

# Advanced Real Estate Law

## Workbook and Final Exam

Complete the chapter quizzes and  
the Final Exam with a pen  
Then complete the Mandatory Evaluation.  
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by  
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*A Washington State Approved Real Estate School under R.C.W. 18.85.*

# Section 1

## Washington License Law, Trust Accounting, Disciplinary Actions Quiz

1. T / F The Department of Licensing does not care if a firm name is be unique and not similar to another firm when applying for a firm license.
2. T / F All real estate advertising must have the firm name as licensed or, if applicable, the DBA or assumed name.
3. T / F The Designated Broker can be a corporation.
4. T / F Every 6 years every real estate Broker and Managing Broker must submit fingerprints and background check.
5. T / F All responsibilities a Designated Broker delegates to a Managing Broker must be in writing.
6. T / F A real estate assistant that is NOT licensed can show properties.
7. T / F To obtain a Managing Brokers license, a Broker must take 90 hours which includes Advanced Real Estate Law.
8. T / F Only new real estate brokers will be required to have fingerprint and background checks
9. T / F If you have been fingerprinted by another agency, it will automatically transfer to the Real Estate Department of Licensing.
10. T / F A real estate Broker can be licensed to more than one firm in Washington State.
11. T / F All checks received as Earnest Money must be made out to the firm unless the contract specifies otherwise.
12. T / F Those who want to become Brokers are required to take Fundamentals AND Practices before taking the exam.
13. T / F Transactions by Brokers in real estate for less than 2 years must have a heightened degree of supervision.
14. T / F Designated Brokers can delegate responsibilities including balancing trust accounts to Brokers.
15. T / F If you want to be a Designated Broker you are required to own a firm or have a controlling interest in the decision making at the firm
16. T / F To be licensed as broker it is required to have a high school diploma or equivalent.
17. T / F In order to be a Branch Manager, an agent must have a Managing Broker's license.
18. T / F A Branch Manager responsibilities must be delegated in writing by the Designated Broker of the Firm.
19. T / F For the first time after the changes to license law in 2010, all real estate Firms are required to have a license.
20. T / F The Designated Broker for a Firm must have a Managing Brokers license.
21. T / F When a Designated Broker delegates responsibilities to a Branch Manager, the Designated Broker remains ultimately responsible.
22. T / F The Designated Broker can delegate responsibility for the handling of trust account records to a Broker.
23. T / F A Designated Broker or the Managing Broker with written duties, must review all contracts by new Brokers within 5 days.
24. T / F All advertising by a broker must have the firm logo according to the Department of Licensing.
25. T / F The firm name must be "clear and conspicuous" on all advertising by brokers.
26. T / F All transaction records must be kept by the Designated Broker for 7 full years according to the Department of Licensing.

27. T / F Transaction files kept by the Designated Broker only need to contain the contract and the closing document.
28. T / F Termination can be conditioned on the performance of some contract or payment of commission.
29. T / F All advertising by Brokers must have the Firm Name "clear and conspicuous."
30. T / F The firm name must be on all brokers's online advertising within "one click"
31. T / F Any real estate transaction funds that a Broker exercises control over are considered "trust funds."
32. T / F A Designated Broker holding funds in trust can provide written notification to all parties and choose how to disburse funds.
33. T / F The Designated Broker is ultimately responsible for all trust funds that are held in the Firms separate bank account.
34. T / F The auditor conducts routine audits of Firms to review files for the past 3 years.
35. T / F A team can advertise using an "assumed name" if the Designated Broker approves and registers the name with the Dept of Licensing.
36. T / F A Designated Broker is a Managing Broker with an "endorsement" from the Department of Licensing.
37. T / F A Designated Broker must have a written log of delegated assignments to Managing Brokers.
38. T / F A Broker can be delegated the responsibility to be a Branch Manager.
39. T / F Under the Uniform Regulation of Business and Professions Act, the Dept of Licensing can impose sanctions after a hearing process.
40. T / F When applying for a first time real estate license, an applicant must have a high school diploma or equivalent.
41. T / F New Brokers licensed less than 2 years must have all contracts reviewed within 5 days of acceptance.
42. T / F All real estate records must be kept at an address or readily retrievable where the real estate Firm is licensed.
43. T / F The Designated Broker is required to keep all records available for the Department of Licensing for a minimum of 7 years.
44. T / F A written policy must be written by the Designated Broker regarding referral of home inspectors.
45. T / F Sanctions can include payment to the principal who can show damages as a result of a Broker violating license laws.
46. T / F The Core Curriculum class is required for all licensees for each renewal.
47. T / F Trust Accounts must have the firm name as licensed.
48. T / F Designated brokers must keep records for the auditor for 3 years
49. T / F The Uniform Regulation of Business and Professions Act was created to consolidate disciplinary procedures
50. T / F Revocation or suspension of a real estate license is considered a "sanction."

**Answers are to be put on the answer sheet at the end of the last section or they can be put directly on the quiz.**

# Section 2

## Real Estate Law of Agency

### Quiz

#### Section 1 What is an Agent?

1. T/F \_\_\_ *The Law of Agency is a federal statute.*
2. T/F \_\_\_ *The Law of Agency applies only to residential licensees.*
3. T/F \_\_\_ *The Law of Agency is an old Washington State law that has been modified.*
4. T/F \_\_\_ *The Law of Agency creates presumptions of agency relationships.*
5. T/F \_\_\_ *“Dual Agency” means a broker has entered into an agency relationship with two buyers.*
6. T/F \_\_\_ *An “agent” is a broker who has entered into an agency relationship with a buyer or seller.*
7. T/F \_\_\_ *A “buyer” in the Law of Agency definitions is also an actual or prospective tenant.*
8. T/F \_\_\_ *A “principal” is the broker of the real estate agent.*
9. T/F \_\_\_ *A real estate transaction exists when a written offer has been signed by a party.*
10. T/F \_\_\_ *A licensee can create an agency relationship unintentionally.*

#### Section 2 Who do you represent and when?

11. T/F \_\_\_ *The most common agency contracts we deal with as licensees include listing agreements and buyer agency agreements.*
12. T/F \_\_\_ *An agent could disclose in writing that there is an agency relationship with a seller but conduct could create an undisclosed dual agency with the buyer.*
13. T/F \_\_\_ *All agency relationships must be in writing.*
14. T/F \_\_\_ *The agency relationship terminates when a property the agent listed is sold and closed.*
15. T/F \_\_\_ *The agent is not obligated to keep information confidential after the termination of the agency relationship.*
16. T/F \_\_\_ *A broker can work with Buyer as a non-agent as long as the buyer agrees in writing.*
17. T/F \_\_\_ *A broker can be presumed to be a buyer’s agent when showing properties to a buyer.*
18. T/F \_\_\_ *If the broker is a listing agent, then the relationship when showing a buyer is not presumed to be a buyer agency.*
19. T/F \_\_\_ *Dual agency must be agreed to in writing by all parties.*
20. T/F \_\_\_ *A buyer’s agent selling a property that is listed by their real estate company represents only the buyer.*
21. T/F \_\_\_ *A designated broker becomes a dual agent when the selling and listing agent are within the same company.*
22. T/F \_\_\_ *The selling agent does not have to get written consent from a buyer when selling an in-house listing.*
23. T/F \_\_\_ *If the seller passes away the agency relationship and the listing continue until expiration.*
24. T/F \_\_\_ *The licensee can be a buyer’s agent representing the buyer in the sale of a home and at the same time represent the seller in the purchase of a home.*
25. T/F \_\_\_ *Termination of an agency relationship must be in writing.*

#### Section 3 Duties of a Licensee

26. T/F \_\_\_ *A buyer can waive the real estate agents duty of honesty and good faith.*
27. T/F \_\_\_ *If you have a listing that has a pending sale, you do not have to present any other offers.*
28. T/F \_\_\_ *The agent only has to provide a Law of Agency pamphlet to the principal prior to accepting earnest money.*
29. T/F \_\_\_ *A pamphlet on the Law of Agency must be provided to tenants prior to signing leases.*
30. T/F \_\_\_ *The agent must keep confidential the source of income for the buyer if the buyer expects it to be confidential and it doesn’t affect their ability to qualify.*
31. T/F \_\_\_ *Information maybe confidential even though it is a matter of public record.*
32. T/F \_\_\_ *A seller’s bottom line for negotiation purposes may be confidential.*
33. T/F \_\_\_ *A material fact is information that adversely affects the value of a property.*
34. T/F \_\_\_ *Real estate buyers have sued sellers and real estate agents for not disclosing barking dogs, sex offenders in the area, and ghosts.*

35. T/F\_\_\_A negative stigma that a seller wants to hide should be discussed with corporate attorney and designated broker.

#### **Section 4 Duties of a Seller's and Buyer's Agent**

36. T/F\_\_\_A buyer's agent must be loyal to the buyer from the day they meet.

37. T/F\_\_\_A transaction commences at the time a party signs an agreement.

38. T/F\_\_\_A seller's agent may show alternative properties not owned by the seller to prospective buyers.

39. T/F\_\_\_A leasing agent representing a tenant may show properties in which the tenant is interested to other prospective tenants without breaching any duty to the tenant.

40. T/F\_\_\_An agent can work as a dual agent only after agreeing in writing with all parties.

41. T/F\_\_\_A dual agent must disclose terms of compensation prior to representing both parties.

42. T/F\_\_\_An agent does not breach his/her duty to the seller by listing the neighbors identical house for less.

43. T/F\_\_\_Section 3 (1) (f) that is referred to in the Law of Agency is the pamphlet on the Law.

44. T/F\_\_\_An agent must release confidential information if they receive a court order to do so.

45. T/F\_\_\_The agent is to advise the buyer to get expert advice on matters that are beyond the agent's expertise.

#### **Section 5 Compensation and Broker Liability**

46. T/F\_\_\_The commission is always paid to the firm and never directly to a broker.

47. T/F\_\_\_The party being represented by the agent is always the party paying commission.

48. T/F\_\_\_If the buyer is paying the commission, it can be paid directly to the agent instead of the broker.

49. T/F\_\_\_A buyer's agent can pay a referral fee to another real estate agent through the designated broker.

50. T/F\_\_\_Compensation to the agent and broker can be kept confidential.

51. T/F\_\_\_An agreement authorizing a broker to sell real estate for compensation is unenforceable if it is not in writing and signed.

52. T/F\_\_\_The Law of Agency obligates a real estate agent to show a buyer properties that are for sale by owner.

53. T/F\_\_\_Under "vicarious liability" in the Law of Agency, the principal may not be liable for the errors of the agent.

54. T/F\_\_\_The Washington Department of Licensing retains jurisdiction only over violations of the general duties of a licensee in Section 3 of the Law of Agency.

55. T/F\_\_\_It is imperative that licensees contact the designated broker if they have any questions about the Law of Agency.

**Answers are to be put on the answer sheet at the end of the last section or they can be done just on the quiz itself.**

# Section 3

## Ownership, Distressed Property, Land Use, Property Management Quiz

1. T / F When you purchase real estate it is often referred to as buying a “bundle of rights.”
2. T / F A “Fee Simple” estate means that you are buying a property with no fees or charges.
3. T/ FA Life Estate is the transfer of the interest in real property based on the determined life of the house on the property.
4. T/ F Interest in real property for a period of time is called a leasehold estate.
5. T/ F Interest in real property without the right to possess the property is called rental agreement.
6. T/ F An easement can be implied by prior continuous use of the property as a trail, ingress or egress.
7. T/ FA B&B would be an example of a license granting permission to enter another person’s property for a specific purpose.
8. T/ FA couple that is married can only take title as community property when buying real estate.
9. T/ F When an inheritance from the wife’s mother is deposited into the marital couple’s savings account, it may be considered co-mingled funds.
10. T/ F When there is separate property owned in a community property state, then each couple owns it in severalty.
11. T/ F Two people with shared interest in a house that want to leave their separate interest to the other owner would take title as joint tenants.
12. T/ F When two or more people want to take title as tenants in common their interest does not have to be equal.
13. T/ F Unity of time means that two people acquired their interest in the property at the same time.
14. T/ F If siblings were willed mom’s house at the same time with same interest and can have the right to occupy it, they would take title as joint tenants.
15. T/ FA tenant in common does not have the right to exclude another tenant in common from the property.
16. T/ F A domestic corporation must file Articles of Incorporation with the Washington State Governor.
17. T/ FA corporation organized in another state must register in Washington State.
18. T/ F The ownership interest in the corporation is divided in shares.
19. T/ FA General Partnership is not required to file paperwork in Washington State.
20. T/ F With a General Partnership, each partner has only their share of liability based on each partner’s financial contribution.
21. T/ F Limited Liability Partnerships include general partners, as well as, limited partners.
22. T/ FA Limited Liability company can choose any type of management according to the agreement filed with Washington State.
23. T/ FA partner in a Limited Liability company is still liable for all the company’s obligations.
24. The process of transferring ownership of real estate is referred to as \_\_\_\_\_.
25. Ownership of real property is transferred with a \_\_\_\_\_.
26. Alienating real property with a deed is called \_\_\_\_\_.
27. To be valid, a deed must be in writing, words of conveyance, identify grantee, delivered and accepted by the grantee, and signed by the \_\_\_\_\_.
28. When property is sold without the grantor’s (owner’s) signature it is called \_\_\_\_\_.
29. When a person dies without a will and has no heirs, the property \_\_\_\_\_ to the state.
30. The neighbor claims that the property along the fence and goes to court. This is called an \_\_\_\_\_ possession claim.
31. To claim property where you are not the owner, one of the requirements is that there must be \_\_\_\_\_ occupation of the property.
32. When a property is taken by the government for public use it is called \_\_\_\_\_.
33. T/ F The Distressed Property Act regulated the activities of people consulting homeowners on possible foreclosures.
34. T/ FA short sale can occur when the proceeds of the sale will not cover the balance of the mortgage.
35. T/ F If a property is sold in a short sale, the unpaid balance of the mortgage must be paid by the new owner prior to closing.

36. T/ FA short sale negotiator for compensation must have a real estate or mortgage broker's license or be a financial advisor.
37. T/ FThe Foreclosure Fairness Act gives distressed homeowners more time to talk to lender and consult with HUD counselors.
38. T/ FThe Foreclosure Fairness Act requires a lender to send a notice of pre-foreclosure to homeowner in default.
39. T/ FThe Growth Management Act (GMA) requires that most cities and counties prepare comprehensive plans.
40. T/ FThe Growth Management Act (GMA) requires that new development be in "urban growth areas."
41. T/ FIn order for development to take place in a county, it is required that public facilities must be adequate according to the GMA.
42. T/ FIn Washington State, SEPA can require an environmental impact statement for any development that may impact the environment.
43. T/ F The Shoreline Management Act includes all lakes in Washington State that are larger than 20 acres.
44. T/ FStreams and rivers are not covered by the Shoreline Management Act.
45. T/ FIn Washington State, all properties managed by a broker must have a written agreement between the designated broker and the owner.
46. T/ FA property management agreement must include the authorization to hold deposits.
47. T/ FA rental unit can only be shown to a prospective tenant by a licensed real estate broker.
48. T/ FA property manager can refuse to rent a two bedroom unit to a couple with a child saying that it doesn't have a playground.
49. T/ FA real estate broker can advertise a unit for rent that says that it would be perfect for a bachelor.
50. T/ FWhen screening applicants for a rental, it is required to comply with fair housing laws.
51. T/ FA landlord under the Washington State Landlord Tenant Act must maintain all electrical and plumbing facilities for the tenant.
52. T/ FInformation on the health hazards of indoor mold and how to control growth must be given to tenants by the landlord.
53. T/ FA tenant can engage in illegal drug related activity as long as it does not affect the unit.
54. T/ FCollection of a fee for a waiting list must be limited to one month's rent.
55. T/ FIn order to collect a deposit, a landlord must have a written checklist of the condition of a unit and a rental agreement.

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# Section 4

## Contract Law and Disclosure

### Quiz

1. T / F In order for a real estate contract for the sale of property to be enforceable there must be an address.
2. T / F Consideration in the form of Earnest Money is required for a written contract for the sale of property.
3. T / F A contract must reflect a meeting of the minds.
4. T / F An express contract must be written.
5. T / F An implied contract is created by the actions of the parties.
6. T / F A real estate contract is unilateral.
7. T / F When writing and negotiating a purchase and sale agreement the contract is considered an executory contract.
8. T / F The age that a person must be to enter into a valid contract is 18 years old
9. T / F Mutual consent is achieved through Offer and Acceptance.
10. T / F Consideration can be in the form of money or a promise.
11. T / F Earnest money is not required for a valid real estate purchase and sales agreement.
12. All real estate contracts must be in writing according to the \_\_\_\_\_ of \_\_\_\_\_.
13. If a contract is missing a requirement to be valid then it is essentially not a contract and is \_\_\_\_\_.
14. T / F Any party to a contract can deem the contract void.
15. Full performance of a contract occurs when the contract is \_\_\_\_\_.
16. T / F When a contract is executed and there is full performance the contract is terminated.
17. When there is substitution of another contract this is called a \_\_\_\_\_.
18. T / F If one party fails to perform or breaches the contract the other is not required to carry out his part of the agreement.
19. When a court forces a party to complete the agreement in a contract this is called \_\_\_\_\_.
20. The process of executing a contract begins when one person makes an \_\_\_\_\_.
21. T / F An offer terminates when one of the parties passes away prior to acceptance.
22. T / F If the offeree rejects the offer the offer is terminated.
23. T / F In order for an offer to be accepted it must be communicated to the offeror.
24. T / F Once the terms are changed the offer becomes a new offer.
25. T / F The seller cannot choose an offer over another because of the number of children or the race of the buyers.
26. T / F In order for a contract to be binding consent must be freely given and free from fraud.
27. T / F An open listing is often not a listing at all.
28. T / F The listing agent does not have to provide the sellers with a copy of the Law of Agency because agency is disclosed in the listing agreement.
29. T / F In order to be valid, a purchase and sale agreement must include the legal description.
30. T / F The most common listing accepted by the MLS is called exclusive right to sell.
31. T / F If the legal description is not available at the time of execution, a property address is sufficient for a valid contract.
32. T / F The buyers do not have to disclose their marital status. How they take title is important in escrow.
33. T / F Only one spouse has to sign a purchase and sale agreement if the marital couple is purchasing the property.
34. T / F Extending the date of closing is just a notice.
35. Example of three contingencies \_\_\_\_\_.
36. T / F If a contingency can be waived with the consent of both parties.
37. T / F When a sale is contingent on the sale of the buyer's home there is often a bump clause in the contract.



38. T/ F When an agent starts to fill out a blank addendum the agent does not have to be concerned about practicing law.
39. T/ F A sale of a property could be contingent on a number of inspections including septic inspection.
40. T / F An agent should not advise a seller about their rights to keep the earnest money if a buyer breaches a contract.
41. T / F If there is a question as to whether a contract is voidable, the agent must consult the designated broker.
42. T / F An agent can give legal advice regarding contracts to a client.
43. T/ F Washington State passed law requires landlords to provide a disclosure warning tenants of the health hazards associated with indoor mold.
44. T/ F Home inspectors in Washington State must have a license to do inspections.
45. T/ F An agent can fill out the Property Information Inspection form for the sellers.
46. T/ F A seller must fill out the environmental portion of the Seller Disclosure form if there is a "yes" answer to an environmental question.
47. T/ F The Property Information Disclosure form is not considered part of any written agreement between the buyer and the seller of residential property.
48. T/ F A seller must install a carbon monoxide alarm prior to a buyer occupying the residence.
49. T/ F Landlords of properties built before 1978 do not have to provide tenants of lead based exposure form.
50. T/ F The listing agent has to present any other offers to the seller even if there is a pending offer on the property.

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# Section 5

## Anti-Discrimination and ADA

### Quiz

1. T / F Every person reading this is a “member” of a protected class.
2. T / F The seller has the right to choose one buyer over another because the seller wants to sell to a family.
3. T / F Fair housing laws are only federal laws.
4. T / F The first fair housing law was passed in the 1800’s.
5. T / F In 1988 Families with children and handicapped persons were added to the Federal Fair Housing Act.
6. T / F HOPA requires that senior housing have a senior living in 80% of the units.
7. T / F A seller can advertise that a property is not available to families.
8. T / F A property manager cannot specify that only “purple” people can rent units so that they share a bond from their home country.
9. T / F A covenant in a deed that is discriminatory is enforceable.
10. T / F A “green” person can choose to only sell to another “green” person.
11. T / F Blockbusting occurs when a broker tries to convince homeowners to sell because the neighborhood might change.
12. T / F A broker can choose to not work with “orange” buyers because they speak another language.
13. T / F AIDS is considered a handicap under federal and state laws.
14. T / F The potential penalties for violation of Federal Fair Housing laws are very severe for real estate brokers.
15. T / F Washington State Anti-discrimination laws apply to more than residential housing.
16. T / F A landlord can choose to not rent to people with service dogs.
17. T / F In Washington State, same sex marriages are legal.
18. T / F A broker can refuse to present an offer from a couple because they want to live together but are not married.
19. T / F A love letter from a buyer to a seller disclosing the family status and photo can encourage a seller to discriminate.
20. T / F It is a violation of fair housing when choosing to discriminate between one buyer over another because of their color even though it is never caught.
21. T / F Choose the paper not the people is a good rule of thumb to avoid discrimination.
22. T / F A single white male is protected from discrimination under the Federal, State and Local laws.
23. T / F The ADA is a state law that only applies to wheelchair bound people.
24. T / F Reasonable accommodations must be made to make properties to rent available to the disabled.
25. T / F The ADA was written to ensure that disabled persons have equal access to public facilities.

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## Section 6

# Employment Law, Financing and Closing, Anti-Trust and Fraud Quiz

### Employment Law

1. T/ F A real estate broker working as an independent contractor cannot be treated as an employee
2. T/ F Most real estate brokers are considered independent contractors under tax law.
3. T/ F One factor the IRS uses to consider real estate brokers to be non-employees is if all payments for services directly related to their sales.
4. T/ F Most administrative staff at real estate firms are also non-employees
5. T/ F In order to be considered as an independent contractor and not an employee the broker must have an independent contractor agreement.
6. T/ F Washington State License Law requires that the Designated Broker exercise supervision over the real estate agents in the firm.
7. T/ F Asking a prospect "Are you married" would be a violation of anti-discrimination laws.
8. T/ F A question on maiden name or where a prospect grew up would not be any kind of violation of discrimination laws.
9. T/ F The Fair Labor Standards Act requires that independent contractors work at least 30 hours a week.
10. T/ F Only employees, and not independent contractors, get paid overtime at 1 ½ times the regular rate of pay.
11. T/ F OSHA is a federal act that administers the minimum wage.
12. T/ F The Department of Labor oversees the Occupational Safety and Health Act that helps to prevent work related injuries.
13. T/ F COBRA is an act that extends health insurance coverage if there is a reduction in hours or job loss for employees.
14. T/ F Real estate brokers are never covered by COBRA even if they participated in the firm health plan.
15. T/ F Real estate agents even though they are often considered self-employed are still required to pay workers comp.
16. T/ F Workers Comp is known as industrial insurance under the Department of Labor and Industries.

### Finance and Closing

17. T/ F The CFPB provides for a single point of accountability for enforcing federal consumer financial laws and protecting consumers.
18. T/ F The Good Faith Estimate is now called the Closing Disclosure.
19. T/ F A Borrower will have a three-day review if there is a prepayment added that differs from the original estimate.
20. T/ F If the loan changes from an adjustable rate interest to an interest only loan with smaller payments, the borrower does not get a - day review.
21. T/ F If a buyer finds that the stove is not working on the final walk through and wants a credit, this would not trigger a 3-day review.
22. T/ F A typo at the closing table will definitely trigger an additional 3-day review of the documents.
23. T/ F A mortgage company cannot start a foreclosure while working directly with a homeowner who submitted an application to help.
24. T/ F A foreclosure proceeding can be initiated against a homeowner who is late on payments for only 60 days.
25. T/ F Escrow is a method of closing where an escrow agent represents one party in the real estate transaction.
26. T/ F An escrow agent is required to have a real estate brokers license.
27. T/ F The Department of Financial Institutions registers all escrow agents.
28. T/ F A Certified Escrow Agent must obtain a fidelity bond.

- 29. T/ F In Washington State is is unlawful for an escrow agent to close a real estate transaction without having a license.
- 30. T/ F According to RESPA a seller is prohibited from requiring the buyer to use a particular title insurance company.
- 31. T/ F The escrow agent can prepare addendums to the purchase and sale agreement and have all parties sign at closing.
- 32. T/ F A power of attorney for a real estate sale must have the words, “sell, convey, and borrow” in order to give that person authority to sign.

**Anti-Trust and Fraud**

- 33. T/ F The Washington State Consumer Protection Act protects keep the market free from unfair and deceptive practices.
- 34. T/ F The consumer protection division in Washington State can recover funds and impose penalties for fraud violations.
- 35. T/ F The REALTOR organization sets the commissions that are charged to consumers.
- 36. T/ F The amount of commission paid to a cooperative broker in a transaction in the MLS is not fixed or set by the MLS.
- 37. T/ F It is a violation of anti-trust laws to boycott a real estate firm that is charging a discount commission to the clients.
- 38. T/ F It is NOT a violation to boycott a real estate firm that is not paying a standard commission to the cooperative broker in a transaction.
- 39. T/ F If a broker sells land to a builder, it is a violation of anti-trust tying agreements to require the builder to list the new homes with the broker.
- 40. T/ F If a group of firms agree to “respect” business and not compete in the areas of town they designate, they would be violating anti-trust.
- 41. T/ F Claiming ignorance can always “save” you in a court.
- 42. T/ F The claim “everybody’s doing it” does not make any conduct legal.
- 43. T/ F Short sale flopping is a scheme that is fraudulent.
- 44. T/ F A foreclosure rescue scheme purporting to buy the house from a homeowner and after a rental period sell it back is often fraudulent.
- 45. T/ F Mortgage elimination is a scheme to convince homeowners that the scammer can completely eliminate the mortgage from the records.

**Answers are to be put on the answer sheet at the end of the last section or they can be done just on the quiz itself.**



# ADVANCED Washington Real Estate Law

You must attach the Evaluation to this Answer Sheet to receive clockhours.

Section 1 License Law trust Accounting, Disciplinary				Section 2 Law of Agency			
1		31		1		31	
2		32		2		32	
3		33		3		33	
4		34		4		34	
5		35		5		35	
6		36		6		36	
7		37		7		37	
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<b>Section 3 Ownership , Land Use and Property Management</b>				<b>Section 4 Contract Law and Disclosure</b>			
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Section 5 Fair Housing and ADA				Section 6 Employment Law, Finance and Closing, Anti-trust, Fraud			
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I attest that I have read the materials and have answered the questions. The mandatory evaluation is attached!

Print Name \_\_\_\_\_ Company \_\_\_\_\_ Signature \_\_\_\_\_  
Date \_\_\_\_\_

PROFESSIONAL Direction, Inc.  
Email: [clockhours@gmail.com](mailto:clockhours@gmail.com)

**www.clockhours.com**

# Final Exam

## ADVANCED Washington Real Estate Law

You must include the Quizzes and Evaluation to receive clockhours.

### Chapter 1

1. T / F Every 6 years every real estate Broker and Managing Broker must submit fingerprints and background check.
2. T / F All responsibilities a Designated Broker delegates to a Managing Broker must be in writing.
3. T / F To obtain a Managing Brokers license, a Broker must take 90 hours which includes Advanced Real Estate Law.
4. T / F Only new real estate brokers will be required to have fingerprint and background checks
5. T / F If you have been fingerprinted by another agency, it will automatically transfer to the Real Estate Department of Licensing.
6. T / F A real estate Broker can be licensed to more than one firm in Washington State.
7. T / F All checks received as Earnest Money must be made out to the firm unless the contract specifies otherwise.
8. T / F Those who want to become Brokers are required to take Fundamentals AND Practices before taking the exam.
9. T / F Transactions by Brokers in real estate for less than 2 years must have a heightened degree of supervision.
10. T / F The Designated Broker for a Firm must have a Managing Brokers license.
11. T / F Any real estate transaction funds that a Broker exercises control over are considered "trust funds."
12. T / F A team can advertise using an "assumed name" if the Designated Broker approves and registers the name with the Dept of Licensing.
13. T / F Under the Uniform Regulation of Business and Professions Act, the Dept of Licensing can impose sanctions after a hearing process.
14. T / F A written policy must be written by the Designated Broker regarding referral of home inspectors.
15. T / F The auditor conducts routine audits of Firms to review files for the past 3 years.

### Chapter 2

1. T / F\_\_\_ The Law of Agency applies only to residential licensees.
2. T / F\_\_\_ "Dual Agency" means a broker has entered into an agency relationship with two buyers.
3. T / F\_\_\_ A real estate transaction exists when a written offer has been signed by a party.
4. T / F\_\_\_ A broker can be presumed to be a buyer's agent when showing properties to a buyer.
5. T / F\_\_\_ Dual agency must be agreed to in writing by all parties.
6. T / F\_\_\_ A designated broker becomes a dual agent when the selling and listing agent are within the same company.
7. T / F\_\_\_ A buyer can waive the real estate agents duty of honesty and good faith.
8. T / F\_\_\_ If you have a listing that has a pending sale, you do not have to present any other offers.
9. T / F\_\_\_ The agent only has to provide a Law of Agency pamphlet to the principal prior to accepting earnest money.
10. T / F\_\_\_ An agent can work as a dual agent only after agreeing in writing with all parties.
11. T / F\_\_\_ A dual agent must disclose terms of compensation prior to representing both parties.
12. T / F\_\_\_ An agent does not breach his/her duty to the seller by listing the neighbors identical house for less.
13. T / F\_\_\_ If the buyer is paying the commission, it can be paid directly to the agent instead of the firm .
14. T / F\_\_\_ An agreement authorizing a broker to sell real estate for compensation is unenforceable if it is not in writing and signed.
15. T / F\_\_\_ Under "vicarious liability" in the Law of Agency, the principal may not be liable for errors of the agent.



### Chapter 3

1. T/ F A Life Estate is the transfer of the interest in real property based on the determined life of the house on the property.
2. T/ F An easement can be implied by prior continuous use of the property as a trail, ingress or egress.
3. T/ F Two people with shared interest in a house that want to leave their separate interest to the other owner would take title as joint tenants.
4. T/ F A couple that is married can only take title as community property when buying real estate.
5. T/ F The ownership interest in the corporation is divided in shares.
6. T/ F A partner in a Limited Liability company is still liable for all the company's obligations.
7. T/ F The neighbor claims that the property along the fence and goes to court. This is call an adverse possession claim.
8. T/ F A short sale can occur when the proceeds of the sale will not cover the balance of the mortgage.
9. T/ F If a property is sold in a short sale, the unpaid balance of the mortgage must be paid by the new owner prior to closing.
10. T/ F The Foreclosure Fairness Act gives distressed homeowners more time to talk to lender and consult with HUD counselors.
11. T/ F The Growth Management Act (GMA) requires that most cities and counties prepare comprehensive plans.
12. T/ F The Shoreline Management Act includes all lakes in Washington State that are larger than 20 acres.
13. T/ F A property management agreement must include the authorization to hold deposits.
14. T/ F A property manager can refuse to rent a two bedroom unit to a couple with a child saying that it doesn't have a playground.
15. T/ F In order to collect a deposit, a landlord must have a written checklist of the condition of a unit and a rental agreement.

### Chapter 4

1. T / F Consideration in the form of Earnest Money is required for a written contract for the sale of property.
2. T / F A contract must reflect a meeting of the minds.
3. T/ F Mutual consent is achieved through Offer and Acceptance.
4. T/ F Consideration can be in the form of money or a promise.
5. T/ F If one party fails to perform or breaches the contract the other is not required to carry out his part of the agreement.
6. T / F An offer terminates when one of the parties passes away prior to acceptance.
7. T / F If the offeree rejects the offer the offer is terminated.
8. T / F In order for an offer to be accepted it must be communicated to the offeror.
9. T / F Once the terms are changed the offer becomes a new offer.
10. T/ F In order to be valid, a purchase and sale agreement must include the legal description.
11. T/ F The most common listing accepted by the MLS is called exclusive right to sell.
12. T/ F If a contingency can be waived with the consent of both parties.
13. T / F Only one spouse has to sign a purchase and sale agreement if the marital couple is purchasing the property.
14. T/ F Washington State passed law requires landlords to provide a disclosure warning tenants of the health hazards associated with indoor mold.
15. T/ F Home inspectors in Washington State must have a license to do inspections.
16. T/ F An agent can fill out the Property Information Inspection form for the sellers.
17. T/ F A seller must fill out the environmental portion of the Seller Disclosure form if there is a "yes" answer to an environmental question.
18. T/F A seller must install a carbon monoxide alarm prior to a buyer occupying the residence.
19. T/F Landlords of properties built before 1978 do not have to provide tenants of lead based exposure form.
20. T/ F The listing agent has to present any other offers to the seller even if there is a pending offer on the property.

## Chapter 5

1. T / F Fair housing laws are only federal laws.
2. T / F HOPA requires that senior housing have a senior living in 80% of the units.
3. T / F A seller can advertise that a property is not available to families.
4. T / F A property manager cannot specify that only “purple” people can rent units so that they share a bond from their home country.
5. T / F A covenant in a deed that is discriminatory is enforceable.
6. T / F Blockbusting occurs when a broker tries to convince homeowners to sell because the neighborhood might change.
7. T / F In Washington State, same sex marriages are legal.
8. T / F The ADA is a state law that only applies to wheelchair bound people.
9. T / F Reasonable accommodations must be made to make properties to rent available to the disabled.
10. T / F The ADA was written to ensure that disabled persons have equal access to public facilities.

## Chapter 6

1. T / F One factor the IRS uses to consider real estate brokers to be non-employees is if all payments for services directly related to their sales.
2. T / F In order to be considered as an independent contractor and not an employee the broker must have an independent contractor agreement.
3. T / F Real estate agents even though they are often considered self-employed are still required to pay workers comp.
4. T / F The CFPB provides for a single point of accountability for enforcing federal consumer financial laws and protecting consumers.
5. T / F Asking a prospect “Are you married” would be a violation of anti-discrimination laws.
6. T / F OSHA is a federal act that administers the minimum wage.
7. T / F Escrow is a method of closing where an escrow agent represents one party in the real estate transaction.
8. T / F According to RESPA a seller is prohibited from requiring the buyer to use a particular title insurance company.
9. T / F The Washington State Consumer Protection Act protects keep the market free from unfair and deceptive practices.
10. T / F The Department of Financial Institutions registers all escrow agents.
11. T / F A Certified Escrow Agent must obtain a fidelity bond.
12. T / F The REALTOR organization sets the commissions that are charged to consumers.
13. T / F The amount of commission paid to a cooperative broker in a transaction in the MLS is not fixed or set by the MLS.
14. T / F It is a violation of anti-trust laws to boycott a real estate firm that is charging a discount commission to the clients.
15. T / F If a broker sells land to a builder, it is a violation of anti-trust tying agreements to require the builder to list the new homes with the broker.

You can complete the quiz on the actual quiz OR you can use the answer sheet below.

Email along with the chapter quizzes and evaluation to [clockhours@gmail.com](mailto:clockhours@gmail.com)

# Final Exam for **ADVANCED** Washington Real Estate Law

**You must attach the Evaluation to this Answer Sheet to receive clockhours.**

	Chapter 1 License Law		Chapter 2 Law of Agency		Chapter 3 Ownership and Leasing		Chapter 4 Contracts and Disclosure		Chapter 5 Fair Housing		Chapter 6 Employment Law, Closing, Anti-Trust, Fraud
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## Mandatory Evaluation

- |   |          |
|---|----------|
| Did you read the Advanced Real Estate Law Curriculum? | YES / NO |
| Did you complete the quizzes and attach answer sheet? | YES / NO |
| Did you enclose Tuition (\$175 for 30 hrs)            | YES / NO |
| Did you fill out and sign this form?                  | YES / NO |

Pay by using the payment link on the website. PayPal processes the credit cards.

Why did you choose to take this course? Topic? Time? Cost? Ease? Other?

A "clock hour" is 50 minutes. It should take approximately 4 days. How long did it take you to complete the course? \_\_\_\_\_

Will the material you learned improve your performance?	
Were the course materials easy to follow?	
Were the course materials relevant to your profession?	
Were your objectives met by attending the class?	

What are 3 things that you learned from the course?

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

### ADVANCED Washington Real Estate Law

Print Name CLEARLY	Signature	Company
Address	City Zip Code	Phone
Email		
License Renewal Date	Date Class taken	Notes

*Thanks for taking this class! I really appreciate the agents that take clockhours from my school!*

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