MATH WORKBOOK

Texas Real Estate Exam Math Formula Guide and Worked Practice

A readable formula reference, setup method, 15 original calculation questions, complete explanations and a reusable miss log.

35	7	15	2
CORE RELATIONSHIPS	SCORED MATH ITEMS	WORKED QUESTIONS	MUST-KNOW CONVERSIONS

Reviewed October 13, 2026 | Version 3.1

RELIABLE SETUP

The four-line calculation method

- Write what the question asks for.
- Write the relationship before inserting numbers.
- Convert percentages and units.
- Calculate, label the answer and run a reasonableness check.

Memorize
43,560 square feet per acre and 5,280 feet per mile. Use 360 or 365 days exactly as the question directs.

What is official
Pearson VUE publishes seven math subareas and seven scored math items. The 35 relationships in this guide are Pass Texas study tools mapped to that outline, not a formula list issued by Pearson VUE.

AREA	PEARSON VUE TOPIC	STUDY FOCUS	RELATIONSHIPS
A	**Property area**	Square footage and acreage	2
B	**Property valuation**	Cap rate, taxes, value, and CMA	7
C	**Commission**	Total commission and agent splits	2
D	**Loan financing costs**	Interest, fees, points, and LTV	7
E	**Settlement and closing**	Proration, cash, seller net, and PITI	8
F	**Investment**	Equity, return, basis, and gain	6
G	**Property management**	EGI, NOI, and vacancy	3

LEARN THE CONCEPT
www.passtexasrealestate.com/math-formulas/cheat-sheet

PRACTICE THIS TOPIC
www.passtexasrealestate.com/practice-questions/real-estate-math

A

OFFICIAL MATH AREA

Property area

Square footage and acreage | 2 core relationships

Square Footage	**`Length × Width = Area (sq ft)`** **Worked example: 50 ft × 100 ft = 5,000 sq ft** Multiply length by width to calculate rectangular area.
Acres Conversion	**`Square Feet ÷ 43,560 = Acres`** **Worked example: 87,120 sq ft ÷ 43,560 = 2 acres** There are 43,560 square feet in one acre (memorize this; it is not provided at the test center).

Setup check

Sketch the shape, label every dimension, confirm that height is perpendicular to the base, and keep units consistent before converting square feet to acres.

One-minute self-check

A 200-foot by 217.8-foot rectangle contains 43,560 square feet, so it contains exactly 1 acre.

B

OFFICIAL MATH AREA

Property valuation

Cap rate, taxes, value, and CMA | 7 core relationships

Capitalization Rate	**`Annual NOI ÷ Property Value = Cap Rate`** **Worked example: $50,000 ÷ $500,000 = 10%** Divide annual NOI by the stated value or sale price. This income-to-value ratio excludes financing and resale proceeds; it is not the investor's total return.
Property Value (Income Approach)	**`Annual NOI ÷ Cap Rate = Property Value`** **Worked example: $50,000 ÷ 10% = $500,000** Divide net operating income by the cap rate to estimate value using the income approach.
Gross Rent Multiplier	**`Sale Price ÷ Gross Rent = GRM`** **Worked example: $500,000 ÷ $60,000 = 8.33** Match the rent period to the multiplier. This example uses annual gross rent, so 8.33 is an annual GRM. A monthly GRM cannot be applied to annual rent.
Taxable Value	**`Assessed Value − Applicable Exemptions = Taxable Value`** **Worked example: $310,000 assessed − $140,000 school exemption = $170,000** Use the assessed value after any applicable value limitation. The $140,000 residence homestead exemption applies to school-district tax. Each taxing unit may have different exemptions.
Annual Property Tax	**`Taxable Value ÷ 100 × Tax Rate per $100 = Tax`** **Worked example: $170,000 ÷ 100 × $1.00 = $1,700 school tax** The $1.00 school rate is a hypothetical question input. Calculate each taxing unit separately when exemptions differ. One mill means $1 per $1,000 of taxable value.
Inferior Comparable	**`Comparable Sale Price + Adjustment = Adjusted Price`** **Worked example: $415,000 + $12,000 = $427,000** Add when the comparable is inferior to the subject. You adjust the comparable toward the subject.
Superior Comparable	**`Comparable Sale Price − Adjustment = Adjusted Price`** **Worked example: $415,000 − $8,000 = $407,000** Subtract when the comparable is superior to the subject. The subject stays fixed.

C

OFFICIAL MATH AREA

Commission

Total commission and agent splits | 2 core relationships

Commission Amount	**`Sale Price × Commission Rate = Commission`** **Worked example: $250,000 × 6% = $15,000** Multiply by the rate agreed in the problem. The 6% example is hypothetical; commissions are negotiable, not fixed by law.
Agent Split	**`Brokerage Share × Agent Split % = Agent Share`** **Worked example: $7,500 brokerage share × 60% = $4,500** Find the brokerage's side of the commission first, then apply the agent's split. Use total commission only when the question says that brokerage receives the entire commission.

Setup check

Identify the sale price, total commission rate, brokerage side, and agent split. Apply each percentage once and in that order.

One-minute self-check

At a hypothetical agreed 6% commission on a $300,000 sale, total commission is $18,000. One equal brokerage side is $9,000. A 70% agent split on that side is $6,300.

D

OFFICIAL MATH AREA

Loan financing costs

Interest, fees, points, and LTV | 7 core relationships

Simple Interest	**`Principal × Annual Rate × Time in Years = Interest`** **Worked example: $200,000 × 6% × 1 year = $12,000** For simple interest on an unchanged principal, use years with an annual rate: six months is 0.5 year. This does not calculate an amortizing loan's total interest.
Monthly Interest	**`Loan Balance × Annual Rate ÷ 12 = Monthly Interest`** **Worked example: $200,000 × 6% ÷ 12 = $1,000** Use the outstanding loan balance, not the original sale price. In an amortization problem, the interest portion is calculated before the principal reduction.
Loan Origination Fee	**`Loan Amount × Fee Rate = Origination Fee`** **Worked example: $200,000 × 1% = $2,000** Use this formula for a percentage fee on the loan amount. A flat fee or another stated base needs its own calculation.
Discount Points	**`Loan Amount × Points (as %) = Point Cost`** **Worked example: $200,000 × 2 points (2%) = $4,000** One discount point equals 1% of the loan amount. CFPB describes discount points as an upfront closing fee exchanged for a lower rate; the amount of rate reduction varies by lender, loan, and market.
Principal Reduction (Amortization)	**`Monthly P&I Payment − Monthly Interest = Principal Paid`** **Worked example: $1,500 payment − $1,000 interest = $500 principal** An amortized payment contains interest and principal. Subtract that month's interest from the principal-and-interest payment to find how much reduces the loan balance.
Prepayment Penalty	**`Loan Balance × Stated Penalty Rate = Prepayment Penalty`** **Worked example: $180,000 × 2% = $3,600** Prepayment terms vary. Use this relationship only when the question supplies a percentage penalty and the balance to which it applies.
LTV Ratio	**`Loan Amount ÷ Property Value = LTV`** **Worked example: $180,000 ÷ $200,000 = 90% LTV** Use the value basis specified in the question. Fannie Mae purchase-loan calculations generally use the lower of price and appraisal; refinance calculations use appraised value.

E

OFFICIAL MATH AREA

Settlement and closing

Proration, cash, seller net, and PITI | 8 core relationships

Daily Rate	**Annual Amount ÷ (360 or 365) = Daily Rate** **Worked example: $3,650 ÷ 365 = $10/day** The Texas exam specifies whether to divide by a 360-day or 365-day year in each proration question. Use exactly what the question states.
Party's Share	**Daily Rate × Days Owned = Proration** **Worked example: $10/day × 180 days = $1,800** Multiply the daily rate by the number of days owned in the proration period. The question tells you whether the day of closing belongs to the buyer or the seller.
Down Payment	**Purchase Price − Loan Amount = Buyer Down Payment** **Worked example: $200,000 − $180,000 = $20,000** The buyer's down payment is the part of the purchase price not financed. If the appraisal is below the purchase price, the lender may base the maximum loan on the lower value, leaving an additional appraisal gap for the buyer to fund.
Seller Net	**Sale Price − Payoff − Selling Costs = Seller Net** **Worked example: $425,000 − $298,000 − $31,375 = $95,625** Subtract all stated payoffs and selling costs, including commission and seller-paid adjustments. Seller net is cash proceeds, not the taxable gain.
Buyer Cash Required	**Down Payment + Unpaid Costs + Prepaids − Credits − Deposit = Cash to Close** **Worked example: $60,000 + $7,500 + $2,100 − $1,000 − $5,000 = $63,600** For additional cash due at closing, subtract the earnest-money deposit already paid and credited, plus stated seller or lender credits. Count each paid item or credit once.
Monthly PITI	**Monthly P&I Payment + Monthly Taxes + Monthly Insurance = PITI** **Worked example: $2,400 + $310 + $145 = $2,855/month** Base PITI combines monthly principal and interest, property taxes, and insurance. Convert annual taxes and insurance to monthly amounts first. Add mortgage insurance, HOA dues, or other housing costs only when the question includes them.
Transfer Tax (National Formula)	**Sale Price ÷ Tax Unit × Rate = Transfer Tax** **Worked example: $300,000 ÷ $1,000 × $2 = $600** Use the tax unit and rate supplied by the question. Texas has no statewide real estate transfer tax, but Pearson's National/General outline still includes transfer-tax calculations.
Recording Fee	**Recorded Units × Fee per Unit = Recording Fee** **Worked example: 12 pages × $5 per page = $60** Recording charges vary by jurisdiction. Use the number of pages or instruments and the fee basis given in the question.

F

OFFICIAL MATH AREA

Investment

Equity, return, basis, and gain | 6 core relationships

Equity	**Current Value − Total Secured Debt = Equity** **Worked example: $420,000 − $286,000 = $134,000** Equity is the owner's value position before selling costs. It is not the same as profit.
Appreciation	**Current Value − Purchase Price = Appreciation** **Worked example: $420,000 − $350,000 = $70,000** Appreciation measures value increase. Debt does not change the appreciation calculation.
Market Value Depreciation	**Original Value − Current Value = Depreciation** **Worked example: $350,000 − $315,000 = $35,000** For a simple exam value-loss problem, depreciation is the decrease from the original value to the current value. Use any tax-depreciation method only when the question supplies it.
Return on Investment (ROI)	**Annual Return ÷ Cash Invested = ROI** **Worked example: $12,000 ÷ $150,000 = 8% ROI** This simplified exam relationship compares the stated annual return with cash invested. Confirm the numerator and period in the question because broader investment analysis may define return differently.
Adjusted Basis	**Initial Basis + Capital Improvements − Depreciation = Adjusted Basis** **Worked example: $350,000 + $40,000 − $25,000 = $365,000** Start with the supplied basis, add qualifying improvements and subtract depreciation allowed or allowable. Actual basis can have other adjustments; use the facts in the problem.
Gain Before Exclusions	**Amount Realized − Adjusted Basis = Gain** **Worked example: $410,000 − $365,000 = $45,000 gain** In a simple cash sale, amount realized is sale price minus selling expenses, before mortgage payoff. This gain is not automatically taxable: exclusions and other tax rules require more facts.

G

OFFICIAL MATH AREA

Property management

EGI, NOI, and vacancy | 3 core relationships

Effective Gross Income	**`Potential Gross Income − Vacancy & Collection Loss + Other Income = EGI`** **Worked example: $120,000 − $6,000 + $2,000 = $116,000** Effective gross income begins with potential gross income, subtracts vacancy and collection loss, then adds other income such as laundry or parking. Use the figures and period supplied by the question.
Net Operating Income	**`Effective Gross Income − Operating Expenses = NOI`** **Worked example: $116,000 − $46,000 = $70,000 NOI** NOI is income after operating expenses, before debt service, income taxes and depreciation. A capital improvement is not a routine operating expense. Keep it separate from NOI.
Vacancy Rate	**`Vacant Units ÷ Total Units = Vacancy Rate`** **Worked example: 5 ÷ 100 = 5%** This is vacancy by unit count. Use it as a lost-rent percentage only if rents are equal or the problem directs you to do so. Unequal rents can produce a different income loss.

Setup check

Start with potential income, subtract vacancy and collection loss, add other income, then subtract operating expenses to reach NOI.

One-minute self-check

$120,000 potential income minus $6,000 vacancy plus $2,000 other income gives $116,000 EGI. Minus $46,000 operating expenses gives $70,000 NOI.

CLOSED-BOOK MATH LAB

15 original calculation questions

QUESTION 1 | REAL ESTATE MATH

1. In this hypothetical agreement, the total commission is 6 percent of a $350,000 sale price. What is the total commission before any brokerage or agent splits?

A. $21,000

B. $10,500

C. $19,800

D. $2,100

QUESTION 2 | REAL ESTATE MATH

2. A rectangular lot measures 150 feet by 290.4 feet. How many acres does it contain? Use 43,560 square feet per acre.

A. 0.5 acre

B. 1 acre

C. 1.5 acres

D. 2 acres

QUESTION 3 | REAL ESTATE MATH

3. An income property's stabilized annual net operating income is $48,000. It sells for $600,000. What capitalization rate does that income and price imply?

A. 6 percent

B. 12.5 percent

C. 8 percent

D. 80 percent

QUESTION 4 | REAL ESTATE MATH

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

A. $500

B. $2,500

C. $50,000

D. $5,000

QUESTION 5 | REAL ESTATE MATH

5. A home's sale price and appraised value are both $250,000. A buyer pays $40,000 down and finances the remaining price, with no financed fees. What is the loan-to-value ratio?

A. 84 percent

B. 16 percent

C. 80 percent

D. 100 percent

QUESTION 6 | REAL ESTATE MATH

6. A home is currently worth $320,000. Its only secured debt is a mortgage with a $210,000 unpaid balance. What is the owner's equity before any sale costs?

A. $210,000

B. $320,000

C. $110,000

D. $530,000

QUESTION 7 | REAL ESTATE MATH

7. Annual property taxes are $3,650. For this problem, use a 365-day year. The seller owns the property from January 1 through closing, and closing occurs on day 90 of the year. The seller is charged for the closing day. What is the seller's share?

A. $890

B. $900

C. $910

D. $2,750

QUESTION 8 | REAL ESTATE MATH

8. A residential rental property's stated cost basis is $550,000, including $110,000 allocated to land. For this simplified exercise, use straight-line GDS depreciation over 27.5 years for one full recovery year. Assume no other basis adjustments or partial-year calculation. What is the annual building depreciation?

A. $4,000

B. $20,000

C. $16,000

D. $440,000

QUESTION 9 | REAL ESTATE MATH

9. An apartment property's potential monthly rent is $30,000. Vacancy and collection loss equal 5 percent of that rent only. Other monthly income is $1,000, already net of any collection loss. What is monthly effective gross income?

A. $29,450

B. $28,500

C. $31,000

D. $29,500

QUESTION 10 | REAL ESTATE MATH

10. A property was purchased for $250,000 and later sold for $300,000. Ignoring income, improvements, financing, taxes and transaction costs, what is the percentage increase in price?

A. 20 percent

B. 16.7 percent

C. 25 percent

D. 50 percent

QUESTION 11 | REAL ESTATE MATH

11. A $200,000 loan has a monthly principal-and-interest factor of $6.32 per $1,000 borrowed. What is the monthly P&I payment?

A. $632

B. $1,264

C. $1,896

D. $12,640

QUESTION 12 | REAL ESTATE MATH

12. A triangular lot has a base of 300 feet and a perpendicular height of 200 feet. What is its area in square feet?

A. 60,000 square feet

B. 15,000 square feet

C. 30,000 square feet

D. 25,000 square feet

QUESTION 13 | REAL ESTATE MATH

13. A property manager charges 8 percent of collected monthly rent. If the manager collects $24,000 this month, what is the management fee?

A. $192

B. $3,000

C. $19,200

D. $1,920

QUESTION 14 | REAL ESTATE MATH

14. For this hypothetical transaction, a $360,000 sale produces a 6 percent total commission under the parties' agreements. The two brokerages split that amount equally. The listing agent receives 60 percent of the listing brokerage's share. What does that agent receive?

A. $6,480

B. $10,800

C. $12,960

D. $21,600

QUESTION 15 | REAL ESTATE MATH

15. A seller's target is $188,000 after a negotiated commission of 6 percent of the sale price. There is no mortgage payoff or other seller cost. What sale price meets the target?

A. $199,280

B. $200,000

C. $188,000

D. $212,000

WORKED ANSWERS

Setup, result and common trap

1 A. $21,000

Total commission = sale price × agreed rate. $350,000 × 0.06 = $21,000. No split has been applied yet. The 6 percent rate is supplied for this exercise, not a standard or required commission.

> **Common trap:** Calculate the total first. Do not halve it unless the question actually specifies a split.

Rule: Real estate math; commission calculation

Check the source: OpenStax: percentage calculations and percent increase; Texas Occupations Code 1101.155(c): commissions are negotiable

2 B. 1 acre

Square feet = 150 × 290.4 = 43,560. Acres = 43,560 ÷ 43,560 = 1. Both dimensions are already in feet, so no length conversion is needed. Multiplying the two lengths gives area; adding the sides would give a perimeter.

> **Common trap:** The conversion is provided for this exercise. Pearson says to memorize it for the exam.

Rule: Real estate math; legal description and property area calculation

Check the source: Pearson VUE: Salesperson math outline and calculation notes; OpenStax: area formulas and perpendicular height

3 C. 8 percent

Cap rate = annual NOI ÷ price. $48,000 ÷ $600,000 = 0.08, or 8 percent. The supplied NOI is before debt service; do not subtract mortgage payments from it again. This one-year income-to-price ratio is not the investor's total return after financing and resale.

> **Common trap:** Keep the annual income period. The reciprocal, price divided by NOI, is a multiplier rather than the cap rate.

Rule: Income approach; capitalization rate

Check the source: Federal banking agencies: direct capitalization, Appendix 3; California BOE: general income calculations, not Texas tax law

4 **D. $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.

Rule: Real estate math; discount points

Check the source: CFPB: discount points and the loan amount

---

5 **A. 84 percent**

Loan amount = $250,000 − $40,000 = $210,000. LTV = $210,000 ÷ $250,000 × 100 = 84 percent. The price and appraisal are equal here, so the value base is unambiguous. The 16 percent down-payment share is the complement, not the LTV.

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

Rule: Real estate math; loan-to-value

Check the source: CFPB: loan-to-value ratio

---

6 **C. $110,000**

Equity = current value − secured debt. $320,000 − $210,000 = $110,000. That is the owner's unencumbered value under the stated facts, not a promise of $110,000 cash at closing. Selling costs and other closing adjustments would reduce or change the final proceeds.

> **Common trap:** Use the current unpaid balance, not the original loan amount. Do not add the mortgage to the home's value.

Rule: Property valuation math; owner equity

Check the source: CFPB: equity and principal, interest, taxes and insurance

---

7 **B. $900**

Daily tax = $3,650 ÷ 365 = $10. The seller is responsible for 90 days, including closing day, so $10 × 90 = $900. If the buyer owned closing day instead, the seller would have 89 days. That is not the instruction here.

> **Common trap:** Do not change the stated 365-day basis to 360. Whether the tax is prepaid or unpaid is a separate question that determines the closing debit or credit.

Rule: Real estate math; proration (convention per question)

Check the source: Pearson VUE: Salesperson math outline and calculation notes

---

8 **C. $16,000**

Building basis = $550,000 − $110,000 = $440,000. Full-year depreciation = $440,000 ÷ 27.5 = $16,000. Land is not depreciable. Residential rental buildings under GDS generally use 27.5 years, but actual first and last years use the mid-month convention; this is not a first-year tax deduction calculation.

> **Common trap:** A building losing value for an appraisal and a rental building's tax depreciation are different concepts. Do not depreciate the land or ignore the stated tax method.

Rule: Depreciation; IRS Publication 527, residential rental property

Check the source: IRS Publication 527 (2025): land, GDS recovery period and mid-month convention

---

9 **D. $29,500**

Lost rent = $30,000 × 0.05 = $1,500. Effective gross income = $30,000 − $1,500 + $1,000 = $29,500 per month. The problem applies the loss rate to rent only. Operating expenses have not yet been deducted, so this is not NOI.

> **Common trap:** Applying 5 percent to all $31,000 would give $29,450, but would disregard the stated treatment of other income.

Rule: Real estate math; property management calculation

Check the source: California BOE: general income calculations, not Texas tax law

---

10 **A. 20 percent**

Price increase = $300,000 − $250,000 = $50,000. Percentage increase = $50,000 ÷ $250,000 × 100 = 20 percent. This measures price growth only. It is not taxable gain or the investor's net return, which require additional facts.

> **Common trap:** Divide the change by the original price, not the later sale price. No holding period is given, so this is not an annualized return.

Rule: Investment math; percentage price increase, not taxable gain

Check the source: OpenStax: percentage calculations and percent increase

---

11 **B. $1,264**

Loan units = $200,000 ÷ $1,000 = 200. Monthly P&I = 200 × $6.32 = $1,264. This supplied factor covers principal and interest only. Taxes, insurance and any other charges are separate; the answer is not a complete monthly housing budget.

> **Common trap:** Multiply the number of thousands by the per-$1,000 factor. Do not multiply the whole loan by the factor.

Rule: Settlement math; supplied principal-and-interest factor, not full PITI

Check the source: Pearson VUE: Salesperson math outline and calculation notes; CFPB: equity and principal, interest, taxes and insurance

---

12 **C. 30,000 square feet**

The area of a triangle is one-half the base times the height: 0.5 x 300 x 200 = 30,000 square feet. Forgetting the one-half factor gives the incorrect 60,000.

> **Common trap:** Triangle area uses one-half base times height. Skipping the one-half doubles the answer.

Rule: Real estate math; legal description and property area calculation

Check the source: OpenStax: area formulas and perpendicular height

---

13 **D. $1,920**

Management fee = collected rent × the agreed rate. $24,000 × 0.08 = $1,920. The agreement uses rent actually collected, not potential rent. The 8 percent figure is a hypothetical contract term, not an industry-standard fee.

> **Common trap:** Use the income base stated in the agreement or question. Here the fee is based on collected rent, not potential rent.

Rule: Real estate math; property management calculation

Check the source: OpenStax: percentage calculations and percent increase

---

14 **A. $6,480**

Total commission = $360,000 × 0.06 = $21,600. Listing brokerage share = $21,600 × 0.50 = $10,800. Listing agent share = $10,800 × 0.60 = $6,480. These rates and splits are supplied assumptions, not mandatory or standard arrangements.

> **Common trap:** Work the splits in order: total commission, then the brokerage split, then the agent's share. Each step reduces the number.

Rule: Real estate math; commission calculation and splits

Check the source: OpenStax: percentage calculations and percent increase; Texas Occupations Code 1101.155(c): commissions are negotiable

---

15 **B. $200,000**

The seller retains 1 − 0.06 = 0.94 of the sale price. Required price = $188,000 ÷ 0.94 = $200,000. Check: $200,000 − $12,000 commission = $188,000. This simplified target calculation is not a recommendation to use a net listing.

> **Common trap:** To find a required sale price, divide the net by (1 minus the commission rate). Do not just add 6% to the net.

Rule: Settlement calculation; seller net and required price

Check the source: OpenStax: percentage calculations and percent increase; Pearson VUE: Salesperson math outline and calculation notes

---

ERROR CORRECTION

Math miss log

QUESTION TYPE	MY WRONG SETUP	CORRECT RELATIONSHIP	RETEST

SOURCE REGISTER

Sources and edition notes

Edition reviewed October 13, 2026 against the exam outline and rules effective October 12, 2026. References include controlling authorities and supporting explanations. For a changing rule, form or appointment policy, check the current official source.

SOURCE	DIRECT LINK
Pearson VUE sales-agent outline, revision 01/2026, pages 3-4: math areas and calculation notes	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094401.pdf#page=4
Pearson VUE September 2026 handbook, pages 9-10: calculators and reference materials	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094400.pdf#page=12
Texas Tax Code 1.04(9)-(10): assessed and taxable value	tcss.legis.texas.gov/resources/TX/htm/TX.1.htm#1.04
Texas Comptroller: residence homestead exemptions by taxing unit	comptroller.texas.gov/taxes/property-tax/exemptions/
Texas Occupations Code 1101.155(c): commissions are negotiable	tcss.legis.texas.gov/resources/OC/htm/OC.1101.htm#1101.155
Texas Constitution Article VIII, Section 29: fee-simple transfer-tax prohibition	tcss.legis.texas.gov/resources/CN/htm/CN.8.htm#8.29
CFPB: discount points use the loan amount	www.consumerfinance.gov/ask-cfpb/how-should-i-use-lender-credits-and-points-also-called-discount-points-en-136/
Fannie Mae B2-1.2-01: LTV value bases for purchase and refinance loans	guide-selling.fanniemae.com/sel/b2-1.2-01/loan-value-ltv-ratios
CFPB: Closing Disclosure, deposits, credits and cash to close	www.consumerfinance.gov/owning-a-home/closing-disclosure/
IRS Publication 551 (2025): adjusted basis and depreciation allowed or allowable	www.irs.gov/publications/p551
IRS Publication 523 (2025): amount realized, gain and exclusions	www.irs.gov/publications/p523
IRS Publication 527 (2025): rental building depreciation and land	www.irs.gov/publications/p527
California BOE: general income calculations, not Texas property-tax rules	boe.ca.gov/info/iav/lesson7cyk.htm
OpenStax: percentage calculations and percent increase	openstax.org/books/prealgebra-2e/pages/6-2-solve-general-applications-of-percent
Pearson VUE: Salesperson math outline and calculation notes	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094401.pdf
OpenStax: area formulas and perpendicular height	openstax.org/books/contemporary-mathematics/pages/10-6-area
Federal banking agencies: direct capitalization, Appendix 3	www.occ.gov/news-issuances/federal-register/2023/88fr43115.pdf#page=19

SOURCE	DIRECT LINK
CFPB: loan-to-value ratio	www.consumerfinance.gov/ask-cfpb/what-is-a-loan-to-value-ratio-and-how-does-it-relate-to-my-costs-en-121/
CFPB: equity and principal, interest, taxes and insurance	www.consumerfinance.gov/consumer-tools/mortgages/answers/key-terms/

Maintenance record

Pass Texas, version 3.1. Reviewed October 13, 2026. Independent exam preparation, not an official Pearson VUE or TREC publication. Original practice questions are not actual exam items. Share the complete guide and use passtexasrealestate.com/study-pdfs for the latest edition.

PUT ONE RULE INTO PRACTICE

Make your next study session count

Choose a rule you missed, explain it without notes, then try a different question. Use the free topic links in this guide, or continue in Pass Texas.

GET THE APP

passtexasrealestate.com/download

STUDY OR SIGN IN ON THE WEB

app.passtexasrealestate.com

Start with the available free practice. Full access is a separate purchase. Your answers and notes in this PDF do not transfer to an account.