

- 1** A statutory lien that secures payment for labor or materials supplied for improving, repairing or maintaining real property is called a:

  - A. Tax lien
  - B. Mortgage lien
  - C. Mechanic's Lien
  - D. General Lien
- 2** What is a "Construction Timeline?"

  - A. Time to close on the Construction loan
  - B. Time to close on the Construction loan
  - C. Time to break ground and start construction
  - D. Break down of work over various stages
- 3** When a builder is using his own construction lines to build a New Home, what type of loan does the borrower need to get?

  - A. Conventional Loan
  - B. FHA or VA Loan
  - C. Take-Out loan
  - D. All of the above
- 4** Before a lender will release money to the builder, what must happen?

  - A. The builder must sign the draw request that the work has been completed
  - B. The borrower must sign a release the work has been completed
  - C. The City inspector must sign a release the work is done
  - D. The appraiser must go out and sign the draw request that the work has been completed
- 5** If a buyer wants to buy a Newly Constructed home, what is the first most important thing to do?

  - A. Find a Builder
  - B. Get Pre-Approved for a mortgage
  - C. Buy a Lot
  - D. Get plans and specs for the home they want to build
- 6** If you are working with a buyer that just bought a lot that they want to build on, what would be the type(s) of construction loans that they could use?

  - A. Regular Construction Loan
  - B. One-Time Close
  - C. Conventional loan
  - D. All of the above
- 7** When a borrower choose to finance the construction of their new home through one loan that converts to permanent financing when the construction project is complete is called a:

  - A. One-Time Close
  - B. Interest-Only Loan
  - C. Take-Out Loan
  - D. Home Equity Line of Credit
- 8** The permanent loan the borrower gets is also referred to as a:

  - A. One-Time Close
  - B. Interest-Only Loan
  - C. Take-Out Loan
  - D. Home Equity Line of Credit
- 9** When the lender on a new construction loan disburses funds, it is also referred to as a:

  - A. Disbursement
  - B. Draw
  - C. Expense
  - D. Disbursal
- 10** The type of loan made to finance the construction of a new home or commercial building is called a:

  - A. Construction loan
  - B. Conventional loan
  - C. Subprime loan
  - D. Hard money loan

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