

Education Services, Inc.
Real Estate Academy
Session Twelve Quiz – Chapters 9, 23

CHAPTER TWENTY-ONE

1. The agency responsible for the enforcement of the Fair Housing Act is the:
 - a. Department of Justice
 - b. Federal Housing Administration
 - c. Department of Housing and Urban development
 - d. Department of Veteran Affairs

2. Lydia owns two multiunit apartment buildings, a two-flat on Oak Street and a 12-unit building on Main Street. She lives in an apartment in the Main Street property. Which of Lydia's properties, if any, is exempt from the Illinois Human Rights Act?
 - a. The Oak Street property only
 - b. The Main Street property only
 - c. Neither property
 - d. Both properties

3. The Fair Housing Act of 1968 is contained in:
 - a. Title VIII of the Civil Rights Act of 1968
 - b. The Civil Rights Act of 1866
 - c. The Civil Rights Act of 1964
 - d. Executive Order No. 11063

4. Real estate brokers are required to do all of the following EXCEPT:
 - a. Take affirmative action in advertising
 - b. Take affirmative action in canvassing
 - c. Show all of the properties they have listed
 - d. Prominently display the equal housing opportunity poster

5. The refusal of a lending institution to make a residential real estate loan strictly because of the racial or ethnic composition of the neighborhood is called:
 - a. Blockbusting
 - b. Redlining
 - c. Steering
 - d. Panic peddling

6. Discrimination based on familial status was prohibited with the passage of the:
 - a. Civil Rights Act of 1866
 - b. Civil Rights Act of 1964
 - c. Fair Housing Act of 1968
 - d. Fair Housing Amendments Act of 1988

7. Discrimination on the basis of any of the following could be construed as violations of fair housing laws EXCEPT for discrimination based on _____ considerations.
 - a. Ethnic
 - b. Sexual
 - c. Economic
 - d. Religious

8. The practice of channeling families with children away from other buildings into an apartment where other families with children reside is:
 - a. Most practical
 - b. Blockbusting
 - c. Redlining
 - d. Steering

9. Steering is:
- Leading prospective homeowners to or away from certain neighborhoods
 - Refusing to make loans on properties located in certain areas
 - A requirement for the broker to join the MLS
 - A practice of standardizing commission rates
10. The Federal Fair Housing Act prohibits all of the following EXCEPT:
- Blockbusting
 - Discriminatory advertising
 - Redlining
 - Discriminating on the basis of annual income
11. The restrictive covenant in a condominium complex prohibits pets. A prospective buyer with a physical disability relies on an animal to assist him. Which of the following is true?
- The condominium has the right to establish this private restriction if it chooses
 - This restriction is unenforceable only if the animal is used to assist people with visual impairments
 - This restriction is unenforceable when any person with a disability uses an animal for assistance
 - The condominium can waive the enforcement of the covenant only if there are suitable accommodations in the complex for an animal
12. The Americans with Disabilities Act requires that:
- All real estate is free of barriers to people with disabilities
 - All employers adopt nondiscriminatory employment practices
 - Reasonable accommodations be provided to people with disabilities
 - The existing premises must be remodeled regardless of the cost involved
13. Which of the following is illegal?
- Refusing to lend money to a minority person who has poor credit
 - Refusing to allow families with children to live in a housing development intended exclusively for people over 62
 - Refusing to hire an otherwise qualified person because he cares for his wife who has a disability
 - Refusing to rent to a person who has been convicted of distributing cocaine

CHAPTER TWENTY-THREE

14. The Real Estate Settlement Procedures Act (RESPA) applies to the activities of:
- Licensed real estate brokers when selling commercial and office buildings
 - Licensed securities salespeople when selling limited partnership interests
 - Lenders financing the purchase of a borrower's residence
 - Fannie Mae and Freddie Mac when purchasing residential mortgages
15. At the closing, the real estate broker's commission generally appears as a:
- Credit to the seller
 - Debit to the seller
 - Credit to the buyer
 - Debit to the buyer
16. The Real Estate Settlement Procedures Act (RESPA) provides that:
- Sellers and buyers be informed of all settlement costs
 - Real estate advertisements must include the annual percentage rate, including all charges
 - The borrower must be given an estimate of the closing costs 2 weeks before the time of closing
 - Real estate syndicates must comply with the disclosure of "blue sky" laws

17. The process by which expenses are handled at the settlement of a real estate transaction so that both the buyer and the seller pay their respective portions of the debt is called:
 - a. Assessment
 - b. Proration
 - c. Balancing
 - d. Reconciliation

18. The Real Estate Settlement Procedures Act requires:
 - a. That the closing of a transaction be held within 90 days of the date of the sales contract
 - b. That disclosure be made of all closing costs prior to closing
 - c. The lender to disclose the annual rate
 - d. That lenders follow certain advertising procedures when advertising credit

19. An example of a kickback that is prohibited by RESPA is:
 - a. A fee paid by Broker A to Broker B for referring a buyer to Broker A
 - b. A share of the commission paid by Broker A to her salesperson
 - c. A fee paid by a surveyor to a broker for a lead on a property to be surveyed
 - d. A flower arrangement that a salesperson sends to the buyer as a house warming gift

20. The taxes for 1999 are \$2,300 and have not been paid. If the sale is to close on August 12, 1999, what is the tax proration that will be charged to the seller based on a 360-day year?
 - a. \$1,418 debit to the seller, \$1,418 credit to the buyer
 - b. \$1,418 credit to the seller, \$1,418 debit to the buyer
 - c. \$1,766 debit to the seller, \$1,766 credit to the buyer
 - d. \$1,766 credit to the seller, \$1,766 debit to the buyer