

Quiz 1 – Section 1

1. Key points of homeownership are:
 - A. Initial high cost of down payment, closing cost, inspections
 - B. Long-term costs of ongoing maintenance and improvements
 - C. Long-term commitment to a specific community and location
 - D. All of the above

2. Which document below is the lender required to give you by your closing date, regarding your estimated costs?
 - A. Good Faith Estimate
 - B. Cost Assurance Evaluation
 - C. Receipt of Cost
 - D. Home Buyer Guide Sheet

3. Talking to neighbors and driving around the neighborhood at different times of the day is NOT a good idea for researching property you are interested in purchasing.
 - True
 - False

4. Buyer's agents can work for the buyer and the seller.
 - True
 - False

5. Three main mortgage programs are Conventional, FHA and VA. Both FHA and VA mortgages are used strictly for military personnel.
 - True
 - False

6. The mortgage loan and "pre-approval" application process require that you provide proof of ALL household income, including Social Security, Disability, veterans' benefits, child support, self-employment, business partnerships, and _____.
 - A. Most recent 30-day pay stubs
 - B. Information on past employers for the last 2 years
 - C. Tax returns with W-2 Forms attached
 - D. Alimony
 - E. All of the above

7. Your credit report is an important tool used by lenders to determine your credit worthiness. Your credit report is available from three clearinghouses: Equifax, Experian, and TransUnion, and it is only provided to lenders.
 - True
 - False

- 8.** If you have poor credit scores, lenders will NOT work with you to obtain a mortgage loan.
- True
 - False
- 9.** How much income should be budgeted to buy a house?
- A. 10%
 - B. 20%
 - C. 30%
 - D. 40%
 - E. 50%
- 10.** If self employed, you need to provide a Profit and Loss Statement and employee records.
- True
 - False