

REAL ESTATE TUTOR #2 OVERALL QUESTIONS

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1. The term boot probably would be considered in connection with:
 - a. exchange**
 - b. legal description
 - c. depreciation
 - d. leasehold title
2. No depreciation for tax purposes is allowed for:
 - a. improvements over 30 years of age
 - b. land**
 - c. buildings
 - d. leaseholds
3. Ginny is preparing her federal income tax return. She can claim depreciation on all of the following EXCEPT:
 - a. a vacant duplex
 - b. a home rented to a friend
 - c. vacant land held for investment**
 - d. a rented single-family dwelling
4. The compulsory charge the government imposes against property owners benefited by street improvements, sewer line installation or road repairs is called a:
 - a. general tax
 - b. special excise tax
 - c. property use tax
 - d. special assessment**
5. Under which circumstance can one take depreciation on a single-family dwelling for federal tax purposes?
 - a. when one lives in it
 - b. when one sells it
 - c. when one exchanges it
 - d. when one rents it**
6. A case in which the seller wanted to be relieved of all obligations under the VA mortgage that another veteran buyer would assume and substitute eligibility would be BEST described as:
 - a. subordination
 - b. novation**
 - c. acceleration
 - d. subrogation
7. The money used for FHA insured loans is supplied by which one of the following?
 - a. Qualified lending institutions**
 - b. Fannie Mae
 - c. The Federal Housing Administration
 - d. The Federal Home Loan Bank

8. To qualify for a VA loan on a dwelling, all of the following requirements are true EXCEPT:
- the applicant must sign a declaration that he/she intends to occupy the dwelling
 - there must be an appraisal from an appraiser approved by the VA
 - the applicant must have a certificate of eligibility
 - the borrower must pay the discount points at closing**
9. When the amortized payment of a mortgage remains constant over the period of the loan, but leaves an outstanding balance to be paid at the end, this payment is called a(n):
- escalation payment
 - balloon payment**
 - satisfaction payment
 - acceleration payment
10. A promissory note providing for interest only to be paid during its term is BEST described as a(n):
- installment note
 - straight note**
 - amortized note
 - non-interest bearing note
11. The liquidation of a debt by periodic installment is BEST described as:
- amortization**
 - an annuity
 - acceleration
 - assemblage
12. The term refinancing refers to:
- obtaining a second mortgage on a property that already has a first mortgage
 - the repayment of an existing mortgage loan from the proceeds of a new one**
 - changing one or more of the terms of an existing mortgage loan
 - a secondary mortgage market transaction
13. A land contract (or contract for deed) and a seller-carryback purchase-money mortgage are similar in that:
- the seller assumes no financial risk
 - the title is conveyed immediately to the buyer
 - the seller is the lender**
 - a mortgage is required
14. What element is peculiar to the sale and leaseback transaction?
- the seller gets a return on the purchase in the form of rental
 - the property is sold on condition that the new owner lease it back to the seller at the time title passes**
 - the buyer keeps capital in inventories, rather than in realty
 - the rental that the seller pays is not income-tax deductible
15. Discount charges charged on a loan result in:
- higher yield to the lender**
 - longer time period of loan repayment
 - lower overall cost to borrower
 - higher purchase price in the secondary mortgage market

16. Under a Graduated Payment Mortgage, which of the following fluctuates over the term of the loan?
- interest rate
 - monthly payments**
 - finance charge
 - annual rate
17. The maximum permissible loan-to-value ratios are:
- based on sale price
 - determined by federal statute in the case of FHA loans**
 - based on the banker's competitive market analysis
 - fixed by law for conventional loans
18. All of the following transfers can result in the lender's exercising its rights under the due-on-sale clause, based on the rules of Freddie Mac EXCEPT a(n):
- recorded land contract
 - lease with option to purchase
 - unrecorded land contract
 - second mortgage**
19. Which of the following best describes the principal advantage of a sale and leaseback from the commercial buyer's point of view?
- capital is not tied up
 - rental payments are tax deductible
 - capital gain benefits result
 - allowable depreciation (cost recovery) can be claimed**
20. A mortgage broker:
- arranges loans between borrowers and lenders**
 - is a lender
 - buys mortgages in the secondary mortgage market
 - buys mortgages and resells them at a profit
21. Lenny is purchasing a home by way of a VA loan. The closing statement reveals a payment of \$1,200 in discount points. How would this payment appear on the closing statement?
- reduction in the proceeds due seller**
 - addition to the principal due from buyer
 - reduction in the buyer's down payment
 - addition to the proceeds due seller
22. The seller has an existing first mortgage. To limit exposure to further liability on the mortgage note, the seller should find a buyer ready to:
- take title subject to the mortgage
 - subordinate his or her position to the mortgage
 - assume the mortgage and note
 - obtain his/her own financing**

23. James purchases a fee simple property for \$70,000 by way of assuming a first mortgage of \$50,000, paying \$10,000 in cash and having the seller take back a purchase-money second mortgage for the balance. There is an existing \$5,000 second mortgage on the property to be paid off. At settlement (close of escrow), what is the correct order in which to record documents?
- assumption mortgage, deed, purchase-money second mortgage
 - deed, release of existing second mortgage, assumption agreement, purchase-money second mortgage
 - purchase-money second mortgage, deed
 - release of second mortgage, deed, purchase-money second mortgage**
24. A certificate of eligibility is a prerequisite for which type of loan?
- Conventional
 - FHA Insured
 - VA Guaranteed**
 - FNMA
25. In which one of the following ways do mortgage brokers differ from mortgage bankers?
- brokers service the loans they arrange
 - brokers arrange junior financing
 - brokers do not provide their own funds to originate loans**
 - brokers operate in the primary mortgage market
26. Assume that a buyer is making fully amortized payments of \$600 per month on a purchase-money mortgage. Which of the following is true?
- the amount applied to principal decreases each month
 - the interest payment stays the same
 - interest and principal payments are constant
 - the amount applied to interest decreases each month**
27. A veteran sells his property to another veteran, who assumes the loan. Which of the following statements is true?
- the seller is automatically released from liability upon the assumption
 - the seller is immediately eligible for a maximum new VA loan upon the assumption
 - there is a prepayment penalty
 - it may be assumed with VA approval**
28. A clause in a mortgage or lease, stating that the rights of the holder shall be secondary to a subsequent lien, is called a(n):
- subordination clause**
 - habendum clause
 - escalation clause
 - recapture clause
29. Mortgage satisfaction is evidenced by which of the following:
- estoppel certificate
 - release of lien**
 - reduction certificate
 - certificate of no defense

30. Which of the following must sign the mortgage and note?
- mortgagor**
 - mortgagee
 - trustee
 - beneficiary
31. The main advantage of a wraparound mortgage is that the:
- borrower gains additional financing at a higher rate than the market interest rate
 - originator of a wraparound mortgage is the primary mortgage holder
 - wraparound mortgage specifically finances subdivisions
 - effective interest rate is typically lower than the prevailing rate on new mortgages**
32. Which of the following statements is NOT true of the promissory note used to finance real property?
- it is the written promise of the borrower to repay the loan
 - it is the fundamental loan document
 - it is typically recorded**
 - it is signed by the mortgagor
33. In the event a first mortgagee fails to record his or her mortgage and a good-faith second mortgagee records his or her mortgage first, all of the following would be true EXCEPT that:
- the second mortgagee has priority
 - the borrower is personally liable to both lenders
 - the first lender will still be able to collect the money owed
 - an unrecorded mortgage cannot be enforced and collected on**
34. What type of mortgage may permit a builder to obtain the release of lots, one at a time, as they are developed?
- blanket mortgage**
 - package mortgage
 - open-end mortgage
 - conventional mortgage
35. The clause in a mortgage note that permits the loan to be paid off at any time without a penalty is called a(n):
- subordination clause
 - acceleration clause
 - "or more" clause**
 - non-responsibility clause
36. The words balloon payment on a mortgage refer to the:
- first payment
 - last payment**
 - middle payment
 - total payments
37. A mortgage that covers several parcels of land and may contain a provision for sale of an individual parcel, thereby reducing mortgage payments, is a(n):
- direct reduction mortgage
 - amortized mortgage
 - blanket mortgage**
 - declining balance mortgage

38. An equitable period of redemption refers to a time within which:
- a lender can foreclose on a borrower who is in default
 - the debtor can reclaim the property by payment**
 - a prospective purchaser can bid on the property
 - the court may take possession of the secured property
39. If foreclosure sale proceeds are less than the outstanding debt and foreclosure expenses, which of the following remedies is available?
- there is no remedy
 - the mortgagee must absorb the loss because the mortgagor is liable only for foreclosure expenses
 - the owner has the statutory right of redemption
 - the mortgagee may obtain a deficiency judgment against the mortgagor**
40. What advantage to the borrower does a 20 year amortization loan have over a 15 year amortization loan?
- a lower amount of interest
 - lower monthly payments**
 - higher monthly payments
 - lower down payment
41. Which of the following is true?
- the acceleration clause is placed in a mortgage document for the benefit of the mortgagor
 - the escalation clause is placed in the mortgage contract to facilitate foreclosure
 - the defeasance clause tells when the payments are due and defines any late charges
 - charging more than the legal rate of interest is called usury**
42. A mortgage that allows for advances to a mortgagor up to a certain maximum is a(n):
- package mortgage
 - open-end mortgage**
 - purchase-money mortgage
 - wraparound mortgage
43. Debbie purchased a furnished, fee simple home and is going to assume the existing mortgage. The settlement company will arrange to have drawn up all the following with the exception of the:
- bill of sale
 - note and mortgage**
 - assumption agreement
 - warranty deed
44. A statement from the borrower setting forth the amount of the balance unpaid, the interest rate and any claims she may have against the lender is called a(n):
- lender's certificate
 - title certificate
 - estoppel certificate**
 - financial certificate

45. When a buyer “assumes and agrees to pay” an existing loan on the property, which of the following is true?
- the seller is relieved from liability
 - the buyer and the seller are liable for the loan**
 - only the seller is liable
 - only the buyer is liable
46. Which of the following terms BEST describes the right to pay off a mortgage debt after default?
- foreclosure
 - prepayment
 - redemption**
 - escalation
47. Under an adjustable-rate mortgage, which of the following may occur?
- the term of the loan may not be extended
 - the interest rate may decrease one percentage point**
 - the number of lenders involved changes each year
 - no prepayment is allowed
48. Which of the following statements regarding the interest on a long-term amortized mortgage loan is true?
- unless otherwise provided, interest is usually charged in arrears, meaning at the end of each period for which interest is due**
 - the interest portion of each payment remains the same throughout the entire term of the loan
 - the monthly payment will remain the same and out of each monthly payment, the same amount will be applied to principal and toward interest
 - amortized loans must have a floating interest rate
49. A clause in a blanket mortgage that permits mortgagors to assign parcels of property covered by the mortgage on payment of a specific amount is BEST termed a:
- partial assignment
 - release**
 - novation
 - due-on-sale
50. All of the following are incorrect regarding similarities of a mortgage to a trust deed EXCEPT that both:
- have the same number of parties
 - have similar foreclosure processes
 - transfer the same interest to the lender
 - involve a promissory note**
51. Under what type of program can a financial institution underwrite an FHA loan?
- direct establishment
 - direct endorsement**
 - direct capitalization
 - direct programming

52. Frank executes a deed of his farm to Mac. Frank keeps the deed in his safe-deposit box. On his death, the box is opened, and attached to the deed is a note to give the deed to Mac. Who has title to the farm?
- Mac
 - Frank's heirs**
 - The state
 - Mac's heirs
53. When does legal title to real property pass from the seller to the buyer?
- on the date the deed is recorded
 - when the closing statement has been signed
 - when the deed is placed in escrow
 - when the deed is delivered**
54. For adverse possession, all of the following elements are required EXCEPT:
- hostile
 - notorious
 - continuous
 - tacking**
55. Deeds that limit the liability of the grantors to their own acts and all persons claiming by, through and under them are known as:
- special warranty deeds**
 - general warranty deeds
 - quitclaim deeds
 - trust deeds
56. The clause that defines or limits the quantity of the estate being conveyed is the:
- partition clause
 - revocation clause
 - habendum clause**
 - reversion clause
57. For a deed to be valid, which of the following must occur?
- there must be manual delivery of the deed
 - the deed must be signed by the grantor and grantee and then recorded
 - the deed must have a habendum clause
 - the deed must be in writing**
58. Which of the following deeds offers the LEAST protection to the grantee?
- bargain and sale
 - special warranty
 - general warranty
 - quitclaim**
59. A declaration made by a person to an official stating that a deed has been freely and voluntarily executed is called an:
- acknowledgment**
 - authorization
 - authentication
 - execution
60. Which of the following parties is in the weakest position against a claim of title by a stranger?
- a non-occupant holder of a warranty deed
 - a non-occupant holder of an unrecorded quit-claim deed**
 - one who holds an unrecorded deed
 - one who holds a recorded quitclaim deed to the property

61. Which of the following statements regarding the recording of deeds is true in most states?
- a. an unrecorded deed is not enforceable between grantor and grantee
 - b. a deed must be signed by the grantor to be recorded**
 - c. a deed with the grantee's name omitted is acceptable for recording
 - d. an unacknowledged deed is void
62. Marketable title to real property is LEAST likely to be conveyed:
- a. to a minor
 - b. by a quitclaim deed
 - c. by a minor**
 - d. by a special warranty deed
63. Deeds that purport to convey an interest but make no warranty of good title are called:
- a. bargain and sale deeds**
 - b. quitclaim deeds
 - c. habendum deeds
 - d. release deeds
64. Which of the following has NO effect on the validity of a deed?
- a. proper signature
 - b. lack of money consideration**
 - c. delivery
 - d. competent grantor
65. Which one of the following is LEAST likely to be signed by both parties?
- a. purchase contract
 - b. listing
 - c. lease
 - d. warranty deed**
66. Which of these statements about deeds is true?
- a. the special warranty deed contains the most covenants
 - b. the quitclaim deed is no different from a bargain and sale deed
 - c. the quitclaim deed gives the least protection to the grantee**
 - d. the general warranty deed offers the least liability to the grantor
67. A deed has been properly escrowed with an attorney and closing is scheduled for 15 days later. If the seller dies before closing, when does legal title pass?
- a. title passed when the deed was placed into escrow
 - b. title passes when and if the estate provides another deed
 - c. the escrow dies with the seller, so no deed or legal title will pass at closing
 - d. title passes on closing**
68. The standard form title insurance policy insures against:
- a. government actions
 - b. forgery of a deed**
 - c. rights of parties in possession
 - d. water and mineral rights

69. A broker finds a prospective buyer for a home and the subject of title insurance has arisen. The buyer wants the greatest owner protection available. Which of the following might the broker recommend?
- a. certificate of title
 - b. standard coverage policy
 - c. abstract of title
 - d. extended coverage policy**
70. When a title insurance company issues an ALTA extended policy, such a policy usually extends beyond the risks normally insured under the standard policy to include all of the following EXCEPT:
- a. unrecorded mechanics' liens
 - b. unrecorded physical easements
 - c. the effect of zoning regulations**
 - d. the rights of parties in possession
71. What function does an abstract of title perform?
- a. guarantees a clear title
 - b. insures the title
 - c. gives the abstracter's opinion of the title
 - d. offers a condensed history of all recorded documents**
72. Tracing the conveyances and encumbrances of real property is known as a:
- a. chain of title
 - b. title search**
 - c. cloud on title
 - d. recordation of title
73. A standard policy of title insurance insures against all of the following EXCEPT:
- a. matters of record
 - b. forgery
 - c. mining claims**
 - d. contractual capacity
74. When transactions involving the sale of real estate are placed in escrow, this means:
- a. a designated agent agreed to by the parties holds the necessary documents until the terms are met**
 - b. they are completed in secrecy
 - c. the broker holds the papers until the registration of title is completed
 - d. the broker is no longer involved
75. If escrow instructions differ from the deposit receipt or sales contract and the escrow instructions have been signed by both the buyer and seller, which of the following is correct?
- a. a new deposit receipt must be written
 - b. escrow instructions take precedence**
 - c. the deposit receipt takes precedence
 - d. everything is void; the parties must start over
76. An abstract of title is BEST described as a(n):
- a. brief digest of the title to a particular property**
 - b. summary of each deed in a title search
 - c. appraisal of the lands and the improvements
 - d. summary of all improvements and encroachments on the property

77. When money in a pending purchase of real property is held in escrow, the broker can obtain out of escrow an advance on earned commission:
- if only the buyer gives written consent
 - if only the seller gives written consent
 - without the need for consent
 - only when both buyer and seller give their written consent**
78. Which about title insurance is correct?
- dollar coverage under a mortgagee's policy of title insurance remains constant
 - dollar coverage under an owner's policy of title insurance declines as the loan declines
 - the buyer pays annually for coverage as long as the policy is in effect
 - the insurance coverage on a mortgagee's policy is based on the declining balance of the loan**
79. There are several requirements in a valid escrow concerning the sale of real property. One of them is:
- a claim of marketable title
 - the services of a real estate licensee
 - a valid and enforceable written contract for the sale of the land**
 - that the escrow holder have an interest in the subject matter
80. Escrow is often used for all of the following purposes EXCEPT to:
- determine that outstanding and unpaid liens will be satisfied
 - see that the purchase price is paid and all checks have cleared the bank
 - offer properties for sale to prospective buyers**
 - disburse funds from a sale to the appropriate people
81. It is common procedure to record all of the following instruments EXCEPT a(n):
- land contract
 - quitclaim deed
 - assignment of a mortgage
 - promissory note secured by a mortgage**
82. An unrecorded deed is valid and binding:
- between parties to the deed**
 - on a later bona fide purchaser for value who first records the deed
 - even if not delivered
 - when signed by the grantee
83. Constructive notice of a fact is established by:
- entering it in the public record**
 - acting openly in accordance with the fact
 - direct communication of the fact to each interested party
 - testifying to the existence of the fact under oath in open court
84. A buyer is interested in purchasing property in another state without first seeing the property. The buyer should obtain a(n):
- quitclaim deed
 - abstract of title
 - bargain and sale deed
 - extended coverage title insurance policy**

85. How often are title insurance premiums paid?
- semiannually during ownership
 - bimonthly during ownership
 - only at the time of issuance**
 - at the start and end of the policy term
86. The real estate settlement procedures act (RESPA) is designed to regulate which of the following?
- disclosures of closing information**
 - procedures for recording titles to real estate
 - ceilings on interest rates charged
 - those who are qualified to prepare a settlement statement
87. Under the rules and regulations of RESPA, which is true?
- buyers may not use their attorneys at a closing
 - lenders can require the use of a designated closing agent
 - lenders cannot charge points on a loan
 - borrowers receive an explanation of settlement charges**
88. When a property is sold subject to an existing lease that has nine months before it expires, all of the following statements regarding the settlement statement are true EXCEPT that the:
- security deposit is a credit to the buyer
 - prepaid rent is a credit to the buyer
 - security deposit is a debit to the seller
 - prepaid rent is a credit to the seller**
89. Which of the following documents is LEAST likely to be recorded?
- quitclaim deed
 - satisfaction of mortgage
 - power of attorney
 - offer and acceptance**
90. Catherine deeds a property to Janet, who fails to record. Catherine subsequently deeds the same property to Wendy. Which of the following is true?
- Janet owns the property based on her having the first deed
 - Wendy is the owner if she first records without notice of Janet's rights**
 - Wendy and Janet are now tenants in common
 - Catherine remains the owner because both deeds are void
91. How would a purchase-money second mortgage given by the purchaser to the seller appear on the settlement statement on closing a real estate sale?
- credit to purchaser and debit to seller**
 - debit to purchaser and credit to seller
 - only as a debit to the buyer
 - only as a credit to the seller
92. Which of the following is NOT covered under the federal Fair Housing Act because of the definition of familial status?
- condominiums that have a specific exemption defined under a "grandfathering" provision of state law.
 - One or more individuals under the age of 18 living with a parent
 - Families where one or more members are pregnant
 - Housing projects intended for occupancy solely by individuals 62 years of age or older**

93. Which of the following is exempt under the federal Fair Housing Act?
- private clubs operating a commercial boarding house
 - religious organizations giving preference to their members in renting church-owned housing**
 - nonresident owner of a duplex renting one unit
 - real estate agent selling own home
94. Which of the following is probably a discriminatory practice under the 1988 Amendments to the federal Fair Housing Act?
- not allowing a family with children to keep a small dog
 - requiring that a person with severe arthritis carry a small dog while riding in an elevator in a condominium project**
 - requiring a partially deaf person to turn down the noise from a television set after midnight
 - requiring prospective tenants to fill out a credit report
95. Any of the following acts is forbidden by the federal Fair Housing Act EXCEPT:
- racial discrimination in real estate board membership
 - discrimination on the basis of national origin
 - discrimination on the basis of age**
 - racial discrimination in home repair financing
96. Under the federal Fair Housing Act, it is permissible to:
- approve a loan to a person who has stated the intention to rent the property only to members of a minority group
 - refuse to grant loans on the basis of the financial condition of an applicant who is a member of a minority group**
 - refuse loans on properties because they are located in certain areas
 - give preference in approving loans to members of a certain race
97. The prohibitions of the 1968 Fair Housing Act apply to single-family housing in all of the following cases EXCEPT if:
- it is single-family housing owned by a corporation
 - it is single-family housing privately owned by an individual who owns more than three such houses, or who sells, in any two-year period, more than one house in which he or she was not the most recent occupant
 - a real estate broker uses discriminatory advertising to attract buyers
 - the owner gives his or her home to his or her child**
98. A minority group is moving into an area immediately adjacent to an old subdivision. ABC Realty offers in good faith to list homes in the subdivision at a lower than usual rate if the owners list within 60 days. There is no mention of race. Which is true?
- broker's license can be revoked
 - this is blockbusting
 - this practice is not illegal**
 - brokers cannot lower their standard rate of commission
99. A particular lender has blocked out certain regions of the community where it will not place loans because of the ghetto conditions. Such a practice is called:
- redlining**
 - steering
 - warehousing
 - relocating
100. All of the following acts on the part of a real estate broker would constitute steering and thus be prohibited under the Fair Housing Act EXCEPT:

- a. directing a prospective buyer of one minority group to work only with a salesperson of the same minority group and to look at areas dominated by that minority group
 - b. directing a member of one minority group away from properties located in areas dominated by other races
 - c. referring a member of one minority group to properties located only in areas dominated by members of the same group
 - d. directing a minority buyer to an expensive subdivision**
101. Henry owns a multifamily dwelling near a hospital, and he occupies one of the units. He rents out the other units and says he prefers to rent to foreign doctors. Which of the following statements is true under the federal Fair Housing Act?
- a. Henry is violating the act, assuming there are a total of three units in the dwelling
 - b. Henry is not in violation of the act, assuming there are four units**
 - c. Indicating a preference for foreign doctors would not be grounds for a charge of discrimination under the act
 - d. Henry is in violation of the act because he is intentionally acting to discriminate
102. Under Truth-in-Lending, a commercial bank lending on a first purchase-money mortgage must do which of the following:
- a. disclose the total interest to be paid and the annual percentage rate
 - b. require that both mortgagee and mortgagor sign the documents before Truth-in-Lending disclosure requirements become effective
 - c. provide notice of a right of rescission
 - d. disclose the annual percentage rate**
103. Under the Truth-in-Lending law, disclosure of which of the following will trigger disclosure of other credit terms?
- a. 10 percent down payment**
 - b. 10 percent annual percentage rate
 - c. no down payment
 - d. reasonable financing available
104. Regulation Z provides a right of rescission:
- a. to first mortgages to finance the purchase of a residential condominium unit
 - b. that expires three business days after the date of consummation of the transaction or the date on which the lender makes material disclosures, whichever is later**
 - c. to all residential loans on real estate
 - d. that expires on default of the loan
105. Under the advertising regulations of Regulation Z, which of the following is NOT true?
- a. interest rates cannot be mentioned alone, but rather, the "annual percentage rate" must be stated.
 - b. General terms such as "liberal terms available," "small down payments accepted" or "VA or FHA financing available" may be used
 - c. Compliance is enforced by the Federal Trade Commission
 - d. Real estate brokers are regulated as "arrangers of credit"**
106. Under Regulation Z, all of the following may be advertised alone EXCEPT:
- a. 5 percent down payment**

- b. 8 ½ percent annual percentage rate
 - c. \$87,500 cash price
 - d. very low monthly payments
107. In accordance with the federal Equal Credit Opportunity Act of 1974, a lender discussing a home loan with a young couple who both work may consider all of the following factors EXCEPT:
- a. verification of bank and savings accounts
 - b. age of either husband or wife**
 - c. credit references supplied by the couple
 - d. verification of employment of husband and wife
108. A homeowner sells his home and takes back some financing. Under the Consumer Protection Act, what does Regulation Z require the homeowner disclose to the purchaser?
- a. annual percentage rate
 - b. financing charge
 - c. three-day right of rescission
 - d. nothing**
109. The existence of all of the following environmental conditions must be disclosed to a prospective purchaser as hazardous EXCEPT:
- a. wetlands**
 - b. lead-based paint
 - c. radon
 - d. asbestos
110. In a civil action brought by the U.S. Attorney General, what is the maximum civil penalty that can be assessed against a respondent for a first violation of the federal Fair Housing Act?
- a. \$50,000**
 - b. \$10,000
 - c. \$25,000
 - d. \$100,000