

Advanced Real Estate Practices Workbook and Final Exam

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Section 1

When are you an Agent?

Chapter 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 licensee has entered into an agency relationship with two buyers.*
6. T/F ___ *An “agent” is a licensee 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.*

Chapter 2 Who do you represent and when?

11. T/F ___ *The most common agency contracts we use include listing agreements and buyer agency agreements.*
12. T/F ___ *An agent could disclose in writing there is an agency relationship with a seller but conduct could create 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 licensee can work with Buyer as a non-agent as long as the buyer agrees in writing.*
17. T/F ___ *A licensee can be presumed to be a buyer’s agent when they show properties to the buyer.*
18. T/F ___ *If the broker is a listing agent, then the relationship with the buyer showing that listing is not as a buyers agent.*
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 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 only the buyer in the sale of a home and at the same time represent only the seller in the purchase of another home.*
25. T/F ___ *Termination of an agency relationship must be in writing.*

Chapter 3 Duties of a Broker

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 real estate 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 may be 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 broker.

Chapter 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 the tenant is interested in to other prospective tenants without breaching their duty to the first tenant.
40. T/F___ An agent can only work as a dual agent only after agreeing in writing.
41. T/F___ A dual agent must disclose terms of compensation prior to representing both parties.
42. T/F___ An agent breaches his 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.

Chapter 5 Compensation and Broker Liability

46. T/F___ The broker's compensation can only be paid by the seller at closing.
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 his 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 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 the real estate licensee contact the broker or corporate attorney if he or she has any questions about the Law of Agency.

Section 2

What is A Home Worth?

Market Value Questions

These are the types of questions that the seller asks when they are determining the listing price and broker for their property. How would you answer them? You can write on here.. back of answer sheet or a separate piece of paper.

1. Shouldn't we list with the real estate broker that says they can get the most money for our property?
2. Shouldn't we leave a large cushion for negotiation?
3. We need to add the money we spent on improvements to the price of the house, don't we?
4. The swimming pool increases the value by the total cost to install it, right?
5. Who decides the price the house will sell for? The selling broker? The listing broker? The Seller? The Buyer? The appraiser?
6. Does the addition of an extra bedroom and therefore more square footage always add to the value?
7. But, we bought the house for \$x last year. Don't we just add the appreciation?
8. Is the appraisal that was done for the divorce last fall the true market value of the home?

What is Value

9. T / F ___ The "cost" of an item is always directly related to its "value."
10. T / F ___ Value is not based on depreciation.
11. T / F ___ The capacity to satisfy human needs and desires is called demand.
12. T / F ___ The definition of value in real estate is the present worth of future benefits.
13. T / F ___ The market value is the most probable price a property will bring.
14. T / F ___ The market price is the price a property actually sold for.
15. T / F ___ No matter what the condition of the market, there will always be buyers and sellers.

Determining Property Value

16. T / F ___ An appraisal is one person's paid opinion of value on the day of the appraisal.
17. T / F ___ A market analysis is the opinion of property value by the real estate broker.
18. T / F ___ An assessment is the true reflection of the property value of property in Washington.
19. T / F ___ The use that provides the greatest net return is highest and best use.
20. T / F ___ The future is the primary consideration over the past when estimating value.
21. T / F ___ Value can increase or decrease in anticipation of some future event.
22. T / F ___ Improvements always add value to a property.

Evaluating Property Condition

23. T / F ___ A property "on the sewer main" does not necessarily mean "hooked up to sewer."
24. T / F ___ A tree is an example of a natural attachment.
25. T / F ___ Evidence of a written agreement between the parties is the best test for whether the item is a fixture and included in the sale of real property.

- 26. T / F ___ An item can be a fixture and change to personal property and back again.
- 27. T / F ___ If the rose bushes are in buckets in the garage they are not considered “attachments.”
- 28. T / F ___ Economic depreciation may not be curable.
- 29. T / F ___ Deferred maintenance can result in physical deterioration.
- 30. T / F ___ The Property Information Disclosure Law is a national real estate law.
- 31. T / F ___ If the seller does not provide the buyer with the Property Information Disclosure form, the buyer can walk from the transaction prior to closing.
- 32. T / F ___ The Property Information Disclosure form is to be filled out by the broker.

The Market Analysis Report

- 33. T / F ___ The title company can provide information from the county records on the property.
- 34. T / F ___ The market analysis is only as accurate as the adjustments made when comparing the property to the others.
- 35. T / F ___ The expired listings in a market analysis report are listings that failed to sell.
- 36. T / F ___ Current listings give an indication of the “competition” on the market.
- 37. T / F ___ The addition of a bedroom and more square footage always adds to the value.
- 38. T / F ___ There are dangers to marketing a property higher than the market will bear.
- 39. T / F ___ A property on the market for a long time can get “shopworn.”
- 40. T / F ___ Buyers are wary of overpriced listings.
- 41. T / F ___ The impact from lowering the list price is phenomenal.

Commission

- 42. T / F ___ The amount of commission is negotiable between the seller and the real estate company.
- 43. T / F ___ The listing commission is due the day the purchase and sale agreement is signed.
- 44. T / F ___ All commissions are paid directly to the brokers.
- 45. T / F ___ Brokers can meet monthly and set standard commission rates.
- 46. T / F ___ The real estate commission is not a part of the public record.
- 47. T / F ___ In Washington State in order to receive commission on the sale of real estate the broker must be currently licensed.
- 48. T / F ___ There is more than one value for a piece of property.
- 49. T / F ___ Demand in the market can affect the value of a home.
- 50. T / F ___ If you are purchasing a property, it is important to have another licensed broker or an appraiser work with the seller to determine value.

Section 3

Earnest Money and Escrow

Chapter 1 What is Escrow?

1. What Washington State law requires escrow agents to be licensed? _____
2. Name three examples of closing agents that are exempt from the law to be licensed? _____
3. What does L.P.O. stand for? _____
4. Who does the escrow officer represent? _____
5. Escrow can only be revoked by _____ agreement.
6. The Purchase and Sale Agreement is used by escrow to create _____ instructions.
7. The escrow officer is a _____ third party.
8. The escrow officer prepares the _____ for signing by all parties.
9. The escrow officer determines what _____ will be paid at closing.
10. Escrow disperses _____ at closing.
11. What is one reason a broker would not choose to close a transaction? _____
12. If the closing is to be delayed, is it the escrow officer's responsibility to prepare an addendum? Why? _____
13. A buyer and a seller agree verbally to reduce the sales price by \$5000. Can escrow change the closing documents to reflect the change? _____
14. The agent asks Escrow make the commission check payable to himself personally instead of the broker. Can escrow do that? _____
15. The real estate agent asks Escrow to release some of the earnest money as commission prior to closing. Can escrow do that? _____

Chapter 2 What is Earnest Money?

16. In Washington State it is required that the purchaser pay a reasonable sum of money as a good faith deposit when making an offer on a property. True / False
17. Earnest money is evidence that the purchaser intends to carry out the contract in _____.
18. Most earnest money is paid in the form of a _____ from the purchaser.
19. It is recommended that if a purchaser writes a promissory note for earnest money, that the note be payable on a _____ date.
20. The earnest money check is deposited into a _____ account.
21. The real estate broker is required to have a _____ receipt for earnest money deposited into a trust account at an escrow office.
22. Earnest money is to be deposited no later than the _____ banking day after receipt unless agreed in writing otherwise.
23. The buyer can request the return of earnest money any time prior to a _____ offer.
24. Earnest money can be a check, cash, promissory note or _____.
25. If the purchaser defaults, and there is a dispute over earnest money, there is a law that covers the time frame prior to interpleading. TRUE / FALSE
26. The interest on earnest money that is \$10,000 or less in a brokers trust account is transferred to the _____.
27. If the earnest money exceeds \$_____ the purchaser can elect to have it held in a separate trust account and keep the interest less the bank charges.
28. The amount of earnest money is NOT set by law or rules. True/ False
29. If there is a default or the transaction fails to close the parties must agree in writing who is entitled to the _____.
30. According to Washington State Law, within 15 days from the receipt of a written demand from a party to the transaction, the holder must either:
1 _____, 2. _____ 3. _____

Chapter 3 From Agreement to Escrow

31. Escrow is bound by the terms in the _____ agreement.
32. Incomplete information on the Purchase and Sale agreement can _____ closing.
33. Escrow must have a complete _____ of the purchase and sale Agreement including addendums.
34. Escrow cannot close the transaction without all the signatures on the purchase and sale agreement. True/ False
35. Who is responsible for ensuring signature on closing documents? _____
36. Escrow must have not only the property address, but also the full _____ description.
37. A lien release is to verify that the seller's loan is _____ at the time of closing.
38. The original loan application is signed by the _____.
39. The escrow instructions can/ cannot modify the purchase and sale agreement.
40. Most often the _____ deed transfers ownership.
41. The excise affidavit verifies that the excise tax is _____.
42. Money held by escrow after closing is called a _____.
43. Escrow makes the _____ on the underlying liens.
44. Escrow pays the real estate commissions to the _____.
45. Escrow _____ the funds at closing.
46. Real estate agents are encouraged to write agreements that are _____ so that escrow can read them accurately.
47. Real estate agents need to provide escrow with _____ instructions so they get paid.
48. Clouds on the title report can often _____ closing beyond the original date.
49. An encroachment could be a _____ on the title.
50. The settlement statement must include all costs and credits so that the figures _____ at closing.

Chapter 4 Closing Challenges

51. Closing occurs when the documents are _____ and the funds dispersed.
52. Signing documents usually occurs 48 hours prior to _____.
53. Closing is the day the buyer takes _____, which can differ from the possession date.
54. Any final money owed by the buyer is usually brought to escrow in the form of a _____.
55. Escrow orders a preliminary commitment for _____ Insurance.
56. A defect in the title could include a _____ deed.
57. Title insurance indemnifies the policy holder against _____ caused by defects.
58. A loss due to a change in zoning may be considered _____ from coverage.
59. If the purchaser has a common name, he may be required to sign an _____ affidavit.
60. A _____ error could be discovered that identified the wrong storage space number.
61. A road _____ agreement may be required by the lender if the property shares an easement with the neighbors.
62. When a Deed of Trust is paid off a full _____ is recorded.
63. Then a Mortgage is paid off it is called a _____ of Mortgage.
64. A Satisfaction of Judgment is filed with the court when a _____ is paid.
65. When a Mechanics lien is paid it is called a Satisfaction of _____.

Chapter 5 The Closing Documents

66. Some expenses are paid over a period. An example is: _____
67. Real Estate Taxes are paid to the county how often? _____
68. To prorate the cost, take the total bill divided by the number of days. TRUE / FALSE
69. The seller is often reimbursed for the _____ paid.
70. Mortgage interest is paid in _____ rather than in advance.
71. When a borrower pays the mortgage payment the first day of the month it covers (this month / last month) circle one
72. The Real estate commission is listed on the purchase and sale agreement. TRUE/ FALSE
73. The Dodd Frank Act required an overhaul of the forms and closing regulations as of this date _____
74. One benefit is that it will reduce paperwork by combining _____.
75. The new forms will include warnings to consumers about, for example, _____
76. Information on the changes is available on what website? _____
77. CFPB stands for _____
78. The consumer will have the right to have a _____ day review of the Closing Document.
79. If there is a problem on the walk through triggering a seller credit, the buyer (will/ will not) has an additional 3 day review.
80. If the loan changes from a fixed rate to an adjustable, the buyer (will / will not) has an additional 3-day review.
81. The new CFPB changes do not apply to HELOC Home equity lines of credit loans. TRUE / FALSE
82. The Loan Estimate must be provided to the borrower within _____ of making application.
83. The Loan Estimate provides a summary of key loan terms and estimates of _____.
84. A typo found at the closing table does not automatically trigger an additional 3-day review. TRUE / FALSE

Section 4

The Dangerous Dozen

1 Legal Description

1. T / F ___ The street address of a property can be used in place of a legal description on a purchase and sale agreement.
2. T / F ___ The best place to find an accurate legal description is on the mailbox.
3. T / F ___ A purchase and sale agreement may be unenforceable without a legal description.
4. T / F ___ There could be more than one tax ID number on one property.

2 Earnest Money

5. T / F ___ The amount of earnest money for a transaction is always 5% of the price.
6. T / F ___ Real estate firms do not have to have trust accounts.
7. T / F ___ The agent can deposit the earnest money into his personal account.
8. T / F ___ If the buyer cannot obtain financing, then the earnest money may be refunded if the terms of the contract allow.

3 Offer and Counteroffers and Mutual Agreement

9. T / F ___ An offer can be withdrawn anytime prior to the seller signing.
10. T / F ___ The seller cannot withdraw an offer prior to the offer expiration date.
11. T / F ___ A seller must counteroffer any offer that is presented.
12. T / F ___ Mutual agreement can occur on the phone.

4 Consistent Dates

13. T / F ___ There can be as many as a dozen dates on a purchase and sale agreement.
14. T / F ___ Often agreements have “default dates” if no date is written on the contract.
15. T / F ___ According to most purchase and sale agreements, a specified period of 5 days or less INCLUDES Sundays.
16. T / F ___ The day after Thanksgiving is always considered a legal holiday.

5 Notices and Addendums

17. T / F ___ “This is notice that the closing date shall change to June 2nd” is a notice.
18. T / F ___ According to some purchase and sale agreements a notice need only be signed by one of the parties.
19. T / F ___ A notice can be compared to a fork in the road.
20. T / F ___ A broker can withhold some pages of a mutually signed purchase and sale agreement so the lender is not aware of those certain agreements.

6 Possession

21. T / F ___ Possession usually occurs at the time of closing.
22. T / F ___ If the seller remains in the property after closing, the seller’s insurance might not cover damage.
23. T / F ___ A purchaser that moves into the property prior to closing may not move out quickly if the transaction fails to close.
24. T / F ___ It is important that the purchaser and the seller confirm with their insurance companies as to coverage if possession is not on closing.

7 Property Information Disclosure

25. T / F ___ The Property Information Disclosure form is for Washington State transfers of property.

- 26. T / F ___ If the seller does NOT provide the buyer with the form, the buyer can walk from the transaction prior to closing.
- 27. T / F ___ Only sellers listed with an MLS are required to fill out the form.
- 28. T / F ___ There are some sellers that are exempt from the law to fill out the form.

8 Inspection Clauses

- 29. T / F ___ Many residential sales include a condition for a home inspection.
- 30. T / F ___ A home inspection is required by the property information disclosure law.
- 31. T / F ___ All home inspectors in Washington State are all required to be licensed.
- 32. T / F ___ Many home inspectors are also licensed pest inspectors in the state.

9 Personal Property

- 33. T / F ___ A blatant discrepancy on the purchase and sale agreement can lead to a misunderstanding about whether an item of personal property is included.
- 34. T / F ___ The best indication as to whether an item is included is evidence of a written agreement signed by all parties.
- 35. T / F ___ Often the cost to replace the item outweighs the cost of the attorneys.
- 36. T / F ___ Real estate agents have been know to pay for an item that is under dispute.

10 CCR's and Land Use Issues

- 37. T / F ___ The size and weight of a pet can be limited by rules in a Condominium.
- 38. T / F ___ A property in a residential development with certain restrictions in the CCR's may not be able to have a business such as a day care facility.
- 39. T / F ___ Because a property is advertised as a tri-plex does not mean it is zoned as one.
- 40. T / F ___ Often developments with CCR's have ongoing homeowner association meetings.

11 Form 34 the Blank Addendum

- 41. T / F ___ Filling out a blank addendum could be considered drafting legal contracts and be outside of our responsibilities as an agent.
- 42. T / F ___ It is important that the blank addendum be completed with many loopholes.
- 43. T / F ___ It is recommended that the blank addendum clearly identify the action to be taken, the time frame and the consequences if the action is not taken.
- 44. T / F ___ The Heritage House case gave agents the ability to fill out PREPRINTED forms drafted by attorneys.

12 Closing and Extensions

- 45. T / F ___ A transaction closes when the sale is recorded in the county and the funds are available to the seller.
- 46. T / F ___ An escrow company records the sale by assigning it a number and entering that number into a computer.
- 47. T / F ___ When the buyer signs the documents and brings the final check to escrow, the transaction is closed.
- 48. T / F ___ A cloud on the title can delay closing.

Summary

- 49. T / F ___ All real estate contracts must be in writing according to the Statute of Frauds.
- 50. T / F ___ An agent can sell their services for a fee just to draft purchase and sale agreements for any homeowner selling their property on their own.

Section 5

Signing Listing Agreements

Chapter 1 Listing /Agency

1. As a listing broker you have a contract to market property and get paid _____.
2. Your market area encloses all your future listings. True/ False
3. As a listing broker, you can only control the number of houses _____ sell.
4. The market is generally _____ driven.
5. The reason a seller lists can be _____ if it doesn't affect the sale.
6. No matter what condition the market, there will always be buyers and _____.
7. A listing broker should advise, _____, and make recommendations.
8. As a listing broker, your "product" is _____.
9. Licensees must provide a pamphlet on the Law of Agency prior to a party _____ an agreement.
10. Licensees must account in a timely manner for all _____ and property received from a party.
11. A seller's broker must make a good faith and continuous effort to find a _____ for the property.
12. A seller's broker must advise the principle on matters beyond his or her _____.
13. A licensee can be a dual broker only after written consent of both parties which includes terms of _____.
14. The seller's broker discloses agency in the _____ agreement.
15. A licensee must account in a timely manner for all _____ and property received.

Chapter 2 Listing Agreements

16. A listing agreement is an employment contract between a broker and a _____.
17. To enter into a valid contract a person must be _____ years old.
18. According to the statute of _____ all real estate contracts must be in writing.
19. A listing agreement whereby the seller pays the listing broker regardless of who procures the buyer is a _____ listing agreement.
20. If the broker dies or closes the business the listing agreement _____.
21. A clause that provides for the payment of commission after termination of the listing if certain conditions are met is a _____ clause.
22. When listing a property it is important to obtain a full _____ description.
23. The last _____ will often have the names of the parties in title.
24. If a married couple occupies a house and lists it for sale and only one name is on the deed, is it necessary to get signatures of husband and wife? yes/ no
25. An example of personal property that often remains with the home is _____.

Answer the following questions based on the listing agreement most commonly used in your office.

26. If the seller finds a buyer through his own efforts, does he owe the commission to the broker on this type of listing? Yes / No
27. This agreement provides for a _____ month safety clause.
28. Does the listing agreement have a clause that gives the broker permission to market the property through a multiple listing service? Yes/ No
29. Does the listing agreement disclose dual agency? Yes / No
30. Is there a provision on the listing agreement to share commission with a real estate broker from another company. Yes/ No

Chapter 3 Ownership/ Disclosure

31. Only the _____ or _____ may sign or make changes to a listing.
32. The _____ will often show the owner of the property.
33. If there are four owners of the property, how many signatures are needed on the listing agreement? _____
34. A notarized Power of Attorney only authorizes the real estate broker to sign for the parties. True / False
35. The real estate broker does not have to have a copy of the Power of Attorney in the listing file. True / False
36. A complete legal description for the property can be found on the _____.
37. The street address is sufficient for a property description on the listing agreement. True / False
38. _____ will never hold up in a court of law.
39. The condition of the property directly affects the _____.
40. The property information disclosure law only applies to properties that are listed in the MLS. True / False
41. _____ fraud is when an broker intentionally misrepresents a material fact.
42. An broker SHOULD/ SHOULD NOT consult their broker before taking a listing on a property that was the scene of a crime and the sellers do not want to disclose.
43. The basement has flooded every other year but the sellers assured the broker that the drain tiles under the downspouts they installed last week will correct the problem. The sellers do not want to disclose the flooding. The broker SHOULD/ SHOULD NOT consult their broker before listing.
44. The seller is a representative of an estate and therefore is _____ from filling out the Property Information Disclosure form.
45. The Property Information Disclosure Form is a national form used throughout the country. True / False

Chapter 4 Marketing Listings

46. There is no more effective way to market listings than through the _____.
47. _____ your listings carefully.
48. It is important to list only properties that will successfully _____.
49. The primary factor in getting a property sold is the _____.
50. If a property isn't priced competitively, then it most likely will not _____.
51. The high cost of marketing efforts in the real estate industry _____ results in higher prices or faster sales.
52. Sellers often have an _____ attachment to the property.
53. The sellers objective is to get the most _____ possible.
54. Most buyers come because of firm name _____ or salesperson contact.

55. Approximately _____% of homes sell in the first month.
56. The most important feature the buyers look for when reading an ad is _____.
57. AIDA is an acronym for Attention, Interest, _____, and Action.
58. The seven protected classes under the Federal Fair Housing Law are Race, Color, Religion, Sex, National Origin, Familial Status, and _____.
59. An ad that read "Near St. Jude Catholic Church" WOULD / WOULD NOT violate the Federal Fair Housing law.
60. Write the word that DOES NOT violate the Federal Fair Housing Laws.
COUPLE, KIDS, BACHELOR, ORIENTAL, AGILE, CONTEMPORARY, EXCLUSIVE, INTEGRATED.

Chapter 5 Closing Costs and Commission

61. The seller pays for a title insurance policy for the _____.
62. The buyer pays for a title insurance policy for the _____.
63. The seller may have to pay one month of the _____ on their mortgage loan.
64. An escrow company in Washington State must be _____.
65. The amount of real estate commission is always _____.
66. The broker of a real estate firm can establish the _____ that the brokers charge.
67. To avoid price fixing, the MLS does not publish the total _____ only the amount paid to the cooperating brokers.
68. All commissions are paid directly to the _____.
69. The broker can only receive commission from the _____.
70. The listing commission is earned according to the terms on the _____ agreement.

Section 6

What is a Broker?

- T / F 1. All responsibilities a Designated Broker delegates to a Managing Broker must be in writing.
- T / F 2. All real estate Salespersons will have the title of Broker, Managing Broker or Designated Broker.
- T / F 3. To obtain a Managing Brokers license, a Broker must take 120 hours.
- T / F 4. Only new real estate Brokers will be required to have fingerprint and background checks
- T / F 5. If you have been fingerprinted by another agency, it will automatically transfer to the Real Estate Department of Licensing.
- T / F 6. A real estate salesperson can use the title, Broker.
- T / F 7. A Designated Broker is to have controlling interest in a real estate firm.
- T / F 8. To become a Brokers it is required to take Fundamentals AND Practices before taking the exam.
- T / F 9. Contracts drafted by Brokers in RE for less than 2 years must be initialed by a Managing Broker delegated that responsibility.
- T / F 10. Designated Brokers can delegate responsibilities including balancing trust accounts to Managing Brokers.
- T / F 11. If you want to be a Designated Broker you are required to take a test, have experience, and own a Brokerage.
- T / F 12. The Department of Licensing will register Designated Brokers .
- T / F 13. In order to be a Branch Manager, a Broker must be a Managing Broker.
- T / F 14. A Branch Manager responsibilities must be delegated in writing by the Designated Broker of the Firm.
- T / F 15. For the first time, all real estate Firms will be required to have a license.
- T / F 16. The Designated Broker for a Firm must provide proof of ownership/ controlling interest.
- T / F 17. Only the Designated Broker can delegate responsibilities to a Managing Broker to supervise new Brokers.
- T / F 18. When a Designated Broker delegates responsibilities to a Branch Manager, the Designated Broker remains ultimately responsible.
- T / F 19. The Designated Broker can delegate responsibility for the handling of trust account records to a Broker.
- T / F 20. A Designated Broker or the Managing Broker with written duties, must initial all contracts by new Brokers within 5 days.
- T / F 21. All transaction records must be kept by the Designated Broker for 7 full years according to the Department of Licensing.
- T / F 22. Transaction files kept by the Designated Broker only need to contain the contract and the closing statement.
- T / F 23. A Managing Broker that leaves a firm must give the Designated Broker written notification of Termination.
- T / F 24. Termination can be conditions on the performance of some contract or payment of commission.
- T / F 25. All advertising by Brokers must have the Firm Name "clear and conspicuous."
- T / F 26. The firm name must be on all advertising done by a Broker.
- T / F 27. Any real estate transaction funds that a Broker exercises control over are considered "trust funds."
- T / F 28. A Designated Broker holding funds in trust can provide written notification to all parties and choose how to disburse funds.
- T / F 29. The Designate Broker is ultimately responsible for all trust funds that are held in the Firms separate bank account.

- T / F 30. A Firm's property management agreement must contain the type of property and the number of units.
- T / F 31. A team can advertise using an "assumed name" if the Designated Broker approves and registers the name with the Dept of Licensing.
- T / F 32. A Designated Broker is a Managing Broker with an "endorsement" from the Department of Licensing.
- T / F 33. A Designated Broker must have a written log of delegated assignments to Managing Brokers.
- T / F 34. A Broker can be delegated the responsibility to be a Branch Manager.
- T / F 35. If a fingerprint card is rejected, the licensee has 21 calendar days after written notice to submit a new card.
- T / F 36. When applying for a first time real estate license, an applicant must have a high school diploma or equivalent.
- T / F 37. New Brokers licensed less than 2 years must submit all contracts to the Designated Broker or delegate within 5 days.
- T / F 38. A Designated Broker can act as the Designated Broker for only one firm.
- T / F 39. All real estate records must be kept at an address or readily retrievable where the real estate Firm is licensed.
- T / F 40. The Designated Broker is required to keep all records available for the Department of Licensing for a minimum of 7 years.
- T / F 41. A written policy must be written by the Designated Broker regarding referral of home inspectors.
- T / F 42. All new Brokers after July 2010 will be required to take 90 clock hours of continuing education before their first renewal.
- T / F 43. The Core Curriculum class is required for all licensees for each renewal.
- T / F 44. Properties managed by a Firm or a Broker within a firm, must have a written management agreement.
- T / F 45. Real estate licensees cannot perform property management services without approval of their Designated Broker.
- T / F 46. Property management activities do not include marketing.
- T / F 47. Trust accounts are not exempt from the interest bearing requirement for housing trust fund accounts.
- T / F 48. Property used for commercial purposes is regulated under the Landlord/Tenant Act.
- T / F 49. A landlord is not required to install a working smoke detector when a tenant moves in.
- T / F 50. The rental agreement cannot force the tenant to waive any legal rights.



Washington Real Estate Practices Final Exam

Please complete on Answer Sheet Provided

Washington Brokerage

1. All real estate Firms must have a _____ who is responsible for the firm.
2. A real estate firm must have a name that is _____ so that it cannot be the same as another firm.
3. The Designated Broker of a real estate Firm cannot just be any Managing Broker in the firm. The Designated Broker must have _____ interest in the Firm.
4. A Designated Broker must hold a _____ license and then have an endorsement from the Dept of Licensing to be the Designated Broker.
5. Can a Designated Broker act as the Designated Broker for more than one firm? Yes/ No
6. The person responsible to maintain and implement written policies on referrals of home inspectors is the _____ of the firm.
7. In order to be a Managing Broker, the applicant must have _____ years experience (or equivalent), take 90 hours of instruction, be 18 years of age, and pass the exam.
8. All Brokers licensed after July 2010 must be under the supervision for two years of the Designated Broker or a _____ who has been delegated the responsibility.
9. All Brokers are responsible to keep the Dept of Licensing informed of his/her: (choose one)
 - a. a. Age
 - b. Address
 - c. Renewal Date
 - d. Transactions
10. The Designated Broker must be a “_____ Person.”
11. A Designated Broker may have branch offices under the same name as the Firm.
12. Each office will have a Branch Manager who has a _____ license.
13. Any responsibilities that a Designated Broker assigns to a Managing Broker must be in writing and kept in a log and _____ by all parties.
14. All real estate Brokers and managing Brokers must submit complete copies of their _____ to the Firm in a timely manner.
15. All real estate records kept by the firm must be available for the Department of Licensing for a minimum of _____ years.
16. All license terminations can be unilaterally by either the Broker, Managing Broker, Branch Manager or Designated Broker. All terminations must be by _____ notice and forwarded to the Dept of Licensing.
17. If a licensee exercises control over real estate transaction funds, those funds are considered/ called _____.
18. All real estate firms are required by law to maintain a trust account. True / False
19. During an Audit by the Department of Licensing, the auditor will examine the licenses of the firm and licensees to verify:
 - a. Current and up to date
 - b. Available to the public
 - c. License names are used properly
 - d. All of the above

20. The real estate auditor will review brokerage transaction files with the last _____ years.
21. The Uniform Regulation of Business and Professions Act created standard procedures for regulation and enforcement of the _____ that real estate licensees are obligated to obey.

Agency Relationships

22. Agency is a conceptual relationship between two parties. There is no _____ common factor that creates an agency relationship.
23. The Washington State Law on Agency prescribes the duties of agents representing _____.
24. An agent representing two opposing parties is known as a _____.
25. A pamphlet on the Law of Real Estate Agency must be given to _____.
26. When is it required to give a copy of the Agency Law to a prospective purchaser? _____.
27. The Agency Law creates the presumption that the agent represents the _____.
28. Agency relationships can be terminated by mutual agreement, completion of performance by licensee, and _____.
29. A principle is not liable for an act, error or omission by an agent due to the agency relationship because the Agency Law eliminates _____.
30. Agency disclosure may be made after an agreement is prepared, provided it is made before _____ any contract or agreement.
31. The Agency Law eliminates the principle. of knowledge of and notice to an agent is _____ to the principle.
32. Information that operates to impair or defeat the purpose of the transaction is considered a _____ and must be disclosed.
33. Once the agency relationship terminates, the agent has two duties. They include the duty to account for all monies and to not _____.
34. If a Broker writes an offer on a property that is listed with the same firm, the Broker must decide who he/she represents and it must be in _____ to all parties.
35. The seller consents to dual agency in writing on the _____ contract.
36. The seller must receive a copy of the pamphlet on the Law of Agency before they sign

Listing Agreements

37. All listing agreements should specify a definite _____ date or they could go on forever.
38. If seller finds a buyer under an Exclusive Agency Listing then the seller owes/does not owe commission to the agent.
39. A _____ is a marketing organization whose broker members make their exclusive listings available to other members.
40. An employment contract for a broker's services is known as a _____.
41. In order to enforce the payment of commission for a brokers services, the listing contract must be in writing according to the _____.
42. A listing agreement (should/should not)include details as to which items of personal property stay with the property.
43. A listing agreement gives the broker the right to _____ the property.
44. The seller is required by law to provide to the buyer a copy of the _____ no later than 5 days after mutual acceptance of an offer.
45. An agent can determine who has title to a property by reviewing _____.
46. A broker can be entitled to commission after a listing expires if the seller sells the property to a purchaser who _____.
47. A copy of the listing agreement must be provided to the seller when? _____.
48. The seller agrees in the listing to pay for a title insurance policy proving the seller has _____ title to the property.
49. In a community property state when title is held by a married couple, _____ must sign contracts.
50. Washington State does I does not require the seller to complete a disclosure form if they sell "by owner."
51. When an agent chooses to show a prospective purchaser who is very active in his church only properties in the neighborhood of the church, this could be an example of _____ which is in violation of fair housing laws.
52. An apartment manager can lease to prospective tenants with children only units in the rear of the complex away from the pool. This (does /does not) violate fair housing laws.

53. Three real estate brokers from separate companies discussing the commission rates they charge builders would violate _____ laws.

Property Management

54. All properties managed by a real estate firm must have a written _____ agreement.
55. Funds held on behalf of an owner managed by the firm are to be kept in _____ account.
56. The Landlord Tenant Act is a law in _____.
57. Commercial Property is _____ from the Landlord Tenant Law.
58. The Landlord Tenant Law does not include Motels and Hotels. True / False

Purchase and Sale Agreement

59. How long after mutual agreement is the earnest money check to be deposited? _____
60. Earnest money Is / Is not required in Washington State for a valid Purchase and Sale Agreement?
61. A contract without the legal description is required in order to be _____ according to Washington State Law.
62. Mutual agreement occurs after the last party signed the agreement with no changes and it is _____ to the other party.
63. A “notice” on the agreement includes terms that are already agreed on. Changing the closing date (IS / IS NOT) a notice.
64. A contract for the purchase of real estate must be in writing according to the _____ of
65. Closing occurs when the transaction is recorded AND the funds are _____ to the seller.
66. The real estate Broker is responsible for filling out the Property Information Disclosure form for the seller YES / NO
67. The letters ASHI stand for _____
68. Covenants, Conditions and Restrictions in development with Homeowner Associations can restrict which of the following?
a. The religious background of the owners b. The size and weight of pets c. The number of children d. None of the above
69. The Heritage House lawsuit decision limited real estate agents to filling out _____ forms or we could be liable for practicing law.

Current Market Analysis and Marketing

70. A paid opinion of value is called an _____
71. When completing a Market Analysis Report the agent evaluates comparable properties that have sold, the listing expired and _____
72. The Market Analysis is a simplified version of the approach professional appraisers called _____
73. Seldom are the Market Analysis reports completed the same because of the lack of a _____ form.
74. The original price the seller paid for their property is / is not information used in evaluating the market value of the property.
75. In order to use the _____ method you must find an estimate of what it would cost to replace the home at today's prices.
76. The loss in value due to deferred maintenance or changing consumer demands is called _____
77. When evaluating the value of an apartment building it is important to use the _____ method.
78. The most profitable single use to which a property may be put is called _____
79. The value of a property (may / may not) be affected by events that have not actually occurred.
80. Depreciation that cannot be fixed or repaired is known as _____
81. If you are completing a Market Analysis Report on a split level home you need to consider size, age, lot, condition and _____
82. It is important to consider whether the subject property is hooked up to public sewer or if the property has _____
83. The Zillow Zestimate is determined by _____. It is not meant to be a market value, but only an estimate based on county records.
84. The definition of value is “the present worth of future _____.”
85. The maximum value of a property tends to be set by the cost of purchasing an equally desirable _____.

86. To determine if an item is a fixture the method of attachment is only one issue.
87. The _____ of the annexor or person who installed the fixture must also be taken into consideration.
88. An item can be a fixture then personal property and then a fixture again during the listing True / False

Earnest Money and Escrow

89. Typically the escrow fee is split between _____
90. The purchase and sale agreement serves as the primary escrow _____.
91. Who does the Escrow Agent represent in a closing of a transaction? _____
92. Escrow (CAN / CANNOT)make the determination who gets the earnest money in a dispute.
93. The real estate agent is responsible for forwarding copies of all addendums, price changes and _____ to escrow.
94. A defect on title is typically called a _____-on title and most often must be cleared prior to closing.
95. Real estate taxes in Washington state are paid how often? _____
96. The HUD 1 will be called the _____ Document
97. The Loan Estimate replaces the _____ Estimate.
98. After the borrower signs the closing papers there is a _____ day review.

**Please complete the answer sheets with the answers for the quizzes and exam. Then Scan back to Professional Direction at clockhours@gmail.com
It makes for much less paperwork... Your cell phone has scanning capabilities. Must be PDF!!!**

**Thanks! Natalie
Professional Direction**



Advanced Real Estate Practices

Section 1 What is an Agent?

1		21		41	
2		22		42	
3		23		43	
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Section 2 What is a Home Worth?

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Section 3 Earnest Money and Escrow

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Section 4 The Dangerous Dozen

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Section 5 Signing Listing Agreements

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Section 6 What is a Broker?

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I attest that I have read the materials and I have answered the questions. Signature _____

Final test for Advanced Real Estate Practices Class

1		26		51		76	
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14		39		64		89	
15		40		65		90	
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17		42		67		92	
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YOU MUST INCLUDE THE QUIZZES FROM THE 6 SECTIONS TO GET 30 CLOCKHOURS FOR Advanced Practices!

I attest that I have read the materials and have answered the questions. The mandatory evaluation is attached!

Print Name _____ **Company** _____ **Signature** _____ **Date** _____

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Mandatory Evaluation

Did you read the material in the booklet on these dates?

YES / NO

Did you complete the quiz and attach the Answer Sheets and the final testz adding your dates and signature?

YES / NO

Did you pay Tuition?

YES / NO

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

A "clock hour" is 50 minutes. A 5 hour class should take about 4 hrs 10 min. A 30 hour course should take 4 days.

How long did it take you to complete the 30 hour 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?	
Was the course material interesting?	

What are 3 things that you learned from the course?

Would you take another correspondence course from Professional Direction? Yes/ No

Real Estate Advanced Practices	
Print Name	Signature
Company	Address
City / Zip Code	Phone
Email	
License Renewal Date	Date(s) Class started and ended

Professional Direction

Email all the quizzes and final to clockhours@gmail.com

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