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Massachusetts Real Estate Salesperson Exam

Real Estate Massachusetts-Real-Estate-Salesperson

Version Demo

Total Demo Questions: 10

Total Premium Questions: 106

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Topic Break Down

Topic	No. of Questions
Topic 1, Property ownership	8
Topic 2, Land use controls and regulations	10
Topic 3, Valuation and market analysis	3
Topic 4, Financing	9
Topic 5, General principles of agency	15
Topic 6, Property disclosures	10
Topic 7, Contracts	9
Topic 8, Leasing and property management	8
Topic 9, Transfer of title	8
Topic 10, Practice of real estate	3
Topic 11, Real estate calculations	3
Topic 12, Licensing	4
Topic 13, General law	7
Topic 14, Regulations	9
Total	106

QUESTION NO: 1

A property has been used lawfully as a three-family dwelling for many years. A later zoning amendment permits only two-family dwellings in the district. The owner has not abandoned the use and proposes no enlargement of the building. The existing three-family use is generally

A. required to end immediately when the zoning amendment takes effect.

B. a lawful preexisting nonconforming use that may continue.

C. automatically converted into a condominium use.

D. permitted only if each tenant signs a new lease every month.

ANSWER: B

Explanation:

A lawful preexisting nonconforming use that may continue. Massachusetts zoning law generally protects a use that lawfully existed before a restrictive zoning change, even though the use no longer conforms to the current zoning ordinance or bylaw.

The protection of the existing use does not necessarily authorize an extension, substantial alteration, reconstruction, or change of use. Those actions can require additional zoning review. Here, however, the owner seeks only to continue the established use.

QUESTION NO: 2

The Massachusetts Consumer Protection Act (M.G.L. c. 93A) does NOT apply to which of the following persons?

A. Owners who sell their homes privately

B. Listing brokers who receive only a percentage of commissions

C. Builders who sell fewer than ten homes a year

D. Salespersons since they are obligated to their employing brokers only

ANSWER: A

Explanation:

Owners who sell their homes privately is correct when the sale is an isolated, nonbusiness sale of the owner's own residence. Chapter 93A, § 2 prohibits unfair or deceptive acts or practices only when they occur in "the conduct of any trade or commerce." Therefore, its application depends on whether the seller's conduct has a business or commercial character, rather than merely on whether a real-estate transaction occurred. A homeowner who privately sells a personal residence in a one-time, noncommercial transaction is ordinarily acting outside trade or commerce and is not subject to Chapter 93A on that basis. The statutory trade-or-commerce requirement is stated in M.G.L. c. 93A, § 2. Massachusetts case law recognizes this distinction: in *Lantner v. Carson*, the Supreme Judicial Court concluded that a private sale of a home by its owners was not conduct undertaken in trade or commerce for Chapter 93A purposes. See Lantner v. Carson, 374 Mass. 606 (1978). This result is limited to genuinely private, noncommercial ownership activity; repeated sales, development, or other business-like conduct can change the analysis.

QUESTION NO: 3

The Massachusetts State Sanitary Code requires

A. An operable stove and oven in every dwelling unit, unless the owner and occupant have a written agreement that the occupant will provide and maintain them.

B. Separate meters for all heating and electric systems.

C. Tenants to pay for their own water and/or sewer costs.

D. The property owner to provide a refrigerator in working order.

ANSWER: A

Explanation:

The Massachusetts State Sanitary Code requires the owner to provide and maintain an operable stove and oven in every dwelling unit. This is a minimum habitability standard under 105 CMR 410.100 and reflects the Code's requirement that residential premises have functioning cooking facilities. The requirement is not absolute in the sense that an owner and occupant may make a written agreement assigning responsibility for the stove and oven to the occupant. For that exception to apply, however, the occupant must actually supply a stove and oven that are in operable condition. Thus, absent that specific written arrangement and an operable tenant-supplied appliance, the owner is responsible for the stove and oven. The option has been clarified to include both appliances and the limited regulatory exception, rather than implying an unconditional obligation in every circumstance. The governing regulation appears in 105 CMR 410, Minimum Standards of Fitness for Human Habitation. Massachusetts also summarizes these standards and landlord responsibilities in its Tenant Rights guidance.

QUESTION NO: 4

A contract is delivered to the listing broker by a cooperating broker. The listing broker makes an appointment with the owner to present the offer at 7 p.m. of that day. Before 7 p.m., two more offers arrive on the same property. Which offer should be presented to the owner at the 7 p.m. appointment?

A. All three of the offers

B. The first offer received

C. The offer with the highest sale price

D. The offer most favorable to the seller, including price and all terms

ANSWER: A

Explanation:

All three of the offers is correct because a Massachusetts listing broker's duty to the seller includes promptly communicating and presenting every offer received unless the seller has given lawful, informed instructions otherwise. The broker cannot decide for the owner which proposal deserves consideration. Each offer may contain material differences beyond price, such as financing contingencies, inspection provisions, deposits, closing dates, requested concessions, or other terms that affect the seller's decision. Presenting all offers received before the scheduled meeting gives the seller the information needed to evaluate the available proposals and decide whether to accept, reject, counteroffer, or seek additional terms.

This obligation reflects the broker's fiduciary responsibilities of loyalty, obedience, disclosure, and reasonable care in serving the client. The fact that one offer arrived earlier does not entitle it to exclusive presentation, and the broker's appointment to present an earlier offer does not eliminate the duty to communicate later offers that arrive before the meeting. Massachusetts standards of practice address a licensee's obligations to clients and the handling of offers. See the Massachusetts Board of Registration regulations at 254 CMR 3.00, Standards of Practice and the Massachusetts real-estate licensing resources at Board of Registration of Real Estate Brokers and Salespersons.

QUESTION NO: 5

Broker N has five affiliated salespersons. On Monday at 10:00 a.m., Salesperson J submitted an offer to purchase from a prospective buyer. The offer price was $300,000. An hour later, Salesperson R submitted an offer of $296,000. However, Broker N held the second offer until the seller rejected the first offer. Broker N's conduct in this situation is

A. Permissible as long as both salespeople knew of Broker N's action.

B. Permissible as long as both salespeople share a commission on either of the offers accepted by the seller.

C. Not permissible because a broker must inform all potential buyers of existing offers.

D. Not permissible because a broker must present all offers to the principal forthwith.

ANSWER: D

Explanation:

“Not permissible because a broker must present all offers to the principal forthwith” is correct. A Massachusetts real estate broker representing a seller has a duty to promptly deliver offers received from prospective purchasers to the seller, who is the broker’s principal. That obligation applies even when an offer arrives after another offer, is for a lower price, or appears less attractive based on terms known to the broker. The seller, rather than the broker, is entitled to evaluate timely submitted offers and decide whether to accept, reject, counter, or consider them alongside other proposals.

Here, the second written offer was received while the first offer remained pending. By holding it until after the seller rejected the first offer, Broker N deprived the seller of the opportunity to make an informed decision while both offers were available. The required prompt presentation supports the broker’s fiduciary responsibilities and preserves the seller’s control over negotiations. Massachusetts standards of practice specifically require a broker to present all offers received to the client in a timely manner. See 254 CMR 3.00, Standards of Practice and the Massachusetts Board of Registration of Real Estate Brokers and Salespersons’ official regulatory information.

QUESTION NO: 6

Real estate taxes that are paid in advance are prorated on the closing statement as

A. no entry to buyer; a credit to seller.

B. no entry to buyer; a debit to seller.

C. a credit to buyer; a debit to seller.

D. a debit to buyer; a credit to seller.

ANSWER: D

Explanation:

Real estate taxes paid in advance are an amount the seller has already paid for a period that extends beyond the closing date. Proration allocates that prepaid cost according to ownership: the seller bears the tax expense through closing, while the buyer bears the expense for the period after closing. Because the seller has paid an amount attributable to the buyer’s forthcoming ownership period, the settlement statement reimburses the seller for the buyer’s share. Therefore, the proper entry is **a debit to buyer; a credit to seller.**

On a closing statement, a debit increases the amount the buyer must bring to or pay through the closing, and a credit increases the amount due to the seller. This accounting treatment prevents the buyer from receiving the benefit of prepaid tax coverage without paying for the portion applicable to the buyer’s ownership. The proration amount is generally calculated using the applicable tax period, the closing date, and the local customary day-count method or the parties’ agreement. Massachusetts licensees should understand this allocation concept even though local tax billing and closing practices can affect the specific figures used. See the Massachusetts information on real-estate tax bills and payments and the CFPB Closing Disclosure guide.

QUESTION NO: 7

An active salesperson affiliated with Broker M locates a tenant for an apartment building. The building owner offers to pay the salesperson a separate fee directly at the lease signing. The salesperson should

A. accept the fee directly because the owner, rather than the tenant, is paying it.

B. accept the fee directly if Broker M is informed after the lease is signed.

C. decline direct payment and have any compensation handled through Broker M.

D. accept the fee directly if it is described as a referral fee.

ANSWER: C

Explanation:

Decline direct payment and have any compensation handled through Broker M. A Massachusetts salesperson performs licensed real estate activity under the supervision of the employing broker and may not independently receive compensation for brokerage services from a party to the transaction.

The broker is responsible for the brokerage relationship, supervision, and proper handling of compensation. A direct payment from the owner to the salesperson would bypass that required broker-salesperson relationship.

QUESTION NO: 8

A person acquires an option to purchase a parcel of another person's land. Which of the following statements is correct?

A. An option is a promise by the optionee to enter into a contract in the future.

B. The terms and conditions of the sale must be stated if the option is to be a valid contract.

C. The consideration for the option right, plus interest, will be automatically applied to the purchase price if the option is exercised.

D. The potential buyer is the optionor and the seller is the optionee.

ANSWER: B

Explanation:

The terms and conditions of the sale must be stated if the option is to be a valid contract. An option to purchase real estate is an agreement in which the property owner gives the holder a binding right, for a stated period, to elect to buy the identified property. Because the option concerns an interest in land and is intended to support an enforceable future sale, its essential terms must be sufficiently definite. In particular, the agreement should identify the property, state the purchase price or a definite method for determining it, and establish the time and manner in which the option may be exercised. The option holder has the privilege of deciding whether to exercise the right; once properly exercised according to its terms, the option matures into a bilateral agreement for the purchase and sale of the property. Massachusetts law generally requires a contract for the sale of land, or a memorandum of it, to be in writing and signed by the party to be charged. Clear, complete option terms help establish that the parties reached an enforceable agreement and allow a court to determine the obligations created when exercise occurs. See Massachusetts General Laws, G.L. c. 259, § 1, and the Massachusetts Land Court's Land Court resources.

QUESTION NO: 9

An applicant for an apartment has a disability-related need for an assistance animal. The building has a no-pets rule. The applicant provides reliable information supporting the request for an accommodation. The property manager should

A. deny the request because the no-pets rule applies to every animal.

B. consider the request as a reasonable accommodation to the no-pets rule.

C. approve the animal only if the applicant pays a nonrefundable pet fee.

D. require the applicant to disclose the diagnosis and complete medical history.

ANSWER: B

Explanation:

Consider the request as a reasonable accommodation to the no-pets policy. Under fair-housing law, an assistance animal is not treated as an ordinary pet when it is needed because of a disability. A housing provider may seek reliable information when the disability-related need is not apparent, but may not apply a blanket no-pets rule to deny a valid accommodation.

The manager may enforce reasonable rules concerning conduct and may hold the resident responsible for actual damage caused by the animal. However, charging a pet fee or pet deposit simply because the assistance animal is present is not an appropriate response to a valid accommodation request.

QUESTION NO: 10

A broker lists a property abutting a pond. A potential buyer is interested in the property but plans to build an addition onto a boathouse. The buyer will need

A. Approval from the local conservation commission.

B. A letter of interim control.

C. A certificate of compliance.

D. Approval from the State Sanitary Commission.

ANSWER: A

Explanation:

Approval from the local conservation commission. is correct because construction of an addition to a boathouse next to a pond can alter land within an area protected by the Massachusetts Wetlands Protection Act. The Act protects resource areas such as banks, land under water bodies, bordering land subject to flooding, and adjoining buffer areas. Work in or near these protected areas commonly requires the property owner to file a Notice of Intent with the municipal conservation commission before construction begins.

The conservation commission reviews the proposed work to determine its likely effects on wetland-resource values, including protection of water quality, flood control, fisheries, wildlife habitat, and prevention of pollution. If the project may proceed, the commission issues an Order of Conditions that establishes the required protections and limits for the work. Depending on the project's location and scope, additional local zoning, building, or waterfront requirements may also apply; however, conservation commission review is the key wetlands approval implicated by a planned boathouse addition abutting a pond.

Massachusetts General Laws chapter 131, section 40 establishes the Wetlands Protection Act and its local review process. The Commonwealth's guidance describes the protected resource areas and permitting framework. See M.G.L. c. 131, § 40 and Massachusetts Wetlands Protection Act guidance.