Quiz 1 – Chapters 1-3

1. The California Legislature created the __________ to oversee, regulate, administer and enforce the real estate law.
   a. Department of Home Finance  
   b. California Bureau of Veterans  
   c. Department of Real Estate (DRE)  
   d. Department of Agriculture and Property

2. The chief officer of the Department of Real Estate (DRE) is the:
   a. Real Estate Commissioner.  
   b. President of the United States.  
   c. Governor of California.  
   d. Real Estate Solicitor.

3. To be eligible for a broker or agent license, the applicant needs to be honest and truthful, complete mandatory education and:
   a. provide proof of legal presence in the U.S.  
   b. be at least 21 years of age.  
   c. have previously worked as an unlicensed assistant.  
   d. pass the qualifying exam.

4. All real estate brokers and agents need to complete at least ________ of continuing education (CE) every four years to renew a license issued by the Department of Real Estate (DRE).
   a. 15 hours  
   b. 30 hours  
   c. 45 hours  
   d. 50 hours

5. The __________ is available to individuals who have obtained a judgment against a licensee and are unable to recover the judgment from the licensee for losses caused while acting as an agent.
   a. Real Estate Recovery Fund  
   b. Broker Protection Fund  
   c. Homeowner Relief Fund  
   d. Borrower Education Fund

6. A residential mortgage primarily for personal, family or household use and secured by a deed of trust on a dwelling is known as a:
   a. consumer purpose mortgage.  
   b. public project loan.  
   c. adjustable rate mortgage (ARM).  
   d. Zero Ability to Pay (ZAP) loan.

7. Agency in real estate related transactions includes relationships between brokers and their:
   a. principals.  
   b. agents.  
   c. Both a. and b.  
   d. A real estate broker is never an agent.

8. A broker’s representation of a client, such as a buyer or seller, is best undertaken:
   a. with an oral agreement only.  
   b. through coercion.  
   c. on a written employment agreement signed by both the client and the broker.  
   d. through ratification after acts requiring a license have been performed.

9. The Agency Law Disclosure needs to be attached to which of the following documents and signed by all parties in targeted transactions?
   a. A counteroffer.  
   b. A seller’s listing agreement.  
   c. A lease agreement for a term exceeding one year.  
   d. All of the above.
10. Failure of the seller’s agent to provide the seller with the Agency Law Disclosure prior to entering into the listing agreement may result in:
   a. payment of a $1,000 fine.  
   b. the loss of their fee.  
   c. jail time.  
   d. the forfeiture of all funds in their trust account.

**Quiz 2 – Chapters 4-7**

1. A(n) ________ arises when a broker or their agent, acting on behalf of a client, has a competing professional or personal bias which hinders their ability to fulfill the fiduciary duties they have undertaken on behalf of their client.
   a. affiliated business arrangement (ABA)  
   b. subagency  
   c. conflict of interest  
   d. implied agency

2. A(n) ________ is a broker who simultaneously represents the best interest of opposing parties in a transaction, e.g., both the buyer and the seller.
   a. dual agent  
   b. subagent  
   c. secret agent  
   d. finder

3. When a dual agency is established in a one-to-four unit residential sales transaction, the broker may not:
   a. pass on confidential pricing information to the opposing parties.  
   b. communicate to one of the parties without the express consent of the other.  
   c. collect their fee when the sale closes.  
   d. disclose materials facts about the property which might dissuade the buyer from submitting an offer to purchase the property.

4. Funds belonging to others which a broker and their agents handle when acting in a transaction are called:
   a. broker fees.  
   b. trust funds.  
   c. bonds.  
   d. security deposits.

5. A broker is required to regularly account to an owner on the status, expenditure and location of negotiable trust funds, called a(n):
   a. balance sheet.  
   b. deposit receipt.  
   c. owner’s statement.  
   d. amortization schedule.

6. Regardless of race, all citizens of the United States have the right to rent residential and commercial real estate under the federal:
   c. Unruh Civil Rights Act.  
   d. Proposition 13.

7. ________ involves the restriction of a person seeking to buy or rent a dwelling in a community in a manner that perpetuates segregated housing patterns.
   a. Blockbusting  
   b. Redeveloping  
   c. Redlining  
   d. Steering

8. A residential landlord may not induce or attempt to induce an individual to offer, or abstain from offering, a dwelling to prevent the entry of certain classes of people into the neighborhood, known as:
   a. blockbusting.  
   b. condemnation.  
   c. retooling.  
   d. dual agency.

9. A(n) ________ is housing intended for and solely occupied by persons 62 years of age or older, or intended and operated for occupancy by persons of 55 years of age or older.
   a. senior citizen housing project  
   b. Section 8 housing project  
   c. common interest development (CID)  
   d. cooperative housing project
10. California’s Unruh Civil Rights Act specifically prohibits discrimination on behalf of:
   a. educational institutions. c. individuals.
   b. government institutions. d. businesses.

Quiz 3 – Chapters 8-12

1. California anti-discrimination law is enforced by:
   a. the Department of Business Oversight (DBO).
   b. the Department of Fair Employment and Housing.
   c. the Department of Housing and Urban Development (HUD).
   d. Fannie Mae.

2. Until _______ was added to the anti-discrimination laws in 1992, it was legal to exclude minors under the age of 18 from housing accommodations.
   a. implicit discrimination c. religious preference
   b. familial status d. senior citizen housing

3. ________ practices are those which are not openly discriminatory, but result in discriminatory effects.
   a. Overtly discriminatory c. Conflict of interest
   b. Harmlessly prejudiced d. Implicit discriminatory

4. Failing to provide financing in certain communities is called:
   a. redlining. c. panic selling.
   b. redevelopment. d. subordination.

5. The ________ is a 1974 federal enactment prohibiting lenders from discriminating against borrowers from a protected class.
   a. Credit Reporting Act
   b. Truth-in-Lending Act
   c. Equal Credit Opportunity Act
   d. Dodd–Frank Wall Street Reform and Consumer Protection Act

6. A lender may lawfully consider ______ when determining the applicant’s creditworthiness.
   a. a mortgage applicant’s age
   b. the religious preference of the mortgage applicant
   c. whether the mortgage applicant intends to bear children
   d. whether an applicant’s income is derived from alimony

7. Consumers may request a free copy of their credit report ______ to review it for errors.
   a. once every month c. twice every year
   b. once every quarter d. once every year

8. The ________ requires lenders to compile and submit their home loan origination data to their respective supervisory agencies.
   a. Equal Credit Opportunity Act
   b. Home Mortgage Disclosure Act (HMDA)
   c. Home Affordable Modification Plan (HAMP)
   d. Federal Fair Housing Act (FFHA)

9. The printing or publishing of an advertisement for the sale or rental of residential property that indicates a wrongful discriminatory preference is a violation of the:
10. The Department of Housing and Urban Development (HUD) issues guidelines that require real estate brokers selling or renting single family residences (SFRs) display a(n):
   a. code of ethics.
   b. copy of the broker’s driver’s license.
   c. inspirational poster.
   d. fair housing poster.

**Quiz 4 – Chapters 13-17**

1. A property defect which would likely affect the price a buyer would be willing to pay is referred to as:
   a. a material fact.
   b. a matter of opinion.
   c. circumstantial evidence.
   d. an “as is” condition.

2. The broker analyzes the suitability of an income property which is for sale by preparing a(n) _______ and reviewing it with the buyer.
   a. Profit and Loss Statement
   b. Balance Sheet
   c. Annual Property Operating Data Sheet (APOD)
   d. Investment Circular

3. A seller’s broker and their agents have a __________, owed solely to the seller who has employed the broker, to diligently market the listed property for sale.
   a. non-fiduciary general duty
   b. fiduciary agency duty
   c. implied agency duty
   d. limited general duty

4. A seller of a one-to-four unit residential property needs to complete and deliver to a prospective buyer a statutory form called a(n):
   a. Transfer Disclosure Statement (TDS).
   b. Condition of Neighborhood Addendum.
   c. Agency Law Disclosure.
   d. Oil-Based Paint Disclosure (OBP).

5. Radon gas concentrations in enclosed, unventilated spaces located within a building where the underlying rock contains uranium is an example of a(n):
   a. environmental hazard located off a property.
   b. environmental hazard located on a property.
   c. natural hazard located off a property.
   d. seismic hazard located on a property.

6. Environmental hazards not itemized in the Transfer Disclosure Statement (TDS) include:
   a. hazardous construction materials and waste.
   b. window security bars and inoperable release mechanisms.
   c. environmental noise.
   d. whether the property is located in a special flood hazard area.

7. Natural hazards such as _________ come with the location of a parcel of real estate, not with the man-made aspects of the property.
   a. very high fire hazard severity zones
   b. high local crime rates
   c. security bars which interfere with an occupant’s ability to exit a room
   d. asbestos-containing building materials

8. To unify and streamline the disclosure made by a seller and their agent about natural hazards affecting a property, the California legislature created a statutory form called the:
   a. Transfer Disclosure Statement (TDS).
   b. Natural Hazard Disclosure Statement (NHD).
   c. Conflict of Interest Disclosure.
   d. Mortgage Settlement Statement.
9. The Natural Hazard Disclosure Statement (NHD) handed to a prospective buyer does not disclose:
   a. whether the property is located in an area of potential flooding.
   b. whether the property is situated in a very high fire hazard severity zone.
   c. environmental hazards and physical deficiencies in the soil or property improvements.
   d. the fact the property was built in a seismic hazard zone.

10. The Natural Hazard Disclosure Statement (NHD) requires the seller’s agent to disclose to a
    prospective buyer whether they have knowledge the property:
    a. has a roof greater than three years old.
    b. is located in a fault zone.
    c. is located in an area with a high crime rate.
    d. has an outdoor pool.

**Quiz 5 – Chapters 18-23**

1. The federal lead-based paint (LBP) disclosure is required on all ________ residential construction.
   a. pre-1978  
   b. post-1978  
   c. pre-1995  
   d. post-1995

2. A(n) ________ is any condition that causes exposure to lead from lead-contaminated dust, soil
   or paint which has deteriorated to the point of causing adverse human health effects.
   a. natural hazard  
   b. lead-based paint hazard  
   c. oil-based paint hazard  
   d. neighborhood security hazard

3. __________ are exempt from federal lead-based paint (LBP) disclosure requirements.
   a. Residential properties built prior to 1968  
   b. Single family residences built after 1970  
   c. Foreclosure sales of residential property  
   d. Resales of housing previously acquired by the lender at a foreclosure sale

4. A real estate agent has no affirmative duty to voluntarily disclose information to a potential
   buyer regarding a prior occupant whose death occurred on the real estate more than ________
   years prior to the purchase offer.
   a. one  
   b. two  
   c. three  
   d. An agent always need to disclose a death.

5. Ownership of a unit in a condominium project includes compulsory membership in:
   a. the local trade union.  
   b. the homeowners’ association (HOA).  
   c. Facebook.  
   d. the board of directors.

6. __________ levied by a homeowners’ association (HOA) fund the operating budget to pay for
   the cost of maintaining the common areas.
   a. Special assessments  
   b. Regular assessments  
   c. Mello Roos assessments  
   d. Extraordinary assessments

7. Any individual who holds themselves out as being in the business of preparing a home inspection
   report on a one-to-four unit residential property is referred to as a(n):
   a. appraiser.  
   b. home inspector.  
   c. handyman.  
   d. subcontractor.

8. A statement by a structural pest control (SPC) company indicating the property is free of infestation
   in the visible and accessible areas is referred to as a:
   a. Certificate of Completion.  
   b. Certificate of Inspection.  
   c. Pest Elimination Voucher.  
   d. Structural Pest Control Certificate.

9. Brokers owe a fiduciary duty to the client to use _________ in a continuous effort to meet the objective of the employment.
   a. due diligence                  c. moderate caution
   b. minimal effort                d. general competence

10. All records of an agent's activities on behalf of a buyer or seller during the listing period are to be retained by the agent's broker for:
    a. one year.                     c. three years.
    b. two years.                   d. four years.

**Quiz 6 – Chapters 24-30**

1. A(n) __________ is a written employment contract between a client and a licensed real estate broker.
   a. job application              c. month-to-month rental agreement
   b. listing agreement            d. letter of intent (LOI)

2. Under a(n) __________, a client can enter into listings with as many brokers as they want without becoming obligated to pay more than one fee.
   a. exclusive agency listing      c. open listing
   b. exclusive right-to-sell listing d. triple-net lease agreement

3. The function of a __________ is limited to soliciting, identifying, and referring potential real estate clients to brokers, agents, or principals in exchange for a fee.
   a. finder                       c. home inspector
   b. appraiser                    d. mortgage loan originator (MLO)

4. The primary document used to negotiate the transaction between a buyer and seller is a:
   a. listing agreement            c. purchase agreement.
   b. counteroffer.                d. waiver.

5. The __________, contained in all purchase agreements, states the existence or nonexistence of each broker's fiduciary agency with the various parties to the transaction.
   a. agency confirmation provision c. hold harmless agreement
   b. broker liability agreement    d. attorney fee provision

6. An Agency Law Disclosure is provided each time any broker prepares a purchase agreement or:
   a. lease agreement.              c. makes any contact with a client.
   b. counteroffer.                 d. independent contractor agreement.

7. A(n) __________ is an individual's opinion or estimate of a property's value on a specific date.
   a. termite inspection            c. appraisal
   b. home inspection               d. open house

8. The __________ of a property is the highest price on the date of valuation a willing seller and buyer would agree to, both having full knowledge of the property's various uses.
   a. fair market value             c. replacement cost
   b. depreciation schedule         d. conforming value

9. A process employing an independent agent to manage the closing of a real estate transaction through the exchange of documents and money between two parties is referred to as:
a. a title search.  
b. escrow.  
c. underwriting.  
d. pre-approval.

10. The specific duties of the escrow officer in a particular transaction are documented in:
   a. the county records.  
b. the escrow officer’s oath.  
c. the listing contract.  
d. escrow instructions.

 Quiz 7 – Chapters 31-36

1. The right of the government to take private property for public use is referred to as:
   a. theft.  
b. put option.  
c. eminent domain.  
d. the power to tax.

2. ________ are interests in real estate which secure payment or performance of a debt or other monetary obligation, such as a trust deed lien or a local property tax lien.
   a. Liens  
b. Legal descriptions  
c. Title insurance policies  
d. Bundle of rights

3. The first component of real estate is land, which includes:
   a. soil.  
b. rocks.  
c. reasonable airspace above the earth.  
d. All of the above.

4. The right to use water is called a:
   a. riparian right.  
b. taking.  
c. fixture.  
d. endorsement.

5. Incidental rights to real estate which are not located on the real estate nor reflected on its title are called:
   a. trade fixtures.  
b. appurtenant rights.  
c. fructus industriales.  
d. freehold estates.

6. A(n) ________ lasts for a specific length of time as stated in a lease agreement entered into by a landlord and tenant.
   a. tenancy-at-will  
b. estate at will  
c. fixed-term tenancy  
d. life estate interest

7. On expiration of a lease, a tenant who remains in possession of a property without an agreement or acceptance of rent by the landlord for the extended occupancy becomes a:
   a. holdover tenant.  
b. equity purchaser.  
c. subtenant.  
d. successor tenant.

8. Improvements that become part of the real estate include walls, central air conditioning and:
   a. wash stations in a beauty salon.  
b. chairs.  
c. attached flooring.  
d. drapes and curtains.

9. On expiration of a lease, the passage of real estate fixtures from the tenant to landlord is a conveyance called:
   a. waste.  
b. tariff.  
c. sacrifice.  
d. reversion.

10. California established the ________ to act as a referee for all disputes over water rights.
    a. Department of Real Estate (DRE)  
b. Department of Motor Vehicles (DMV)  
c. Federal Water Conservation Authority (FWCA)  
d. State Water Resources Control Board
Quiz 8 – Chapters 37-43

1. A(n) ________ is a recorded restriction which requires a property to be used for a specific purpose.
   a. negative covenant
   b. Declaration of Covenants, Conditions and Restrictions (CC&Rs)
   c. covenant which does not run with the land
   d. affirmative covenant

2. The location of a common property line that is represented by an improvement which acts as a demarcation of the property line is called a:
   a. spite fence.
   b. common boundary improvement.
   c. implied boundary.
   d. nuisance.

3. A(n) ________ is an improvement on real estate which extends onto real estate belonging to another person without their consent.
   a. nuisance
   b. trespass
   c. encroachment
   d. implied boundary

4. The property which benefits from an easement is referred to as the:
   a. dominant tenement.
   b. diminutive tenement.
   c. servient tenement.
   d. subsistence tenement

5. A(n) __________ belongs to an individual and is their personal right.
   a. easement in gross
   b. appurtenant easement
   c. easement running with the land
   d. encroachment

6. ______ easements restrict an owner’s ability to maintain or construct improvements which interfere with a neighbor’s solar energy system.
   a. Light
   b. Air
   c. View
   d. Solar

7. If a property is landlocked, the owner of the property will most likely be able to acquire a(n):
   a. easement by necessity.
   b. partial easement.
   c. easement by grant.
   d. solar easement.

8. An easement is terminated by __________ if the easement holder places an excessive burden on the property encumbered by the easement.
   a. abandonment
   b. merger
   c. forfeiture
   d. prescription

9. A __________ is any wrongful and unauthorized entry onto real estate in the possession of another.
   a. trespass
   b. forcible detainer
   c. transient possession
   d. right of way

10. __________ refers to a method of acquiring title to real estate owned by another by openly maintaining exclusive possession of the property for a period of five years and paying all property taxes.
    a. Eminent domain
    b. Inheritance
    c. Adverse possession
    d. Probate
Quiz 9 – Chapters 44-48

1. The illegal sale of a controlled substance is considered a(n):
   a. nuisance per se.  
   b. trespass.  
   c. unlawful detainer.  
   d. encroachment.

2. A ______ is a nuisance which affects an entire segment of the population.
   a. private nuisance  
   b. continuing nuisance per se  
   c. public nuisance  
   d. temporary nuisance

3. A(n) ___________ exists when the nuisance cannot be abated at a reasonable cost and by reasonable means.
   a. permanent nuisance  
   b. easement by necessity  
   c. continuing nuisance  
   d. unlawful detainer

4. Under the ___________, owners of adjacent properties uncertain over the true boundary agree to establish the location of their common lot line and acquiesce to the boundary line for at least five years.
   a. agreed-boundary doctrine  
   b. statute of limitations  
   c. doctrine of estoppel  
   d. balancing hardships doctrine

5. The individual conveying real estate is called the _______ and the individual acquiring title is called the _______.
   a. grantee; grantor  
   b. grantor; beneficiary  
   c. grantor; grantee  
   d. trustee; beneficiary

6. At the time of signing the deed, a capable grantor needs to:
   a. possess their civil rights.  
   b. be of sound mind.  
   c. be an adult at least 18 years of age.  
   d. All of the above.

7. A(n) __________ is used to pass a fee simple interest in real estate from the grantor to another individual, unless a lesser interest is stated in the deed.
   a. quitclaim deed  
   b. grant deed  
   c. warranty deed  
   d. bill of sale

8. To simply convey any interest in real estate without an assurance the individual holds that interest conveyed, a(n) __________ deed is used.
   a. grant deed  
   b. abstract of title  
   c. quitclaim deed  
   d. implied covenant

9. For delivery of a deed to occur, the grantor needs to _______ and the grantee needs to _________.
   a. place the deed in the mail; plan to accept the deed on certain conditions  
   b. physically hand the deed to the grantee; record the deed with the county  
   c. intend to convey title; accept the deed as immediately effective  
   d. intend to convey partial title; record the deed with the county

10. A(n) _______ is valid and enforceable after delivery until it is challenged due to a defect and declared invalid by court order.
    a. voidable deed  
    b. void deed  
    c. void ab initio deed  
    d. implied deed
**Quiz 10 – Chapters 49-54**

1. All property acquired jointly by a married couple during the marriage, no matter how vested, is presumed to be:
   a. community property.  
   b. separate property.  
   c. public property.  
   d. joint property.

2. A(n) ____________ vesting is characterized by an ownership interest in property concurrently received by two or more individuals who share equally and have the right of survivorship.
   a. tenancy in common  
   b. joint tenancy  
   c. community property  
   d. community property with right of survivorship

3. Lis pendens means:
   b. Notice of Prior Litigation.  
   c. Notice of Nonresponsibility.  
   d. Notice of Expungement.

4. To properly record a lis pendens, the lis pendens is required to identify the parties to the lawsuit and:
   a. provide reasonable compensation for the real estate.  
   b. post a notice of the pending legal action on the property.  
   c. give an adequate description of the real estate.  
   d. be published in a newspaper in general circulation in the city where the property is located.

5. A(n) ________ is a written statement which presents an accurate, factual representation of title to the property being acquired, encumbered or leased.
   a. preliminary title report  
   b. property profile  
   c. abstract of title  
   d. balance sheet

6. The ____________ insures against all encumbrances affecting title which can be discovered by a search of public records prior to issuance of the policy, but does not cover against unrecorded encumbrances.
   a. California Land Title Association (CLTA) standard policy  
   b. American Land Title Association (ALTA) policy  
   c. property profile  
   d. homestead exemption

7. A(n) ________ is the dollar amount of the equity in a homeowner’s dwelling that the homeowner qualifies to hold which has priority on title over most judgment liens and some government liens.
   a. overriding lien  
   b. homestead  
   c. interest deduction  
   d. negative equity

8. The submission of a(n) ____________ to a private or institutional lender is the catalyst which sets the machinery of the mortgage industry in motion.
   a. Letter of Intent (LOI)  
   b. appraisal report  
   c. Option to Purchase  
   d. mortgage application

9. A(n) ____________ is an estimate of the buyer’s settlement charges and mortgage terms delivered to the buyer within three business days following the lender’s receipt of the mortgage application.
   a. Good Faith Estimate (GFE)  
   b. Loan Estimate  
   c. HUD-1 or HUD-1A Closing Statement  
   d. Uniform Residential Loan Application
10. The ________ program assists qualified veterans or their surviving spouses to buy a home with a zero down payment.
   a. California Housing Finance Agency (CalHFA)
   b. California Department of Veterans Affairs (CalVet)
   c. U.S. Department of Veterans Affairs (VA) mortgage guarantee
   d. Federal Housing Administration (FHA)-insured mortgage

**Quiz 11 – Chapters 55-61**

1. A buyer’s ________ is their ability to make mortgage payments, as evaluated by their debt-to-income (DTI) ratio.
   a. balance sheet  
   b. mortgage capacity  
   c. loan-to-value ratio (LTV)  
   d. yield spread premium (YSP)

2. The ________ insures mortgages with high loan-to-value ratios (LTV) that are made with less demanding cash down payment requirements than loans originated by conventional lenders.
   a. Truth-in-Lending Act  
   b. Keep Your Home California program  
   c. MGIC Investment Corp. 
   d. Federal Housing Administration (FHA)

3. A ________ occurs when a seller carries back a note executed by the buyer to evidence a debt owed for the purchase of the seller’s property.
   a. short sale  
   b. mortgage cramdown  
   c. seller financing arrangement  
   d. loan assumption

4. The tax impact a carryback seller will receive on their carryback financing is ________ category income, regardless of whether the property sold was in another income category.
   a. portfolio  
   b. passive  
   c. earned  
   d. deductible

5. The amount of interest a private, non-exempt lender can charge is regulated by statute and the California Constitution, collectively called:
   a. usury laws.  
   b. Fair Housing Laws.  
   c. private mortgage insurance (PMI).  
   d. loan sharking.

6. The most common penalty suffered by a non-exempt private lender in violation of usury laws is:
   a. a five year jail sentence.  
   b. the forfeiture of all interest paid on the loan.  
   c. the forfeiture of all principal remaining due.  
   d. a $100,000 fine.

7. Default mortgage insurance coverage provided by private insurers for conventional loans with loan-to-value ratios higher than 80% is referred to as:
   a. the loan-to-value ratio (LTV).  
   b. homeowners’ insurance.  
   c. private mortgage insurance (PMI).  
   d. American Land Title Association (ALTA) insurance.

8. A note calling for the entire amount of its principal to be paid together with accrued interest in a single lump sum when the principal is due is called a(n):
   a. straight note.  
   b. installment note.  
   c. interest-extra note.  
   d. interest-included note.
9. ______ call for periodic adjustments to the interest rate and the amount of scheduled payments.
   a. All-inclusive trust deeds (AITDs)
   b. Adjustable rate mortgages (ARMs)
   c. Fixed-rate mortgages
   d. Shared appreciation mortgages (SAMs)

10. A mortgage providing for installment payments to be periodically increased by predetermined amounts to accelerate the payoff of principal is known as a(n):
    a. shared appreciation mortgage (SAM).
    b. graduated payment mortgage (GPM).
    c. adjustable rate mortgage (ARM).
    d. all-inclusive trust deed (AITD).

Quiz 12 – Chapters 62-67

1. A(n) ______ imposes an additional charge if a mortgage payment is not received by the lender when due or within a grace period.
   a. due-on clause
   b. final/balloon payment provision
   c. late charge provision
   d. acceleration clause

2. ______ is the minimum grace period allowed for a private lender secured by an owner-occupied single family residence (SFR), even if the homeowner agrees to a shorter grace period, or no grace period is agreed to.
   a. Two days
   b. Five days
   c. Ten days
   d. One month

3. An owner of real estate who wants to pay off principal on a debt before it is due may be levied an additional charge by the lender, called a(n):
   a. grace period
   b. balloon payment
   c. prepayment penalty
   d. late fee

4. A(n) ______ is any final payment on a note which is an amount greater than twice the amount of any one of the six regularly scheduled preceding payments.
   a. late charge
   b. balloon payment
   c. usury limit
   d. prepayment penalty

5. Notice of a final/balloon payment needs to be given to the buyer or current owner ______ before its due date.
   a. 30 days
   b. 60 days
   c. 70 days
   d. 90 days

6. The ______ is the preferential method used to impose a lien on real estate.
   a. promissory note
   b. trust deed
   c. due-on clause
   d. Notice of Nonresponsibility

7. The ______, such as a lender or carryback seller, is the entity entitled to the performance of the promised activity referenced in the trust deed as the purpose for obtaining the security.
   a. trustee
   b. trustor
   c. beneficiary
   d. executor

8. When the lender enters into an agreement with both the buyer and seller for the buyer’s assumption of the loan and a release of the seller’s liability, this is known as a:
   a. substitution of security
   b. novation
   c. equitable subordination
   d. subject-to transaction.
9. The occurrence of an event which triggers due-on enforcement automatically allows the lender to call the loan, also known as:
   a. waiver by consent.  c. recasting.
   b. acceleration.  d. subordination.

10. The due-on clause is triggered not only by a transfer using a standard grant deed, but by a lease with a term over:
   a. six months.   c. two years.
   b. one year.   d. three years.

Quiz 13 – Chapters 68-72

1. The __________ contained in a trust deed authorizes the trustee to initiate a non-judicial foreclosure sale of the property on a declaration of default and instructions to foreclose from the beneficiary.
   a. liquidated damages clause  c. indemnification provision
   b. arbitration clause  d. power-of-sale provision

2. Prior to completion of the trustee’s sale, an owner may ________ by paying all sums due under the note and trust deed and reimbursing the lender’s costs of foreclosure.
   a. redeem property in foreclosure  c. initiate foreclosure
   b. subordinate the lender’s interest  d. hypothecate the note

3. Before recording a Notice of Default (NOD) on a trust deed securing a purchase-assist mortgage on a borrower’s principal residence, a mortgage holder needs to:
   a. contact the county sheriff to notify them of the imminent sale.
   b. offer to modify the terms of the mortgage or temporarily suspend collection of mortgage payments.
   c. record and post a Notice of Trustee’s Sale (NOTS).
   d. conduct a pre-foreclosure workout with the owner.

4. Within ________ after recording a Notice of Default (NOD), the trustee sends a copy of the NOD by registered or certified mail to holders of a recorded interest in the secured property.
   a. one week  c. one year
   b. one month  d. two years

5. At least ________ the date selected by a trustee to hold a trustee’s sale, the trustee sends two copies of the Notice of Trustee’s Sale (NOTS) to each party the trustee previously sent a Notice of Default (NOD).
   a. 20 calendar days before  c. three months before
   b. 6 business days before  d. 30 calendar days before

6. A trustee’s sale is considered final and complete:
   a. when a beneficiary makes a bid.
   b. when the trustee records a Notice of Default (NOD).
   c. on the trustee’s acceptance of the last and highest bid.
   d. when the lender signs the certificate of sale.

7. A(n) ________ is the court-ordered sale by public auction of a secured property, lasting from eight months to multiple years before it is completed.
   a. judicial foreclosure  c. trustee’s sale
   b. nonjudicial foreclosure  d. power-of-sale foreclosure
8. An ________ is issued to the successful bidder on the completion of a judicial sale.
   a. certificate of sale  
   b. Notice of Trustee’s Sale (NOTS)  
   c. fair value hearing certificate  
   d. Advance Fee Disclosure

9. The ____________ is an itemized deduction for income tax reporting allowing homeowners to deduct interest and related charges they pay on a mortgage encumbering their primary or second homes.
   a. alternative minimum tax (AMT)  
   b. mortgage interest deduction (MID)  
   c. mortgage cramdown  
   d. short sale proceeds

10. A ____________ is an individual’s home where the homeowner’s immediate family resides a majority of the year, is close to the homeowner’s place of employment and banks which handle the homeowner’s accounts.
    a. recreational vehicle  
    b. second home  
    c. vacation property  
    d. principal residence

Quiz 14 − Chapters 73-78

1. Tenant negotiations that can be performed by unlicensed agents who have been retained to manage an apartment building include:
   a. rental or lease negotiations.  
   b. landlord-related solicitations.  
   c. accepting rents and security deposits.  
   d. entering into property management agreements with the landlord.

2. Apartment complexes with ________ need to have a resident manager.
   a. 12 or less units  
   b. a community pool  
   c. 16 or more units  
   d. an on-site fitness facility

3. The intangible image or opinion held about a property which affects its earning power is known as:
   a. goodwill.  
   b. business operations.  
   c. opportunity costs.  
   d. conflicts of interest.

4. A(n) ____________ runs for an indefinite period of time since it automatically renews monthly, and on the same terms, until modified or terminated by notice.
   a. fixed-term lease  
   b. month-to-month rental agreement  
   c. tenancy-at-sufferance  
   d. triple net lease

5. To avoid disputes over who is responsible for any damage to the premises, the residential landlord and tenant complete and sign a(n) ________ before the tenant is given possession.
   a. Notice of Nonresponsibility  
   b. open listing  
   c. right of first refusal  
   d. condition of premises addendum

6. A lease agreement conveying a term of occupancy exceeding ________ needs to be written to be enforceable, a requirement of the statute of frauds.
   a. 90 days  
   b. 120 days  
   c. six months  
   d. one year
7. A(n) ______ provision in a lease assures application of California law when a dispute arises between a tenant and landlord.
   a. choice-of-law
   b. hold harmless
   c. subtenancy
   d. attorney fee provision

8. A landlord under a month-to-month rental agreement can increase the rent or shift repair and maintenance obligations to the tenant by serving a(n):
   a. unlawful detainer (UD) action.
   b. 60-Day Notice to Pay Rent or Quit.
   c. 30-Day Notice of Change in Rental Terms.
   d. 30-Day Notice to Vacate.

9. A ______ provides a source of recovery for money losses incurred by the landlord due to a tenant default on monetary obligations agreed to in the rental or lease agreement.
   a. tenant screening fee
   b. security deposit
   c. Real Estate Recovery Fund
   d. savings account

10. If no repairs are made to a rented unit, the residential landlord needs to refund the security deposit, less reasonable deductions, within _____ days after a tenant vacates.
    a. 7
    b. 10
    c. 21
    d. 30

**Quiz 15 – Chapters 79-85**

1. A tenant who commits a(n) __________ is served with a Three-Day Notice to Quit.
   a. minor breach
   b. incurable breach
   c. monetary breach
   d. statutory breach

2. A(n) __________ is a set time period following the due date during which rent may be paid without incurring a late charge.
   a. grace period
   b. prepayment period
   c. pre-termination inspection period
   d. delinquent period

3. The Three-Day Notice to Perform or Quit requires the tenant to vacate the premises or:
   a. perform under the breached lease provision.
   b. correct the incurable breach.
   c. forfeit possession of the property and all furnishings.
   d. subordinate their interest in the property.

4. Waste occurs when a tenant:
   a. vacates and quits the premises.
   b. neglects the premises and impairs its value by failing to maintain it as agreed.
   c. subleases the premises to a subtenant without the landlord’s consent.
   d. allows greater than five guests to stay in the premises overnight.

5. When a tenant has resided in a residential property for one year or more, the landlord terminates the tenancy by giving the tenant a:
   a. 30-day Notice to Vacate.
   b. 60-day Notice to Vacate.
   c. 90-day Notice to Vacate.
   d. 120-day Notice to Vacate.

6. An owner-by-foreclosure who purchases a residential property at a trustee’s sale for investment purposes may only terminate an existing residential tenancy by serving the tenant with a:
   a. 30-day Notice to Vacate.
   b. 60-day Notice to Vacate.
   c. 90-day Notice to Vacate.
   d. 120-day Notice to Vacate.
7. A landlord breaches the __________ when they fail to comply with building and housing code standards that materially affect health and safety.
   a. implied warranty of habitability               c. implied agency duty of care
   b. unspoken gentlemen's agreement                  d. statute of frauds

8. Construction of residential and commercial buildings is primarily regulated by the state of California through:
   a. conditions, covenants and restrictions (CC&Rs).
   b. building codes.
   c. the Department of Real Estate (DRE).
   d. the Department of Motor Vehicles (DMV).

9. The placement of a building upon the lot is referred to as its:
   a. preference.                                    c. orientation.
   b. zoning classification.                         d. location.

10. The __________ establishes the conditions for approval of a subdivision map, and provides the planning commission the authority to regulate the design and physical improvements to be installed in a common interest development (CID).
    a. Subdivided Lands Act                          c. local surveyor
    b. Subdivision Map Act                           d. general contractor
Answer References

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