New Jersey Real Estate Salesperson Exam

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

1. Which action would be allowed according to the Federal Fair Housing law

(A) A broker informs a potential seller that there is an influx of immigrants snatching up rentals in the neighborhood so this would be a good time to sell

(B) Broker A meets a new Hispanic buyer client. Broker B just sold a handful of condos to other Hispanic buyers in the Kentwood neighborhood so broker A suggests the new buyer might be comfortable in that neighborhood

(C) A lender receives notice that a loan application submitted on behalf of a client has been denied. The lender knew the borrower was well qualified but is told that area is off limits for new loans because of its crime rate

(D) A landlord receives a rental application from a prospective tenant who came from Russia a few years ago to attend the local university. The landlord denies the rental application after asking for the prospective tenants visa and determines that it expires in 3 months

2. The listing broker made a material misrepresentation about the property to an unrepresented buyer. Which of the following statements is TRUE?

(A) Neither the seller nor broker would be liable for damages to the buyer under the doctrine of caveat emptor.

(B) Depending upon the nature of the misrepresentation

(C) the broker could claim negligence as a defense.

(D) The broker could be held liable for any financial loss to either the buyer or seller that resulted from the misrepresentation.

(E) The purchase and sale contract would not be binding on either the seller or buyer.

3. May a New Jersey real estate licensee decline to cooperate with other New Jersey licensees

(A) Yes, if the client directs the licensee according to New Jersey regulations

(B) Yes, if the client gives verbal direction not to cooperate

(C) Yes, if the broker directs the salesperson not to cooperate

(D) No; licensees are required to cooperate under all circumstances

4. A candidate passes the prelicensure course examination on November 8. The candidate must apply for the license within:

(A) six months from completing the prelicensure course
(B) one year from passing the state licensing examination
(C) one year from completing the prelicensure course
(D) two years from passing the state licensing examination

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5. Negative amortization is

(A) the number of basis points a lender adds to an index to determine the interest rate of an adjustable-rate mortgage.
(B) the result of every interest-only mortgage loan.
(C) insurance coverage on real estate that compensates the owner for physical damage to a property from fire, wind, or other hazards.
(D) an increase in mortgage debt that occurs when the monthly payment is not large enough to cover the interest due.

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6. A tax against a specific property resulting from a public improvement that benefits that property is known as

(A) an improvement cost.
(B) a benevolence to community redevelopment.
(C) the proportional method of assessing property.
(D) a special assessment.

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7. A buyer wants a fixed-rate conventional loan and puts 20 percent down. The buyer would

(A) need a mortgage insurance premium on the loan
(B) need a life insurance policy equivalent to the amount of the loan
(C) not need to pay for a title policy
(D) not need private mortgage insurance on the loan

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8. A seller discovers that a property is worth less than the outstanding mortgage balance. The seller may still be able to sell the property if the lender agrees to a

(A) short sale.
(B) deed in lieu.
(C) balloon payment.
(D) reverse mortgage.

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9. The means by which an adequate balance is maintained in the Real Estate Guaranty Fund is by the:

(A) assessment of fees upon issuance of licenses and additional assessments imposed upon all licensees by commission rule as needed

(B) allocation to the Fund of fines collected by the real estate commission for violations of the license laws

(C) assessment of fees by order of the Governor

(D) reimbursement of fees by the sale of assets of licensees whose actions result in claims against the Fund

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10. Are electronic signatures enforceable on a real estate contract

(A) Yes, because they are allowed by the federal government.

(B) Yes, because they are legal in real estate transactions.

(C) No, because they are only allowed on deeds.

(D) No, because they must be signed and witnessed.