

UNL Finance 382
Real Estate Principles
Jan E. Beran, Instructor

Study Guide Exam 4

Reading: (Jacobus 11th ed.): chapters 15, 16, 18, 22, 24-27 and Ethics (NAR Code of Ethics)

This study guide may not be all inclusive, there may be questions on the exam that are not covered on this study guide or that would not fully prepare you for the test. It is meant to be a supplement to your preparation for the test and not as a substitute for participating in the classroom lectures, reading the assigned material and any other study resources. Students are well advised to learn and understand (memorize helps too) the key terms and bold words in the text, study the questions at the end of the chapters, and review the presentation notes.

A CALCULATOR IS PERMITTED THOUGH YOU MIGHT NOT NEED IT TO COMPLETE THE EXAM

A good number of the questions were based on the Study Helps at the end of the chapter, including the vocabulary and problems.

1. Taxes and Assessments
 - a. Special assessments
 - b. Tax exempt properties
 - c. Documentary tax
 - d. Expressing taxes as mills, per hundred or per thousand (conversion)
 - e. Tax sales and tax liens
 - f. How government computes property taxes
 - g. Tax rolls
2. Closing and Escrow
 - a. Duties of escrow agents
 - b. What happens when a transaction doesn't close?
 - c. Know:
 - i. Closing meeting
 - ii. Title closing
 - iii. Settlement meeting
 - iv. Dry closing
 - v. Escrow closing
 - vi. Loan closing
 - vii. HUD-1
 - viii. Beneficiary statement
 - d. Good Faith Estimate

- e. RESPA (what it requires)
- 3. Appraisal
 - a. Three approaches of appraising property
 - i. Know basic method of each approach
 - ii. Which approach is most reliable for appraising:
 - (1) Residential owned housing
 - (2) Apartment buildings, income producing, and commercial property
 - (3) Churches, auditoriums, factories
 - b. Curable depreciation and incurable depreciation
 - c. Three types of depreciation or obsolescence
 - d. Competitive Market Analysis
 - e. Gross Rent Multiplier
 - f. Capitalization rate
 - g. Net operating income
 - h. Highest and best uses
- 4. Property Insurance
 - a. Endorsement
 - b. Rider
 - c. Replacement cost
 - d. Reproduction cost
 - e. New for Old
 - f. Hazards
 - g. Risks
 - h. Perils
- 5. Land-Use
 - a. Police Power
 - b. Spot zoning
 - c. Variance
 - d. Buffer Zone
 - e. Non-conforming use
- 6. Real Estate and the Economy
 - a. Base industries
 - b. Export industries
 - c. Primary industries
 - d. Secondary industries
 - e. Supply and demand
- 7. Investing in Real estate
 - a. Buyer's Market
 - b. Seller's Market
 - c. Monetary benefits of real estate investments
 - d. Positive cash flow

- e. Negative cash flow
- f. Tax shelter
- g. Leverage
- 8. Fair Housing
 - a. Protected classes
 - b. Constitution prohibits discrimination against?
 - c. Civil Rights act prohibits discrimination against?
 - d. Fair Housing laws prohibits discrimination against?
 - e. Block busting
 - f. Steering
 - g. Panic peddling
 - h. Red lining
 - i. Tester
- 9. Ethics (National Association of Realtors® Code of Ethics)
 - a. The code is based on
 - b. The code is made up of three parts (what are they)
 - c. Violations of the code of ethics is a violation of what party of the code?