PSI Tennessee Real Estate Affiliate Broker Exam

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

1. A real estate broker wrote a full-price offer of $350000 for a buyer. The earnest-money deposit was $25000. The offer was accepted and the broker placed the deposit in her escrow account. The next week the parties cancelled the contract in writing and asked the broker to return the deposit. Which is TRUE?

(A) The broker must negotiate for her commission out of the deposit

(B) The broker must return the deposit unless specifically authorized otherwise

(C) The broker may subtract one-half of her commission before returning the deposit

(D) The broker has earned a commission and may automatically subtract the entire amount before returning the balance

2. How soon MUST earnest money be deposited in an escrow or trust account after an offer is accepted?

(A) Promptly upon acceptance of the offer.

(B) The next business day.

(C) Within 5 business days.

(D) Within 7 business days.

3. The Housing for Older Persons Act

(A) allows grandparents with grandchildren to be exempt

(B) requires at least 80% of occupied units have one person 55+

(C) requires 55+ housing to have senior-specific facilities

(D) allows monetary damages against those who believed the exemption applied

4. A buyer asked a licensee about a property listed by another brokerage firm. After talking to the buyer, the licensee declined to show the property. Which of the following, if true, is a valid reason for the licensee's decision

(A) The property was the site of a recent murder-suicide

(B) The buyer would be more comfortable in a neighborhood with fewer children

(C) The listing broker is not part of the local board

(D) The price was not within the buyer's financial qualifications

5. Which of the following statements is the best description of covenants and conditions?

(A) They prevail over zoning in the event of a conflict.

(B) They are private restrictions.

(C) They are an exercise of police power.

(D) They do not run with the land.

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6. A buyer wants to list a property, but a sibling who is a joint owner refuses to sign the listing agreement or pay a Commission. What is the broker's most appropriate course of action

(A) The broker should wait and let the buyer deal with the sibling, then take the listing if they cannot agree to terms

(B) The broker should have the buyer execute an exclusive right-to-sell listing

(C) The broker should have the buyer execute an exclusive agency listing

(D) The broker should have the buyer execute an open listing

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7. The increase in value of a home due to the addition of central air conditioning is best estimated by using

(A) the full cost of the purchase and installation of the air conditioning

(B) one-half the cost of the purchase and installation of the air conditioning

(C) the cost of the purchase but not the installation of the air conditioning

(D) the difference in the sales prices of comparable homes with and without air conditioning

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8. A broker is working with a family which is multiracial. The broker only shows properties located in multiracial neighborhoods. Even though the broker thinks they are doing the family a favor, this is violating the Fair Housing Act prohibition against

(A) redlining

(B) disparate treatment

(C) steering

(D) blockbusting

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9. The buyers wrote their offer contingent upon their ability to obtain financing. What is the most likely scenario in the event of the bank denying their loan?

(A) The buyer will receive the earnest money back, as the contract became void when the contingency could not be satisfied.

(B) It could be determined the buyer committed fraud by submitting an offer while being unable to meet the requirements for financing.

(C) Most likely the seller will bring action against the buyer to be compensated for liquidated damages they have incurred.

(D) The agent's commission would be deemed earned for having brought about a meeting of the minds between a seller and a ready, willing, and able buyer.

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10. Which of the following must a property manager do before renting an apartment that was built in 1968?

> *A licensee has listed a property with the following legal description: "Beginning at an iron pin on the NW corner and running SW 400 feet along the land of Jones to a monument, thence turning and running SE 600 feet along the land now or formerly of Smith to an iron pin, thence turning and running NE 400 feet to an iron pin, thence turning and running NW 600 feet along Green Street back to the point of beginning."*

(A) Provide a lead-based paint disclosure to the tenant.

(B) Make sure all elevators are in working order.

(C) Provide a copy of the most recent building inspection report.

(D) Collect a security deposit.