

- 1 The interest rate for an Adjustable Rate Mortgage is usually based on:
 - A. An index
 - B. A margin
 - C. An index plus a margin
 - D. Rate cap
- 2 The type of mortgage where the principal balance can actually increase over time is called a(n):
 - A. Fully amortized
 - B. Partially Amortized
 - C. Negative amortization
 - D. Adjustable Rate Mortgage
- 3 The type of mortgage that begins at a set interest rate and can fluctuate up or down over time is called a(n):
 - A. Fully amortized
 - B. Partially Amortized
 - C. Straight Loan
 - D. Adjustable Rate Mortgage
- 4 The most commonly used mortgage payment option today is called:
 - A. Fully amortized
 - B. Partially Amortized
 - C. Straight Loan
 - D. Adjustable Rate Mortgage
- 5 A "Term Loan" is:
 - A. Another name for a "Straight Loan"
 - B. An Interest-Only Loan
 - C. An example of one of the only home loans that used to be available
 - D. All of the above
- 6 The clause in a mortgage that allows for the assessment of a penalty if the mortgage is fully paid off in full at an earlier than agreed upon date is called a(n):
 - A. Prepayment
 - B. Acceleration
 - C. Subordination
 - D. Defeasance
- 7 In the event that a future buyer comes along and would like to take over the existing underlying mortgage, the mortgage must contain a(n):
 - A. Acceleration Clause
 - B. Assumption Clause
 - C. Defeasance Clause
 - D. Alienation Clause
- 8 The clause that changes the priority of lien position is called:
 - A. Acceleration
 - B. Subordination
 - C. Defeasance
 - D. Alienation
- 9 When a loan is paid in full, the borrower is given a(n):
 - A. Deed of Trust
 - B. All-Inclusive Deed of Trust
 - C. Deed of Reconveyance
 - D. Quit Claim Deed
- 10 A due-on-sale clause is a type of:
 - A. Acceleration Clause
 - B. Subordination Clause
 - C. Defeasance Clause
 - D. Alienation Clause

1.C 2.C 3.D 4.A 5.D 6.A 7.B 8.B 9.C 10.A 1.C 2.C 3.D 4.A 5.D 6.A 7.B 8.B 9.C 10.A

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