

Topic 13 Quiz

- T F 1. Public policy as expressed through the Federal Reserve System has little influence on the availability of money.
- T F 2. By adjusting the interest rates, the Federal Reserve can create or reduce economic incentive to borrow.
- T F 3. Most mortgage money available comes from the government.
- T F 4. Historically, the largest source of financing for single family residences has been financial institutions.
- T F 5. Insurance companies tend to make small loans in large numbers.
- T F 6. Commercial banks concentrate their real estate efforts on making loans.
- T F 7. The FHA does not typically lend money, but only insures loans.
- T F 8. The Farmer's Home Administration primarily serves rural real estate and small communities much like FHA in urban areas.
- T F 9. Standard conventional loans are insured by the government and usually require a down payment.
- T F 10. Private mortgage insurance permits the buyer to borrow as much as 95% of the principal.
- T F 11. VA loans are guaranteed by the Veteran's Administration on behalf of eligible veterans.
- T F 12. A mortgage is a debt instrument.
- T F 13. The Federal National Mortgage Association is a federal agency which provides a secondary mortgage market for real estate loans.
- T F 14. Discount points are charged by lenders to adjust the interest yield to the market rate.

Answers to Topic 13 Quiz:

1. F
2. T
3. F
4. T
5. F
6. T
7. T
8. T
9. F
10. T
11. T
12. F
13. F
14. T