

12. Another term for the trustee is:

- A. borrower.
- B. lender.
- C. third party.
- D. escrow company.

13. The trustor is also known as the:

- A. escrow.
- B. third party.
- C. borrower.
- D. lender.

14. The trustee issues a reconveyance deed when the promissory note is:

- A. paid in full.
- B. in default.
- C. recorded.
- D. expired.

15. Which of the following is FALSE concerning the APR?

- A. It is expressed as an annual rate.
- B. It is expressed as a weekly rate.
- C. It is expressed as a percentage rate.
- D. It includes all credit costs.

16. Impound accounts are NOT used to pay:

- A. interest.
- B. property taxes.
- C. fire insurance.
- D. all of the above.

17. The nominal interest rate is:

- A. stated in the note.
- B. compounded daily.
- C. the current interest rate.
- D. the effective interest rate.

18. With what type of clause does the entire balance of the loan become due and payable when an owner is alienating, transferring, or conveying a property?

- A. Alienation clause
- B. Conveyance clause
- C. Transfer clause
- D. None of the above

19. The 1% loan fee on FHA loans is usually paid by the:

- A. lender.
- B. broker.
- C. buyer.
- D. seller.

20. A lender charges an origination fee, which includes points. One "point" is equal to:

- A. 1% of the loan amount.
- B. .01% of the loan amount.
- C. 10% of the loan amount.
- D. 100% of the loan amount.

Quiz 8 Answers

1. B (p.245)	11. C (p.266)
2. B (p.248)	12. C (p.260)
3. D (p.271)	13. C (p.260)
4. C (p.251)	14. A (p.266)
5. A (p.251)	15. B (p.278)
6. A (p.260)	16. A (p.252)
7. C (p.266)	17. A (p.253)
8. A (p.252)	18. A (p.251)
9. A (p.265)	19. D (p.258)
10. A (p.257)	20. A (p.257)