



MAGNOLIA

SCHOOL OF REAL ESTATE

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The Mega State Exam

1. A grandmother decided she wanted to leave her summer cottage to her granddaughter, so she executed a general warranty deed to the property and gave it to her granddaughter. The grandmother died a few weeks later, prior to recording the deed. Which statement applies to this situation?

- a. The cottage is part of the grandmother's estate and must be probated.
- b. Title to the property was conveyed to the granddaughter when the grandmother executed and delivered the deed to her granddaughter.
- c. The deed must be recorded in order to convey title to the granddaughter.
- d. The granddaughter will have to pay inheritance taxes on the taxable value of the home prior to recording the deed.

2. An unlicensed personal assistant may perform which activity?

- a. Conduct listing presentations
- b. Show a listed home to a buyer
- c. Hand out objective, written information on a rental property
- d. Present an offer to the seller

3. What is the continuing education requirement of a sales associate after the licensee has completed the post-licensing education requirement during the initial license period?

- a. Only active licensees are required to complete at least 14 hours of continuing education during every two-year license period.
- b. Active licensees and inactive licensees are required to complete at least 14 hours of continuing education during every two-year license period.
- c. Active licensees are required to complete 3 hours of additional core law if they wish to become brokers.
- d. Licensees do not have continuing education once they complete the required post-licensing education.

4. Which of the following describes leverage?

- a. Leverage is the same as cash flow.
- b. Leverage is the use of borrowed funds to purchase assets or to finance an investment.
- c. Leverage can only be positive.
- d. Leverage is when an investor uses his equity to finance an investment.

5. How is the binder deposit shown on the Closing Disclosure Form?

- a. Credit to the buyer, debit to the seller
- b. Credit to the seller
- c. Credit to the buyer
- d. Debit to the buyer, credit to the seller

6. What is the status of a sales associates' license if he/she does not complete the required post licensing education prior to his/her first renewal cycle?

- a. Involuntary inactive
- b. Inactive
- c. Suspended
- d. Void

7. How many sections are in a township?

- a. 640
- b. 36
- c. 43,560
- d. 30

8. A sales associate regularly does cold calling for potential listings. The sales associate called a party who informed the associate that he was on the national do-not-call list and did not want to be disturbed. Which statement applies to this situation?

- a. The sales associate can be fined for calling a person who is listed on the do-not-call list.
- b. The sales associate made an honest mistake and should jot down the phone number so that she won't disturb the man again.
- c. Real estate licensees are not bound by the national do-not-call restrictions.
- d. As long as the sales associate initially identified herself and the name of the brokerage company for which she works, she has acted properly.

9. A sales associate decides to mail personalized notepads to the residents of a neighborhood. The notepads include the associate's photo, name, phone number, and email address. The sales associate paid for the cost of printing and mailing the notepads. Which statement applies to this situation?

- a. The notepads are a form of real estate advertisement and, therefore, must include the name of the brokerage firm.
- b. The name of the brokerage firm is required in newspaper advertisements and For Sale signs only.
- c. Because the sales associate paid for the printing and mailing of the notepads, the associate can choose the wording and content.
- d. The sales associate needs to add the license status to the information printed on the notepads.

10. A licensed real estate sales associate conducted an appraisal for a fee. The FREC found the licensee to be in violation of the Uniform Standards of Professional Appraisal Practice. Which statement is true?

- a. Real estate licensees are not required to abide by the USPAP and in this situation the sales associate would charge a commission for the appraisal, not a fee.
- b. The licensee is subject to FREC discipline.
- c. Only the Appraisal Board can impose a penalty in this case-the FREC does not have authority over appraisal matters.
- d. Real estate sales associates may not conduct appraisals for a fee unless they are also certified or licensed real estate appraisers.

11. Which mortgage clause allows the mortgagee the right to demand the outstanding loan balance plus accrued interest in the event that the borrower sells or transfers any interest in the property without the lenders prior written consent?

- a. Due-on-sale Clause
- b. Escape clause
- c. Acceleration clause
- d. Estoppel clause

12. Which of these describes of a non-freehold estate that includes a definite specified amount of time?

- a. Tenancy at will
- b. Estate by the entirety
- c. Life estate
- d. Estate for years

13. Which of the following is a set of administrative rules developed by The Florida Real Estate Commission?

- a. Chapter 621j
- b. F.S. 120
- c. Chapter 61j2
- d. F.S. 475

14. A broker listed his neighbor's house and at the listing appointment the neighbor disclosed that the floor was ripped up in one part of the kitchen. It is a small tear in the linoleum that the homeowner has covered by a rug to prevent someone from tripping. Which applies?

- a. The broker has no legal obligation to disclose to a potential buyer the tear, but he should disclose the tear for ethical reasons.
- b. To be legal, the broker must tell potential buyers about the tear in the kitchen.
- c. If the broker has a transactional brokerage relationship with the seller, then the broker is under no obligation to disclose the tear in the kitchen floor.
- d. The broker can use his judgment concerning the disclosure of the kitchen floor tear.

15. Which of the following disclosures must be signed?

- a. The no brokerage relationship disclosure form
- b. The consent to transition to transaction broker disclosure form
- c. The single agent disclosure form
- d. The transaction broker disclosure form

16. What requirement does not apply regarding dwellings built prior to 1978?

- a. Sellers and lessors must disclose the presence of known lead-based paint in residential dwellings.
- b. Sale contracts and leases must include specific lead-based paint warning and disclosure language.
- c. Buyers and tenants must acknowledge that they have received the warning and disclosure.
- d. Buyers must have the property inspected for lead-based paint.

17. Two close friends own a nursery as joint tenants with right of survivorship. One owner died unexpectedly. Who owns the nursery?

- a. If the deceased owner was married at the time of death, the deceased's interest in the nursery will descend to the surviving spouse.
- b. The surviving owner will have to wait until the deceased owner's estate is probated before taking sole ownership of the property.
- c. If the deceased owner has minor children, the children will receive a remainder estate for the deceased owner's interest in the nursery, and the surviving owner will take a life estate.
- d. The surviving owner becomes sole owner of the nursery by operation of law.

18. The subject property is a three-bedroom, two-bath home. A comparable property is a three-bedroom, two and one-half-bath home. An appraiser has determined that the extra half bath is worth about \$2,200. What adjustment should the appraiser make?

- a. Subtract \$2,200 from the estimated value of the subject property.
- b. Subtract \$2,200 from the comparable's transaction price.
- c. Add \$2,200 to the comparable's transaction price.
- d. Add \$2,200 to the estimated value of the subject property.

19. Which of the following is incorrect concerning FHA and VA mortgages?

- a. FHA and VA mortgages are government loans and therefore assumable.
- b. FHA is a government-insured loan.
- c. VA is a government guaranteed loan and could be accompanied by a funding fee.
- d. VA is a government insured loan and could be accompanied by an origination fee.

20. Which of the following liens would take priority?

- a. A vendor's lien filed on December 12th 2017
- b. A mechanic's lien filed on January 1st 2018
- c. Property tax lien filed on January 14th 2018
- d. A special assessment tax filed on January 13th 2018

21. How is the intangible tax typically noted on the Closing Disclosure Statement?

- a. Debit to the seller, credit to the buyer
- b. Seller debit only
- c. Buyer debit only
- d. Credit to the seller, debit to the buyer

22. Which applies if a licensee calls a broker's price opinion an appraisal?

- a. The licensee could be charged a third-degree felony.
- b. The licensee could be charged with breach of trust.
- c. The licensee could be punished by The Florida Real Estate Commission.
- d. The licensee could be charged with a notice of non-compliance.

23. In which theory in mortgage lending does the borrower not retain ownership during the loan period?

- a. Lien theory
- b. Title theory
- c. Mortgage theory
- d. Law theory

24. Which of the following describes an option contract?

- a. A bilateral contract to keep open for a specified period of time an offer to sell or lease real property.
- b. A unilateral contract to keep open for a specified period of time an offer to sell or lease real property.
- c. A unilateral contract that is not required to be in writing to be enforceable.
- d. A bilateral contract that is not required to be in writing to be enforceable.

25. Who is responsible to deliver the HOA, (Home-Owner's Association) disclosure document to the buyer?

- a. The seller
- b. The seller's agent
- c. They buyer
- d. The buyer's agent

26. When must the no brokerage or the non-representation disclosure form be shown?

- a. Before entering into a listing agreement
- b. Before or at the time of becoming a single agent
- c. Before showing property
- d. At the open house

27. Which of the following is true concerning taking listing contracts when a licensee leaves a brokerage?

- a. If a sales associate takes original listing contracts, he could be charged with breach of trust. If a sales associate takes copies of listing contracts, he could be charged with larceny.
- b. If a sales associate takes originals or copies, he could be charged with a first-degree misdemeanor.
- c. If a sales associate takes original listing contracts, he could be charged with a third-degree felony.
- d. If a sales associate takes original listing contracts, he could be charged with larceny. If a sales associate takes copies of listing contracts, he could be charged with breach of trust.

28. In the event that a broker chooses not to have an escrow account, the funds are typically held at a title company or in an attorney's escrow account. If the funds are held at a title company or in an attorney's escrow account, what must be included on the purchase and sale contract regarding the title company or attorney?

- a. Name, address, email and phone number of the title company or attorney.
- b. Name and phone number of the title company or attorney.
- c. Name, address, and phone number of the title company or attorney.
- d. Name, address, email, phone number and account number of the escrow account.

29. A broker provided an up to date and accurate rental list for a \$350.00 fee. The potential tenant was unable to obtain a rental and requested a refund. Which applies?

- a. If the potential tenant makes the request within 30 days, the licensee would be required to provide a full refund of the \$350.00.
- b. Because the potential tenant did not locate and obtain a rental, the licensee is not required to refund any portion of the fee paid.
- c. The request must be in writing and within 30 days in order for the potential tenant to obtain a refund.
- d. If the potential tenant makes the request within 30 days, the licensee would be required to provide a refund of \$262.50.

30. Which of the following clauses or covenants in a deed states that the grantor owns the property and has the right to convey it?

- a. Covenant of seisin
- b. Covenant against encumbrances
- c. Habendum clause
- d. Covenant of further assurances

31. What kind of listing is used when the seller requires a specific amount of money from the transaction in order to list with a brokerage?

- a. Exclusive listing with right of sale listing
- b. Net listing
- c. Exclusive agency listing
- d. Open listing

32. When must a broker deposit funds into the escrow account?

- a. 10 days
- b. 5 days
- c. Immediately
- d. 1 day

33. Which expenses associated with a principal residence are deductible for income tax purposes?

- a. Depreciation and points
- b. Operating expenses and maintenance costs
- c. Property taxes, mortgage interest, points, and mortgage loan origination fees
- d. Mortgage payments, property taxes, and mortgage loan origination fees, and points

34. Which type of easements are a railroad and utility easements?

- a. Appurtenant
- b. Necessity
- c. Prescription
- d. In gross

35. What is the penalty for a first-time minor violation?

- a. 3rd degree felony
- b. 1st degree misdemeanor
- c. 2nd degree misdemeanor
- d. Notice of non-compliance

36. What type of rights are associated with water flowing through your property?

- a. Littoral rights
- b. Erosion rights
- c. Riparian rights
- d. Air rights

37. From the point of beginning if you run north 90 degrees east, which direction are you headed?

- a. East
- b. North
- c. Northeast
- d. West

38. What is the effective yield to the lender if the borrower has 5% interest on a loan and purchases 4 points?

- a. 5%
- b. 6%
- c. 5.5%
- d. 5.25%

39. When individual parcels are released on a blanket mortgage loan, what type of clause is used?

- a. Escape clause
- b. Partial release clause
- c. Estoppel clause
- d. Mortgage clause

40. Which of the following components of an adjustable rate mortgage is the economic indicator that adjusts the interest rate?

- a. The margin
- b. The spread
- c. The rate
- d. The index

41. When there are more houses on the market than prospective buyers, what type of market is created?

- a. Seller's market
- b. Buyer's market
- c. Even market
- d. Buyer's and seller's market

42. If a real estate agent was charged with a first-degree misdemeanor, what law were they breaking?

- a. Performing services of real estate without an active license
- b. Advertising real estate without an active license
- c. Violating rental list laws
- d. Taking copies when they left their brokerage

43. A broker sold three houses in Florida to a customer that now lives in New York. This same customer uncovered an opportunity with someone who might want to buy property from the Florida broker. The customer asked the broker if he would reimburse her for the expenses incurred in convincing the person to buy property from the Florida broker. Which applies?

- a. The broker can reimburse the customer for the expenses provided it is for a referral.
- b. The broker can reimburse the customer for the expenses, but the total of the reimbursement cannot exceed \$50.00.
- c. The broker cannot reimburse the customer because the customer does not have an active real estate license in Florida.
- d. The broker can reimburse the customer because this is out of state.

44. Two brokers meet and decide to split the small town they live in down the center and one broker is going to list on the north side of town, while the other broker is going to list on the south side of town. Each broker has agreed to stay on their side of the imaginary line. They have also decided to set their commission rate at 7%. Which applies?

- a. No violation has occurred.
- b. No violation has occurred provided that the brokers honor this agreement.
- c. This is an example of a violation of the Sherman-Clayton Anti-trust laws.
- d. This is a violation of the Real Estate Settlement Procedures Act.

45. Which entity may not register as a real estate brokerage?

- a. Nonprofit corporation
- b. Sole proprietorship
- c. Corporation sole
- d. Limited liability partnership

46. Which of the following is an example of a legal and valid office sign?

- a. Moonlight Brokerage
Thomas Moore, LLC
Real Estate Broker
- b. Moonlight Brokerage
Thomas Moore
Licensed Real Estate Broker
- c. Thomas Moore
REALTOR
- d. Thomas Moore
Licensed Real Estate Office

47. Which of the following is an example of a blind ad?

- a. 1200 Sunset Place for sale
Call Maria Thompson at 555-2020 (cell)
Sunstar Realty
- b. 1200 Sunset Place for sale
Sunstar Realty
Maria “Mary” Thompson 555-2020 (cell)
- c. 1200 Sunset Place for sale
Call Maria Thompson 555-2020 (cell)
Post office box 201 North Port
- d. 1200 Sunset Place for sale
Sunstar Realty Maria Thompson
555-2020 (cell)

48. Tim, who holds title in fee simple, deeds land to Simon to enjoy until his death. At that time Bob is to receive title to the land. Simon’s interest in the land is known as a (an)

- a. Fee simple estate
- b. Life estate
- c. Remainder estate
- d. Estate for years

49. What is the maximum amount of time that The Florida Real Estate Commission can suspend a licensee's license?

- a. 6 months
- b. 30 days
- c. 2 years
- d. 10 years

50. What are the set of guidelines called that must be followed by appraisers?

- a. USPAP (Uniform Standards of Private Appraisal Practice)
- b. USPAP (Uniform Standards of Professional Appraisal Practice)
- c. USPAB (Uniform Standards of Professional Appraisal Basics)
- d. USPAC (Uniform Standards of Professional Appraisal Contracts)

51. A real estate brokerage company has entered into a single agent buyer broker relationship with the buyer. In order to show this buyer property that is listed with the same brokerage company for which it is a single agent, in what brokerage capacity may the company work with this buyer and seller?

- a. Single agent for the seller and transaction broker for the buyer
- b. Single agent for the seller and single agent for the buyer
- c. Any relationship that is agreed to by both the buyer and seller
- d. Both the seller and the buyer must transition to a transaction broker relationship before the buyer can be shown the seller's property

52. Which of the following contains the right of survivorship?

- a. Joint tenancy and estate by the entireties
- b. Only joint tenancy
- c. Estate for years and tenancy in common
- d. Only tenancy in common

53. Using the entry or rumor of the entry of a protected class into the neighborhood to induce a homeowner to list their property is called

- a. redlining.
- b. steering.
- c. blockbusting.
- d. grouping.

54. Concerning escrow disputes which applies?

- a. In the event of conflicting demands for escrow, the broker must first contact FREC within 30 business days, then implement one of the four settlement procedures within 15 business days.
- b. When an escrow dispute arises, the broker must first mediate the matter.
- c. In the event of conflicting demands for escrow, the broker must first contact FREC within 15 business day, and then request an Escrow Disbursement Order
- d. In the event of conflicting demands for escrow, the broker must first contact FREC within 15 business days, and then implement one of the four settlement procedures within 30 business days.

55. In the event that a sales associate's broker dies, resigns, or is unexpectedly removed from the office, what is the status of the sales associate's license?

- a. Void
- b. Involuntary inactive
- c. Suspended
- d. Current

56. Three individuals purchase a property with no right of survivorship. Their estate is referred to as a

- a. joint tenancy.
- b. leasehold estate.
- c. tenancy in common.
- d. tenancy at will.

57. An appraiser would deduct value from a property's value if the property had four bedrooms but only one bathroom. What type of depreciation is this?

- a. External obsolescence
- b. Valuation profit
- c. Physical deterioration
- d. Functional obsolescence

58. Which of the following statements is false regarding the types of notice of ownership?

- a. Constructive notice is provided by recording documents in the public records.
- b. Actual notice can be provided by physical possession.
- c. Constructive notice is acquired during the course of the transaction.
- d. Constructive notice is also called legal notice.

59. Two friends have purchased a property and have decided to build an apartment complex on the property. What type of ownership would be most advantageous for the families of the friends in the event of the friends' passing?

- a. Tenancy in common
- b. Tenancy at will
- c. Estate by the entirety
- d. Joint tenancy

60. Which of the following is an example of external obsolescence?

- a. A sink hole in the back yard
- b. A shopping center opening up near by
- c. A tree's root system messed up the front sidewalk
- d. The road in front of the house became a throughfare

61. Which of the following is false concerning freehold and non-freehold estates?

- a. When title is held in a life estate and the person dies, if the title will revert (return) to the original grantor (previous owner), an estate in reversion (reversion estate) is created.
- b. When title is held in a life estate and the person dies, if the title will be conveyed to a third party, called a remainderman, the remainderman owns a remainder estate while the life estate exists.
- c. A life estate is a type of freehold estate that can be created by the person who holds the fee simple title to real property.
- d. A life estate is a type of non-freehold estate where the ownership is limited to the lifetime of the owner of the life estate.

62. A broker executed a listing contract to sell a customer's property for \$75,000. The homeowner was on vacation when an offer comes in for \$75,000. Which applies in this situation?

- a. Because the offer was a full price offer, the broker is authorized to verbally commit to the offer.
- b. The broker may accept the offer on the behalf of his customer as long as the broker gets the signature from the seller immediately upon their return.
- c. The broker will have to wait until the homeowner returns from vacation because the broker does not have the authority to accept offers.
- d. The broker may accept the offer provided it was an exclusive-right-of-sale-listing contract that was executed.

63. The seller instructs the listing broker not to show his home to members of a protected class. The broker informs the seller that this is a violation of fair housing laws, but the seller is insistent. Which choice is the broker's best course of action under these circumstances?

- a. Report the incident to the Fair Housing Administration
- b. Report the seller to the DBPR
- c. Withdraw from the listing agreement
- d. Follow the seller's instructions because to do otherwise would violate the broker's fiduciary duties to the seller

64. Which of the following is false concerning a mortgage loan?

- a. Negative amortization occurs when the mortgage payments are not large enough to cover the interest expense. The result is the mortgage loan balance increases instead of decreasing.
- b. On a 30-year, fixed-rate mortgage, the payments during the first years are used almost entirely to pay principle.
- c. An amortized mortgage is gradually and systematically killed or extinguished by equal regular periodic payments.
- d. With a partially amortized mortgage, the buyer makes regular payments smaller than what is required to completely pay off the loan by its date of termination and at the end of the loan period a balloon payment is required.

65. In which of the following transactions is the individual not exempt from licensure?

- a. A salaried manager of a condominium that rents condominium units for no longer than one year and does not receive compensation based on transactions.
- b. A property owner that sells their property.
- c. A tenant that receives a fee of up to \$50 for the referral of a new tenant to the same apartment community that they live in.
- d. An attorney-at-law that is acting within the scope of their professional duties and charges commission for referring commercial clients to a broker.

66. Which of the following statements is true concerning the Closing Disclosure form?

- a. The Closing Disclosure can only be completed by a lender, the title company, or the broker.
- b. On the Closing Disclosure, rental income is noted as a debit to the buyer and a credit to the seller.
- c. On the Closing Disclosure, the intangible tax is noted as a debit to the buyer.
- d. All mortgages are a debit to the buyer on the Closing Disclosure.

67. Which of the following is false concerning Freddie Mac?

- a. Freddie Mac is a contributor in the secondary mortgage market and stands for Federal Home Loan Mortgage Corporation, or FHLMC.
- b. Freddie Mac operates in the primary mortgage market under federal government conservatorship and provides a secondary market for conventional mortgage loans originated by savings associations.
- c. Freddie Mac is similar to Fannie Mae because both of these entities operates in the secondary mortgage market.
- d. Freddie Mac purchases conventional mortgage loans.

68. Which of the following approaches to estimating real property value would an appraiser use to appraise a courthouse?

- a. The sales comparison approach
- b. The cost approach
- c. The income capitalization approach
- d. The appraiser would analyze the property and then make a determination on which approach was the most appropriate.

69. A broker acquired a new customer and listed the customer's property on the MLS. The broker found a prospective buyer for the property but suddenly became ill. The broker was hospitalized for two months. During the hospitalization of the broker, the prospective buyer purchased the property. Which applies to this situation?

- a. If the broker listed the property with an open listing the broker is not entitled to the commission because the broker was not present during the transaction.
- b. The broker is entitled to a commission regardless of the type of listing he had with the customer.
- c. The broker is entitled to a commission provided the listing was an exclusive listing with right of sale.
- d. The broker is not entitled to a commission.

70. Which of the following is false concerning escrow accounts?

- a. If a broker in Florida decides to hold escrow, the account must be located in Florida.
- b. A Florida broker is not required to hold escrow. If the broker does hold escrow and the escrow account is an interest-bearing account, all parties must give written authorization.
- c. It is legal for a broker to keep earned interest from the escrow account, if all parties have given written authorization.
- d. A Florida broker is authorized to move the escrow account from a non-interest-bearing account to an interest-bearing account provided he receives written authorization from one party.

71. When a lender declares all the unpaid balance due and payable as a result of default, the lender is exercising which clause in a mortgage?

- a. Due-on-sale clause
- b. Escape clause
- c. Acceleration clause
- d. Estoppel clause

72. Which of the following statements concerning market value is true?

- a. Market value is the most probable price a property should bring in a competitive and open market under all conditions, requisite to a fair sale under certain guidelines published by Fannie Mae and Freddie Mac.
- b. Market value is the same as price.
- c. Market value is the value an investor would typically pay.
- d. Market value is the same as the cost of the property.

73. Which of the following is the type of method a surveyor would use to describe a property that is in a subdivision?

- a. Surveyor's method, also called the metes and bounds
- b. Surveyor's method, also called the lot and block method
- c. Plat method, also called the lot and block method
- d. Plat method, also called the government survey method

74. Which of the following is true regarding the Statute of Frauds and the Statute of Limitations?

- a. The Statute of Limitations on a written contract is 4 years.
- b. The Statute of Frauds requires that contracts conveying an interest in real property and all contracts that are not performed within one year from the date they become effective must be in writing and signed to be enforceable.
- c. The Statute of Limitations is the period of time set by statute during which the terms of a contract may be enforced. The Statute of Limitations on a parol contract is 5 years.
- d. The Statute of Frauds requires that all contracts must be in writing and signed to be enforceable.

75. Which statement is false concerning the payment of an unearned fee or kickback?

- a. Broker Smith and sales associate Sabrina can legally share a portion of their commission with the buyer or seller in the transaction provided all parties are informed.
- b. Not all kickbacks are illegal.
- c. A real estate licensee may be paid a fee for referring buyers to a title company, provided the buyer is aware of and agrees to the facts concerning the fee.
- d. The payment of a kickback cannot violate the Real Estate Settlement Procedures Act.

76. Which of the following is an example of an “implied” easement?

- a. An encroachment
- b. A gross easement
- c. A variance
- d. None of the above

77. Which statement about the Closing Disclosure form is true?

- a. Unpaid property taxes are a debit to the seller, credit to the buyer.
- b. The amount due to the seller must equal the amount due from the buyer.
- c. A new mortgage secured by the buyer would be entered as a debit to the buyer.
- d. A purchase money mortgage is a mortgage that the seller takes back from the buyer and would be entered as a credit to the seller and a debit to the buyer.

78. The Florida Residential Landlord and Tenant Act requires specific time periods for tenant deposits and advance rent. Which of the following time periods is correct?

- a. Landlords of five or more units must notify the tenant in writing of which method is used to hold the tenant's deposit within 15 days.
- b. A landlord who does not intend to make a claim on the security deposit has 15 days to return the security deposit.
- c. A landlord who is making a claim on the deposit has 15 days to notify the tenant of the claim.
- d. After receiving written notification of the landlord's claim on the deposit, the tenant has 30 days to object in writing to the claim.

79. The comparable sales approach, often just called the sales approach is a direct application of which principle?

- a. Principle of change
- b. Principle of substitution
- c. Principle of competition
- d. Principle of conformity

80. Which statement is false regarding the differences between a Department of Veterans Affairs (VA) loan and a Federal Fair Housing Administration (FHA) loan?

- a. Both loans are assumable.
- b. FHA is a government agency that does not make loans. FHA insures loans. The FHA acts like an insurance company. The VA is a government agency that has the power to guarantee loans and make direct loans to veterans.
- c. Interest rates are negotiable on both loans.
- d. A Funding fee is not paid on a VA loan.

81. Which of the following is false concerning the primary and secondary mortgage markets?

- a. The primary mortgage market is where securities or goods are created.
- b. The primary mortgage market consists of lenders that originate new mortgage loans for borrowers.
- c. The secondary mortgage market is an investor market that buys and sells existing mortgages.
- d. The secondary mortgage market does not provide liquidity to the primary mortgage market.

82. How is paid rental income noted on the closing disclosure form?

- a. debit seller, credit buyer
- b. credit seller, debit buyer
- c. credit seller only
- d. debit buyer only

83. On April 2nd a real estate broker entered into an exclusive right of sale listing. On April 12th the seller filed for bankruptcy. Two days later the broker found a buyer to purchase the property and submitted an offer. Which applies?

- a. The broker is entitled to a commission because he had an exclusive right of sale listing.
- b. The broker is only entitled to a commission if the prospective buyer actually purchases the house.
- c. The broker is not entitled to a commission because the listing contract was terminated by the bankruptcy.
- d. The broker is not entitled to a commission because with an exclusive right of sale listing, the broker is obligated to bring the buyer to the transaction in order to receive a commission.

84. Which of the following random statements is false?

- a. Static risk is risk that can be offset with insurance. Lotteries are a violation in Florida and not permitted.
- b. A tax certificate is what is auctioned in the event that a property owner does not pay his or her taxes.
- c. An escrow disbursement order is one of the choices a title company has to settle an escrow dispute.
- d. The term situs refers to an individual's preference for living in a certain location.

85. Which of the following is true concerning methods of purchasing property encumbered by an existing mortgage loan?

- a. If the property is sold subject to the mortgage, the seller is not responsible for the note.
- b. If the property is sold with an assumption with novation, the original borrower does not remain liable for the balance of the promissory note.
- c. If the property is sold with an assumption, the original borrower is solely liable for the balance of the promissory note.
- d. If the property is sold with an assumption, the new borrower is not liable for the balance of the promissory note.

86. Which of the following lists the protected classes of the Civil Rights Act of 1968 including amendments?

- a. race, religion, sex, creed, national origin, familial status, handicap
- b. race, religion, sex, color, national origin, age, familial status
- c. race, religion, sex, color, national origin, familial status, handicap
- d. sex, religion, age, creed, national origin, familial status, handicap

87. Which of the following is false concerning the Consumer Credit Protection Act?

- a. The Real Estate Settlement Procedures Act, (RESPA) is the act that regulates kickbacks.
- b. The Truth in Lending Act, (TILA) is the act that requires lenders to inform buyers of the true cost of credit in writing.
- c. Regulation Z is often used as another name for the Real Estate Settlement Procedures Act. RESPA is the act that requires lenders to inform buyers of the true cost of credit in writing and Regulation Z is the rule that gives RESPA its authority.
- d. RESPA is the act that requires lenders to give a good faith estimate to buyers.

88. The Florida Residential Landlord and Tenant Act requires landlords to account for advance rents and security deposits in one of three ways. Which of the following is not one of the choices the landlord has regarding advance rents and security deposits?

- a. A landlord can hold the money in a separate non-interest-bearing Florida bank account for the benefit of the tenant.
- b. A landlord can hold the money in any of the 50 states in a separate non-interest-bearing account for the benefit of the tenant.
- c. A landlord can hold the money in a separate interest-bearing Florida bank account for the benefit of the tenant. In this case, the landlord must pay the tenant at least 75% of the annualized average interest rate payable on the account or 5% per year.
- d. A landlord can post a surety bond with the clerk of the circuit court in the county in which the rental property is located in the total amount of the security deposits and advance rents or \$50,000, whichever is less.

89. Which of the following random statements is false?

- a. A group license is sometimes issued to a sales associate or broker associate who are registered under an owner-developer. Multiple licenses is what a broker would have if they owned more than one brokerage.
- b. The additional tax exemption for a blind person who homestead is \$1,000.
- c. A guardian's deed is used when selling property of a minor.
- d. A personal representative's deed is used when an individual is appointed to settle the estate of a deceased person.

90. If a lot frontage is 250 feet, street paving costs are \$20.00 per running foot, and the city will pay 40% of the paving costs, what will be the assessment to the property owner?

- a. \$1,500
- b. \$1,200
- c. \$1,110
- d. \$2,540

91. A developer owns 100 acres in Charlotte county, Fl and wants to create 20 lots with each lot being 21,780 square feet each. How many acres would he need to allocate for this project?

- a. 10 acres
- b. 100 acres
- c. 50 acres
- d. 80 acres

92. Annual property taxes are \$1,460. Closing is June 1. Use the 365-day method of proration. Charge day of closing to the buyer. How is the proration entered on the Closing Disclosure?

- a. Debit seller \$608, credit buyer \$608
- b. Debit buyer \$856, credit seller \$604
- c. Debit buyer \$856, credit seller \$856
- d. Debit seller \$604, credit buyer \$604

93. The NW1/4 of the N1/4 of the E1/4 of the S1/4 and the S1/4 of the NE1/4 of the NW1/4, Section 14, Township 5 South, Range 3 East describes a tract of how many acres and how many square feet?

- a. 12.5 acres, 435,600 square feet
- b. 12.5 acres, 544,500 square feet
- c. 5.5 acres, 200,000 square feet
- d. 5 acres, 217,800 square feet

94. A residential zone requires at least 7,500 square feet per lot. The developer is reserving 25 percent of the land for streets, sidewalks, and a community center. The tract of land for the development consists of 175 acres. How many residential lots are available for development?

- a. 254
- b. 762
- c. 813
- d. 1,106

95. What are the transfer taxes on a property that sold for \$435,000 and had a new mortgage of \$180,000?

- a. \$5,058
- b. \$8,565
- c. \$4,035
- d. \$3,450

96. A man can borrow \$78,000 to purchase a house, and this is 2.5 times his salary. What is his annual salary?

- a. \$61,000
- b. \$31,200
- c. \$40,250
- d. \$25,500

97. What is the gross rent multiplier of a property that rents for \$5,000 a month and has a sales price of \$600,000?

- a. 120
- b. 220
- c. 5
- d. 125

98. If a sales associate lists a house for 7% commission and she is entitled to keep 70% of all commissions she earns, and she makes \$34,055 on the sale. What was the sales price of the house?

- a. \$485,000
- b. \$695,000
- c. \$629,000
- d. \$545,500

99. A building is 4 stories high and each floor is 100x50. I want to put bins in all the space I can. I can't use 20% of each floor. The bins are 5x5. How many bins can I put in this building?

- a. 640
- b. 500
- c. 880
- d. 425

100. What is the net operating income of a property that has a value of \$495,000, operating expenses of \$25,000, and a capitalization rate of 10%?

- a. \$65,000
- b. \$59,500
- c. \$49,500
- d. \$58,200

The Answer Key

1 b	26 c	51 d	76 a
2 c	27 d	52 a	77 a
3 b	28 c	53 c	78 b
4 b	29 d	54 d	79 b
5 c	30 a	55 b	80 d
6 d	31 b	56 c	81 d
7 b	32 c	57 d	82 a
8 a	33 c	58 c	83 c
9 a	34 d	59 a	84 c
10 b	35 d	60 d	85 b
11 a	36 c	61 d	86 c
12 d	37 a	62 c	87 c
13 c	38 c	63 c	88 b
14 b	39 b	64 b	89 b
15 b	40 d	65 d	90 a
16 d	41 b	66 c	91 a
17 d	42 c	67 b	92 d
18 b	43 c	68 b	93 b
19 d	44 c	69 b	94 b
20 c	45 c	70 d	95 c
21 c	46 b	71 c	96 b
22 c	47 c	72 a	97 a
23 b	48 b	73 c	98 b
24 b	49 d	74 b	99 a
25 a	50 b	75 c	100 c

