

TEST #1 RES 106  
**Real Estate and Mortgage Fraud**

Name \_\_\_\_\_

We will grade this in class \_\_\_\_\_

#1

**In Predatory Lending, the victim is usually the:**

- A. Lender/Bank
- B. Borrower
- C. Mortgage broker
- D. Real estate agent
- E. Real estate appraiser

#2

**In Fraud for Profit, the victim is usually the:**

- A. Lender/Bank
- B. Borrower
- C. Mortgage Broker
- D. Real estate agent
- E. Homeowner

#3

**A “straw buyer” is which of the following?**

- A. Every buyer
- B. The real estate agent
- C. An ineligible buyer made to look eligible for a loan by misrepresentation.
- D. A victim of ID theft

#4

**Real estate and mortgage fraud accounts for approximately what percentage of bank/lender losses?**

- A. 10%
- B. 40%
- C. 80%
- D. 99%
- E. None of the above

#5

**Misrepresentation, if relied upon and it alters a decision, results in?**

- A. Fraud
- B. A white lie
- C. Nothing since it was disclosed.
- D. A bad loan.
- E. None of the above

Instructions

Complete this test and either:

- A) Scan the completed test and E-mail it to the instructor or
- B) List your answers and E-mail them to the instructor.

Your answers are due PRIOR TO the beginning of Class #2.

**We will go over the answers during Class #2.**

#6

**Real Estate loans must be secured by the value of:**

- A. Real estate
- B. Personal property
- C. A legal description
- D. Your personal signature
- E. Your brother Louie
- F. Some bank

#7

**In a normal home purchase, where the buyer goes to a bank to obtain financing, who does the real estate appraiser work for?**

- A. Seller
- B. Buyer
- C. Lender/Bank
- D. Agent
- E. The person who pays

#8

**If there is a violation of the law, which of the following could happen to the scammer?**

- A. The harmed party could file a personal lawsuit.
- B. The Attorney General's office could file a civil suit.
- C. The Attorney General's office could file a criminal suit.
- D. A government agency could file an administrative action.
- E. All of the above.

#9

**Is it acceptable, under bank regulation and/or law, to include a car on your real estate loan when buying a house?**

- A. Yes.
- B. Yes, but only if it's disclosed to the bank.
- C. Yes, as long as it's not shown on the HUD-1 and is paid outside of closing (POC)
- D. No.

#10

**While buying a home, is it OK to receive a large sum of money, from the seller, after the close of the transaction?**

- A. Yes.
- B. Yes, but only if it's disclosed to the bank.
- C. Yes, as long as it's **not** shown on the HUD-1 and is paid outside of closing (POC).
- D. No.

#11

**As part of the purchase of a home, is it OK for the builder to increase the sales price and then supply the buyer with the Downpayment?**

- A. Yes
- B. Yes, but only if it's disclosed to the bank
- C. Yes, as long as it's not shown on the HUD-1 and is paid outside of closing (called "POC" by the industry)
- D. No

#12

**In 2009 there was a "47 million dollar mortgage fraud in Bellevue" which of these names were involved?**

- A. Viktor Kobzar (mortgage broker/loan officer)
- B. Camie Byron (mortgage broker/loan officer)
- C. David Sobol (real estate agent)
- D. Sandra Thorpe (accountant)
- E. Emerald City Escrow
- F. All of the above

#13

**Who investigates criminal cases involving real estate and mortgage fraud?**

- A. FBI
- B. Local police
- C. IRS
- D. Post office/ Criminal Investigation Unit
- E. Secret Service
- F. State attorney general
- G. All of the above

#14

**Sonny Kim of Tampa Florida was convicted in 2010 and sentenced in 2011. How many months does he have to serve in prison?**

- A. 12 months.
- B. 26 months.
- C. 100 months.
- D. 41 months.

#15

**Sonny Kim was convicted of?**

- A. Conspiracy to commit wire fraud.
- B. Conspiracy to commit mail fraud.
- C. Conspiracy to commit bank fraud.
- D. Money laundering.
- E. All of the above.

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**Answers to the following questions can be found at:  
HUD.GOV**

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#16

**What does HUD stand for?**

- A. Housing and Upper-end Development
- B. Housing and Urban Development
- C. Home and Urban Development
- D. Homes Under Development

#17

**What does RESPA stand for?**

- A. Real Estate Settlement Procedures Act.
- B. Real Estate Sale Pending Approval.
- C. Residential Property in Pennsylvania (PA).
- D. Real Estate Settlement Processing Act.

#18

**What does GFE stand for?**

- A. Good Financial Estimate.
- B. Good Faith Estimate.
- C. General Faith Estimate.
- D. General Financial Earnings.

#19

**Is a GFE a loan commitment?**

- A. Yes
- B. No
- C. Can be if properly filled out.
- D. It has nothing to do with a loan.

#20

**When does a loan originator have to issue a GFE?**

- A. Not a requirement.
- B. A loan originator must issue a GFE no later than 3 business days after the loan originator receives an application or information sufficient to complete an application.
- C. On the day the loan closes.
- D. 3 days prior to closing of the loan.

#21

**Is it possible for the items listed on a GFE to change prior to closing of the loan?**

- A. Yes.
- B. No.
- C. Only if you change the loan amount.
- D. Only if the first GFE had incorrect amounts.

#22

**If a loan originator does not provide a GFE to a borrower, what violation has occurred?**

- A. Violation of consumer protection act
- B. Violation of RESPA, Section 5
- C. Violation of HUD-1
- D. Violation of fraud laws

#28

**What is the web site address for the State of Washington Attorney General's complaint form?**

#23

**A HUD-1 is a form that does what?**

- A. It is a Q&A document.
- B. It states loan terms.
- C. It outlines all of the expenses.
- D. Outlines the charges and expenses paid by the borrower.

#24

**How many pages are there on the HUD-1 Form?**

- A. 1
- B. 2
- C. 5
- D. 3

#25

**RESPA prohibits anyone from giving or accepting a fee, kickback or anything of value in exchange for referrals of settlement service business involving a federally related mortgage loan. In addition, RESPA prohibits fee splitting and receiving unearned fees for services not actually performed. This is covered under which section of RESPA?**

- A. Section 1
- B. Section 7
- C. Section 8
- D. Section 9

#26

**RESPA covers loans secured with a mortgage on which types of property?**

- A. Single family home only.
- B. Residential 1-4 units.
- C. Commercial.
- D. Residential and Commercial.
- E. Industrial

#27

**If someone is violating RESPA, where is the best place to send my complaint?**

- A. Local police station
- B. FBI
- C. HUD
- D. Department of the Treasury
- E. County prosecutor