PASS ILLINOIS

REAL ESTATE EXAM PREP

FREE STUDY RESOURCE

Practice Questions with Explained Answers

12 original Illinois broker exam examples. Questions: pages 3 to 6. Key: page 7. Explanations and changed facts: pages 8 to 13.

Keep the reasoning. Use it in your next study session.

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01 / START HERE

Answer first. Explain next.

This sampler contains four national questions and eight Illinois questions. It is a short teaching set, not a full-length test or a complete syllabus. No account, email, payment or app installation is required.

> **If you have seen our online sample**
>
> These are the same 12 public sample questions, reordered for print. They are useful for review, but are no longer unfamiliar questions for a readiness check. They are original teaching items, not copied or recalled PSI questions.

Use three marks

Mark	What to record
E	I chose the answer and can explain the deciding fact.
U	I was uncertain, even if the answer turned out right.
G	I guessed. I still need to understand the rule.

Write your answer and mark below. Keep the key and explanations aside until you finish the questions. Then try each changed-fact exercise before reading its answer.

Question	Choice	E / U / G	Question	Choice	E / U / G
1	____	____	7	____	____
2	____	____	8	____	____
3	____	____	9	____	____
4	____	____	10	____	____
5	____	____	11	____	____
6	____	____	12	____	____

Your total describes this small set. It does not predict a pass. The selection is Illinois-heavy and does not reproduce the official 100-national / 40-state distribution.

02 / QUESTIONS

Questions 1 to 3

Choose one answer from the stated facts. Save the key for later.

1. National / Income capitalization

A property's stabilized annual net operating income is $72,000. Using direct capitalization, an appraiser changes the capitalization rate from 8% to 9% while keeping that income unchanged. What happens to the indicated value?

A. It rises from $900,000 to $1,000,000

B. It stays at $900,000 because income is unchanged

C. It falls from $900,000 to $800,000

D. It falls from $900,000 to $891,000

My choice: _____ E / U / G: _____

2. National / Financing contingencies

A buyer's lender declines the loan one day before the financing-contingency deadline. The buyer assumes the earnest money will be refunded automatically. Which document should the buyer and broker check first to evaluate that assumption?

A. The signed purchase contract's contingency and notice provisions

B. The lender's denial letter, which automatically cancels the purchase contract

C. The original preapproval letter, which guarantees return of earnest money

D. The closing disclosure, which determines the seller's deposit-release duties

My choice: _____ E / U / G: _____

3. National / Lead disclosure and inspection rights

In a sale covered by the federal lead disclosure rule, a buyer of a 1972 house waives the lead inspection opportunity in writing. The seller has an existing report identifying lead-based paint. What does the waiver change?

A. It allows the seller to withhold the report until after the closing

B. It removes the disclosure duties if the buyer accepts the house as is

C. It replaces the lead disclosure because the buyer accepted the inspection risk

D. It waives the inspection opportunity; the disclosure duties still apply

My choice: _____ E / U / G: _____

02 / QUESTIONS

Questions 4 to 6

Choose one answer from the stated facts. Save the key for later.

4. National / Loan-to-value and a low appraisal

A home sells for $300,000 and appraises for $280,000. The lender limits this purchase loan to 80% of the lower figure. The price stays unchanged. With no other financing, how much must the buyer contribute toward the price, excluding closing costs?

A. $56,000

B. $76,000

C. $60,000

D. $20,000

My choice: _____ E / U / G: _____

5. Illinois / Written brokerage agreements

An Illinois owner wants a broker to advertise a home as "coming soon" this afternoon. The owner has approved the price by phone but will sign the listing agreement tomorrow. When may the broker begin marketing?

A. After recording the owner's verbal permission in the transaction file

B. After the owner and sponsoring broker sign the written agreement

C. After emailing the unsigned agreement, if showings wait until signing

D. After posting a coming-soon notice, if the full listing stays offline

My choice: _____ E / U / G: _____

6. Illinois / Broker price opinions

A bank wants a paid broker price opinion (BPO) from an Illinois sponsored broker. It will rely primarily on that opinion to establish the value of a house securing a mortgage the bank is about to originate. How should the broker respond?

A. Decline that use of the BPO because the Act excludes it

B. Accept if the report clearly states that it is not an appraisal

C. Accept after adding comparable sales and signing the written report

D. Accept if the fee goes through the sponsoring broker, not the licensee

My choice: _____ E / U / G: _____

02 / QUESTIONS

Questions 7 to 9

Choose one answer from the stated facts. Save the key for later.

7. Illinois / Illinois transfer taxes

An Illinois sale has a taxable value of $317,750, with no exemption or mortgage deduction. The county imposes its $0.25 tax per $500 or fraction. Include the state tax, exclude municipal tax, and find the total.

A. $318.00

B. $476.25

C. $477.00

D. $476.63

My choice: _____ E / U / G: _____

8. Illinois / Assistance animals

An Illinois housing applicant requests an assistance animal. The disability and need are not apparent. A treating clinician provides written documentation meeting section 10(b), but the applicant does not use the landlord's preferred form. May the landlord deny the request for that reason alone?

A. Yes, if the landlord applies the same form requirement to every applicant

B. No, documentation meeting the statute does not have to use that form

C. Yes, unless the clinician also supplies the applicant's specific diagnosis

D. No, because a housing provider may never request documentation for an animal

My choice: _____ E / U / G: _____

9. Illinois / Dual agency consent

The same Illinois licensee will represent both buyer and seller. Both gave informed written consent before dual agency began. They are now signing an offer. What additional consent step does section 15-45 require?

A. A new verbal approval from the buyer, because the seller already signed the listing

B. A written approval by the sponsoring broker in place of another client confirmation

C. No further confirmation, because the earlier consents cover every later document

D. Written confirmation from both clients of their prior dual agency consent

My choice: _____ E / U / G: _____

02 / QUESTIONS

Questions 10 to 12

Choose one answer from the stated facts. Save the key for later.

10. Illinois / Advertising

An Illinois advertisement uses 24-point type for an individual broker and 18-point type for the sponsoring broker's business name. The business name occupies a larger display area, measured by height and width. Which statement about prominence is correct?

A. The smaller business-name font makes the advertisement noncompliant in every case

B. The names meet the rule only if they use matching fonts and identical lettering

C. The business name may be omitted because the individual broker is already identified

D. The larger business-name display area can meet the rule despite the smaller font

My choice: _____ E / U / G: _____

11. Illinois / Residential property disclosure

An Illinois seller in a transaction covered by the Residential Real Property Disclosure Act wants to accept an offer today. The buyer plans an inspection next week. The seller's disclosure report is unfinished. Which sequence meets section 20?

A. Complete and deliver the report before the purchase contract is signed

B. Accept the offer today and deliver the report before the inspection period ends

C. Sign the contract first and attach the report when the buyer orders the inspection

D. Deliver the report with the deed, after the inspection confirms the property's condition

My choice: _____ E / U / G: _____

12. Illinois / Standard broker eligibility

A first-time applicant on Illinois' standard broker path has completed the approved Broker Pre-License Topics course and 15 hours of ordinary continuing education. The applicant has not taken the interactive pre-license course. Which statement is correct?

A. The continuing education completes the requirement because the total is 75 hours

B. The applicant may replace the interactive course with post-license study after passing

C. The applicant still needs the required interactive pre-license course

D. The applicant must take the managing broker curriculum before the state exam

My choice: _____ E / U / G: _____

03 / ANSWER KEY

Check the decision, not just the letter

Use the explanation pages to find out why an attractive alternative fails. Reopen a correct answer if it was a guess.

Question	Key	Topic
1	C	Income capitalization
2	A	Financing contingencies
3	D	Lead disclosure and inspection rights
4	B	Loan-to-value and a low appraisal
5	B	Written brokerage agreements
6	A	Broker price opinions
7	C	Illinois transfer taxes
8	B	Assistance animals
9	D	Dual agency consent
10	D	Advertising
11	A	Residential property disclosure
12	C	Standard broker eligibility

Keep one useful correction

Question / uncertainty	_____
Deciding rule or fact	_____
What I will check next	_____

04 / EXPLANATIONS

Review questions 1 and 2

1. Income capitalization

C. It falls from $900,000 to $800,000

Divide annual net operating income by the capitalization rate. At 8%, $72,000 / 0.08 = $900,000. At 9%, $72,000 / 0.09 = $800,000. With income held constant, a higher cap rate means a lower indicated value. The rate rose by one percentage point, but the value did not simply fall by 1%.

A. This reverses the relationship. Dividing the same income by a larger rate produces a smaller value.

B. Income is only one input. Changing the capitalization rate changes the indicated value even when income stays fixed.

C. The two divisions give $900,000 and $800,000, a decrease of $100,000.

D. $891,000 subtracts 1% from the old value. Direct capitalization requires dividing income by the new rate instead.

Change one fact: What annual NOI would support the original $900,000 value at a 9% cap rate?

Check: $81,000. Rearrange the formula: income = value × rate, so $900,000 × 0.09 = $81,000. That is $9,000 more than the original NOI.

Federal Reserve: direct capitalization, Appendix 3

2. Financing contingencies

A. The signed purchase contract's contingency and notice provisions

Read the purchase contract. Its financing contingency determines what protection applies and what deadlines or notices the buyer must satisfy. A lender's denial does not, by itself, tell you that the buyer has validly terminated the contract or is entitled to a refund. This question asks where to look; it does not assume a particular contract guarantees a refund.

A. The contract sets the parties' obligations, including any financing contingency and required steps for using it.

B. The letter documents the lending decision. It does not automatically perform the buyer's contractual notice or termination steps.

C. A preapproval is not a seller's promise to refund the deposit and does not replace the purchase contract.

D. The closing disclosure concerns loan terms and closing costs. It does not replace the contract's contingency and deposit provisions.

Change one fact: Suppose the contract expressly requires written notice by 5 p.m. tomorrow. Is a phone call to the lender enough?

Check: No. That call does not satisfy the written-notice requirement described in this example. Follow the contract's recipient, method, and deadline provisions, and get legal advice if their meaning is unclear.

CFPB: financing contingencies and purchase obligations

04 / EXPLANATIONS

Review questions 3 and 4

3. Lead disclosure and inspection rights

D. It waives the inspection opportunity; the disclosure duties still apply

The buyer has waived an inspection opportunity, not the disclosure requirements. The usual opportunity is 10 days unless the parties agree in writing to a different period; a buyer may also waive it in writing. For this covered sale, the seller must still disclose known lead information, provide the available report and required pamphlet, and include the required lead warning and acknowledgments before the buyer is bound. Knowing the difference keeps a voluntary inspection decision from being mistaken for a disclosure exemption.

A. The known information and available report must be provided before the buyer is bound, not held until closing.

B. An as-is purchase does not create the disclosure exemption claimed here.

C. Accepting the inspection risk does not replace the separate requirement to disclose known information and provide available reports.

D. The waiver concerns the buyer's chance to inspect. It leaves the seller's disclosure duties in place.

Change one fact: Must the seller commission a new lead inspection to make the required disclosure?

Check: The federal disclosure rule does not require the seller to conduct an inspection. It requires disclosure of known information and available records. Do not confuse the buyer's inspection opportunity with a duty on the seller to order new testing.

EPA: real estate lead disclosures

40 CFR 745.107: disclosure duties before the buyer is bound

EPA January 12, 2026 FAQ: seller duties and testing, page 107

40 CFR 745.110: inspection opportunity and written waiver

40 CFR 745.113: required contract acknowledgments

4. Loan-to-value and a low appraisal

B. $76,000

The loan is capped at $224,000: $280,000 × 0.80. Subtract that loan from the $300,000 price to get a $76,000 buyer contribution. That is $56,000 of the appraised value plus the $20,000 price gap. The question sets an 80% limit; it is not a universal lending limit.

A. $56,000 is 20% of the appraisal, but it leaves the $20,000 difference between appraisal and price unfunded.

B. $300,000 minus the maximum $224,000 loan leaves $76,000 toward the purchase price.

C. $60,000 assumes the loan is 80% of the sale price. The lower appraisal controls the loan in this problem.

D. $20,000 covers only the price gap. The buyer must also fund the portion of the appraised value the lender will not finance.

Change one fact: What if the seller reduces the price to $280,000 and all other stated terms stay the same?

Check: The maximum loan remains $224,000. The buyer's contribution toward the new price becomes $56,000. Any earnest money already paid would count toward that contribution; closing costs are separate.

Fannie Mae Selling Guide B2-1.2-01: purchase LTV

04 / EXPLANATIONS

Review questions 5 and 6

5. Written brokerage agreements

B. After the owner and sponsoring broker sign the written agreement

Get the signed written agreement first. A coming-soon advertisement still markets the property, even if nobody can book a showing. Section 1450.770(g) puts the seller or owner agreement before marketing or listing; subsection (d) requires the signatures. The July 13, 2026 amendment does not give seller listings a sign-later grace period.

A. A file note proves what was said, but it does not supply the required written agreement and signatures.

B. This meets the seller-side timing rule and the listing agreement signature requirement.

C. Sending an unsigned draft is not entering into the agreement. Delaying showings does not authorize earlier marketing.

D. A coming-soon post is itself marketing. Keeping the full listing offline does not remove that first advertisement.

Change one fact: Would the timing wording be identical if the consumer were a buyer seeking representation?

Check: No. Subsection (h) says before, or as soon as reasonably practical after, licensed activities intended to assist a buyer or tenant. Keep that wording separate from the seller rule. Other duties and applicable showing policies can still matter.

68 Ill. Adm. Code 1450.770

6. Broker price opinions

A. Decline that use of the BPO because the Act excludes it

Decline the assignment as described. Section 10-45 permits BPOs for several purposes, including certain work for lienholders, but excludes using one as the primary market-value basis for a financial institution to originate a mortgage loan secured by that real estate. A disclaimer, a complete report, or proper payment routing cannot cure a prohibited purpose.

A. The problem is the lender's stated use: primary market-value support for mortgage loan origination.

B. The non-appraisal statement is required for a BPO, but it does not override the restriction on its use.

C. Comparable-property analysis and a signature concern the report's contents. They do not make this purpose permissible.

D. Routing compensation through the sponsoring broker does not change what the lender intends to do with the opinion.

Change one fact: What if a potential seller wants a paid BPO to help choose an asking price?

Check: Section 10-45 permits a BPO for an existing or potential seller. The broker must still meet the section's written-content requirements, including the statement that the opinion is not an appraisal.

225 ILCS 454/10-45

225 ILCS 454/1-10: BPO definition

04 / EXPLANATIONS

Review questions 7 and 8

7. Illinois transfer taxes

C. $477.00

Count 636 taxable units: $317,750 / $500 = 635.5, and a partial unit counts as a whole unit. The state share is 636 × $0.50 = $318. The county share is 636 × $0.25 = $159. Together they total $477. Round the units up before multiplying, not the final dollar amount.

A. $318 is the state share only. The county tax adds $159.

B. $476.25 uses only 635 units. Discarding the partial unit understates both taxes.

C. 636 units × ($0.50 + $0.25) = $477. Both taxes include a fraction of a $500 unit.

D. $476.63 rounds 635.5 × $0.75 to cents. The statutes require rounding the taxable units up first.

Change one fact: What if the taxable value were exactly $317,500 in the same county?

Check: That is exactly 635 units, so there is no partial unit to round up. The total would be 635 × $0.75 = $476.25.

35 ILCS 200/31-10: state rate

55 ILCS 5/5-1031(a): county rate

8. Assistance animals

B. No, documentation meeting the statute does not have to use that form

The landlord cannot deny the request just because the applicant used a different form. Section 10(a) allows a standardized-form request but protects documentation that meets subsection (b). It must be written, come from someone with a therapeutic relationship, and describe the disability-related need. The question assumes those requirements are met; it does not rule out other lawful grounds for evaluating an accommodation.

A. Applying the form policy consistently does not override the statute's express protection for otherwise sufficient documentation.

B. The question states that section 10(b) is satisfied. Refusing solely because of the form would violate section 10(a).

C. Section 10(g) does not require a specific diagnosis, so its omission does not justify this form-based denial.

D. Documentation may be requested when the disability or disability-related need is not readily apparent or known. The issue here is the form.

Change one fact: What if the letter establishes a therapeutic relationship but does not describe the disability-related need?

Check: Section 10(d) permits a request for additional supporting documentation when the initial documentation does not meet subsection (b). Ask for the missing support; a specific diagnosis is still not required.

310 ILCS 120/10

04 / EXPLANATIONS

Review questions 9 and 10

9. Dual agency consent

D. Written confirmation from both clients of their prior dual agency consent

Obtain the clients' written confirmation of their earlier consent at the offer or contract stage. This is a second step, not a substitute for obtaining informed written consent before acting as a dual agent. If the confirmation is part of the purchase contract, each client must both sign the document and initial the dual agency confirmation provision.

A. Verbal approval from only one client misses both the writing requirement and the other client's confirmation.

B. The sponsoring broker cannot provide the clients' confirmation for them.

C. Prior consent authorizes the dual representation, but subsection (c) still calls for written confirmation in the transaction.

D. This is the follow-through required by subsection (c) when the clients execute an offer or contract.

Change one fact: Could the licensee skip advance consent and rely on the confirmation at offer signing?

Check: No. Subsection (b) requires the client's consent before the licensee acts as a dual agent for that client. A later confirmation does not authorize earlier dual agency services.

225 ILCS 454/15-45

10. Advertising

D. The larger business-name display area can meet the rule despite the smaller font

Font size is one permitted test, not the only test. Section 1450.715 also permits the sponsoring broker's business name to occupy an equal or larger area measured by height and width. On the stated facts, that alternative can satisfy prominence. This answers the prominence issue; it does not certify every other part of the advertisement.

A. This treats the font-size alternative as mandatory and overlooks the separate display-area alternative.

B. The rule does not require identical fonts or lettering. It specifies prominence alternatives for the business name.

C. The sponsoring broker's business name must still appear. Identifying the individual does not replace it.

D. The question expressly says the business name occupies a larger display area, which fits one permitted alternative.

Change one fact: What if the business name is both smaller in type and smaller in area, with no qualifying business-name logo?

Check: Neither the type-size nor the area alternative is met, and the stated facts rule out the logo alternative. A business name on a linked profile does not fix its absence or insufficient prominence in the advertisement.

68 Ill. Adm. Code 1450.715

04 / EXPLANATIONS

Review questions 11 and 12

11. Residential property disclosure

A. Complete and deliver the report before the purchase contract is signed

Complete the report and deliver it before contract signing. The buyer's later inspection is a separate step and does not extend section 20's deadline. The stem specifies a covered transaction because the Act contains exemptions.

A. This gives the prospective buyer the required report before entering the purchase contract.

B. The inspection deadline is not the statutory delivery deadline. Accepting first puts contract formation ahead of disclosure.

C. Ordering an inspection does not postpone the report. Attaching it after signing misses the stated sequence.

D. Deed delivery occurs after the contract. A professional inspection does not replace the seller's disclosure obligation.

Change one fact: What if the buyer says an inspection will uncover everything anyway?

Check: The inspection does not substitute for the seller's report. For the covered transaction in this question, section 20 still places report delivery before contract signing.

765 ILCS 77/20

12. Standard broker eligibility

C. The applicant still needs the required interactive pre-license course

Course type matters, not just the hour total. The standard broker path requires 60 hours of Broker Pre-License Topics plus 15 hours of Broker Pre-License Applied Real Estate Principles, Interactive. Ordinary continuing education does not replace that second course.

A. Adding unrelated continuing education to the Topics course does not satisfy the specified pre-license course sequence.

B. Post-license education follows initial licensure. It cannot stand in for the interactive pre-license course.

C. The missing component is the 15-hour Applied Real Estate Principles, Interactive course from an approved school.

D. Managing broker education belongs to a different licensing path and does not replace this requirement.

Change one fact: Once both required courses are complete, is education the only remaining eligibility condition?

Check: No. The standard path also requires age 18 and a high school diploma or equivalent. PSI's booklet says the pre-license education is valid for two years after completion. Check the separate attorney and endorsement paths if either applies.

PSI Illinois Candidate Information Booklet

05 / NEXT SESSION

Turn one mistake into a study task

Use the lesson behind the error, then try an unfamiliar question. If you have already read a form's answer key, choose a different form for the next check.

If the problem was...	Try this next
A number or percentage base	Name the requested amount. Write the loan, price, income, rate or taxable units separately before calculating.
A writing or timing duty	Name who must act, what document is required and the triggering event.
A tempting partly correct option	State which fact it ignores. A disclaimer, extra form or later event does not automatically cure a missing condition.
Remembering the letter	Change a fact and explain why the answer changes or stays the same.

Sources and next steps

Read the same questions and explanations online

Free Illinois state-only forms

Free national forms

Free mistake tracker

PSI Illinois Candidate Information Booklet, June 24, 2026

Want practice on your phone? Explore Pass Illinois for mobile or browser. This resource stays free.

What the review establishes

The item review checked rules and guidance effective by November 3, 2026. Sources were accessed November 4; an exact November 3 website snapshot is not claimed. Each explanation links its source. The questions retain their reviewed wording, choices, keys and explanations.

No independent Illinois educator review, student validation or comparison with live PSI items has been completed for this sampler. Paper and a calculator used while studying do not establish permission in a remote exam. Follow your appointment instructions.

Content reviewed: November 2026. Pass Illinois is independent exam preparation.