1. The NC Residential Rental Agreements Act covers all the following EXCEPT
   1. basement apartment
   2. condominium unit
   3. apartment complexes
   4. transient occupancy
2. A seller signs two listing agreements on the same property at the same time for the same listing period with different firms. The seller signs an “Exclusive Right To Sell Listing Agreement” with ABC Realty, Inc., and an “Exclusive Right To Sell Listing Agreement” with XYZ Realty, Inc. If a ready, willing and able buyer is procured by ABC Realty, Inc., which of the following statements would be legally correct?
   1. seller would owe one commission to ABC Realty, Inc.
   2. seller would owe one commission to XYZ Realty, Inc.
   3. seller would owe two commissions; one commission to ABC Realty, Inc. and one commission to XYZ Realty, Inc.
   4. seller would owe no commission since two agreements were signed.
3. An estate for years must
   1. be in writing, no matter what the term
   2. expire automatically at the end of the period designated
   3. exist when a leasehold interest expires or terminates without the tenant vacating the property
   4. be renewable from year to year
4. Which of the following items is NOT part of the basic NC homeowner’s insurance policy?
   1. fire
   2. third party injury
   3. theft
   4. floor
5. The Residential Property Disclosure Statement must be given to the buyer of the residential property
   1. upon first substantial contact
   2. when previewing the property with a licensed real estate agent
   3. when discussed with a lender the possibility of financing the property
   4. no later than the time the buyer makes an offer on the property
6. Concerning the Residential Property Disclosure Statement, which of the following is true?
   1. The listing agent should fill out the form on behalf of the seller principal
   2. The listing agent must reveal known material facts, even if the seller checked “No Representations”.
   3. Even though it is a state mandated form, it can be modified by the seller and/or agent to meet specific property conditions.
   4. The purchaser is required to sign the form acknowledging receipt.
7. Aunt Fran decides to sell her property to a church “so long as” the property is used for religious purposes. One year after the closing, the new owner uses the property for a non-religious purpose. Which of hte4e following statement(s) is correct?
8. This situation is classified as “fee simple conditional subsequent”.
9. This situation is classified as “fee simple determinable”.
10. Aunt Fran (or her heirs) would be required to take the current owner to court to regain the title to the property.
11. Title would automatically revert back to Aunt Fran (or her heirs)
12. I and III
13. I and IV
14. II and III
15. II and IV
16. Which of the following is not an essential element of a promisory note?
    1. a promise to pay
    2. lender’s signature
    3. terms of payment
    4. amount of the debt
17. The main purpose of the Truth in Lending Act and Regulation Z is
    1. to regulate the practice of redlining
    2. to give credit without regard to race
    3. to establish property usury limits
    4. to give a full disclosure of approach to credit terms
18. The “Good Faith Estimate” is required under
    1. Truth in Lending Act (Regulation Z)
    2. Real Estate Settlement Procedures Act (RESPA)
    3. Equal Credit Opportunity Act (ECOA)
    4. Fair Credit Reporting Act
19. An eligible veteran made an offer of $52,000 to purchase a home contingent upon his obtaining a 100% VA-Guaranteed loan. Four weeks after the offer was accepted, a CRV for $50,000 was issued, and the veteran was found to be qualified for a VA loan. In this case,
20. The veteran may withdraw from the transaction without penalty
21. The veteran may purchase the property, by making a $2,000 down payment.
    1. I only
    2. II only
    3. Both I and II
    4. Neither I nor II
22. Which of the following statements is true?
    1. Mortgage loans are bought and sold in the primary market
    2. Historically, the primary source of loanable mortgage money has been demand deposit accounts
    3. A deed of trust conveys the borrower’s legal title to the trustee for security purposes to insure repayment of a lender’s loan.
    4. Mortgages are three party instruments, which involve mortgagors, trustees, and mortgagees.

1. Reconciliation is an appraisal term used to describe
   1. the appraiser’s determination of a property’s highest value
   2. an average of real estate values for properties similar to the one being appraised
   3. the appraiser’s analysis and comparison of the results obtained by the various approaches to value
   4. the method used to determine a property’s most appropriate capitalization rate
2. The economic principle which states that the maximum value of an improved property is realized when other properties in the immediate area have compatible and harmonious architecture is called
   1. Supply and demand
   2. Highest and best use
   3. Substitution
   4. Conformity
3. The appraiser wants to know the exact terms and conditions of the sale. Which document would be most beneficial to him?
   1. Deed of Trust
   2. Contract of Sale
   3. Closing Statement
   4. Survey Report
4. How much interest is paid over the entire term of a $60,000, 30-year loan at 13% if it has fixed monthly principal and interest payment of $663.72?
   1. $178,939
   2. $114,000
   3. $238,949
   4. $113,000
5. The subject property has 2,100 square feet, 4 bedrooms, a 2-car garage, no patio, no pool, and 2.5 baths and sits on 1 acre. The comparable recently sold for $140,000 and has 1,900 square feet, 3 bedrooms, a 1-car garage, a patio,a pool, 2 baths and sits on 1.5 acres. Market cost data shows the following values: Square feet = $72; 1 bedroom = $2,000; 1-car garage = $1,500; patio = $2,000; pool = $14,000; and 1 acres = $30,000. Using this cost data, what is the estimated value of the subject property?
   1. $125,000
   2. $113,700
   3. $127,000
   4. $129,200
6. Radon gas is known to cause
   1. Skin cancer
   2. Lung cancer
   3. Heart disease
   4. Brain cancer
7. When measuring a bonus room over a garage for heated living area, what is the minimum ceiling height of the knee wall in order to count the area as heated living area?
   1. 5 feet
   2. 4 feet
   3. 3 feet
   4. 6 feet
8. The sales price of a home is $80,000. What is the down payment if the loan value 80% and the appraised value is $75,000?
   1. $16,000
   2. $18,000
   3. $15,000
   4. $20,000
9. The basic premise for controlling the use of land is to protect and promote the health, safety, welfare, and morals of the general public. As imposed under the government’s right to police power, zoning ordinances do NOT regulate:
   1. the use to which a property may be put.
   2. the placement of buildings on the property.
   3. the bulk and density of buildings
   4. minimum acceptable material and construction standards
10. Public land use controls include all of the following EXCEPT:
    1. subdivision regulations
    2. environmental protection laws
    3. master plan specifications
    4. deed restrictions
11. Which of the following statement(s) is/are true?
12. A freehold estate and a nonfreehold estate will never exist at the same time on the same property
13. A life estate is a nonfreehold estate
    1. I only
    2. II only
    3. Both I and II
    4. Neither I nor II
14. Buyer Betty brings Listing Larry an offer on his listing. After negotiating back and forth, the buyer and seller have a meeting of the minds on price and terms. Larry has the paperwork with all the signatures and initials from all parties. Listing Larry sends an e-mail to Buyer Agent Betty’s e-mail address noted on the NCAR Offer to Purchase and Contract along with the Offer to Purchase and Contract as an attachment to the e-mail at 10am. Buyer Agent Betty does not check her e-mail until 4pm, at which time she opened the e-mail and printed the e-mail and attachment. Buyer Agent Betty had delivered the contract to the buyer at 7pm. Which of the following statement(s) is/are correct?
15. The contract became binding at 4pm when Betty opened the e-mail from Larry
16. The contract became binding at 7pm when Betty hand delivered the contract to the buyer.
    1. I only
    2. II only
    3. Both I and II
    4. Neither I nor II
17. If a broker-in-charge was found by the NC Real Estate Commission to be guilty of embezzlement of money from the trust account, the NC Real Estate Commission can discipline the licensee by
18. requiring the licensee to repay the money to the trust account
19. revoking the license of the broker-in-charge
    1. I only
    2. II only
    3. Both I and II
    4. Neither I nor II