

Topic 14 Quiz

- T F 1. The earnest money deposit is generally held by the buyers under the terms of a typical real estate sales contract.
- T F 2. The amount of deposit money placed by a purchaser is determined by the broker.
- T F 3. A broker may commingle the funds of all clients in one account.
- T F 4. Trust funds may not be placed in an interest bearing account.
- T F 5. If parties have a disagreement as to the ownership of escrow funds the legal action that may be taken by the broker to resolve the matter is called interpleader.
- T F 6. In the absence of a trust account, a broker may place funds of client's in the firm's operating account.
- T F 7. The commission is the responsibility of the buyer and normally deducted from the proceeds by the broker.
- T F 8. Since the broker is responsible for settlement statements, there is no need for an associate to understand them.
- T F 9. The state charges \$0.75 for each \$1000 of money in the purchase price in the form of documentary stamps.
- T F 10. Bringing an abstract to date is usually the responsibility of the seller.
- T F 11. Insurance is always prepaid.
- T F 12. Taxes are always prepaid.
- T F 13. As it is considered a benefit to the buyer, the loan transfer fee is normally charged to the buyer.
- T F 14. Special assessments usually are paid in full by the seller at or before the date of closing.

Answers to Topic 14 Quiz:

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