement

QUESTION 61 | DISCLOSURES & ENVIRONMENTAL

61. A developer wants to place fill in an area confirmed to be federally regulated wetlands. What is the central federal issue?

A. A Clean Water Act Section 404 permit for the discharge of fill
B. A lead inspection under Title X
C. A Clean Air Act mobile-source test
D. A seller's deed warranty

QUESTION 62 | DISCLOSURES & ENVIRONMENTAL

62. Which statement about all appropriate inquiries is accurate?

A. A Phase I automatically immunizes the buyer from CERCLA

B. AAI generally must be completed within one year before acquisition, with specified components conducted or updated within 180 days

C. AAI is completed after closing

D. AAI requires every Phase I to collect groundwater samples

QUESTION 63 | DISCLOSURES & ENVIRONMENTAL

63. Which review normally uses targeted soil or groundwater sampling to investigate a concern identified during due diligence?

A. Phase I Environmental Site Assessment

B. Phase II Environmental Site Assessment

C. Environmental Impact Statement

D. FEMA flood map review

QUESTION 64 | DISCLOSURES & ENVIRONMENTAL

64. A former service station has a leaking gasoline underground storage tank. Which statement is most accurate?

A. Petroleum is always an ordinary CERCLA hazardous substance

B. The release is commonly addressed under the UST program authorized by RCRA Subtitle I and state law

C. The leak creates no cleanup exposure

D. The sales agent should collect soil samples

QUESTION 65 | DISCLOSURES & ENVIRONMENTAL

65. Under CERCLA Section 107, which person is one of the four potentially responsible party classes?

A. Only a person proved negligent

B. The current owner or operator of the facility

C. Every neighboring homeowner

D. Only a governmental agency

QUESTION 66 | DISCLOSURES & ENVIRONMENTAL

66. A seller secretly knows about lead hazards in a covered pre-1978 home but withholds that information from the listing agent after the agent explained the federal duties. Under the federal rule, the agent

A. is automatically liable for every fact the seller concealed

B. is not liable for seller-known information withheld from the agent if the agent informed the seller of the obligations

C. may skip the rest of the federal disclosure process

D. must personally test the paint

NATIONAL / GENERAL

Financing and Settlement

7 questions in this simulation, matching the official scored-item allocation.

QUESTION 67 | FINANCING & SETTLEMENT

67. A borrower signs both a promissory note and a security instrument to buy a home. Which document creates the borrower's obligation to repay the debt?

A. The security instrument, because it is recorded
B. The promissory note, which is the borrower's written promise to repay
C. The deed, because it transfers ownership
D. The closing disclosure

QUESTION 68 | FINANCING & SETTLEMENT

68. A seller lets a buyer take possession and make monthly payments but keeps legal title until the contract requirements are satisfied. Which financing method best fits these facts?

A. A conventional first mortgage
B. A land contract or contract for deed
C. A reverse mortgage
D. A sale-leaseback

QUESTION 69 | FINANCING & SETTLEMENT

69. A regulated lender makes a loan secured by an improved home in a Special Flood Hazard Area where National Flood Insurance Program coverage is available. Which statement is most accurate?

A. A standard homeowners policy always satisfies the flood requirement
B. Federal mandatory-purchase rules generally require separate flood insurance
C. Flood insurance is required only if the buyer requests it
D. PMI replaces flood insurance whenever LTV exceeds 80 percent

QUESTION 70 | FINANCING & SETTLEMENT

70. On a conventional loan, private mortgage insurance is generally required when the loan-to-value ratio is

A. below 50 percent
B. above 80 percent, meaning the down payment is under 20 percent
C. exactly 100 percent only
D. never, because conventional loans have no PMI

QUESTION 71 | FINANCING & SETTLEMENT

71. Under Regulation Z, when must a creditor deliver or place the Loan Estimate in the mail after receiving an application?

A. 1 business day
B. 3 business days
C. 7 business days
D. 10 business days

QUESTION 72 | FINANCING & SETTLEMENT

72. A title company offers a real estate broker a cash payment for every buyer the broker refers, with no service performed in return. Under RESPA, this is

A. a normal referral arrangement
B. a prohibited kickback for an unearned referral fee
C. lawful if disclosed at closing
D. permitted because title work is not a settlement service

QUESTION 73 | FINANCING & SETTLEMENT

73. At a Texas closing, which of the following is generally NOT a cost, because Texas does not impose it?

A. Recording fees
B. A statewide real estate transfer tax
C. Title insurance premiums
D. Prorated property taxes

NATIONAL / GENERAL

Real Estate Math Calculations

7 questions in this simulation, matching the official scored-item allocation.

QUESTION 74 | REAL ESTATE MATH

74. A property sells for $350,000 with a 6 percent total commission. What is the total commission?

A. $2,100
B. $21,000
C. $210,000
D. $5,833

QUESTION 75 | REAL ESTATE MATH

75. A rectangular lot measures 150 feet by 290.4 feet. How many acres is it, given that one acre is 43,560 square feet?

A. 0.5 acre
B. 1 acre
C. 1.5 acres
D. 2 acres

QUESTION 76 | REAL ESTATE MATH

76. An income property has a net operating income of $48,000 and sells for $600,000. What is the capitalization rate?

A. 6 percent
B. 8 percent
C. 12.5 percent
D. 80 percent

QUESTION 77 | REAL ESTATE MATH

77. A buyer pays 2 discount points on a $250,000 loan. What is the cost of the points?

A. $500
B. $2,500
C. $5,000
D. $50,000

QUESTION 78 | REAL ESTATE MATH

78. A buyer makes a $40,000 down payment on a $250,000 home and finances the rest. What is the loan-to-value ratio?

A. 16 percent
B. 60 percent
C. 84 percent
D. 100 percent

QUESTION 79 | REAL ESTATE MATH

79. A Texas home has an appraised value of $300,000 and a $140,000 school-district residence homestead exemption. The tax rate is $2.50 per $100 of taxable value. What is the annual property tax?

A. $4,000
B. $7,500
C. $2,000
D. $160,000

QUESTION 80 | REAL ESTATE MATH

80. Annual property taxes are $3,650. The question says to use a 365-day year, and the seller owns the day of closing. The home closes on day 90 of the year. What is the seller's share of taxes?

A. $90
B. $900
C. $10
D. $1,000

TEXAS STATE LAW

Agency and Brokerage (Texas)

11 questions in this simulation, matching the official scored-item allocation.

QUESTION 81 | TEXAS AGENCY & INTERMEDIARY

81. A buyer and a seller in the same transaction are both represented by the same broker. Under Texas law, the broker may act as

A. a dual agent with written consent

B. an intermediary, with the written consent of both parties

C. a transaction broker

D. a single agent for both sides

QUESTION 82 | TEXAS AGENCY & INTERMEDIARY

82. Acting as an intermediary, a broker wants different associated license holders to advise the buyer and the seller separately. This is called

A. subagency

B. appointment of license holders by the broker

C. dual agency

D. designated escrow

QUESTION 83 | TEXAS AGENCY & INTERMEDIARY

83. When must a Texas license holder provide the Information About Brokerage Services (IABS) notice?

A. Only at closing

B. At the first substantive communication with a party about a specific property

C. Within 30 days after a sale

D. Never, unless the party asks

QUESTION 84 | TEXAS AGENCY & INTERMEDIARY

84. A sales agent in Texas may lawfully perform brokerage activities only

A. after passing the exam, with no further requirement

B. while sponsored by an active Texas broker who supervises the agent

C. as an independent contractor with no broker

D. if the agent also holds an appraiser license

QUESTION 85 | TEXAS AGENCY & INTERMEDIARY

85. A grateful seller hands a sales agent a $500 cash bonus at closing. The sales agent may

A. accept it directly because it is a gift
B. accept it directly if it is under $1,000
C. not accept it directly; compensation for brokerage must flow through the sponsoring broker
D. accept it if disclosed to the broker within ten days

QUESTION 86 | TEXAS AGENCY & INTERMEDIARY

86. A broker who acts as an intermediary

A. may favor the buyer because the buyer pays the commission
B. may not disclose one party's confidential price information to the other without authorization, and must treat the parties fairly
C. owes full fiduciary loyalty to the seller only
D. must withdraw from the transaction

QUESTION 87 | TEXAS AGENCY & INTERMEDIARY

87. Under TREC rules, a broker is responsible for

A. only the broker's own transactions
B. the real estate brokerage activities of the sales agents sponsored by the broker
C. nothing an agent does after hours
D. the personal taxes of each sponsored agent

QUESTION 88 | TEXAS AGENCY & INTERMEDIARY

88. An unlicensed assistant working for a brokerage may

A. negotiate contract terms with buyers
B. perform clerical and administrative tasks but not activities that require a license
C. show homes and solicit listings
D. be paid directly by clients for brokerage work

QUESTION 89 | TEXAS AGENCY & INTERMEDIARY

89. A license holder from outside the listing brokerage hosts an open house and does not represent the owner. A visitor already has a written agreement with another broker. Before showing the home, the host must

A. do nothing because the visitor is already represented

B. provide IABS and enter the written agreement required by §1101.563

C. provide IABS only after the visitor finishes viewing the home

D. become the visitor's exclusive buyer agent

QUESTION 90 | TEXAS AGENCY & INTERMEDIARY

90. A license holder represents the seller. To the unrepresented buyer (a customer), the license holder owes

A. the full fiduciary duties owed to a client

B. honesty, fair dealing, and disclosure of known material defects

C. no duties at all

D. a duty to negotiate the lowest price for the buyer

QUESTION 91 | TEXAS AGENCY & INTERMEDIARY

91. The written consent that authorizes a broker to act as an intermediary is usually obtained

A. verbally at closing

B. up front in the listing agreement and the buyer-representation agreement

C. only after the parties dispute

D. from TREC before each transaction

TEXAS STATE LAW

Standards of Conduct

9 questions in this simulation, matching the official scored-item allocation.

QUESTION 92 | STANDARDS OF CONDUCT

92. A listing agent prefers a quick cash offer because it will close easily, so the agent withholds a higher offer with financing from the seller. Which professional standard is most directly violated?

A. Fidelity, because the agent placed personal convenience above the client's interest

B. Competency, because every financed offer requires an attorney

C. Advertising, because the offer was not public

D. No standard, because the agent may screen offers

QUESTION 93 | STANDARDS OF CONDUCT

93. A sales agent who has handled only urban homes accepts a remote ranch listing without learning the local market or the property's specialized characteristics. Which canon is most directly involved?

A. Fidelity only

B. Competency

C. Advertising

D. Fee splitting

QUESTION 94 | STANDARDS OF CONDUCT

94. A license holder knows that a listed house has a serious latent foundation defect but tells a potential buyer that the structure has no known problems. This conduct is

A. permitted if the seller requested silence

B. a material misrepresentation and a ground for discipline

C. mere puffing

D. outside TREC's authority because the defect is physical

QUESTION 95 | STANDARDS OF CONDUCT

95. A license holder is buying a home for the license holder's own account. Before entering the sales contract, the license holder must

A. hide the license to avoid influencing the seller
B. disclose in writing that the buyer is a licensed broker or sales agent acting on the buyer's own behalf
C. obtain TREC approval for the purchase
D. become the seller's agent

QUESTION 96 | STANDARDS OF CONDUCT

96. A buyer wants an unusual contingency that no TREC addendum covers. The sales agent writes a new clause defining the buyer's termination right. The agent has

A. added an informational item
B. engaged in unauthorized practice of law by drafting language that affects legal rights
C. acted properly because the buyer requested the clause
D. acted properly if the sponsoring broker approves

QUESTION 97 | STANDARDS OF CONDUCT

97. A seller gives a license holder an exact written instruction to strike a sentence from an authorized contract form. The license holder makes the deletion conspicuous and gives no advice about its effect. Under Rule 537.11, this act is

A. always unauthorized practice of law
B. not itself the practice of law under the rule's narrow written-instruction provision
C. allowed only if the license holder rewrites the sentence
D. allowed only after the license holder explains the legal consequences

QUESTION 98 | STANDARDS OF CONDUCT

98. A buyer hands an earnest-money check to a sponsored sales agent. Under TREC's trust-money rule, the sales agent must

A. open a personal trust account
B. deliver it immediately to the sponsoring broker
C. hold it until the option period ends
D. deposit it in the brokerage operating account

QUESTION 99 | STANDARDS OF CONDUCT

99. The principals have not agreed in writing to different timing. A broker receives trust money on Monday. Under Rule 535.146, the broker must deposit it in the trust account or deliver it to an authorized escrow agent

A. whenever the transaction closes

B. no later than close of business on the second working day after receipt

C. within 30 calendar days

D. only after every party approves the bank

QUESTION 100 | STANDARDS OF CONDUCT

100. A broker withdraws a buyer's earnest money from the trust account to pay the brokerage's office rent, planning to replace it next week. This is

A. proper if the broker replaces it

B. prohibited use of trust money for an operating expense

C. allowed if the broker keeps good records

D. only a violation after the transaction closes

TEXAS STATE LAW

Contracts and Promulgated Forms (Texas)

9 questions in this simulation, matching the official scored-item allocation.

QUESTION 101 | TEXAS CONTRACTS & FORMS

101. A Texas sales agent is negotiating the resale of an existing single-family home for a buyer. No Rule 537.11 exception applies. Which contract should the agent use?

A. Any residential contract the buyer prefers

B. The current TREC One to Four Family Residential Contract (Resale)

C. The Residential Condominium Contract (Resale)

D. A contract drafted by the agent

QUESTION 102 | TEXAS CONTRACTS & FORMS

102. Which fact points to the Unimproved Property Contract rather than the Farm and Ranch Contract?

A. Vacant land intended for one to four family residential use

B. A working ranch with agricultural improvements

C. A completed builder home

D. A resale condominium unit

QUESTION 103 | TEXAS CONTRACTS & FORMS

103. The parties want a custom cancellation clause that no mandatory TREC addendum supplies. What may the sales agent do?

A. Draft the clause in Special Provisions

B. Recommend wording copied from another transaction

C. Explain the legal effect and let the buyer choose

D. Advise the principal to consult an attorney and do not invent or recommend the clause

QUESTION 104 | TEXAS CONTRACTS & FORMS

104. A principal gives the agent exact written instructions to strike printed contract language. Under Rule 537.11, the agent may make the change only if it is

A. approved orally by the sponsoring broker

B. hidden in an attachment

C. made conspicuous, such as by striking through the deletion

D. explained to both parties as legally sufficient

QUESTION 105 | TEXAS CONTRACTS & FORMS

105. Under TREC No. 20-19, the buyer's earnest money and option fee are generally delivered

A. to the seller at closing
B. to the buyer's broker within seven days
C. to the escrow agent within three days after the effective date
D. only after the inspection

QUESTION 106 | TEXAS CONTRACTS & FORMS

106. A buyer timely terminates under Paragraph 5 of TREC No. 20-19. Which statement is correct?

A. The seller must refund the option fee
B. The earnest money is refunded, while the option fee is not refunded
C. The buyer keeps both amounts and the seller receives nothing
D. The termination is effective only after the seller signs an amendment

QUESTION 107 | TEXAS CONTRACTS & FORMS

107. The seller already has a first contract. A second buyer signs a back-up contract. Under TREC No. 11-9, the back-up contract is

A. not binding until the first contract terminates
B. binding when executed, although most performance waits while the contingency remains
C. an unenforceable offer until closing
D. an amendment to the first contract

QUESTION 108 | TEXAS CONTRACTS & FORMS

108. Texas Business and Commerce Code Section 26.01 expressly applies the Statute of Frauds to

A. every residential lease, regardless of length
B. a contract for the sale of real estate
C. only transactions financed by a lender
D. only commercial property contracts

QUESTION 109 | TEXAS CONTRACTS & FORMS

109. Which oral lease falls within the real estate lease provision of Section 26.01?

A. A month-to-month lease

B. A six-month lease

C. A one-year lease

D. A two-year lease

TEXAS STATE LAW

Special Topics (Texas Law)

5 questions in this simulation, matching the official scored-item allocation.

QUESTION 110 | SPECIAL TOPICS (TEXAS)

110. A married buyer purchases a Texas home with wages earned during the marriage. No separate-property facts are given. How is the home presumed to be classified?

A. separate property of the spouse who earned more

B. community property

C. a joint tenancy with right of survivorship by default

D. owned by the state until probate

QUESTION 111 | SPECIAL TOPICS (TEXAS)

111. Which statement correctly separates Texas homestead creditor protection from a residence homestead tax exemption?

A. Both rules simply reduce the owner's taxable value

B. Creditor protection limits forced sale, while a tax exemption reduces taxable value

C. Creditor protection applies only after an appraisal protest

D. A tax exemption prevents every lien from attaching

QUESTION 112 | SPECIAL TOPICS (TEXAS)

112. A license holder knew about recurring structural movement and intentionally withheld it so a buyer would proceed. Which DTPA provision most directly fits those facts?

A. the professional-services exemption with no exceptions

B. failure to disclose known information intended to induce the transaction

C. the rule requiring every consumer loss to receive automatic treble damages

D. the Statute of Frauds

QUESTION 113 | SPECIAL TOPICS (TEXAS)

113. A document offered as a Texas holographic will has no witness signatures. Which fact is decisive?

A. Whether it is wholly in the testator's handwriting

B. Whether a broker reviewed it

C. Whether the estate contains real property

D. Whether it was recorded with the county clerk before death

QUESTION 114 | SPECIAL TOPICS (TEXAS)

114. A residential tenant surrenders the premises and gives the landlord a forwarding address. Absent a lawful reason to delay, when must the landlord refund the security deposit?

A. within 10 days after the lease is signed

B. within 30 days after the tenant surrenders the premises

C. within 60 days after the landlord relists the property

D. only after a replacement tenant moves in

TEXAS STATE LAW

Commission Duties and Powers (TREC)

3 questions in this simulation, matching the official scored-item allocation.

QUESTION 115 | TREC DUTIES & POWERS

115. Which body writes the Texas Real Estate License Act (TRELA), and which body enforces it and adopts the rules?

A. TREC writes the statute; the courts enforce it

B. The Texas Legislature writes the statute; TREC enforces it and adopts the TREC Rules

C. TREC writes both the statute and the rules

D. The Governor writes the statute; TREC enforces it

QUESTION 116 | TREC DUTIES & POWERS

116. A consumer files a complaint against a license holder. TREC's role is to

A. automatically revoke the license

B. investigate the complaint and, where warranted, hold a hearing and impose sanctions such as fines, suspension, or revocation

C. decide the matter in criminal court

D. refer all complaints to the Legislature

QUESTION 117 | TREC DUTIES & POWERS

117. The Real Estate Recovery Trust Account exists primarily to

A. pay TREC's operating expenses

B. compensate certain consumers who obtain a judgment against a license holder for specified violations and cannot collect it

C. fund continuing education for agents

D. hold earnest money for all transactions

TEXAS STATE LAW

Licensing

3 questions in this simulation, matching the official scored-item allocation.

QUESTION 118 | LICENSING

118. A person performs real estate brokerage activity for another for compensation. Under Texas law, that person must

A. hold a Texas real estate license
B. merely register with the local board
C. be at least 25 years old, with no license
D. hold an appraiser license

QUESTION 119 | LICENSING

119. Which of the following is generally exempt from the requirement to hold a real estate license?

A. A person negotiating sales for many different owners for a fee
B. An owner selling or leasing the owner's own property
C. A salesperson at a brokerage with no license
D. An unlicensed assistant who negotiates contracts

QUESTION 120 | LICENSING

120. To activate and use a Texas sales agent license, the candidate must

A. simply pass the exam and wait
B. complete the required qualifying education, pass the exam, meet fitness requirements, and be sponsored by an active broker
C. open a brokerage immediately
D. complete continuing education before the exam

SCORING

Content-area scorecard

AREA	AVAILABLE	CORRECT	REPAIR PRIORITY
Contracts & Agency	16	____	____________
Property Characteristics	11	____	____________
Value & Appraisal	11	____	____________
Real Estate Practice	10	____	____________
Ownership & Title	9	____	____________
Disclosures & Environmental	9	____	____________
Financing & Settlement	7	____	____________
Real Estate Math	7	____	____________
Texas Agency & Intermediary	11	____	____________
Standards of Conduct	9	____	____________
Texas Contracts & Forms	9	____	____________
Special Topics (Texas)	5	____	____________
TREC Duties & Powers	3	____	____________
Licensing	3	____	____________

ANSWER WORKSHOP | NATIONAL / GENERAL

Real Estate Contracts and Agency

1 C. No, because under the Statute of Frauds a contract for the sale of real property must be in writing and signed to be enforceable

Business & Commerce Code §26.01(a) makes an agreement listed in §26.01(b) unenforceable unless it, or a memorandum of it, is in writing and signed by the person to be charged. §26.01(b)(4) lists a contract for the sale of real estate, so this oral agreement cannot be enforced and the buyer cannot force the sale.

> **Common trap:** The oral contract is unenforceable, not automatically void. The parties could still choose to perform; a court just will not force it.

Source cue: Texas Business & Commerce Code §26.01(a), (b)(4)

CONTRACTS & AGENCY

---

2 B. Competent parties, mutual assent (offer and acceptance), a lawful purpose, and consideration

A valid contract requires competent parties, mutual assent through offer and acceptance, a lawful purpose, and consideration. Writing sits outside that list and does different work: §26.01(a) makes an unwritten real estate contract unenforceable, not invalid, which is why an oral land deal is labeled unenforceable rather than void.

> **Common trap:** Earnest money is not an essential element. Consideration is required, but the deposit itself is not. Writing is not an element either; it governs enforceability.

Source cue: Contract law, essential elements; Texas Business & Commerce Code §26.01(a)

CONTRACTS & AGENCY

---

3 C. No, because the seller's counteroffer terminated the buyer's original offer, and the buyer's statement is itself a new offer the seller is free to accept or reject

When the seller countered, the buyer's original offer was terminated. A list price is an invitation to negotiate, not an offer the buyer can accept. The buyer's statement accepting $340,000 is a brand-new offer that the seller is free to accept or reject.

> **Common trap:** A counteroffer kills the original offer. The buyer cannot reach back and accept something that is no longer on the table.

Source cue: Contract law, offer and acceptance

CONTRACTS & AGENCY

---

4 B. voidable at the option of the minor, who may enforce it or disaffirm it

A contract with a minor is voidable, not void. The minor may choose to enforce the contract or to disaffirm it. A void contract was never valid at all; a voidable contract is valid until the protected party elects to void it.

> **Common trap:** Void and voidable are different. A minor's contract is voidable, giving the minor the choice, not void.

Source cue: Contract law, capacity

CONTRACTS & AGENCY

---

5 B. specific performance

Specific performance is a remedy that forces a party to complete the agreed transaction. It is available because real property is considered unique and money damages may not make the buyer whole. The buyer who wants the property itself seeks specific performance.

> **Common trap:** Liquidated damages give money. Specific performance gives the property. Match the remedy to what the wronged party actually wants.

Source cue: Contract remedies; specific performance. Texas limitations: CPRC §16.004(a)(1)

CONTRACTS & AGENCY

---

6 C. express agreement

Agency created through a written or spoken agreement between the principal and the agent is express agency. A listing or representation agreement is the classic example. Agency can also arise by implication, ratification, or estoppel, but a signed authorization is express.

> **Common trap:** A signed listing is express agency. Implied, ratified, and estoppel agency arise without that direct agreement. In Texas, §1101.563 separately requires a written agreement before a license holder performs specified buyer-side brokerage involving a residential showing or offer. Violating that writing rule does not make implied agency conceptually impossible.

Source cue: Agency creation, common law; TRELA §1101.563

CONTRACTS & AGENCY

---

7 C. Confidentiality

An agent owes the principal fiduciary duties, often taught as OLD CAR: Obedience, Loyalty, Disclosure, Confidentiality, Accounting, and Reasonable care. Revealing the seller's bottom line to the buyer breaches the duty of confidentiality.

> **Common trap:** Confidential information about a client's bargaining position stays protected. An agent cannot leak the principal's bottom line to the other side. TRELA §1101.651(d)(1) states it directly for an intermediary, and §1101.651(d)(3)(C) sets the limit: confidentiality never covers information that materially relates to the CONDITION of the property.

Source cue: Fiduciary duties, common law; TRELA §1101.651(d)

CONTRACTS & AGENCY

---

8 B. novation

Novation substitutes a new party for an original party with the agreement of everyone involved, and it releases the original party from liability. A plain assignment transfers rights but usually leaves the assignor secondarily liable. The full release is what makes this a novation.

> **Common trap:** The dividing line is the release. Assignment moves the rights; novation moves the party and ends the original party's liability.

Source cue: Contract law, assignment and novation

CONTRACTS & AGENCY

---

9 B. void, with no legal effect from the start

A contract for an illegal purpose is void; it has no legal effect from the start. A voidable contract is valid until the party with the right (such as a minor or a defrauded party) chooses to disaffirm it.

> **Common trap:** Void means it never had effect. Voidable means one party can choose to cancel an otherwise valid contract.

Source cue: Contract law, capacity and legality; void versus voidable

CONTRACTS & AGENCY

---

10 B. unilateral contract

An option is a unilateral contract: the optionor (seller) is obligated to keep the offer open, but the optionee (buyer) is not obligated to buy. A bilateral contract involves promises by both sides.

> **Common trap:** An option binds only the seller to keep the offer open. The buyer makes no promise to purchase, so it is unilateral. Do not map this onto the Texas option period, which is a termination right inside a bilateral contract under TREC No. 20-19 ¶5B.

Source cue: Contract law, offer and acceptance; unilateral contracts

CONTRACTS & AGENCY

---

11 B. executory

Between signing and closing, obligations remain to be performed, so the contract is executory. Once everything is performed and the deal closes, the contract is executed.

> **Common trap:** Executory means still to be performed; executed means fully performed. Signing is not the same as completing.

Source cue: Contract law, contract classification; executory versus executed

CONTRACTS & AGENCY

---

12 B. liquidated damages agreed to in advance

When a contract provides that the seller may retain the earnest money on the buyer's default, the earnest money operates as liquidated damages, a remedy the parties agreed to in advance. The seller may have other remedies depending on the contract.

> **Common trap:** Earnest money retained on default is liquidated damages, not an unenforceable penalty, when the contract so provides. Note which default: TREC No. 20-19 ¶15 uses the phrase "as liquidated damages" only on a BUYER default. On a seller default the buyer simply receives the earnest money back.

Source cue: Contract law, breach and remedies; TREC No. 20-19 ¶15

CONTRACTS & AGENCY

---

13 A. performance, expiration, mutual agreement, or revocation

An agency can end by full performance (the sale closes), expiration of the term, mutual agreement, revocation, or operation of law such as death or incapacity. It is not a permanent relationship.

> **Common trap:** Agency ends in several ordinary ways. A party generally cannot be locked into agency forever. In Texas, TRELA §1101.652(b)(12) makes it a disciplinary matter to omit a definite termination date not subject to prior notice.

Source cue: Agency termination, common law; TRELA §1101.652(b)(12)

CONTRACTS & AGENCY

---

14 B. terminate under the financing contingency and recover the earnest money per the contract

When a financing contingency is not satisfied despite the buyer's good-faith effort, the buyer can typically terminate under that contingency and recover earnest money as the contract provides. The contingency exists to protect the buyer.

> **Common trap:** A failed financing contingency protects the buyer's earnest money; it does not force a cash purchase. But the buyer must act: TREC No. 40-11 ¶2A requires a notice of termination plus the lender's written statement, and missing that deadline means the contract is no longer subject to Buyer Approval.

Source cue: Contract law, breach and remedies; TREC No. 40-11 ¶2A, ¶2B

CONTRACTS & AGENCY

---

15 B. A lease for a three-year term and any contract for the sale of real estate

§26.01(b)(4) lists a contract for the sale of real estate and §26.01(b)(5) lists a lease of real estate for a term longer than one year, so both must be in writing and signed by the person to be charged. A six-month lease is not longer than one year, so it falls outside the statute and may be oral.

> **Common trap:** Read for the words 'longer than one year.' A lease of exactly one year or less is outside §26.01(b)(5) and may be oral, so a 12-month lease and a 13-month lease give opposite answers.

Source cue: Texas Business & Commerce Code §26.01(b)(4), (b)(5)

CONTRACTS & AGENCY

---

16 B. The buyer has no unrestricted right to terminate, because no dollar amount was stated as the option fee

Paragraph 5D provides that if no dollar amount is stated as the option fee, or if the buyer fails to deliver the option fee within the time required, the buyer shall not have the unrestricted right to terminate under Paragraph 5. Filling in the days blank does not create the option; the fee does. The contract itself remains valid and binding, so it is not void, and the buyer is now terminating without a contractual right.

Common trap: The option period and the option fee are separate blanks, and only one of them creates the right. A filled-in day count with an empty fee amount looks like an option period and is not one. The same result follows under ¶5D if the amount is stated but delivered late.

Source cue: TREC No. 20-19 ¶5B, ¶5D; 22 TAC §537.28

CONTRACTS & AGENCY

ANSWER WORKSHOP | NATIONAL / GENERAL

Real Property Characteristics, Legal Descriptions and Property Use

17 B. a fixture that has become part of the real property

Personal property that is permanently attached to real property becomes a fixture and passes with the real estate. A built-in, plumbed dishwasher is a fixture. Unless the contract says otherwise, it conveys with the home.

> **Common trap:** A fixture conveys with the property. Once an item is permanently attached, it is no longer movable personal property.

Source cue: Common law of fixtures; TREC No. 20-19 Paragraph 2B (improvements)

PROPERTY CHARACTERISTICS

18 B. trade fixtures the tenant may remove before the lease ends

Trade fixtures are items a business tenant installs to conduct business. They remain the tenant's personal property and may be removed before the lease ends, with the tenant repairing any damage caused by removal.

> **Common trap:** Trade fixtures stay personal property even when attached. The business tenant removes them before the lease term ends.

Source cue: Common law of trade fixtures; landlord and tenant

PROPERTY CHARACTERISTICS

19 B. The intent of the party who installed it and any written agreement

Texas decides this with the three-part test from Logan v. Mullis: the mode and sufficiency of annexation, the adaptation of the item to the use of the realty, and the intention of the party who annexed it. Intention is the preeminent factor, and the first two are treated as evidence of that intention rather than as separate scores. MARIA is a national memory aid, not the Texas test, and a written agreement settles the question before the test is ever reached.

> **Common trap:** Do not decide a fixture question on attachment alone. In Texas the intention is objective, meaning what a reasonable person would conclude from the facts, not the secret wishes of the person who installed the item.

Source cue: Logan v. Mullis, 686 S.W.2d 605 (Tex. 1985); fixtures test

PROPERTY CHARACTERISTICS

20 C. Area preference, also called situs

Standard real estate exam texts treat area preference, or situs, as the most important economic characteristic of land. It captures the value people place on a particular location. Pearson lists situs but does not rank the economic characteristics. Immobility, indestructibility, and uniqueness are physical characteristics.

> **Common trap:** Sort the lists first. Situs is economic; immobility and indestructibility are physical characteristics.

Source cue: Standard exam doctrine; economic characteristics of land; area preference (situs)

PROPERTY CHARACTERISTICS

---

21 C. Metes and bounds

Metes and bounds describes a parcel by starting at a point of beginning and tracing the perimeter using courses (directions) and distances back to the start. Lot and block uses a recorded plat, and the rectangular survey uses principal meridians and base lines.

> **Common trap:** A point of beginning that traces the boundary and closes back on itself is metes and bounds, not lot and block.

Source cue: Legal descriptions; metes and bounds

PROPERTY CHARACTERISTICS

---

22 C. lot-and-block (recorded plat) method

The lot-and-block method describes property by reference to a recorded subdivision plat that assigns lot and block numbers. It is common in platted subdivisions and is the simplest of the three methods to read.

> **Common trap:** Lot and block depends on a recorded plat. If the description names a lot and block in a subdivision, that is the method.

Source cue: Legal descriptions; recorded plats. Tex. Loc. Govt Code 212.004(b)

PROPERTY CHARACTERISTICS

---

23 A. Modification, also called improvements

Modification, also called improvements, is the economic idea that changes to one parcel can affect that parcel and surrounding land. Roads, utilities, and buildings can alter demand and value. Immobility, indestructibility, and nonhomogeneity are physical characteristics.

> **Common trap:** The question asks about value created by changes to land, so choose modification or improvements. Do not confuse an economic effect with a physical characteristic.

Source cue: Economic characteristics of land; modification and improvements

PROPERTY CHARACTERISTICS

---

24 B. police power, which does not require compensation

Zoning is an exercise of police power, the government's authority to regulate for the health, safety, morals, and general welfare of the public, and in Texas cities it is granted by Local Government Code Section 211.003(a). Ordinary land-use regulation normally does not require compensation. Eminent domain, the power to take property for public use, does require payment, and Article I, Section 17 of the Texas Constitution calls it adequate compensation rather than the federal phrase just compensation.

> **Common trap:** Police power regulates without paying; eminent domain takes and must pay. Zoning is police power.

Source cue: Tex. Loc. Govt Code 211.001, 211.003(a); police power

PROPERTY CHARACTERISTICS

---

25 B. chattels (personal property)

Movable items not permanently attached to real property are chattels, or personal property. When personal property is permanently affixed to real estate, it can become a fixture and part of the real property.

> **Common trap:** Personal property is movable (chattel). It becomes a fixture only when permanently attached with the intent to stay.

Source cue: Common law of fixtures; real versus personal property

PROPERTY CHARACTERISTICS

---

26 B. runs with the land and transfers with ownership

An easement appurtenant runs with the land. It benefits the dominant estate and burdens the servient estate, and it passes to new owners when either parcel is sold unless properly terminated.

> **Common trap:** An easement appurtenant transfers with the land, not just with the original owner.

Source cue: Common law of easements appurtenant

PROPERTY CHARACTERISTICS

---

27 B. Immobility, indestructibility, and uniqueness (nonhomogeneity)

The physical characteristics of land are immobility (it cannot be moved), indestructibility (it endures), and uniqueness or nonhomogeneity (no two parcels are exactly alike). Scarcity and permanence are economic characteristics.

> **Common trap:** Do not mix the physical characteristics (immobility, indestructibility, uniqueness) with the economic ones (scarcity, improvements, permanence, area preference).

Source cue: Physical characteristics of land; immobility, indestructibility, uniqueness

PROPERTY CHARACTERISTICS

ANSWER WORKSHOP | NATIONAL / GENERAL

Property Value and Appraisal

28 C. the sales comparison approach

The sales comparison approach compares the subject property to recently sold similar properties. It is the primary method for residential property because there are usually enough comparable sales to support a value.

Common trap: The cost approach fits new or special-purpose buildings, and the income approach fits rentals. For a standard home with good comparables, use sales comparison.

Source cue: Methods of estimating value; sales comparison approach

VALUE & APPRAISAL

29 B. subtract the pool's value from the comparable, because the comparable is superior in that feature

All adjustments are made to the comparable, never to the subject. When the comparable is superior, such as having a pool the subject lacks, the appraiser subtracts that value from the comparable. Comparable better, subtract (CBS).

Common trap: Never adjust the subject. If the comparable is better, subtract from the comparable; if worse, add to it.

Source cue: Sales comparison approach; direction of adjustment

VALUE & APPRAISAL

30 C. Cost approach

The cost approach estimates value as land value plus the cost to replace or reproduce the improvements, minus depreciation. It is most useful for new or special-purpose buildings, where sales comparables and income data are limited.

Common trap: Special-purpose buildings with few comparables point to the cost approach, not sales comparison.

Source cue: Cost approach; special-purpose property

VALUE & APPRAISAL

31 B. $750,000

The income approach uses Value = NOI divided by Cap Rate. $60,000 divided by 0.08 equals $750,000. Net operating income excludes debt service, so do not subtract a mortgage payment.

> **Common trap:** Divide NOI by the cap rate; do not multiply. And never deduct debt service when computing NOI.

Source cue: Income approach; IRV. Tex. Tax Code 23.012 recognizes the income method

VALUE & APPRAISAL

---

32 B. functional obsolescence

Functional obsolescence is a loss in value caused by outdated design or features within the property, such as a poor floor plan. Physical deterioration is wear and tear, and external obsolescence comes from forces outside the property line.

> **Common trap:** A bad floor plan is functional obsolescence. Wear and tear is physical; outside forces are external.

Source cue: Depreciation; functional obsolescence

VALUE & APPRAISAL

---

33 C. external (economic) obsolescence, which is incurable

External or economic obsolescence is a loss in value caused by forces outside the property, such as a nearby landfill. Because the owner cannot control or fix the outside cause, external obsolescence is considered incurable.

> **Common trap:** External obsolescence comes from off-site forces and is incurable. Do not confuse it with curable physical wear.

Source cue: Depreciation; external obsolescence

VALUE & APPRAISAL

---

34 **B. The most probable price a property should bring in an arm's-length sale with informed parties and reasonable market exposure**

Market value is the most probable price a property should bring in a competitive, open-market, arm's-length sale, with both parties informed and reasonable exposure time. Market price is what a property actually sold for, and cost is what it took to build.

> **Common trap:** Market value, market price, and cost are three different things. Value is the probable price, not the actual sale price.

Source cue: Tex. Tax Code 1.04(7); market value defined

VALUE & APPRAISAL

---

35 **B. highest and best use**

Highest and best use is the legally permissible, physically possible, financially feasible, and maximally productive use of a property. It is a foundational appraisal principle because value rests on the most productive lawful use.

> **Common trap:** All four tests must be met for highest and best use. A use that is profitable but illegal does not qualify.

Source cue: Highest and best use; four tests

VALUE & APPRAISAL

---

36 **A. The Appraisal Subcommittee (ASC)**

The Appraisal Subcommittee provides federal oversight of state appraiser and appraisal-management-company programs. The AQB establishes minimum appraiser qualification criteria, the ASB develops USPAP, and TALCB handles Texas appraiser licensing and enforcement.

> **Common trap:** Match each acronym to its verb. ASC oversees, AQB qualifies, ASB writes standards, and TALCB licenses in Texas.

Source cue: FIRREA Title XI; Appraisal Subcommittee; federal oversight

VALUE & APPRAISAL

---

37 C. $240,000

Value equals the gross rent multiplied by the GRM: $2,000 monthly rent times a monthly GRM of 120 equals $240,000. The GRM is a quick income-based screening tool, not a full income-approach analysis.

> **Common trap:** Multiply rent by the GRM. Make sure the rent period (monthly vs annual) matches the multiplier.

Source cue: Income approach; gross rent multiplier

VALUE & APPRAISAL

38 B. reconciliation, weighing each approach by reliability for the property

Reconciliation is the process of weighing the indicated values from each approach based on the quality of data and the property type, then forming a single value opinion. It is judgment-based, not a mechanical average.

> **Common trap:** Reconciliation weighs the approaches; it never just averages them.

Source cue: Appraisal process; reconciliation. Tex. Tax Code 23.0101, use the most appropriate method

VALUE & APPRAISAL

ANSWER WORKSHOP | NATIONAL / GENERAL

Real Estate Practice

39 C. Exclusive right-to-sell listing

An exclusive right-to-sell listing guarantees the broker a commission regardless of who procures the buyer, including the seller. An exclusive agency listing lets the seller sell on their own without owing a commission. An open listing pays only the broker who finds the buyer.

> **Common trap:** If the seller can find their own buyer and avoid paying, that is exclusive agency, not exclusive right-to-sell.

Source cue: Listing types; exclusive right to sell. Tex. Occ. Code 1101.652(b)(12) definite termination date

REAL ESTATE PRACTICE

---

40 B. creates a conflict of interest between the broker and the seller

In a net listing, the broker keeps any surplus above the seller's net figure, which tempts the broker to maximize personal gain rather than the seller's interest. This conflict of interest is why net listings are disfavored and tightly regulated.

> **Common trap:** A net listing creates a conflict of interest. Do not mistake the broker's incentive for a benefit to the seller.

Source cue: 22 TAC 535.16(b); net listing restrictions

REAL ESTATE PRACTICE

---

41 A. Race, color, religion, national origin, sex, familial status, and disability

The federal Fair Housing Act protects against discrimination based on race, color, religion, national origin, sex, familial status, and disability. Income, age, and occupation are not federally protected classes under that Act.

> **Common trap:** Memorize the seven federal classes. Age and income are not among them at the federal level.

Source cue: Fair Housing Act, 42 U.S.C. 3604; Tex. Prop. Code 301.021, 301.025

REAL ESTATE PRACTICE

---

42 B. blockbusting

Blockbusting is inducing owners to sell by suggesting that the entry of a protected class will lower property values or change the neighborhood. It is prohibited under the Fair Housing Act. Steering is channeling buyers toward or away from areas based on a protected class.

> **Common trap:** Blockbusting scares owners into selling; steering directs buyers. Both are Fair Housing violations, but they are different acts.

Source cue: Fair Housing Act, 42 U.S.C. 3604(e); Tex. Prop. Code 301.024, blockbusting

REAL ESTATE PRACTICE

43 C. redlining

Redlining is the refusal to lend or insure in certain areas based on the racial or ethnic composition of the neighborhood rather than the merits of the loan. It is prohibited under fair lending and fair housing laws.

> **Common trap:** Redlining is a lending practice tied to a geographic area. Steering and blockbusting target buyers and sellers directly.

Source cue: Fair Housing Act, 42 U.S.C. 3605; Tex. Prop. Code 301.026, redlining

REAL ESTATE PRACTICE

44 B. price-fixing, an antitrust violation, even though the rate sounds standard

Commission rates are always negotiable between a broker and a client. Competing brokers agreeing to charge the same rate is price-fixing, a per se violation of antitrust law under the Sherman Act, which carries serious penalties.

> **Common trap:** There is no standard or customary commission rate. Even calling a rate standard is an antitrust risk.

Source cue: Sherman Act, 15 U.S.C. 1; price-fixing is per se illegal

REAL ESTATE PRACTICE

45 B. Disclose the limits of the agent's competence and obtain qualified help or refer the assignment

Texas Rule 531.4 requires a license holder to know the local market, exercise judgment and skill, and understand the characteristics of the specific type of real estate being brokered. An active license is not proof of competence in every specialty.

> **Common trap:** The license grants brokerage authority. It does not create market or property-type expertise.

Source cue: 22 TAC 531.4, competency

REAL ESTATE PRACTICE

---

46 B. misrepresentation, which can expose the licensee to liability

Stating a known false fact, such as that a leaking roof is perfect, is misrepresentation and may support a fraud claim when the other elements are met. Puffing is non-factual opinion or sales talk, such as calling a view stunning.

> **Common trap:** Puffing is opinion; misrepresentation is a false statement of fact. A known false condition is misrepresentation.

Source cue: Tex. Occ. Code 1101.652(b)(3), material misrepresentation of a significant defect; 22 TAC 535.156(d)

REAL ESTATE PRACTICE

---

47 B. steering, a fair housing violation

Steering is intentionally directing buyers toward or away from neighborhoods because of a protected class. Calling the conduct helpful, or obtaining the buyer's agreement, does not make protected-class channeling lawful.

> **Common trap:** The deciding fact is that the agent intentionally used a protected class to limit housing choices.

Source cue: Fair Housing Act, 42 U.S.C. 3604; steering. Tex. Prop. Code 301.021

REAL ESTATE PRACTICE

---

48 B. a fair housing violation based on familial status

Stating a preference, limitation, or discrimination based on a protected class in an advertisement violates the Fair Housing Act. Familial status (households with children) is a protected class. Discriminatory advertising is never exempt.

> **Common trap:** Discriminatory ads are always prohibited, even where a sale-or-rental exemption might otherwise apply.

Source cue: Fair Housing Act, 42 U.S.C. 3604(c); Tex. Prop. Code 301.022, never exempt

REAL ESTATE PRACTICE

ANSWER WORKSHOP | NATIONAL / GENERAL

Forms of Ownership, Transfer and Recording of Title

49 B. fee simple absolute, the highest and most complete form of ownership

Fee simple absolute is the greatest estate in real property. It is indefinite in duration, freely transferable during life or at death, and not subject to any condition that could cut it short. It carries the full bundle of rights.

> **Common trap:** Fee simple defeasible looks similar but carries a condition that can trigger forfeiture. Absolute means no such condition.

Source cue: Estate doctrine; fee simple absolute

OWNERSHIP & TITLE

---

50 B. remainder, and the nephew is the remainderman

This is a life estate. When a life estate ends and the property passes to a named third party, that party holds a remainder and is called the remainderman. If the property instead returned to the grantor, that future interest would be a reversion.

> **Common trap:** A remainder goes to a named third party; a reversion returns to the grantor. The life tenant also cannot commit waste.

Source cue: Estate doctrine; life estate, remainder, and reversion

OWNERSHIP & TITLE

---

51 C. joint tenancy with right of survivorship

A traditional joint tenancy uses the four unities, often remembered as TTIP: time, title, interest, and possession, and includes survivorship when validly created. State law controls creation requirements. The national clue here is the express survivorship language plus all four unities.

> **Common trap:** Severance can convert the severed owner's share to a tenancy in common. Do not assume every state creates survivorship from the word joint alone.

Source cue: Estate doctrine; traditional joint tenancy

OWNERSHIP & TITLE

---

52 C. tenancy in common, the default co-ownership form

Tenancy in common is the default form of co-ownership. Owners can hold unequal shares, there is no right of survivorship, and a deceased owner's share passes to that owner's heirs or by will, not to the other co-owners.

> **Common trap:** Tenancy in common has no survivorship. Do not confuse it with joint tenancy, where the share goes to surviving co-owners.

Source cue: Estate doctrine; tenancy in common

OWNERSHIP & TITLE

---

53 D. The grantee's signature

The national deed checklist includes a competent grantor, an identifiable grantee, conveyance language, an adequate legal description, the grantor's execution, and delivery and acceptance. The grantee's signature is not a general deed-validity element. Valuable consideration is not universally required because a deed may be a gift.

> **Common trap:** Do not add a grantee-signature requirement or treat consideration as universal. Recording and acknowledgment are separate from validity between the parties.

Source cue: Title doctrine; valid deed elements

OWNERSHIP & TITLE

---

54 C. General warranty deed

A general warranty deed offers the most protection, warranting title against defects arising at any point in the property's history, including before the grantor's ownership. A special warranty deed covers only the grantor's period of ownership, and a quitclaim deed offers no warranties.

> **Common trap:** General warranty covers the whole history; special warranty covers only the grantor's tenure; quitclaim warrants nothing.

Source cue: Title doctrine; deed types and warranties

OWNERSHIP & TITLE

---

55 B. adverse possession

Adverse possession is an involuntary transfer in which a person who occupies land openly, notoriously, exclusively, hostilely, and continuously for the statutory period may acquire title. It is one of several involuntary methods, alongside descent, escheat, eminent domain, and foreclosure.

> **Common trap:** Adverse possession requires open, hostile, continuous use for the statutory period. Permission defeats the claim.

Source cue: Title doctrine; involuntary transfer by adverse possession

OWNERSHIP & TITLE

56 B. valid and effective even though it is not recorded

A deed is valid between the grantor and grantee upon delivery and acceptance, with or without recording. Recording is not what makes a deed effective; it provides constructive notice that protects against later third-party claims.

> **Common trap:** Recording is not required for validity between the parties. Its principal jobs are public notice and priority protection under the applicable recording act.

Source cue: Recording doctrine; deed validity and notice

OWNERSHIP & TITLE

57 B. the buyer against defects in title that existed before the policy

An owner's title policy protects the buyer (owner) against covered title defects that existed before the policy date, such as undisclosed liens or errors in the record. A lender's policy protects the lender's interest, not the buyer.

> **Common trap:** Owner's policy protects the buyer; lender's policy protects the lender. They are two different policies.

Source cue: Title doctrine; title insurance

OWNERSHIP & TITLE

ANSWER WORKSHOP | NATIONAL / GENERAL

Property Disclosures and Environmental Issues

58 **B. The seller must disclose the lack of known lead information, provide available records and the current EPA pamphlet, include the warning, and give the buyer the inspection opportunity**

Most pre-1978 target housing is covered even when the seller has no test results. The rule requires known-information disclosure, available records, the pamphlet, contract warnings and acknowledgments, and a purchaser opportunity to inspect. It does not require testing or abatement.

> **Common trap:** No knowledge does not remove the paperwork. The federal rule requires disclosure, not testing.

Source cue: 40 C.F.R. §§745.107, 745.110, 745.113

DISCLOSURES & ENVIRONMENTAL

---

59 **B. EPA recommends fixing a home at 4 pCi/L, but federal law does not require every home sale to include a radon test**

Radon is a colorless and odorless radioactive soil gas. EPA recommends mitigation at 4 pCi/L and consideration between 2 and 4 pCi/L, but that health guidance is not a nationwide sale-testing requirement.

> **Common trap:** Do not convert an EPA action level into a universal transaction mandate.

Source cue: 15 U.S.C. §2661 et seq.; EPA radon guidance

DISCLOSURES & ENVIRONMENTAL

---

60 **B. Clean Water Act and NPDES**

The Clean Water Act generally regulates point-source pollutant discharges through the National Pollutant Discharge Elimination System. The Clean Air Act addresses air emissions and ambient air-quality standards.

> **Common trap:** Match the medium first: water discharge points to the Clean Water Act.

Source cue: 33 U.S.C. §§1251, 1342; 42 U.S.C. §7401

DISCLOSURES & ENVIRONMENTAL

---

61 A. A Clean Water Act Section 404 permit for the discharge of fill

Section 404 addresses discharges of dredged or fill material into covered waters. The Army Corps issues most permits, with EPA standards and oversight. Jurisdiction and exemptions remain fact-specific.

Common trap: A wetland issue is not automatically a building ban, but fill can require a Section 404 permit.

Source cue: 33 U.S.C. §1344; 40 C.F.R. Part 230

DISCLOSURES & ENVIRONMENTAL

62 B. AAI generally must be completed within one year before acquisition, with specified components conducted or updated within 180 days

EPA's AAI rule uses a one-year window and a 180-day freshness rule for specified components. A Phase I may support AAI, but the buyer still has to satisfy the relevant statutory protection and continuing obligations.

Common trap: Phase I supports a process. It is not a stand-alone immunity certificate.

Source cue: 40 C.F.R. §§312.20, 312.21; 42 U.S.C. §9601(35)

DISCLOSURES & ENVIRONMENTAL

63 B. Phase II Environmental Site Assessment

A Phase II uses targeted sampling and laboratory analysis. A Phase I is primarily nonintrusive historical and site review. An EIS evaluates the effects and alternatives of a proposed major federal action under NEPA.

Common trap: Phase II samples. Phase I reviews. An EIS is a federal-action document.

Source cue: 40 C.F.R. §312.21; 42 U.S.C. §4332(C)

DISCLOSURES & ENVIRONMENTAL

64 B. The release is commonly addressed under the UST program authorized by RCRA Subtitle I and state law

CERCLA generally excludes petroleum. Federal UST rules are primarily authorized by RCRA Subtitle I, with state programs playing a central role. Nonpetroleum hazardous substances may create separate issues.

Common trap: Petroleum exclusion does not mean no liability. It changes the usual regulatory pathway.

Source cue: 42 U.S.C. §§6991, 9601(14); 40 C.F.R. Part 280

DISCLOSURES & ENVIRONMENTAL

65 B. The current owner or operator of the facility

The four classes include current owners or operators, owners or operators at the time of disposal, arrangers, and transporters who selected the site. CERCLA liability is strict and retroactive, and may be joint and several when the harm is indivisible.

> **Common trap:** Current ownership can matter even when someone else caused the release.

Source cue: 42 U.S.C. §9607(a)

DISCLOSURES & ENVIRONMENTAL

---

66 B. is not liable for seller-known information withheld from the agent if the agent informed the seller of the obligations

An agent must inform the seller or lessor and ensure compliance. Section 745.115(b) protects the agent from liability for owner-known information not disclosed to the agent after the agent properly informs the owner.

> **Common trap:** Agent responsibility is real, but it is not automatic liability for a seller's secret information.

Source cue: 40 C.F.R. §745.115

DISCLOSURES & ENVIRONMENTAL

ANSWER WORKSHOP | NATIONAL / GENERAL

Financing and Settlement

67 B. The promissory note, which is the borrower's written promise to repay

The promissory note is the borrower's written promise to repay and evidence of the debt. The security instrument, commonly a deed of trust in Texas, pledges the property as collateral and creates the lien securing that obligation.

> **Common trap:** The security instrument creates the lien. The note states and evidences the repayment promise.

Source cue: Financing instruments; promissory note

FINANCING & SETTLEMENT

---

68 B. A land contract or contract for deed

A land contract, also called a contract for deed, is seller financing in which the buyer typically takes possession and pays over time while the seller retains legal title until the contract requirements are met. State law controls the detailed rights and remedies.

> **Common trap:** Seller financing is broader than a purchase-money mortgage. Retained legal title is the land-contract clue.

Source cue: Pearson VUE outline VII.A.1.b, seller financing

FINANCING & SETTLEMENT

---

69 B. Federal mandatory-purchase rules generally require separate flood insurance

Federal mandatory-purchase rules generally require flood insurance for a regulated loan secured by improved real property or a mobile home in a Special Flood Hazard Area when National Flood Insurance Program coverage is available. Flood coverage is distinct from standard hazard or homeowners insurance.

> **Common trap:** Hazard insurance, flood insurance, and mortgage insurance protect against different risks.

Source cue: Federal flood insurance mandatory-purchase requirements

FINANCING & SETTLEMENT

---

70 B. above 80 percent, meaning the down payment is under 20 percent

Private mortgage insurance is generally required on a conventional loan when the loan-to-value ratio exceeds 80 percent, that is, when the down payment is less than 20 percent. Under federal law, PMI must automatically terminate when the balance reaches 78 percent of original value, if the borrower is current.

> **Common trap:** PMI protects the lender, not the borrower, and applies above 80 percent LTV. It can be removed as the balance drops.

Source cue: Mortgage insurance; Homeowners Protection Act; conventional PMI

FINANCING & SETTLEMENT

---

71 B. 3 business days

The creditor must deliver or place the Loan Estimate in the mail no later than the third business day after receiving an application. This is a delivery-or-mailing deadline, not a promise that mailed disclosures will arrive by that third day.

> **Common trap:** The Closing Disclosure uses receipt before consummation. The Loan Estimate uses delivery or mailing after application.

Source cue: 12 CFR 1026.19(e)(1)(iii)

FINANCING & SETTLEMENT

---

72 B. a prohibited kickback for an unearned referral fee

RESPA prohibits kickbacks and unearned referral fees between settlement-service providers. Paying a broker simply for referrals, with no service performed, is a prohibited kickback. Disclosure does not cure it.

> **Common trap:** A payment for steering business, with no service rendered, is a RESPA violation, not a normal commission or a curable disclosure issue.

Source cue: 12 CFR 1024.14(b) and (c)

FINANCING & SETTLEMENT

---

73 B. A statewide real estate transfer tax

Texas Constitution Article VIII, Section 29 prohibits a state tax on the transfer of a fee-simple interest in real property. Recording fees, title insurance premiums, and prorated taxes may still appear. A National/General exam problem can also supply a hypothetical transfer-tax rate and ask you to calculate it.

> **Common trap:** Separate Texas law from a national calculation. Use any rate the question expressly supplies.

Source cue: Settlement; Texas Constitution Article VIII, Section 29

FINANCING & SETTLEMENT

ANSWER WORKSHOP | NATIONAL / GENERAL

Real Estate Math Calculations

74 B. $21,000

Commission equals sale price times the commission rate. $350,000 times 0.06 equals $21,000. Convert the percentage to a decimal before multiplying.

> **Common trap:** Move the decimal correctly. 6 percent is 0.06, so the answer is $21,000, not $2,100 or $210,000.

Source cue: Real estate math; commission calculation

REAL ESTATE MATH

---

75 B. 1 acre

Area equals length times width: 150 times 290.4 equals 43,560 square feet. Dividing by 43,560 square feet per acre gives exactly 1 acre.

> **Common trap:** Memorize 43,560 square feet per acre. It is not provided at the test center.

Source cue: Real estate math; legal description and property area calculation

REAL ESTATE MATH

---

76 B. 8 percent

Cap rate equals net operating income divided by price. $48,000 divided by $600,000 equals 0.08, or 8 percent. Net operating income excludes debt service.

> **Common trap:** Cap rate is NOI divided by price. Do not include mortgage payments in NOI.

Source cue: Income approach; capitalization rate

REAL ESTATE MATH

---

77 C. $5,000

One discount point equals one percent of the loan amount. Two points on $250,000 is 2 percent, or $5,000. CFPB describes discount points as an upfront closing fee exchanged for a lower rate, but the size of the rate reduction varies.

> **Common trap:** Points use the loan amount. One point does not automatically reduce the interest rate by a fixed amount.

Source cue: Real estate math; discount points

REAL ESTATE MATH

---

78 C. 84 percent

The loan amount is $250,000 minus $40,000, or $210,000. LTV equals loan divided by value: $210,000 divided by $250,000 equals 0.84, or 84 percent.

> **Common trap:** Subtract the down payment to get the loan first, then divide by value. The down payment is not the LTV.

Source cue: Real estate math; loan-to-value

REAL ESTATE MATH

---

79 A. $4,000

Subtract the exemption first: $300,000 minus $140,000 equals $160,000 taxable value. Texas property tax is stated per $100 of value: $160,000 divided by 100 equals 1,600 units, times $2.50 equals $4,000.

> **Common trap:** Subtract exemptions before applying the rate, and remember Texas states the rate per $100 of value, not per $1,000.

Source cue: Texas Tax Code §11.13(b); property tax calculation

REAL ESTATE MATH

---

80 B. $900

The daily rate is $3,650 divided by 365, or $10 per day. The seller owns 90 days (closing day included), so the seller's share is $10 times 90, or $900. Always use the day count and closing-day rule the question states.

> **Common trap:** Use exactly the 360 or 365 convention and the closing-day rule the question gives. Choosing the wrong one is the most common avoidable miss.

Source cue: Real estate math; proration (convention per question)

REAL ESTATE MATH

ANSWER WORKSHOP | TEXAS STATE LAW

Agency and Brokerage (Texas)

81 **B. an intermediary, with the written consent of both parties**

Texas does not permit dual agency. When one broker represents both the buyer and the seller in the same transaction, the broker acts as an intermediary, which requires the written consent of both parties, typically obtained up front in the representation agreements.

> **Common trap:** Texas does not allow dual agency and does not use the transaction broker. The correct concept is intermediary with written consent.

Source cue: TRELA (Texas Occupations Code Ch. 1101.559-.561); intermediary

TEXAS AGENCY & INTERMEDIARY

---

82 **B. appointment of license holders by the broker**

An intermediary broker may appoint different associated license holders to communicate with, carry out instructions for, and advise each party. This appointment must be authorized in writing, and it lets each party receive advice while the broker remains the intermediary.

> **Common trap:** Appointed license holders are still working under an intermediary, not as dual agents. The broker makes the appointments in writing.

Source cue: TRELA (Texas Occupations Code Ch. 1101.560); appointments

TEXAS AGENCY & INTERMEDIARY

---

83 **B. At the first substantive communication with a party about a specific property**

A license holder must provide the TREC Information About Brokerage Services (IABS) notice at the first substantive communication with a party regarding a specific property. It explains the types of representation available in Texas.

> **Common trap:** The IABS is given at the first substantive communication, not at closing. It is a disclosure, not a representation agreement.

Source cue: TRELA (Texas Occupations Code Ch. 1101.558); IABS notice

TEXAS AGENCY & INTERMEDIARY

---

84 B. while sponsored by an active Texas broker who supervises the agent

A licensed sales agent may not engage or attempt to engage in real estate brokerage unless sponsored by a licensed broker and acting for that broker. Holding the license is not enough on its own, and neither is passing the exam: an applicant may not act until the license is actually issued.

> **Common trap:** Passing the exam is not enough. A sales agent needs the license issued and an active sponsoring broker to act for.

Source cue: TRELA §1101.351(b)-(c)

TEXAS AGENCY & INTERMEDIARY

---

85 C. not accept it directly; compensation for brokerage must flow through the sponsoring broker

A Texas sales agent may receive transaction compensation only from the sponsoring broker, or from the broker who sponsored the agent when the compensation was earned. The agent cannot accept it directly from a buyer, seller, or another broker. Calling it a gift does not change the rule.

> **Common trap:** The sponsoring broker is the permitted source of a sales agent's transaction compensation. A direct client payment, gift or not, is a violation.

Source cue: TRELA §1101.651(b); a sales agent may accept compensation only from the sponsoring broker

TEXAS AGENCY & INTERMEDIARY

---

86 B. may not disclose one party's confidential price information to the other without authorization, and must treat the parties fairly

An intermediary must act fairly and may not favor one party over the other. Without the required separate writing, the intermediary may not disclose that the seller will take less than the asking price, that the buyer will pay more than the price submitted in a written offer, or other protected information.

> **Common trap:** An intermediary stays neutral. It cannot leak one party's bottom line to the other without written authorization.

Source cue: TRELA §1101.559(c), fair and impartial conduct; §1101.651(d), prohibited disclosures

TEXAS AGENCY & INTERMEDIARY

---

87 B. the real estate brokerage activities of the sales agents sponsored by the broker

The broker must notify each sponsored sales agent in writing of the scope of that agent's authorized activities, and is responsible for those authorized acts. Note what the rule does NOT say: the broker is not required to supervise sales agents directly. If the broker permits an agent to act beyond the authorized scope, those acts are the broker's responsibility too.

> **Common trap:** The rule expressly says the broker is not required to supervise directly. Responsibility follows the authorized scope, and any conduct beyond it the broker permits, not a duty of constant oversight.

Source cue: 22 TAC §535.2(a), (e); TRELA §1101.803

TEXAS AGENCY & INTERMEDIARY

---

88 B. perform clerical and administrative tasks but not activities that require a license

Clerical and administrative employees, identified to callers as such, may confirm the size, price, and terms of advertised property without a license. They may not do the acts the rules reserve to license holders: showing property, which expressly includes unlocking or providing access and hosting an open house, and soliciting or negotiating listings.

> **Common trap:** The line is not the subject matter, it is the act. Confirming an advertised price is clerical; opening the door for a prospect is showing, and showing requires a license.

Source cue: 22 TAC §535.5(g), §535.4(c), (f); TRELA §1101.351(a)

TEXAS AGENCY & INTERMEDIARY

---

89 B. provide IABS and enter the written agreement required by §1101.563

Under §1101.562(b), a host whose broker does not represent the owner provides the IABS notice before showing. Because the visitor is a prospective residential buyer, §1101.563 also requires a written agreement before the showing. TREC's 2026 guidance says this outcome applies even when the visitor already has a written representation agreement with another broker.

> **Common trap:** The words open house and already represented both point toward §1101.558(c) exceptions, but the newer pre-showing provisions add separate duties. Identify whether the host's broker represents the owner.

Source cue: TRELA §1101.562(b), §1101.563; TREC 2026 buyer and tenant representation guidance

TEXAS AGENCY & INTERMEDIARY

---

90 B. honesty, fair dealing, and disclosure of known material defects

TREC Rule 535.156(b) draws the line in one sentence: a license holder must deal honestly and fairly with all parties, but represents only the principal and owes a duty of fidelity to that principal. Rule 535.156(d) adds a duty to convey accurate information to members of the public the license holder deals with. Failing to disclose to a potential buyer a known significant defect, including a latent structural defect, is separately a ground for discipline.

> **Common trap:** Customers get honesty, fair dealing, and defect disclosure, not fidelity. The duty of fidelity runs only to the principal.

Source cue: 22 TAC §535.156(b), (d); TRELA §1101.652(b)(3)-(4), (b)(7); §1101.557(a)

TEXAS AGENCY & INTERMEDIARY

---

91 B. up front in the listing agreement and the buyer-representation agreement

The written consent to intermediary status is normally built into the listing agreement and the buyer-representation agreement, which authorize the broker to act as intermediary if the same firm ends up on both sides of a transaction.

> **Common trap:** Intermediary consent is set up in the representation agreements in advance, in writing, not arranged verbally at the last minute.

Source cue: TRELA §1101.559; intermediary consent

TEXAS AGENCY & INTERMEDIARY

ANSWER WORKSHOP | TEXAS STATE LAW

Standards of Conduct

92 A. Fidelity, because the agent placed personal convenience above the client's interest

The fidelity canon makes the client's interest the license holder's primary duty and bars putting a personal interest above it. Withholding an offer for the agent's convenience violates that duty. Separate minimum-services rules also require presentation of offers.

> **Common trap:** Do not confuse an agent's convenience with the client's interest. The seller decides which offer is preferable.

Source cue: 22 TAC §531.2; fidelity

STANDARDS OF CONDUCT

---

93 B. Competency

Rule 531.4 requires knowledge of the local market, industry developments, sound judgment and skill, and the characteristics of the specific property type being brokered. A license alone does not establish competence for every market and property.

> **Common trap:** The question is not whether the agent may ever handle a ranch. It is whether the agent is competent for this assignment.

Source cue: 22 TAC §531.4; competency

STANDARDS OF CONDUCT

---

94 B. a material misrepresentation and a ground for discipline

TRELA §1101.652(b)(3) makes a material misrepresentation about a known significant defect a ground for discipline. Subsection (b)(4) separately covers failure to disclose that known defect.

> **Common trap:** A seller's instruction does not authorize a false statement or concealment of a known significant defect.

Source cue: TRELA §1101.652(b)(3)-(4); known significant defects

STANDARDS OF CONDUCT

---

95 **B. disclose in writing that the buyer is a licensed broker or sales agent acting on the buyer's own behalf**

Rule 535.144 requires written disclosure of license status in the contract, rental agreement, or another writing provided before the parties enter the agreement. The rule also applies to specified transactions involving close family members, certain entities, and trusts.

> **Common trap:** Acting as a principal removes the agency role, not the written license-status disclosure.

Source cue: 22 TAC §535.144(b); license holder acting as principal

STANDARDS OF CONDUCT

---

96 **B. engaged in unauthorized practice of law by drafting language that affects legal rights**

Rule 537.11 bars a license holder from drafting or recommending language that defines or affects a party's rights, obligations, or remedies. A custom contingency is one of the examples named in the rule. The buyer should obtain legal advice and attorney-drafted language.

> **Common trap:** Client instruction and broker approval do not give a sales agent authority to invent legal wording.

Source cue: 22 TAC §537.11(b)(5); unauthorized practice of law

STANDARDS OF CONDUCT

---

97 **B. not itself the practice of law under the rule's narrow written-instruction provision**

Rule 537.11(d)(2) permits a conspicuous addition or deletion made at a principal's specific written instruction. The provision is narrow: it does not authorize the license holder to create the wording or advise on legal effect.

> **Common trap:** Do not turn the written-instruction exception into general permission to draft or interpret clauses.

Source cue: 22 TAC §537.11(d)(2); specific written principal instruction

STANDARDS OF CONDUCT

---

98 B. deliver it immediately to the sponsoring broker

A sales agent may not maintain a trust account. Any trust money received by the sales agent must be delivered immediately to the sponsoring broker.

> **Common trap:** The broker's later deposit deadline does not give the sales agent permission to hold the check.

Source cue: 22 TAC §535.146(b)(2); sales-agent receipt of trust money

STANDARDS OF CONDUCT

99 B. no later than close of business on the second working day after receipt

Rule 535.146 treats a reasonable time as no later than close of business on the second working day after the broker receives the money, unless the principals expressly agreed to a different time in writing.

> **Common trap:** Use working days, start with the broker's receipt, and notice whether the stem supplies a different written agreement.

Source cue: 22 TAC §535.146(b)(3); trust-money deposit timing

STANDARDS OF CONDUCT

100 B. prohibited use of trust money for an operating expense

Rule 535.146 prohibits commingling and treats payment of operating expenses or other improper trust-account withdrawals as prima facie evidence of commingling. Using the buyer's funds for the broker's own purpose is also commonly described as conversion.

> **Common trap:** An intention to repay does not make an unauthorized use lawful.

Source cue: 22 TAC §535.146(c)-(d); commingling and improper withdrawal

STANDARDS OF CONDUCT

ANSWER WORKSHOP | TEXAS STATE LAW

Contracts and Promulgated Forms (Texas)

101 B. The current TREC One to Four Family Residential Contract (Resale)

Rule 537.11(a) requires the contract form approved for mandatory use for the transaction unless an exception applies. Rule 537.28 adopts TREC No. 20-19 for residential resale.

> **Common trap:** Match the transaction to the mandatory form before thinking about addenda.

Source cue: 22 TAC §§537.11(a), 537.28

TEXAS CONTRACTS & FORMS

---

102 A. Vacant land intended for one to four family residential use

Rule 537.20 adopts TREC No. 9-18 for unimproved property whose intended use is one to four family residences. Rule 537.32 separately adopts the Farm and Ranch Contract.

> **Common trap:** Vacant does not automatically mean farm and ranch. Intended residential use is the key clue.

Source cue: 22 TAC §§537.20, 537.32

TEXAS CONTRACTS & FORMS

---

103 D. Advise the principal to consult an attorney and do not invent or recommend the clause

Rule 537.11(b)(5) prohibits a license holder from drafting or recommending language that defines or affects rights, obligations, or remedies, including cancellation and contingency language.

> **Common trap:** A blank space is not permission to practice law.

Source cue: 22 TAC §537.11(b)(3), (5), (e)

TEXAS CONTRACTS & FORMS

---

104 C. made conspicuous, such as by striking through the deletion

Rule 537.11(d)(2) permits a conspicuous addition or deletion when a principal specifically instructs it in writing. The exception does not authorize the agent to originate the wording or advise on legal effect.

> **Common trap:** Both facts matter: specific written instruction and a conspicuous change.

Source cue: 22 TAC §537.11(d)(2)

TEXAS CONTRACTS & FORMS

---

105 C. to the escrow agent within three days after the effective date

Paragraph 5A of TREC No. 20-19 requires delivery of both amounts to the escrow agent within three days after the effective date. If the last day is a Saturday, Sunday, or defined Legal Holiday, the deadline extends under Paragraph 5A(2).

> **Common trap:** The three-day delivery clock and the negotiated option-period clock are different.

Source cue: 22 TAC §537.28; TREC No. 20-19 ¶5A

TEXAS CONTRACTS & FORMS

---

106 B. The earnest money is refunded, while the option fee is not refunded

Paragraph 5B gives the buyer an unrestricted right to terminate within the stated option period. On timely notice, earnest money is refunded and the option fee is not.

> **Common trap:** The option fee bought the right. It is not treated like refundable earnest money.

Source cue: 22 TAC §537.28; TREC No. 20-19 ¶5B

TEXAS CONTRACTS & FORMS

---

107 B. binding when executed, although most performance waits while the contingency remains

The Back-Up Contract Addendum says the back-up contract is binding upon execution. Except as the addendum provides, the parties do not perform while it remains contingent on termination of the first contract.

> **Common trap:** Contingent does not mean unformed or nonbinding.

Source cue: 22 TAC §537.22; TREC No. 11-9 ¶¶A, G

TEXAS CONTRACTS & FORMS

---

108 B. a contract for the sale of real estate

Section 26.01(b)(4) names a contract for the sale of real estate. The agreement or memorandum must be written and signed as subsection (a) requires to be enforceable.

> **Common trap:** The rule does not depend on residential status or financing.

Source cue: Texas Bus. & Com. Code §26.01(a), (b)(4)

TEXAS CONTRACTS & FORMS

---

109 D. A two-year lease

Section 26.01(b)(5) applies to a lease of real estate for a term longer than one year. A two-year lease fits that wording.

> **Common trap:** The statute says longer than one year, not one year or longer.

Source cue: Texas Bus. & Com. Code §26.01(a), (b)(5)

TEXAS CONTRACTS & FORMS

ANSWER WORKSHOP | TEXAS STATE LAW

Special Topics (Texas Law)

110 B. community property

Property possessed by either spouse during or at dissolution of marriage is presumed community property. Overcoming that presumption requires clear and convincing evidence. The name on a deed does not replace the classification analysis.

> **Common trap:** Start with when and how the property was acquired, not whose name appears on the deed.

Source cue: Texas Family Code §§3.002, 3.003

SPECIAL TOPICS (TEXAS)

---

111 B. Creditor protection limits forced sale, while a tax exemption reduces taxable value

Article XVI, Section 50 limits forced sale of a homestead except for constitutionally permitted debts. Tax Code Section 11.13 separately reduces taxable value for a qualifying residence homestead. An appraisal limitation is a third rule, not another name for either one.

> **Common trap:** The shared word homestead does not make creditor protection, exemptions, and appraisal limits interchangeable.

Source cue: Texas Constitution art. XVI, §50; Texas Tax Code §11.13

SPECIAL TOPICS (TEXAS)

---

112 B. failure to disclose known information intended to induce the transaction

Section 17.46(b)(24) addresses known information withheld with intent to induce a consumer into a transaction the consumer would not otherwise have entered. The broker and sales-agent exemption in Section 17.49(i) expressly does not cover that conduct.

> **Common trap:** A real estate license is not blanket DTPA immunity.

Source cue: Texas Bus. & Com. Code §§17.46(b)(24), 17.49(i)

SPECIAL TOPICS (TEXAS)

---

113 A. Whether it is wholly in the testator's handwriting

Section 251.052 provides that a will written wholly in the testator's handwriting is not required to be attested by subscribing witnesses. A standard attested will follows the writing, signature, and witness requirements in Section 251.051.

> **Common trap:** Do not apply the two-witness rule to a document that the facts identify as wholly handwritten by the testator.

Source cue: Texas Estates Code §§251.051, 251.052

SPECIAL TOPICS (TEXAS)

---

114 B. within 30 days after the tenant surrenders the premises

Section 92.103 gives the landlord 30 days after surrender to refund the deposit. A tenant is not entitled to a refund or description of deductions until the tenant gives a forwarding address, but Section 92.107 says that omission does not forfeit the tenant's right.

> **Common trap:** The clock runs from surrender, not from a new tenant's move-in.

Source cue: Texas Property Code §§92.103, 92.107

SPECIAL TOPICS (TEXAS)

ANSWER WORKSHOP | TEXAS STATE LAW

Commission Duties and Powers (TREC)

115 B. The Texas Legislature writes the statute; TREC enforces it and adopts the TREC Rules

The Texas Legislature enacts TRELA, the statute. The Texas Real Estate Commission (TREC) administers and enforces the Act and adopts the TREC Rules. TREC does not write the statute itself.

> **Common trap:** The Legislature writes the law; TREC enforces it and makes rules. Do not give TREC the statute-writing power.

Source cue: Texas Occ. Code §1101.151

TREC DUTIES & POWERS

---

116 B. investigate the complaint and, where warranted, hold a hearing and impose sanctions such as fines, suspension, or revocation

TREC evaluates and investigates complaints within its authority. A disputed disciplinary case may go to SOAH, while the Commission renders the final agency decision. A complaint alone does not prove a violation or revoke a license.

> **Common trap:** A complaint does not automatically revoke a license. TREC investigates, then may impose sanctions after due process.

Source cue: Texas Occ. Code §§1101.204, 1101.657-1101.658; 22 TAC §533.7

TREC DUTIES & POWERS

---

117 B. compensate certain consumers who obtain a judgment against a license holder for specified violations and cannot collect it

The account may pay qualifying claims based on specified actual damages and a civil judgment, subject to statutory collection steps and caps. It is not automatic complaint compensation. If the holder does not repay a payment before the 31st day after TREC gives notice, the license must be revoked, although TREC may probate the order.

> **Common trap:** The recovery account pays wronged consumers who cannot collect a judgment, not TREC's budget or education costs.

Source cue: Texas Occ. Code §§1101.601-1101.610, 1101.655

TREC DUTIES & POWERS

ANSWER WORKSHOP | TEXAS STATE LAW

Licensing

118 A. hold a Texas real estate license

A person who performs an act of real estate brokerage for another in exchange for compensation must hold a Texas real estate license. For a sales agent, that license must be held in the name of and supervised by a sponsoring broker.

> **Common trap:** Acting as a broker for compensation requires a license. Local registration or age alone is not enough.

Source cue: Texas Occ. Code §§1101.002(1), 1101.004, 1101.351(a)

LICENSING

---

119 B. An owner selling or leasing the owner's own property

An owner dealing with the owner's own property is generally exempt from the licensing requirement, as are certain attorneys and other specified persons. Negotiating sales for others for a fee requires a license.

> **Common trap:** Selling your own property is exempt. Negotiating for others for compensation is not.

Source cue: Texas Occ. Code §1101.005; 22 TAC §535.5

LICENSING

---

120 B. complete the required qualifying education, pass the exam, meet fitness requirements, and be sponsored by an active broker

A sales agent license is activated by completing the required qualifying education, passing the exam, meeting honesty and fitness requirements, and being sponsored by an active broker. Holding the license without a sponsoring broker does not allow brokerage activity.

> **Common trap:** Passing the exam alone does not let a sales agent work. An active sponsoring broker is required to act.

Source cue: Texas Occ. Code §§1101.351(c), 1101.354, 1101.363(b); 22 TAC §§535.51, 535.55(c)

LICENSING

RETEST PLAN

Turn the score into a study assignment

MISSED RULE	AREA	CORRECTION IN ONE SENTENCE	RETEST DATE

SOURCE REGISTER

Official sources and maintenance record

These sources were checked on August 30, 2026. Use the linked official material for the latest rule, form, fee, testing policy, or statutory text.

SOURCE	DIRECT LINK
Texas Business & Commerce Code 26.01, Statute of Frauds	statutes.capitol.texas.gov/Docs/BC/htm/BC.26.htm
Pearson VUE Texas Real Estate Content Outlines (#094401)	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094401.pdf
Texas Real Estate Commission (TREC)	www.trec.texas.gov/
TREC contract forms	www.trec.texas.gov/agency-information/contracts
Texas Property Code Chapter 21, eminent domain	statutes.capitol.texas.gov/Docs/PR/htm/PR.21.htm
Texas Property Code Chapter 202, restrictive covenants	statutes.capitol.texas.gov/Docs/PR/htm/PR.202.htm
Texas Local Government Code Chapter 211, zoning	statutes.capitol.texas.gov/Docs/LG/htm/LG.211.htm
Texas Local Government Code Chapter 212, plats	statutes.capitol.texas.gov/Docs/LG/htm/LG.212.htm
Logan v. Mullis, Texas fixture test	law.justia.com/cases/texas/supreme-court/1985/c-3313-0.html
Appraisal Subcommittee, federal oversight	asc.gov/about
TALCB Rules and Laws	www.talcb.texas.gov/agency-information/rules-and-laws
TREC Rules, 22 TAC Chapter 535	www.trec.texas.gov/node/634
Texas Occupations Code Chapter 1103	statutes.capitol.texas.gov/Docs/OC/htm/OC.1103.htm
Texas Tax Code Chapter 23	statutes.capitol.texas.gov/Docs/TX/htm/TX.23.htm
HUD Fair Housing	www.hud.gov/stat/fheo/rights-obligations
FTC Telemarketing Sales Rule	www.ftc.gov/business-guidance/resources/complying-telemarketing-sales-rule
Texas Property Code Chapters 5, 12, and 13	statutes.capitol.texas.gov/Docs/PR/htm/PR.5.htm
Texas Department of Insurance Title Insurance	www.tdi.texas.gov/title/index.html
eCFR, Lead-Based Paint Disclosure, 40 CFR Part 745 Subpart F	www.ecfr.gov/current/title-40/chapter-I/subchapter-R/part-745/subpart-F

SOURCE	DIRECT LINK
EPA, Superfund Liability	www.epa.gov/enforcement/superfund-liability
EPA, All Appropriate Inquiries	www.epa.gov/brownfields/brownfields-all-appropriate-inquiries
Texas Property Code Section 5.008	statutes.capitol.texas.gov/Docs/PR/htm/PR.5.htm#5.008
Texas Occupations Code Section 1101.652	statutes.capitol.texas.gov/Docs/OC/htm/OC.1101.htm#1101.652
CFPB, Regulation Z Section 1026.19	www.consumerfinance.gov/rules-policy/regulations/1026/19/
CFPB, Regulation X Section 1024.14	www.consumerfinance.gov/rules-policy/regulations/1024/14/
CFPB, Regulation B	www.consumerfinance.gov/rules-policy/regulations/1002/
Texas Property Code Section 51.002	statutes.capitol.texas.gov/Docs/PR/htm/PR.51.htm#51.002
Pearson VUE Texas Real Estate Candidate Handbook (#094400)	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094400.pdf
Texas Comptroller, Property Tax Exemptions	comptroller.texas.gov/taxes/property-tax/exemptions/
Texas Constitution Article VIII, Section 29	statutes.capitol.texas.gov/Docs/CN/htm/CN.8.htm#8.29
CFPB, Lender Credits and Discount Points	www.consumerfinance.gov/ask-cfpb/how-should-i-use-lender-credits-and-points-also-called-discount-points-en-136/
IRS Publication 527 (2025)	www.irs.gov/pub/irs-pdf/p527.pdf
Texas Occupations Code Ch. 1101 (TRELA, The Act)	statutes.capitol.texas.gov/Docs/OC/htm/OC.1101.htm
TREC Information About Brokerage Services (IABS)	www.trec.texas.gov/forms/information-about-brokerage-services
Texas Family Code Chapter 3	statutes.capitol.texas.gov/Docs/FA/htm/FA.3.htm
Texas Property Code Ch. 41, homestead	statutes.capitol.texas.gov/Docs/PR/htm/PR.41.htm
Texas Business & Commerce Code Ch. 17, DTPA	statutes.capitol.texas.gov/Docs/BC/htm/BC.17.htm
Texas Property Code	statutes.capitol.texas.gov/Docs/PR/htm/PR.1.htm
Texas Estates Code	statutes.capitol.texas.gov/Docs/ES/htm/ES.1.htm
Texas GLO Veterans Land Board programs	www.glo.texas.gov/veterans/loans-veterans
TREC Information Regarding Recovery Fund	www.trec.texas.gov/node/12
TREC: Become a Sales Agent	www.trec.texas.gov/node/122
TREC: Renew a Sales Agent License	www.trec.texas.gov/renew-license/real-estate-sales-agent

SOURCE	DIRECT LINK
TREC: Fitness Determination	www.trec.texas.gov/forms/fitness-determination
Texas Real Estate Commission rules and laws	www.trec.texas.gov/agency-information/rules-and-laws

Maintenance record

Pass Texas Premium Study Series, version 2.0. Verified August 30, 2026. Review after any Pearson VUE outline, candidate-handbook, TREC rule, TREC form, or Texas-law change.