Illinois Real Estate Exam Study Guide PDF

Section: Illinois Real Estate Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. A seller has instructed a licensee not to advertise the price. The broker insists every listing advertised must include the price. What must the licensee do?

(A) Inform the seller that the broker will not advertise the property.
(B) Obey the broker, since the licensee owes the first duty to the broker.
(C) Refuse to advertise the property at all until the seller changes the instructions.
(D) Refuse to take the listing, since the seller's instructions are illegal.

2. What amount of earnest money, if any, must a buyer deposit with an offer to purchase to make the purchase agreement enforceable?

(A) Three percent of the purchase price is required when financed with a government loan, 2% when financed conventionally.
(B) No earnest money is required as long as the property is to be purchased with cash.
(C) An earnest money deposit is not required in any real estate transaction.
(D) A nominal $1 valuable consideration is required.

3. Rules for Truth in Lending and RESPA call for disclosure documents to borrowers. How can a managing broker best prepare associated licensees to manage these disclosures

(A) The buyer's broker can provide samples so that when the licensee and the borrower prepare the forms they are following a good example.
(B) Because the lender has primary responsibility to provide these forms, the broker and licensees should be aware of the items required for the lender to comply
(C) The managing broker should train licensees to advise borrowers to accept the Loan Estimate right away.
(D) because the listing broker will be primarily responsible for completing the Loan Estimate to send to the lender, the broker should train associated licensees to collect all the necessary information in a timely fashion

4. In Illinois, dual agency

(A) means an agency must give 200%
(B) means the same thing as sub-agency
(C) is allowed whether or not the seller and buyer understand it
(D) is prohibited if the seller is a licensee selling their own property

5. Which of the following may a sponsoring broker legally do in Illinois?

(A) Place a sign on the property without the seller's permission.

(B) Accept compensation from more than one party in a transaction with disclosure.

(C) Inform serious buyers that the sellers will accept less than the purchase price the sellers have disclosed to the broker.

(D) Pay a finder's fee to a friend, who is not a real estate licensee, who referred the seller to the broker.

---

6. With regard to real property, title verifies

(A) ownership

(B) property assessment

(C) an unrestricted deed

(D) the purchase price

---

7. A listing agent who intentionally conceals a material defect may be liable to the buyer for

(A) falsification.

(B) fraud.

(C) misrepresentation.

(D) negligence.

---

8. A first-time home buyer with a parent in the U.S. Navy enters into a contract to purchase a home for $300,000. The buyer has $15,000 available for a down payment. Which of the following loan programs should the buyer consider to finance the purchase

(A) FHA

(B) FINMA

(C) USDA

(D) VA

---

9. Which of the following statements regarding the Americans with Disabilities Act (ADA) is true

(A) A landlord must make reasonable accommodations for those with disabilities

(B) A seller must make reasonable accommodations for those with disabilities

(C) A lender must make loans to those with disabilities

(D) A buyer can require a seller to make structural changes before closing

---

10. A seller is interested in providing financing to the buyer of a home, but the seller wants to retain title until the loan balance is paid off. Which of the following would be the best loan option

(A) asset integrated mortgage

(B) wraparound mortgage

(C) contract for deed

(D) subordination of deed