

Expanding Housing Opportunities Exam

Module 1

1. Housing is generally considered affordable if no more than _____ percent of income is spent on housing.
 - a. 20
 - b. 25
 - c. 30
 - d. 35

2. The National Association of REALTORS® (NAR) defines housing opportunities as “_____ that help to expand housing availability and ensure an adequate supply of housing options for all, in both the rental and homeownership sectors.”
 - a. Business opportunities, programs, and products
 - b. Business opportunities, programs, products, and resources
 - c. Programs, products, and resources
 - d. Programs, products, and agents

3. NAR resources available through its Housing Opportunity Program includes all EXCEPT
 - a. Diversity Initiative Grants.
 - b. Employer-Assisted Housing Course.
 - c. Housing Assistance Certification.
 - d. Workforce Housing Forum Guide.

4. Who is most affected by availability of affordable housing?
 - a. First-time homebuyers, local workforce, elderly, and disabled
 - b. Firemen, lawyers, and doctors
 - c. Teachers, elderly, and doctors
 - d. First-time homebuyers, lawyers, and doctors

5. Issues that affect affordable housing in a specific market area include
 - a. zoning restrictions.
 - b. city official NOT thinking smart growth as they plan for future.
 - c. availability of rentals at affordable pricing.
 - d. all of the above.

6. A _____ is when a seller owes more than the value of the property AND the lender agrees to accept less than the amount due on the mortgage note.
 - a. foreclosure
 - b. short sale
 - c. bankruptcy
 - d. none of the above

7. What are the benefits to real estate professionals to pursue affordable housing?
 - a. Increased client base
 - b. Enhanced reputation
 - c. Self-satisfaction
 - d. All of the above

8. Real estate professionals partnering with _____ can lead to more success.
 - a. clients, housing counselors, lenders, and community
 - b. only clients, lenders, and community
 - c. only clients, housing counselors, and lenders
 - d. only clients, lenders, and other real estate professionals

Module 2

9. According to the Census Bureau, the United States is projected to become majority-minority as early as
 - a. 2010.
 - b. 2040.
 - c. 2050.
 - d. Never.

10. The largest population group in the U.S. today is the
 - a. Traditionals.
 - b. Baby boomers.
 - c. Generation Xers.
 - d. Generation Yers.

11. Moderate-income households pay nearly _____ percent of their income toward housing and transportation.
 - a. 39
 - b. 49
 - c. 59
 - d. 69

12. A first-time homebuyer could be
 - a. a buyer who has never owned a home.
 - b. a buyer who has not owned a home or other property in the past 3 years.
 - c. a buyer who has recently come to this country.
 - d. all of the above.

13. Topics you may need to educate first-time homebuyers on include
 - a. financial literacy and mortgage loans.
 - b. insurance coverages and vehicle maintenance.
 - c. credit and car payments.
 - d. none of the above.

14. Which of the following statements regarding rental property is true?
- a. Affordable rental property has become progressively hard to find
 - b. No single minimum-wage earner earns enough to rent a modest 2 bedroom unit
 - c. When homeownership rates were at their highest, one third of American households rented
 - d. All of the above
15. A lease-purchase agreement will usually include which of the following.
- a. Nonrefundable deposit
 - b. Accelerated rent with credit back to purchaser
 - c. Liability for repairs
 - d. All of the above

Module 3

16. Which of the following statements regarding housing counseling are true?
- a. Housing counseling is the process by which a trained individual helps a family to make the right choices about the type of housing best suited to their needs.
 - b. The number of people receiving one-on-one housing counseling is decreasing.
 - c. Congress' appropriation for housing counseling is far below what is needed.
 - d. Housing counseling prior to purchase might have prevented some of the current financial crisis in mortgage lending.
17. All of the following statements about the National Industry Standards for Homeownership Education and Counseling are true EXCEPT
- a. The National Industry Standards were originated under the Obama administration.
 - b. The National Industry Standards provide a basis for ensuring the delivery of quality education and counseling services.
 - c. The core operating standards include competency, skills, training, certification, and continuing education.
 - d. The Standards also include a Code of Ethics and Standards of Conduct for Homeownership professionals.
18. One important role of a housing counselor is to
- a. show available properties for sale.
 - b. remove errors from the client's credit report.
 - c. describe the role of each of the members of the homebuying team.
 - d. provide legal advice on the rights of the homeowner.
19. Which of the following topics would be best handled on a one-on-one basis?
- a. Understanding the importance of a credit report
 - b. Recommendations to correct specific credit issues
 - c. Shopping for a home with a real estate professional
 - d. Loan products available for mortgage loans

20. Real estate professionals can contribute to housing counseling agency education seminars by
- showing sample listings and pictures of properties
 - explaining a sample sales contract
 - teaching how buyer agency can protect clients interests.
 - all of the above.
21. Which of the following topics would be best handled in an education class?
- Basics of preparing a budget and spending plan
 - Assess the homebuyer's financial capability for making payments
 - Help the client evaluate pros and cons of selected homes
 - Review settlement documents and important documents through the process with the homebuyer.
22. If the lender is willing to accept less than the amount due on the mortgage when a property is sold, it is called a
- forbearance
 - modification
 - short sale
 - deed in lieu of foreclosure
23. Down payment and closing cost assistance can be found through what sources?
- Housing counselor
 - Lender
 - Local government website
 - All of the above

Module 4

24. The funds available for down payment and closing costs are referred to as
- capital.
 - capacity.
 - credit.
 - collateral.
25. A credit score is based on five factors including
- Payment history, length of credit history, types of credit in use.
 - Current total debt, length of credit history, types of credit in use.
 - Payment history, requests for new credit, job history.
 - Current total debt, types of credit in use, requests for new credit.
26. General negative information remains on a credit report for
- 2 years.
 - 7 years.
 - 10 years.
 - forever.

27. The amount of money allowed for housing expense is referred to as
- gross monthly income.
 - front end ratio.
 - back end ratio.
 - rate factor.
28. The amount of money allowed for total monthly debt, including housing expense is referred to as
- gross monthly income.
 - front end ratio.
 - back end ratio.
 - rate factor.
29. Self-employed borrowers should expect to provide the lender with all of the following EXCEPT
- several years tax returns.
 - audited profit and loss statements.
 - marketing plans for the future.
 - income and expense balance sheet.
30. Mortgage loans are available from
- Commercial banks.
 - Credit unions.
 - Housing financing agencies.
 - All of the above.
31. The type of loan products blamed for much of the financial crisis that started in 2005 included all of the following EXCEPT
- fixed rate.
 - hybrid ARM.
 - interest-only.
 - pay-option ARM.
32. The FHA loan that allows you to borrow for both purchase of the house plus needed rehabilitation is the
- FHA 203(b).
 - FHA 203(k).
 - FHA Streamlined K.
 - FHA H4H.
33. Lenders approved under the Section 502 Guaranteed Rural Housing Loan Program include all of the following EXCEPT
- Fannie Mae/Freddie Mac approved lenders.
 - Farm Credit System banks.
 - private investors.
 - Participants in Farm Service Agency programs.

34. Which loan program uses general qualifying ratios of 33/38 (33% housing and 38% total debt/income)?
- Conventional
 - FHA
 - VA
 - USDA

Module 5

35. Potential community partners include all of the following EXCEPT
- mayor.
 - city council.
 - local FHA office.
 - Chamber of Commerce.
36. Employer-Assisted Housing can be in the form of
- a grant for down payment or closing cost assistance.
 - homebuyer and homeownership education.
 - one-on-one counseling.
 - all of the above.
37. One of the benefits of Employer-Assisted Housing for the employee can be
- reduced commuting time.
 - an increase in salary.
 - increased health and retirement benefits.
 - a tax deduction on benefits.
38. As communities plan for land-use, NIMBY attitude still prevails. NIMBY issues usually revolve around
- present owner concerns about what might happen to their home values.
 - concerns about living with people of different race or income level.
 - concerns about crime.
 - all of the above.
39. NAR's principles of smart growth within communities include
- Making a commitment to housing opportunity and choice.
 - Building better communities with good schools, low crime, and quality public services.
 - Respect our Constitutional rights to freely own, use, and transfer real property.
 - All of the above.
40. Green is defined as
- a way of living that involves a holistic approach to preservation and conservation of natural resources.
 - only using energy efficient appliances.
 - qualifying for an energy-efficient mortgage.
 - none of the above.