

- 1** A fee that is charged to the borrower in the event the borrower pays off the entire balance of the mortgage early is called a(n):
 - A. Origination fee
 - B. Prepayment Penalty
 - C. Balloon Payment
 - D. Negative Amortization
- 2** Discount points are calculated based on:
 - A. A percentage of the purchase price
 - B. A percentage of the origination fee
 - C. A percentage of the loan amount
 - D. A flat fee
- 3** A mortgage in second lien position can also be referred to as:
 - A. A Junior Lien
 - B. A Senior Lien
 - C. A Balloon Mortgage
 - D. A Reverse Mortgage
- 4** Alan is 75 and is retired. He owns his home free and clear. He is looking for additional revenue. A possible option might be:
 - A. A forward mortgage
 - B. A second mortgage
 - C. A reverse mortgage
 - D. A balloon payment
- 5** Unless a buyer is able to put at least 20% down, the buyer will have to pay:
 - A. Mortgage Interest
 - B. Mortgage Insurance
 - C. Closing Costs
 - D. Funding Fee
- 6** The acronym "PITI" stands for:
 - A. Private Insurance Taxes Insurance
 - B. Private Integrated Tax Incentive
 - C. Principal Interest Transfer Insurance
 - D. Principal Interest Taxes Insurance
- 7** The documentation a veteran buyer will need to document the maximum amount of their loan guaranty is called the:
 - A. Certificate of Reasonable Value
 - B. Closing Disclosure
 - C. Certificate of Eligibility
 - D. Certificate of VA Benefits
- 8** The required down payment for a VA loan is:
 - A. 0.025
 - B. 0.035
 - C. 0.045
 - D. There is no down payment requirement for VA loans
- 9** The required down payment for an FHA loan is:
 - A. 0.025
 - B. 0.035
 - C. 0.045
 - D. 0.055
- 10** Victor Veteran served our country valiantly. He has full military benefits. He wants to purchase his first duplex. A great mortgage option for Victor might be a:
 - A. Conventional loan
 - B. VA loan
 - C. Subprime loan
 - D. Prime loan

11 A great mortgage for a first time home buyer without a large down payment would be a:

- A. Conventional loan
- B. Subprime loan
- C. FHA Loan
- D. Hard money loan

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| 1.B | 2.C | 3.A | 4.C | 5.B | 6.D | 7.C | 8.D | 9.B | 10.B | 1.B | 2.C | 3.A | 4.C | 5.B | 6.D | 7.C | 8.D | 9.B | 10.B | 11.C |
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Thursday, August 29, 2019