

## NORTH CAROLINA Real Estate Exam Prep

1. How many people sit on the NCREC? 9
2. How long are their terms? 3 years
3. How are their terms served? Staggered
4. How many of the members must be licensed? At least 3
5. How many of the members cannot be associated with the real estate business in any way?  
Minimum 2
6. How many days does a buyer have to back out of the purchase of a condominium? 7 days
7. How many days does the buyer have to back out of the purchase of a Time Share? 5 days
8. How many days must a time share developer keep your trust money in his escrow account? 10 days
9. How much can a time share salesman be fined by the RE commission for a violation? zero
10. How much can a time share *developer* be fined by the RE commission for a violation? \$500 per violation
11. To be considered a time share, you must use it a minimum of how many times? 5 over how many years? 5
12. How long do you have to Notify the RE commission of a change of address either business or personal? 10 days
13. How long must a broker retain all documents? 3 years
14. Leases longer than \_\_\_\_ years must be recorded? 3 years
15. How many days after acceptance of an offer does a broker have to deposit earnest money into his trust account? 3 banking days
16. How much are revenue stamps? \$1 per \$500 of sale price or fraction of \$500
17. How many hours of C E is Mandatory Update? 4 hours
18. How many hours of C E is elective courses? 4 hours
19. What date does your real estate license expire? June 30
20. Of what year? Every year
21. How many hours of C E are required each year to renew your license? 8 hours
22. What year was the Federal Fair Housing Act created? 1968
23. What year was the NC Fair Housing Act created? 1983
24. What year was the Civil Rights Act created? 1866
25. What does the Civil Rights Act of 1866 govern? Race/ color only
26. What is the standard commission rate in the triangle? There is None
27. How many members of the commission does the governor appoint? 7
28. How many members of the commission does the General Assembly appoint? 2
29. Who recommends the appointments to the general assembly? Speaker of the house and the Senate President pro tempore
30. Who needs a license? BARSLE

31. What does BARSLE stand for? Buy Auction Rent Sell Lease Exchange I
32. Does a person selling his house for sale by owner need a real estate license? NO
33. Does an appraiser need a real estate license? NO, but an appraiser needs an appraiser's license.
34. Does an employee who handles commercial rentals for the owner of a large commercial complex need a license? No as long as the employee is Not negotiating leases
35. Who is the attorney for the NC RE commission? Attorney General
36. Who elects the chairman of the commission? Chosen by the other members.
37. How long is the term of the chairman? 1 year
38. If a broker pays a utility bill out of his trust account, he is guilty of what? Commingling
39. Is it commingling if a Broker-in-charge mixes funds received from clients or customers in his escrow account? No
40. Agents don't write contracts, we...? Fill In the blanks
41. What is the main purpose of the real estate commission? Protect the public
42. Can a provisional broker work for more than one broker at a time in NC? No
43. The only form of ownership with the automatic right of survivorship is what? Tenancy by the entirety
44. Can the automatic right of survivorship in tenancy by entirety be overridden by anything, such as what is written in a will? No
45. T/F Property taxes are levied on a property's assessed value, which for tax purposes is the same as its market value. TRUE
46. All real property in NC is reassessed every \_\_\_\_ years? 8 (octennial)
47. The practice of a banker refusing to approve loans for a neighborhood based on the racial composition of the area is called \_\_\_\_? Redlining
48. If you are showing a buyer a home built in 1975, what would your main environmental concern? Lead based paint
49. Are restrictive covenants private or public land use controls? Private
50. Are deed restrictions private or public land use controls? Private
51. Is a zoning ordinance a private or public land use control? Public
52. Which offer must be presented by an agent? All
53. Who represents the buyer in a firm where only subagency is offered? No one
54. Is earnest money required to make an offer? NO
55. What does "caveat emptor" mean? Let the buyer beware.
56. If a broker shows an African American couple houses only in African American neighborhoods, the broker is guilty of what? Steering
57. If a broker uses fear tactics to get sellers to list with him, he is guilty of? Blockbusting
58. Who pays for revenue stamps? Seller, customarily
59. What is the best kind of deed to have from a buyer's perspective? General Warranty Deed
60. Can you sell lots in an unapproved subdivision? NO
61. Does the real estate commission arbitrate disputes between licensees? NO
62. Does the real estate commission establish standard commission rates? NO

63. Does the real estate commission protect licensees from unfair competition? NO
64. Does the commission limit the number of people who enter the real estate business? NO
65. Does the commission provide professional standards for the real estate profession? NO
66. Can a person hold a real estate license and Not be a REALTOR? YES
67. Can a person be a REALTOR but Not hold a real estate license? NO
68. What is the maximum exclusion of capital gains for a married couple ? \$500,000
69. What is the maximum exclusion of capital gains for a single person? \$250,000
70. What two things are required for an exclusion to capital gains tax? 1) Can only be used once every two years and 2) seller must have used it as a principal residence for at least 2 of the last 5 years.
71. Is a capital loss on a primary residence tax deductible? NO
72. What are the 7 protected classes in Fair Housing? Race, Color, Religion, Sex, National Origin, Handicap Condition, Familial Status
73. What duties and liabilities does an agent owe to his principal? loyalty, obedience, accounting/accountability, disclosure of material facts, skill care and diligence
74. What does an agent owe to third parties? Honesty and fairness
75. In order to earn a commission, an agent must prove what? Representation/agency agreement, performance (procuring cause) and valid license
76. What are the essential elements of an agency contract? DEAF: duties of agents, expiration date, agency has to be defined, fair housing statement
77. Who is responsible for verifying square footage in a home? Listing agent primarily
78. Does an inactive license have to be renewed? YES
79. T/F An advertisement must have the name of the company in it in order to be legal if the agent advertising the property works for that company. TRUE
80. What is the rescission period for a brand-new time share stated in the public offering statement? 5 days to back out
81. Under federal income tax laws, Are annual property taxes deductible from you tax returns? YES
82. Under federal income tax laws, Is your annual mortgage interest deductible from taxes? YES
83. Under federal income tax laws, are discount points deductible from your taxes? YES
84. Under federal income tax laws, are maintenance and improvements deductible on your primary residence? NO
85. Under federal income tax laws, are your principal payments deductible on your primary residence? NO
86. T/F Never adjust the subject. TRUE
87. What is the most popular type of roof sheathing? Asphalt
88. What is the lowest wooden member of a house? Sill
89. A one story house in NC is known as what? A ranch
90. The lowest concrete member of a house is known as what? Footings
91. The slope of a roof is known as its \_\_\_\_\_. Pitch

92. The vertical framing used in the walls of a wood frame home are called what? Studs
93. The underside of an eave which contains ventilation is known as what? Soffit
94. The innermost layer of the exterior of the house is known as \_\_\_\_? Sheathing
95. What is the most popular method of construction for residences in NC? Wood frame
96. If a husband wants to sell his pre-marital property, does the wife have to sign the deed?  
YES
97. Who is the only person a provisional broker can accept a commission check from?  
The broker in charge
98. How many days does a landlord have to account for your security deposit?  
30 days from lease termination
99. A landlord must provide a residential dwelling in what condition?  
Habitable
100. Are you going to pass the exam? You Betcha.