

## Federal Law Overview Quiz

1. HOEPA:
  - a. Amended the TIL Act, known as section 32
  - b. Has an 8% points and fees trigger
  - c. Has a 8 point APR trigger(over like minded indexes)
  - d. All of the above
  
2. The estimate of loan costs given to the borrower within three days of application
  - a. 1003
  - b. HUD-1
  - c. 1006
  - d. GFE
  
3. What law requires certain lenders to report data on their borrowers in order to determine how the needs of the community are being met?
  - a. TILA
  - b. HOEPA
  - c. HMDA
  - d. RESPA
  
4. Which act requires the disclosure of credit terms and costs
  - a. TILA
  - b. Regulation Z
  - c. Consumer Credit Protection Act of 1968
  - d. All of the above
  
5. The statement that tells a borrower the final cost of the loan and reconciles the GFE:
  - a. HUD-1
  - b. GFE
  - c. VOM
  - d. GSE
  
6. When does RESPA require that the HUD-1 settlement statement be given to the borrower?
  - a. At closing
  - b. Within one business day of closing
  - c. One business day prior to closing if requested by the borrower
  - d. A and c above
  
7. RESPA requires that
  - a. The GFE be given to the borrower within 3 business days of application
  - b. The HUD-1 be given to the borrower 24 hours prior to closing if they ask for it
  - c. Any affiliated business arrangements be disclosed upon referral to the borrower
  - d. All of the above
  
8. According to RESPA, what is the amount of "cushion" allowed in the escrow account?
  - a. \$50 over 1/6 of the annual disbursements
  - b. \$500 over 1/16 of the annual disbursements
  - c. 10% over 1/12 of the annual disbursements
  - d. Exactly 1/24 of the annual disbursements
  
9. How much is allowed to be taken for the escrow account monthly according to RESPA law?
  - a. 1/12
  - b. 1/24
  - c. 1/16
  - d. 10%

10. When does RESPA dictate that the “Servicing Transfer Statement” be delivered to the borrower?
- a. At application
  - b. Before closing
  - c. At closing
  - d. After closing
11. RESPA dictates that the “Servicing Disclosure” be given to the borrower:
- a. At application
  - b. Before closing
  - c. At closing
  - d. After closing
12. According to RESPA law, the initial escrow statement must be given to the borrower:
- a. At application
  - b. Before closing
  - c. At closing or within 45 days of closing
  - d. Upon acceptance
13. RESPA requires that an escrow statement be sent to borrowers:
- a. annually
  - b. monthly
  - c. at application
  - d. upon funding of the loan
14. RESPA requires that any affiliated business arrangement disclosures be given to the borrower:
- a. At application
  - b. Upon referral
  - c. At closing
  - d. After closing
15. TILA or the Truth in Lending Act is also referred to as:
- a. Regulation X
  - b. Regulation Z
  - c. Usury
  - d. Predatory Lending
16. The requirement of disclosure of the annual percentage rate is featured in:
- a. ECOA
  - b. RESPA
  - c. FCRA
  - d. TILA
17. The TIL disclosure must be presented by the creditor:
- a. At application
  - b. Within three business days of application
  - c. At closing
  - d. After closing
18. The ECOA applies to
- a. All real estate transactions
  - b. Real estate and automotive financing
  - c. All credit transactions
  - d. All but unsecured credit transactions
19. Under the ECOA, you cannot be denied credit because
- a. You don't make enough money
  - b. Part of your income comes from public assistance
  - c. You do not have a consistent employment history
  - d. You have a history of bad credit

20. Under the Equal Credit Opportunity Act you must notify an applicant of a credit denial:
- a. Within 3 business days
  - b. Within 30 days
  - c. Within 45 days
  - d. Within 15 days
21. ECOA prohibits discrimination in giving credit based on:
- a. Age, sex & marital status
  - b. Religion, race & color
  - c. National origin & the receipt of public assistance
  - d. All of the above
22. The Fair Housing Act requires no formal disclosures:
- a. TRUE
  - b. FALSE
  - c. Depends on the loan product
  - d. Depends on the loan amount
23. The law that allows any qualified applicant to live in any house in any neighborhood is:
- a. RESPA
  - b. FHA
  - c. FCRA
  - d. ECOA
24. If a borrower refuses to answer the questions on the 1003 regarding the HMDA data, the LO should:
- a. guess and try to answer the questions as accurately as possible
  - b. make something up
  - c. leave it blank
  - d. ask the processor to make something up
25. When discussing an ARM option with a borrower, are there any mandatory disclosures?
- a. Yes, an amortization schedule
  - b. Yes, the consumer handbook on adjustable rate mortgages
  - c. No, there are no mandatory disclosures
  - d. None of the above
26. RESPA requires the following disclosure at the time of application or within 3 business days of application:
- a. special information booklets
  - b. Good Faith Estimate
  - c. Mortgage Servicing Disclosure Statement
  - d. all of the above
27. RESPA requires the following disclosures after settlement:
- a. an annual escrow loan statement summarizing the years deposits and payments
  - b. an exact amortization schedule
  - c. a servicing transfer statement if the servicing rights are transferred
  - d. a & c
28. Fees paid to attorneys, appraisers, pest inspectors, etc. are disclosed at closing on the:
- a. note
  - b. truth in lending statement
  - c. the funding fees disclosure
  - d. HUD settlement statement

29. The Truth in Lending Act was designed to disclose the:
- a. total cost of fees and points
  - b. cost of credit**
  - c. lending patterns of banks
  - d. brokers' yield spread premium
30. RESPA limits the:
- a. amount you can charge on a 3rd party fee
  - b. number of times you can re-disclose your rate
  - c. amount a lender can hold in escrow**
  - d. number of days you have to decline a loan
31. RESPA stands for:
- a. Residual Equity Shared Prosperity Act
  - b. Real Estate Sales Procedures Act
  - c. Renters Equal Security Promise Act
  - d. Real Estate Settlement Procedures Act**
32. Another name for the Reg Z is:
- a. Truth in Lending**
  - b. RESPA
  - c. Predatory Lending Act
  - d. ECOA
33. The information on the 1003 relating to HMDA is:
- a. race and sex**
  - b. religion and political affiliation
  - c. country of origin
  - d. credit history
34. The law that prohibits a loan officer from discouraging anyone from applying for a loan is:
- a. FCRA
  - b. MLA
  - c. RESPA
  - d. ECOA**
35. The law that requires notice of action such as a credit denial or adverse action letter is:
- a. MLA
  - b. ECOA**
  - c. FCRA
  - d. PLA
36. Regulation "B" refers to:
- a. federal bankruptcy laws
  - b. a bi-lingual application
  - c. Equal Credit Opportunity Act (ECOA)**
  - d. Fair Housing Act (FHA)
37. ECOA requires creditors to notify applicants of action taken on their application within \_\_\_\_ days of receipt of the application:
- a. 60
  - b. 30**
  - c. 15
  - d. 90
38. What Act requires that you provide the applicant with a copy of the appraisal?
- a. FCRA
  - b. FHA
  - c. FACTA
  - d. ECOA**
39. Which law forbids the imposition of different standards for approval that could have a disparate effect on different groups of borrowers?
- a. FHA**
  - b. HMDA
  - c. FCRA
  - d. ECOA

40. The law that was part of the 1968 Civil Rights Act is:  
a. HOEPA                                      b. PATRIOT Act                                      c. FHA                                      d. ECOA
41. The USA PATRIOT Act or USAPA was introduced less than a week after what event?  
a. bombing of Pearl Harbor                                      c. the 9/11 attacks  
b. bombing of the USS Cole                                      d. none of the above
42. What law introduced sweeping changes to the regulation of wire taps, money laundering, immigration and electronic communications?  
a. Freedom of Information Act                                      c. Anti-Terrorism Act  
b. USA PATRIOT Act                                      d. none of the above
43. What act requires a borrower to properly identify themselves?  
a. USAPA                                      c. Civil Rights Act  
b. Anti-Terrorism Act                                      d. US Identification Act
44. The 1998 regulation "C" refers to:  
a. HMDA                                      b. HOEPA                                      c. FHA                                      d. ECOA
45. What act helps determine if lenders are serving the housing needs of communities and assists public officials with identifying discrimination patterns?  
a. HOEPA                                      b. FHA                                      c. ECOA                                      d. HMDA
46. The Do-Not-Call registry is part of the:  
a. TSR                                      b. GLBA                                      c. FACTA                                      d. FCRA
47. How many months after a business relationship has been established are you allowed to call your customer?  
a. 3 months                                      b. 18 months                                      c. 24 months                                      d. 36 months
48. The Truth in Lending Act is interpreted by:  
a. the department of HUD in 1968  
b. Congress to further the goal of home ownership  
c. the Federal Reserve and called Reg Z  
d. Consumer Coalition for the Truth in Lending
49. When selling a home, the law that prohibits discrimination in whom the house is sold to is:  
a. RESPA                                      b. FHA                                      c. FCRA                                      d. TILA
50. The act designed to help consumers shop for settlement services and eliminate kick-backs for referrals:  
a. TILA                                      b. HOEPA                                      c. HMDA                                      d. RESPA