



Chapter 15 Quiz

1. The Federal National Mortgage Association (FNMA) is
 - A. the federal agency that regulates savings and loan banks, which make the primary loans.
 - B. a primary lender that sells mortgages to secondary market agencies.
 - C. a secondary mortgage market agency that provides liquidity to primary lenders.
 - D. the federal agency that is completely government controlled and issues pass-through certificates to small investors, with principal and interest guaranteed.
2. The buyers do not have enough money saved for a down payment. However, they do have excellent incomes. They really want to buy a certain home right now. If the owner is willing, they could enter into a
 - A. wraparound mortgage.
 - B. sale-leaseback.
 - C. open-ended mortgage.
 - D. lease-option.
3. Which of the following has a legal specific effect on the interest rate charged by the lender?
 - A. What type of job the applicants hold
 - B. FICO credit scores
 - C. Applicant's race and religion
 - D. Possibility of getting pregnant
4. Which of the following mortgages includes personal property?
 - A. Blanket mortgage
 - B. Package mortgage
 - C. Wraparound mortgage
 - D. Reverse mortgage
5. A "jumbo loan" is a loan
 - A. that two lenders supply for a large development.
 - B. in which the purchaser receives some financial help in the form of a contribution toward the down payment.
 - C. higher than the secondary market's limit.
 - D. that covers more than one parcel of real estate.
6. The grantor becomes the lessee and the grantee becomes the lessor under which of the following financing arrangements?
 - A. Partial sale
 - B. Wraparound mortgage
 - C. Sale and leaseback
 - D. Assumption of mortgage

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7. Often used to obtain funds to improve the property, this type of real estate loan allows the lender to increase the outstanding balance of a loan up to the original sum in the note while advancing additional funds. This is
 - A. a wraparound mortgage.
 - B. an open-end mortgage.
 - C. a growing-equity mortgage.
 - D. a graduated-payment mortgage.
8. The forms required by Consumer Financial Protection Bureau apply to
 - A. home equity lines of credit.
 - B. most residential loans.
 - C. reverse mortgages.
 - D. loans for commercial purposes.
9. A mortgage broker generally offers which of the following services?
 - A. Handling the escrow procedures
 - B. Bringing the borrower and the lender together
 - C. Providing credit qualification and evaluation reports
 - D. Granting real estate loans using investor funds
10. What is the effect of the “intent to proceed?”
 - A. Lenders may charge additional fees
 - B. Closing agent may schedule the closing
 - C. Lenders can ask for the borrower’s social security number
 - D. Lender may issue a provisional loan acceptance