

Tennessee Real Estate Practice Exam – 100 Questions (No Answers)

Printable Classroom Version

1. For residential property managers dealing with prospective tenants in Tennessee, their responsibilities include checking _____.

- A. Bank account balances
- B. Employment drug test results
- C. References
- D. School transcripts

2. Karen has to reapply for her Tennessee affiliate broker's license. It's June 20, and her license expires on August 7. What did she fail to do?

- A. Notify the real estate commission of her intention to renew
- B. Submit her renewal paperwork 60 days prior to the deadline
- C. Sell enough homes
- D. Pass her licensing exam

3. What is the term length for a member of the Tennessee Real Estate Commission?

- A. Two years
- B. Three years
- C. Four years
- D. Five years

4. Ondine, a principal broker in Tennessee, must review all transactional documents EXCEPT which one?

- A. Counter-offers
- B. Consumer reports
- C. Purchase offers
- D. Listing agreements

5. What license status is needed to perform real estate services in Tennessee?

- A. Voluntary inactive
- B. Temporary retirement
- C. Involuntary inactive
- D. Active

6. Derek signed a timeshare contract after an on-site inspection. How many days does he have to cancel the contract?

- A. Seven days
- B. Five days
- C. 15 days
- D. 10 days

7. Margarita's seller client is completing the Tennessee property condition disclosure. What duty does she have?

- A. Help complete the form
- B. Inform the seller of the duty to disclose
- C. Have the seller complete a disclaimer
- D. Tell the seller to guess if unsure

8. Jennifer wants her assistant to purge unnecessary files. What must she tell Kate?

- A. Put files in a locked alley bin
- B. Delete electronic copies only
- C. Destroy anything more than two years old
- D. Ensure proper document destruction

9. James receives an earnest money check from a buyer. What should he do?

- A. Put it in the buyer's file
- B. Deposit it in his personal account
- C. Deposit it in any bank account
- D. Immediately give it to his broker

10. You used the word REALTOR® even though your membership expired. What violation is this?

- A. Untruthful advertising
- B. Undisclosed compensation
- C. Failure to supervise
- D. Exerting undue influence

11. Misrepresentation is grounds for discipline if it is ____.

- A. Willful
- B. Inconspicuous
- C. Inadvertent
- D. Harmless

12. Which of the following can hold a Tennessee broker's license?

- A. A salesperson with over five years' experience
- B. A person or an entity
- C. A person only
- D. A brokerage company only

13. Which statement is true about complainants in the TREC complaint process?

- A. They must not be licensed
- B. They must be licensed
- C. They must be brokers
- D. They may be licensees or consumers

14. Percy and Jackson formed a real estate team. What must their ads include?

- A. Ads specific to teams are prohibited
- B. Team name only
- C. Team name and brokerage firm name
- D. Team name in larger font than firm name

15. Which statement is true relative to holding escrow or trust money?

- A. Principal brokers must maintain separate escrow accounts
- B. Licensees may use a personal account if they keep a ledger
- C. Any bank account may be used with documentation
- D. Affiliate brokers must maintain separate escrow accounts

16. If a Tennessee affiliate broker wants to offer a prize to clients, the principal broker must ____.

- A. Supply the prize
- B. Limit the prize
- C. Approve the prize
- D. Advise the licensee not to offer it

17. Which information must be updated and issued monthly by a residential property manager?

- A. Vacation days taken by employees
- B. Income and expenses
- C. Market value
- D. Days late for rent

18. Who is entitled to reimbursement from the Real Estate Education and Recovery Account?

- A. A TREC member
- B. A licensee whose broker withheld commissions
- C. A member of the public with a judgment
- D. A broker harmed by an affiliate

19. An office property manager is responsible for which area?

- A. Negotiating residential leases
- B. Determining capital expenditures and maintenance
- C. Planning construction of large projects
- D. Determining power requirements

20. What does having a designated agent help a brokerage avoid?

- A. Transaction brokerage
- B. Single agency
- C. In-house dual agency
- D. Facilitation

21. What can a facilitator do for a customer?

- A. Negotiate
- B. Advocate
- C. Recommend terms
- D. Process paperwork

22. A default-to-facilitator policy is an attempt to avoid _____.

- A. Lower commissions
- B. Dual agency
- C. Designated agency
- D. Cooperating brokerage

23. What is the minimum age to earn a Tennessee real estate license?

- A. 25
- B. 21
- C. 18
- D. 16

24. How can an affiliate broker avoid commingling funds?

- A. Turn over funds immediately to broker
- B. Use a safety deposit box
- C. Deposit funds into business account
- D. Ask another licensee to hold funds

25. When must agency status be confirmed in writing?

- A. First communication
- B. Prior to offer preparation
- C. At closing
- D. First client meeting

26. When keeping escrow records, what additional information must be kept?

- A. Closing date
- B. Names and Social Security numbers of brokers
- C. Mortgage contingency details
- D. Date withdrawn and who received funds

27. What is a record?

- A. Buyer's desire to purchase
- B. Act of conducting business
- C. Goods exchanged for service
- D. Anything documented as part of business

28. Which of the following must you disclose about a listed property?

- A. Viewed it as a buyer
- B. Step-father is the owner
- C. Owned the property in the 1990s
- D. Previously listed elsewhere

29. How long must records of real estate transactions be kept?

- A. Two years
- B. Three years
- C. One year
- D. Four years

30. When placing trust funds into an interest-bearing account, a broker must obtain _____.

- A. Consent from all parties
- B. Consent from TREC
- C. Consent from FDIC
- D. Consent from bank

31. Escrow records must include all EXCEPT:

- A. Seller's driver's license number
- B. Name of depositor
- C. Date funds withdrawn
- D. Date funds deposited

32. Rhonda keeps her records electronically. What must she be able to do?

- A. Produce off-site hard copies
- B. Produce them within 24 hours
- C. Obtain state approval
- D. Retain originals only

33. Members of the Tennessee Real Estate Commission are appointed by _____.

- A. Tennessee Senate
- B. Governor
- C. Public election
- D. City mayors

34. What type of agency allows two licensees in the same brokerage to work with both parties?

- A. Single agency
- B. Limited agency
- C. Dual agency
- D. Designated agency

35. When an earnest money check is deposited, what must be recorded?

- A. Depositor
- B. Bank name
- C. Buyer's driver's license
- D. Conditions for cashing check

36. Ellen and Isaac have a timeshare they can use for two weeks per year for eight years. What type is it?

- A. Timeshare use
- B. Timeshare estate
- C. Periodic estate
- D. Fee simple timeshare

37. Tennessee licensees must keep transaction documents for at least ____.

- A. Three years
- B. Six months
- C. One year
- D. Five years

38. To prevent commingling, a broker managing multiple properties should:

- A. Keep funds in personal account
- B. Establish separate escrow accounts
- C. Track funds in spreadsheets
- D. Ask another broker to manage

39. Which scenario describes an illegal net listing?

- A. Seller pays \$25,000 commission
- B. Seller wants \$350,000; agent keeps amount above
- C. Seller reserves right to find buyer
- D. Seller offers 6% commission

40. What is true of a consumer working with a licensee but without an agency agreement?

- A. Must pay commission
- B. Must sign a retainer
- C. Is legally obligated to the licensee
- D. May work with any licensee

41. What is the correct TAR form for purchasing a retail strip mall?

- A. RF 404
- B. RF 401
- C. CF 402
- D. CF 401

42. What might a licensee be doing if treating a customer as a client?

- A. Working for free
- B. Wasting time
- C. Drumming up business
- D. Breaching duty to actual client

43. A principal broker receives earnest money. When must it be deposited?

- A. No deadline
- B. Immediately after offer acceptance
- C. Within three business days
- D. Within seven business days

44. Which statement about online advertising is true?

- A. Only certain properties may be advertised
- B. Only brokers may advertise online
- C. Licensees shouldn't advertise online
- D. Same rules apply online as in other media

45. Before posting a for sale sign, a licensee must obtain _____.

- A. Permit
- B. Flier box
- C. Seller's written permission
- D. Broker's permission

46. Before applying for recovery fund relief, consumers must first _____.

- A. Wait two years
- B. Publish notice
- C. Notarize judgment
- D. Exhaust other remedies

47. What best indicates Harry is Kelsey's seller client?

- A. They have a signed agency agreement
- B. They talked at a school event
- C. He asked about commission at an open house
- D. He mentioned thinking of selling

48. If records are stored electronically, they must be accessible within _____.

- A. Three business days
- B. 30 days
- C. 24 hours
- D. 10 business days

49. Which complaint is NOT under TREC jurisdiction?

- A. Dispute between brokers over commission
- B. Trust account mismanagement
- C. Unlicensed person acted as agent
- D. Two contracts with different prices

50. A license expired more than _____ cannot be reinstated.

- A. One year
- B. 60 days
- C. 30 days
- D. 120 days

51. Millie gives her agent a \$10,000 earnest money check with an offer to purchase a home. When will the check be deposited?

- A. Immediately upon receipt by her agent
- B. Immediately after the seller accepts the offer
- C. At least 10 days before closing
- D. After loan approval

52. Of the nine TREC members, how many are not current or former real estate professionals?

- A. Two
- B. Three
- C. One
- D. Four

53. Which type of property manager most likely works for developers and investors?

- A. Retail
- B. Residential
- C. Real estate development
- D. Office

54. Andrea has toured several properties with an agent but has not signed a buyer representation agreement. What kind of agency representation does she have?

- A. Seller agency
- B. No agency
- C. Implied agency
- D. Buyer agency

55. What is true about licensee commission in Tennessee?

- A. There is a standard commission rate
- B. Commission is subject to brokerage split
- C. It may be paid directly to the licensee
- D. There is a standard listing fee range

56. Regarding compensation, listing commissions must comply with:

- A. Standard state-mandated rates
- B. Standard ranges required by TREC
- C. Independent contractor agreement terms
- D. National real estate fee guidelines

57. Marcus told a buyer that his seller's home had no flooding issues, though the seller had previously disclosed water in the basement. Which statement is true?

- A. Marcus is guilty of puffery
- B. No misrepresentation occurred
- C. Marcus committed unintentional misrepresentation
- D. Marcus committed intentional misrepresentation

58. Which should Tennessee licensees avoid because it can attract thieves?

- A. Turning off location info
- B. Posting photos of clients' valuables
- C. Posting friend requests
- D. Giving referrals

59. How often can real estate firms receive an escrow waiver?

- A. Whenever needed
- B. Once every six months
- C. Once each license renewal period
- D. Once a year

60. Protected classes under Tennessee fair housing law include:

- A. Race, color, religion, national origin, age, sex, marital status, disability
- B. Race, color, religion, ancestry, creed, sex, familial status, disability
- C. Race, color, religion, national origin, sexual orientation, marital status, disability
- D. Race, color, religion, national origin, creed, sex, familial status, disability

61. Ken placed a for sale sign in the Hensons' yard before they signed the listing agreement. Which statement is true?

- A. It's fine as long as he waits to market formally
- B. It's illegal without the owner's written consent
- C. Verbal consent is enough
- D. He can't get in trouble unless the sellers refuse to sign

62. Cindy is paid by the seller when her buyer client Craig purchases a property. Who is Cindy's client?

- A. The seller
- B. The listing agent
- C. Craig
- D. City Realty

63. Transaction records in Tennessee must be maintained for _____.

- A. Three years
- B. One year
- C. Five years
- D. Ten years

64. The Tennessee Real Estate Broker License Act of 1973 protects consumers against licensees who _____.

- A. Are overly ambitious
- B. Use deceptive practices
- C. Rely heavily on advertising
- D. Are new to real estate

65. How many TREC members must be present for a meeting to be valid?

- A. One public member and one broker
- B. One from each grand division
- C. Five
- D. All nine

66. How long must electronic real estate forms be kept with the broker?

- A. Five years
- B. Three years
- C. Seven years
- D. One year

67. Which entity administers residential and commercial laws for activities requiring a license?

- A. Tennessee Real Estate Commission
- B. Tennessee Planning Bureau
- C. Tennessee Bureau of Licensing
- D. National Association of REALTORS®

68. Casey's affiliate broker license expired 30 days ago. What must he do to renew?

- A. Pay penalty fees
- B. File an appeal
- C. Retake the state exam
- D. Requalify through pre-licensing and exam

69. What designation is earned upon completing the IREM certification program?

- A. Specialized Property Expert
- B. Certified Residential Real Estate Expert
- C. Certified Property Manager
- D. Certified Manager of Buildings

70. What is the exam requirement for a timeshare salesperson license?

- A. No exam required
- B. National and state exams with 70% or higher
- C. National and state exams with 80% or higher
- D. National and state exams with 75% or higher

71. Doug wants to advertise another broker's listing. Whose permission must he obtain?

- A. Seller's broker
- B. Property owner
- C. No one's
- D. His own broker

72. What must Ramon include when advertising property?

- A. Firm name listed first
- B. Firm name and phone number
- C. Franchise logo may replace firm name
- D. Firm name only on signs

73. Which component of a purchase offer may be referred to as a "down payment on the down payment"?

- A. Proceeds money
- B. Partial down payment
- C. Earnest money
- D. Double down payment

74. Which entity administers license law in Tennessee?

- A. Tennessee Real Estate Commission
- B. Secretary of State
- C. Governor's Office
- D. Attorney General

75. Which is a fair housing responsibility of licensees?

- A. Tailoring marketing to minorities
- B. Ensuring neighborhood diversity
- C. Reviewing arrest records
- D. Treating all clients equally

76. What happens to a broker's license if an affiliated licensee commits a violation?

- A. Protected unless broker had foreknowledge
- B. In jeopardy if failure to supervise occurred
- C. Automatically suspended
- D. Automatically revoked

77. To file a complaint against a licensee, a consumer must submit _____.

- A. Documentation of violation
- B. Photo ID
- C. Attorney opinion
- D. Licensee response

78. Retail property managers are responsible for _____.

- A. Understanding residential fair housing rules
- B. Negotiating with HOAs
- C. Leading construction of large buildings
- D. Establishing percentage leases

79. What happens when a broker signs a change-of-affiliate form?

- A. Broker pays transfer fee
- B. Broker collects transfer fee
- C. License becomes effective with new brokerage
- D. Supervisory responsibility ends immediately

80. A _____ is real estate owned by multiple unrelated individuals with occupancy rights for one-to-two week intervals.

- A. Vacation ownership
- B. Timeshare use
- C. Timeshare estate
- D. Campground membership

81. After a brokerage relationship ends, which duty remains?

- A. Obedience
- B. Loyalty
- C. Disclosure
- D. Confidentiality

82. Which term defines anything generated or documented as part of a business?

- A. Transaction
- B. Supply
- C. Record
- D. Demand

83. Merrill's compensation is based on ____.

- A. Bonus structure
- B. Agreement with client
- C. Overall sales figures
- D. Independent contractor agreement

84. Which statement about earnest money is true?

- A. Seller always keeps it
- B. Buyer always gets it back
- C. Disbursal depends on contract
- D. Portion goes to seller's agent automatically

85. An unlicensed assistant conducts a showing. What may happen?

- A. Broker may be sanctioned
- B. No violation if ethical
- C. Entire firm sanctioned
- D. No consequences

86. How many hours of approved real estate courses are required before the affiliate broker exam?

- A. 90
- B. 60
- C. 150
- D. 120

87. In which situation are you acting as a facilitator?

- A. Marketing Sally's listing
- B. Eddie now wants representation
- C. Showing Carolyn's listing to Sherie
- D. Helping cousin understand offer format

88. For a social media post, brokerage name/number must be ____.

- A. In all print ads
- B. Shown in email address
- C. Easy to find online
- D. No more than one click away

89. Which statement is true about timeshare estates in Tennessee?

- A. They are illegal
- B. They cannot be sold
- C. They cannot be inherited
- D. They can be sold or inherited

90. Monica represents a seller and a buyer in separate transactions. What is her agency status?

- A. Seller's agent & buyer's sub-agent
- B. Buyer's agent & seller's sub-agent
- C. Dual agent
- D. Agent for each party

91. Which action falls within TREC's authority?

- A. Appoint commission members
- B. Issue, deny, suspend, or revoke licenses
- C. Impose fees on the public
- D. Deny loans

92. A senior community has 100 units; 13 are occupied by residents aged 45–55. Does it qualify for the exemption?

- A. Yes, if all residents are over 45
- B. Yes, if 80% are 55 or older
- C. No, unless 90% are 55 or older
- D. No, unless all are 62 or older

93. Which statement is true about firms that receive an escrow account waiver?

- A. May not receive funds ever
- B. Waiver must be renewed yearly
- C. May obtain another waiver immediately if needed
- D. Must open escrow account within one day if funds received

94. Which is true about Ted's E&O coverage?

- A. Must obtain through TREC
- B. Must obtain through firm
- C. Can obtain independently
- D. Not required

95. A type of listing illegal in Tennessee is _____.

- A. Optional listing
- B. Open listing
- C. Exclusive listing
- D. Net listing

96. Charlene supervises three licensees. What type of license does she hold?

- A. Salesperson
- B. Office manager
- C. Broker
- D. Affiliate broker

97. The Tennessee Residential Property Disclosure Act applies to:

- A. Foreclosure or auction sales
- B. Sales of single-family residences (≤ 4 units)
- C. First sale of a never-occupied home
- D. Family transfers

98. Before posting a for sale sign, Martin must obtain _____.

- A. Seller's written permission
- B. A separate phone number
- C. A permit
- D. A flier box

99. What is the maximum civil penalty per violation of license law?

- A. \$1,000
- B. \$5,000
- C. \$20,000
- D. \$10,000

100. Which is required on any Tennessee real estate advertising?

- A. Sales volume
- B. Personal photo
- C. Personal contact info
- D. Business name and office phone number

