
AFTER, Third Edition Quizzes *for Online and CD-ROM Versions*

Instructions: Quizzes are open book. All answers are True or False.

Agency Quiz — Pages 9-47

- 1. Agency in real estate related transactions includes relationships between finders and their brokers or principals.
- 2. A broker employed under an open listing must aggressively use due diligence to represent his client and attain the client's goals.
- 3. The use of the Agency Law Disclosure is not mandated on transfers involving the purchase of one-to-four residential units.
- 4. An Agency Law Disclosure form may be signed by the seller after the listing is finalized.
- 5. A broker locating property on behalf of a buyer, often referred to as a fee-splitting broker, is considered a selling agent.
- 6. If a buyer's broker also has a listing with the seller of the property his buyer is making an offer on, the broker is not a dual agent.
- 7. A broker's membership in the Multiple Listing Service (MLS) does not create a dual agency or a subagency with the principals of other broker-members of the MLS.
- 8. A broker who fails to disclose his dual agency is not subject to liability for his clients' money losses and the loss of his brokerage fee.
- 9. The actions of a sales agent are considered to be the actions of the employing broker.
- 10. An agent's opinion regarding future expectations never becomes a positive statement of truth, even when the agent holds himself out to be specially qualified in the subject matter expressed in his opinion.

Fair Housing Quiz — Pages 49-83

- 1. A broker may represent that a dwelling is not available for sale, although it is, in order to redirect individuals to a particular neighborhood.
- 2. A place of public accommodation includes a brokerage office.
- 3. A broker who discriminates is liable for no more than three times the amount of the tenant's actual money losses, plus any attorney fees.
- 4. A landlord may refuse to rent residential property to a blind tenant due to the tenant's guide dog based on the property's pet restriction policy.
- 5. Only the Fair Employment and Housing Commission enforces anti-discrimination law.
- 6. A broker who publishes advertisements which indicate a discriminatory preference is not guilty of discrimination.
- 7. A lender may not deny an unmarried couple's loan application based on marital status.
- 8. State and federally regulated banks are required by the Home Affordable Modification Plan (HAMP) to compile home loan origination data for submission to their respective supervisory agencies.

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- ___ 9. Real estate advertising guidelines are issued by the Department of Housing and Urban Development (HUD).
 - ___ 10. An agent's duty to disclose material facts known to him which may adversely affect the property's value is limited to disclosures of the property's physical condition.

Trust Funds Quiz — Pages 85-117

- ___ 1. Trust funds include advance fees.
- ___ 2. A pink slip to a vehicle is not an item of value which must be deposited into a trust fund when received by a broker as part of a real estate transaction.
- ___ 3. Advertisements used by a broker to obtain an advance fee must be submitted to the Commissioner of the Department of Real Estate (DRE) for approval at least one week prior to their use.
- ___ 4. Advance fee agreements may contain provisions relieving the broker from obligations to perform verbal agreements made by employees or agents of the broker.
- ___ 5. A statement of account for trust funds must include the amount of the deposit toward advance costs.
- ___ 6. Withdrawals from a broker's trust account may be made under the signature of an unlicensed employee who is bonded for the total amount of the trust funds the employee can access.
- ___ 7. All records of trust funds must be retained by the broker for three years after the closing or cancellation of a transaction involving trust funds.
- ___ 8. Trust funds owned by one individual cannot be used to offset any negative balances in another individual's subaccount.
- ___ 9. If an owner of trust funds receives a judgment against his broker for trust account violations, the owner may not satisfy the judgment through the state Real Estate Recovery Account if the broker is insolvent.
- ___ 10. Attorney fees may be recovered from the Real Estate Recovery Fund.

Ethics Quiz — Pages 119-148

- ___ 1. A conflict of interest exists when a broker has a bias toward the opposing party in a transaction which might compromise the broker's ability to freely recommend action to the client he agreed to represent.
- ___ 2. A broker has no duty to disclose to a client-seller the familial or otherwise special relationship he has between himself and the buyer who will be acquiring an interest in the seller's property.
- ___ 3. A broker who receives a good faith deposit with a purchase offer from a buyer is not required to disclose to the seller the form, amount, handling or ownership of the deposit.
- ___ 4. A purchase agreement is voidable and may be cancelled by the seller when acceptance is obtained through a misrepresentation by the buyer or the buyer's broker.
- ___ 5. A broker who fails to disclose a known property defect that is not revealed by a visual inspection is not liable since he is only required to disclose observable defects.

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- ___ 6. A broker is not liable for misrepresentations of property conditions he receives from others as long as he discloses the source of the information to the buyer.
 - ___ 7. Advance fees received by a broker before services are performed may not be deposited into the broker's trust account.
 - ___ 8. A broker employed as an agent of a borrower to arrange a loan has no duty to ensure the borrower has an understanding sufficient to make a well-informed decision on participating in the loan transaction.
 - ___ 9. In California, Multiple Listing Service (MLS) subscribers must become members of a trade association in order to access the MLS database.
 - ___ 10. An employing broker should withhold from his client the dollar amount of any referral fee or benefit he received from any provider of services relating to the real estate transaction the agent is participating in.

Risk Management Quiz — Pages 150-196

- ___ 1. Agency relationships exist as only general duties owed to a client.
- ___ 2. Sales agents are authorized to be employed by the public to perform licensed activities.
- ___ 3. A broker does not need to establish office policies, procedures, rules and systems to manage his agents' conduct.
- ___ 4. Listing agents for one-to-four residential properties owe no affirmative duty to provide a prospective buyer with information on a property's title conditions.
- ___ 5. If a death occurred on a property more than 10 years ago, a listing agent need not disclose his knowledge to a prospective buyer, even on direct inquiry by the buyer.
- ___ 6. Advertisements used to locate buyers may be based on the observations of the listing agent rather than public records, so long as the information is not known to the agent to be false.
- ___ 7. Prior to closing a sale, a seller-in-foreclosure has a statutory three-business-day right to cancel the EP agreement he has entered into with an EP investor.
- ___ 8. An EP investor is not liable to the seller-in-foreclosure for any losses arising out of the buyer's agent's nondisclosure of licensing requirements.
- ___ 9. Agency disputes only arise during the escrow period.
- ___ 10. A mutual cancellation agreement includes a release of claims and a waiver of rights under the existing agreement or agency relationship.

Answer References *for Online and CD-ROM Versions*

The following are the answers to the quizzes for *AFTER, Third Edition*,
and the page numbers where they are located in the *CD-ROM* and *Online* versions.

Agency			Fair Housing			Trust Funds			Ethics			Risk Management		
1.	T	9	1.	F	51	1.	T	85	1.	T	119	1.	F	150
2.	F	9	2.	F	58	2.	F	86	2.	F	122	2.	F	155
3.	F	16	3.	T	63	3.	F	91	3.	F	126	3.	F	156
4.	F	17	4.	F	64	4.	F	91	4.	T	127	4.	T	167
5.	T	23	5.	F	67	5.	T	92	5.	F	135	5.	F	172
6.	F	23	6.	F	69	6.	T	98	6.	T	136	6.	T	176
7.	T	27	7.	T	71	7.	T	105	7.	F	144	7.	F	179
8.	F	29	8.	F	77	8.	T	106	8.	F	145	8.	F	187
9.	T	35	9.	T	79	9.	F	115	9.	F	146	9.	F	192
10.	F	43	10.	F	82	10.	F	116	10.	F	148	10.	F	195