

State Practice Test Questions

1. Civil actions in Hawaii can be commenced only within the periods prescribed by the statute of limitations. Which of the following is incorrect?
 - a. Civil actions must be commenced within two years for an action for libel, slander, forfeitures, or damages to persons and property.
 - b. Civil actions must be commenced within four years for an action based on the grounds of fraud or mistake.
 - c. Civil actions must be commenced within six years for an action for recovery of a debt founded on a contract.
 - d. Civil actions must be commenced within 15 years for an adverse possession claim or prescriptive easement.
2. An aggrieved person is awarded a judgment against a real estate licensee for violation of the Hawaii License Law. Regarding the recovery fund, the aggrieved party has the right to
 - a. immediately apply to the Hawaii Real Estate Commission for payment from the amount plus court costs and attorney's fees.
 - b. a maximum award amount of \$50,000 from the recovery fund, including court costs and attorney's fees.
 - c. seek satisfaction from the licensee in a private civil action after being compensated from the recovery fund.
 - d. a maximum award of \$25,000 from the Recovery fund, including court costs and attorney's fees as determined by the court.
3. If a broker violates the license law resulting in monetary damages to a consumer, what is the latest date on which the injured party may file a lawsuit that may result in a collection from the Hawaii Real Estate Recovery Fund?
 - a. One year after the alleged violation occurred
 - b. Two years from the accrual of the cause of action
 - c. Three years after the alleged violation occurred
 - d. Three years after the date on which a professional relationship of trust and accountability commenced
4. Concerning the Hawaii Real Estate Recovery Fund, which of the following will the aggrieved person be required to show?
 - a. That the person is the spouse of the debtor
 - b. The cause of the action occurred within the last three years
 - c. The person has not yet obtained a judgment against the debtor
 - d. The person has taken all reasonable steps to collect the judgment.
5. The maximum compensation that will be paid from the Hawaii Real Estate Recovery Fund for any one licensee is
 - a. \$5,000
 - b. \$10,000
 - c. \$25,000
 - d. \$50,000
6. Whenever the commission is required to satisfy a claim against a licensee with money from the Hawaii Real Estate Recovery Fund, the
 - a. licensee may continue engaging in real estate activities under the commission's direct supervision.
 - b. licensee must repay the full amount plus interest to the account if he or she wants to obtain a new license.
 - c. aggrieved party may later collect additional damages by forcing the sale of any property newly acquired by the defendant licensee.
 - d. licensee must thereafter pay \$25 per year into the account when applying to renew his or her license.
7. What is the minimum balance of the Hawaii Real Estate Recovery Fund?
 - a. \$400,000
 - b. \$600,000
 - c. \$750,000
 - d. \$350,000
8. After proper investigation, a payment is made from the Hawaii Real Estate Recovery Fund due to the improper activities of a licensee. What happens when the payment is made?
 - a. The licensee's license is automatically revoked.
 - b. The Hawaii Real Estate Commission takes no further action if the licensee repays the fund within 30 days.
 - c. The licensee's license is automatically suspended.
 - d. The licensee is subject to a fine of \$5,000.

9. All of the following are true about Hawaii Discrimination Law *EXCEPT* that
- it broadly covers all real estate transactions, including residential, industrial, and commercial.
 - there is an exemption allowing discriminatory practice in the sale of a single family house when the owner does not use a real estate agent and does not use discriminatory advertising.
 - a written complaint must be filed with the Hawaii Civil Rights Commission within 180 days.
 - there is a rental exemption for an owner occupant of a two-unit dwelling.
10. A person who believes that he or she has been illegally discriminated against may file a complaint with the Hawaii
- Board of REALTORS®.
 - governor.
 - Real Estate Commission.
 - Civil Rights Commission.
11. A housing discrimination charge must be filed with the Hawaii Civil Rights Commission within
- 180 days.
 - 1 year.
 - 2 years.
 - 30 days.
12. All of the following statements regarding the Hawaii Real Estate Commission are true *EXCEPT* that
- the Hawaii Association of REALTORS® selects members of the commission.
 - the commission makes and enforces the rules by which all real estate licensees must abide.
 - the examinations that must be taken by all applicants for real estate licensing are administered by an independent testing company.
 - there are nine members on the Hawaii Real Estate Commission; at least four from Oahu, at least one each from the neighboring islands, and two public members.
13. In Hawaii, the real estate license law is administered by the
- Civil Rights Commission.
 - Real Estate Commission.
 - Hawaii Association of REALTORS®.
 - Department of Housing and Urban Development.
14. How are members of the Hawaii Real Estate Commission selected?
- By the governor
 - Public election
 - By the state Association of REALTORS®
 - Elected by real estate licensees
15. The real estate commission has the authority to
- make and enforce the rules by which all real estate licensees must abide.
 - compose the examination questions on the state exam.
 - administer the exams given at the testing sites.
 - enact the laws which govern real estate licensees.
16. Who conducts an investigation of a licensee in Hawaii?
- Hawaii Association of REALTORS®
 - Regulated Industries Complaints Office
 - Hawaii Real Estate Commission
 - A disgruntled customer

17. An unlicensed individual who engages in activities for which a real estate license is required is subject to which of the following penalties?
- Fine not to exceed \$1,000
 - Fine not to exceed \$1,000 and one year imprisonment
 - Fine of not more than \$5,000 per violation
 - Civil penalty not to exceed \$5,000 and a mandatory prison term not to exceed five years
18. State laws that regulate real estate securities are called
- sunset laws.
 - blue sky laws.
 - Security and Exchange Commission laws.
 - sunrise laws.
19. In Hawaii, condominium public reports automatically expire
- after 6 months.
 - after 9 months.
 - after 12 months.
 - when all the units are sold
20. Hawaii discrimination laws add which of the following protected classes to the federal fair housing law?
- Married persons
 - Persons with HIV
 - Persons who use a guide or signal dog
 - All of the above
21. An airline pilot, who is *NOT* a real estate licensee, told a broker about some friends who were looking for a new home. The broker contacted the friends and eventually sold them a house. When may the broker pay the airline pilot for this valuable lead?
- As soon as a valid sales contract is signed by the parties
 - Only after the sale closes
 - After the funds are released from escrow
 - The broker may not pay the airline pilot for the lead.
22. Of the following, who must obtain a real estate license and, therefore, is *NOT* exempt from the provisions of the Hawaii Real Estate License Act?
- Property owner who sells or leases his or her own property
 - Individual who receives compensation for procuring prospective buyers or tenants of real estate for others
 - Individual who is employed as a resident manager of a condominium
 - Any person who manages, rents, or operates a hotel
23. Which of the following is a requirement to obtain a real estate salesperson's license in Hawaii?
- Successful completion of 12 credit hours of real estate law, investments, finance and appraisal.
 - An associate degree or certificate in real estate from an accredited college, university or proprietary school.
 - U.S. Citizenship
 - Successful completion of a commission-approved course of 60 class hours.
24. Of the following, who is exempt from real estate licensing requirements?
- Time-share person
 - Attorney-at-law who sells real estate part-time
 - Person operating a homeless facility
 - Real estate developer

25. In Hawaii, who among the following would need to be a licensed real estate broker or salesperson?
- Caretaker who leases homes for more than one mainland owner
 - Licensed attorney acting under a power of attorney to convey real estate.
 - Resident manager of a condominium who does not handle rentals
 - Partnership selling a building owned by the partners
26. Who, doing the following activities, is required to have a real estate license?
- A resident manager who collects rent on behalf of one building owner
 - A company that, for a flat fee (not a commission), matches individuals from different parts of the mainland who want to exchange mainland properties for those in Hawaii
 - An operator of a homeless facility
 - Executor selling a decedent's building
27. Under Hawaii licensing law, a partnership or limited liability corporation will be granted a license only if
- the principal broker retains a current license.
 - every member and officer actively participating in the brokerage business has a broker's license.
 - all papers are filed with the secretary of state.
 - the brokerage business has paid a one-time fee to the real estate recovery fund.
28. If engaged in real estate sales activities in Hawaii, which of the following persons are exempt from the real estate licensing requirement?
- Attorneys-at-law
 - Appraisers
 - Attorneys-in-fact
 - Real property securities dealers
29. The office manager for a local real estate firm is responsible for the following activities: coordinating the flow of paperwork through the office, preparing forms and advertising copy, and hiring and supervising clerical personnel. The office manager is
- Violating the license law.
 - required to have a broker's license
 - Required to have a salesperson's license.
 - Exempt from real estate licensing requirements.
30. In Hawaii, applications for any real estate license must
- be completed before taking the written
 - be completed after passing the written exam.
 - be made before December 31 of each year.
 - be accompanied by a sworn statement attesting to the applicant's character.
31. In Hawaii, all of the following are requirements for obtaining a broker's license EXCEPT
- having successfully completed 45 hours of approved real estate courses.
 - having successfully completed 80 hours of approved real estate courses.
 - having been actively engaged as a licensed salesperson for at least three years full time.
 - having a reputation for honesty, truthfulness, and financial integrity.
32. A person successfully passed the Hawaii real estate exam on November 1, 2006. What is the latest date on which that person may apply for a salesperson's license?
- December 31, 2006
 - November 1, 2008
 - November 1, 2007
 - December 31, 2008

33. Which of the following persons must have a real estate license in order to transact business?
- Person who owns a sixplex and personally manages the building, collects rents, and shows the apartments to prospective tenants
 - Person who negotiates the sales of entire businesses, including their stock equipment and buildings, for a fee
 - Caretaker of a large apartment building, who shows apartments to prospective tenants as part of his or her regular duties
 - Person who has his or her parent's power of attorney to negotiate the sale of the parent's residence
34. An applicant for a real estate license in Hawaii must
- have completed at least two years of college.
 - be at least 21 years old.
 - comply with any child support order issued upon them.
 - show proof of passing the license examination any time up to six months prior to the application.
35. Which of the following situations would satisfy the annual continuing education requirement in Hawaii?
- Taking a 12-hour course on using spreadsheet programs effectively in a real estate office, offered by a local community college
 - Taking a six-hour course on managing agricultural property, offered by an approved CE sponsor
 - Taking the 5 hours of commission-designated core A&B courses and 15 hours of elective courses approved by the commission
 - Teaching a pre licensing course several evenings a week
36. When do real estate salespersons' licenses expire in Hawaii?
- December 31 each year
 - June 30 of every even-numbered year
 - December 31 of even-numbered years
 - January 31 of every odd-numbered year
37. To renew an active license in Hawaii, a salesperson or broker must
- pay a fee of \$225 only.
 - be actively participating in the real estate business.
 - have completed six hours of continuing education in the last two years, three hours in real estate law and three hours in fair housing.
 - have completed ten hours of continuing education in the last two years.
38. A licensee who allows his or her license to expire has how long to reinstate the license without monetary penalty?
- There is no "free" time.
 - Up to 30 days
 - No more than 365 days
 - One year from the last June 23
39. In Hawaii, licenses are renewed
- annually, in the month issued.
 - every two years, in the month of the licensee's birthday.
 - on June 30 of each even-numbered year.
 - on or before December 31 of even numbered years.
40. What mandatory classes are required to renew an active salesperson's real estate license?
- Core A&B courses plus 15 elective hours approved by the real estate commission
 - 18 hours of home study
 - Three 12-hour classes for listing, buying, and ethics
 - There are no mandatory requirements.
41. Provisions requiring one to hold a real estate license apply to a person
- acting as an executor of an estate.
 - leasing property for a single owner.
 - who operates a hotel.
 - who, for compensation, handles another person's real estate transactions.

42. In Hawaii, an unlicensed real estate assistant may perform all of the following activities EXCEPT
- compute commission checks.
 - assemble documents required for a closing.
 - explain legal documents to prospective buyers.
 - prepare flyers and promotional materials.
43. Personal real estate assistants in Hawaii
- must be licensed.
 - may arrange showings for a licensed agent in their office.
 - may independently host open houses and home show booths whether licensed or unlicensed.
 - must be unlicensed individuals; licensees must be either salespeople or associate brokers.
44. In Hawaii, brokers and salespeople who are NOT lawyers may
- complete a bill of sale after a sales contract has been signed.
 - fill in blanks on preprinted form contracts customarily used in their community.
 - suggest additional language to be added to a preprinted sales contract by a buyer or seller.
 - explain the legal significance of specific contract clauses to a buyer or seller.
45. A real estate company has entered into agency agreements with both a seller and a buyer. The buyer is interested in making an offer on the seller's property. Can this occur?
- No, because the real estate company would then be a dual agent
 - Yes, as long as written agency agreements have been entered into with both parties
 - Yes, if the seller has agreed to pay the commission
 - Yes, if both the buyer and seller give their consent to dual agency
46. The listing agreement with a seller has expired and the seller lists with a different brokerage firm. The original listing agent now has a buyer interested in the seller's property. The original listing agent
- is a dual agent.
 - cannot disclose to the buyer offers received on the seller's property while that agent held the listing.
 - cannot disclose to the buyer information about the physical condition of the property.
 - cannot represent the buyer.
47. A real estate salesperson has been working with buyers. After helping them negotiate for their dream home, the buyers ask the salesperson if she can help them secure a mortgage. The salesperson knows a lender that pays a fee for referring purchasers to them. Should the salesperson refer the buyers to this lender?
- No, because this would be an unwise referral
 - Yes, if the salesperson and the buyers have previously entered into a written buyer agency agreement
 - Yes, if the salesperson discloses the referral fee to the sellers
 - Yes, if the lender offers the best interest rates and terms available in the market
48. A buyer contacts a real estate office and indicates an interest in purchasing a home in the area. Without entering into a buyer agency relationship with the buyer, a salesperson from the real estate office can do all of the following EXCEPT
- provide the buyer with information on properties for sale in the area.
 - give the buyer information on mortgage interest rates and terms.
 - disclose the amount of a previous offer from another buyer.
 - explain to the buyer about buyer agency, seller agency, and dual agency.
49. A buyer prospect is interested in seeing a house listed with a real estate company but does NOT wish to enter into a buyer agency agreement. A salesperson from the real estate company can show the buyer an in-house listing if the
- salesperson obtains the seller's permission.
 - buyer verbally agrees to buyer agency.
 - salesperson discloses to the buyer that the real estate company represents the seller.
 - salesperson provides the buyer with a dual agency consent form.
50. In Hawaii, a buyer can be represented in all of the following agency relationships EXCEPT
- single agency.
 - dual agency.
 - designated agency.
 - subagency.

51. Buyer representation agreements in Hawaii
- must be in writing to be enforceable.
 - must be on specific forms prepared by the real estate commission.
 - are not regulated under the license laws.
 - are illegal.
52. What are the types of agency recognized in Hawaii?
- Seller's, buyer's, undisclosed dual
 - Subagency, disclosed dual, seller's
 - Seller's, buyer's, subagency, disclosed dual
 - Seller's, buyer's, nonfiduciary
53. In a dual agency situation, a broker may collect a commission from both the seller and the buyer if
- the broker holds a state license.
 - the buyer and the seller are related by blood or marriage.
 - both parties give their informed consent to the dual compensation.
 - both parties are represented by attorneys.
54. The salesperson represents the seller in a transaction. When prospective buyers ask to look at the property, the salesperson must
- tell them that they must first enter into a buyer representation agreement with another licensee.
 - inform them that the salesperson represents the seller's interests.
 - not inform them that the salesperson represents the seller's interests.
 - show them the property without making any disclosures about the salesperson's relationship with the seller because such disclosure would be a violation of the salesperson's fiduciary duties.
55. A broker took a listing for a small office building. Because the property is in excellent condition and produces a good, steady income, the broker's salesperson has decided to purchase it as an investment. If the broker's salesperson wishes to buy this property, the salesperson must
- resign as the broker's agent and make an offer after the owner has retained another broker.
 - have a third party purchase the property on the salesperson's behalf so that the owner does not learn the true identity of the purchaser.
 - obtain permission from the Hawaii Real Estate Commission.
 - inform the owner in writing that the salesperson is a licensee when making an offer.
56. The broker has entered into a listing agreement with the seller. Another broker, who has been working with the buyer, learns of the property through the MLS. Typically the second cooperating broker would represent
- the seller as a subagent.
 - the buyer as an agent.
 - the buyer as a subagent.
 - neither buyer nor seller.
57. A brokerage's relationship with a buyer or seller as agent, nonagent, or limited dual agent must be determined, and all necessary agreements executed
- at any time after a deposit receipt offer and acceptance is executed by the parties.
 - at the time of the first substantial business contact.
 - prior to preparing a deposit receipt offer and acceptance.
 - no later than the closing.
58. A buyer who is a client of the broker wants to purchase a house that the broker has listed for sale. Which of the following statements is TRUE?
- If the listing salesperson and selling salesperson are two different people, there is no problem.
 - The broker should refer the buyer to another broker to negotiate the sale.
 - The seller and buyer must be informed of the situation and agree to the broker's representing both of them.
 - The buyer should not have been shown a house listed by the broker.

59. A disadvantage of a land trust is that
- the land trust can be used as an effective replacement for the agreement of sale.
 - actual owners must be disclosed on any governmental application for zoning.
 - a land trust can permit an owner to divide his beneficial interest into smaller units of ownership so that it can be given as gifts over a period of years.
 - after the trust is established, it is possible to keep the names of the beneficial interest confidential.
60. Which of the following is proper conduct and, therefore, unlikely to lead to the suspension or revocation of a licensee's license?
- Failing to disclose whom the real estate licensee represents on the contract between the parties to the real estate transaction
 - Failing to disclose that an occupant has been treated for the HIV infection
 - Commingling others' money or property with his or her own
 - Failing to provide information to the Regulated Industries Complaints Office (RICO) upon request as part of a complaint or audit procedure
61. Under the terms of a sales contract, the seller is required to provide a termite certificate. The seller requests that the broker order one. The broker does so, knowing she will receive a referral fee from the pest control company. Is this a violation of the license law?
- No, as long as the fee is less than \$25
 - No, as long as the fee is disclosed and consent is received from the client
 - Yes, because a broker may not receive a referral fee
 - Yes, because special fees may be paid to the broker only by the seller
62. A seller is required to give a buyer a Sellers' Real Property Disclosure Statement within ten days of acceptance of the offer in all of the following transactions EXCEPT when
- the seller is not assisted by a licensed real estate agent.
 - the seller has resided on the property for the last year.
 - it is a sale of commercial property.
 - the buyer plans on living on the property.
63. Seller property condition disclosures must be delivered to the buyer
- prior to the buyer making a written offer.
 - at the time that the seller agrees to the offer.
 - at the time of the home inspection.
 - within ten days of acceptance of the offer.
64. A seller has no knowledge of any plumbing system problems on the property she is selling. In actuality, however, the pipes are seriously corroded and will need to be replaced soon. In the seller's real property disclosure statement, when responding to whether the seller has any knowledge of plumbing system problems, she should respond
- "Yes."
 - "No."
 - "Unknown."
 - The seller would not be required to respond to this question.
65. In Hawaii, when a broker is listing a home and asks the seller to complete a sellers' real property disclosure statement, which of the following is TRUE.?
- The disclosures are optional, and the seller may avoid liability by refusing to make any disclosures about the condition of the property.
 - The standard disclosures cover a narrow range of structural conditions only.
 - An agent should advise the seller to sell the property "as is."
 - Seller disclosure of known property conditions is required by Hawaii statute.
66. Five years ago, Unit 5B in a condominium community was the site of a brutal and highly publicized murder. The unit was sold to an elderly woman who contracted the AIDS virus in a blood transfusion and died in the unit last year. As the agent for the woman's estate, what are your disclosure responsibilities to prospective purchasers of Unit 5B in this situation?
- You must disclose both the murder and the AIDS-related death.
 - You are specifically prohibited by law from disclosing either event.
 - You are not required to disclose the murder, but you must not disclose the AIDS-related death.
 - You do not need to disclose the murder, but you must disclose the AIDS-related death.

67. Six months after the buyer bought a house, the roof leaked during a rainstorm. When the house was listed, the seller told the broker that the roof leaked, but they agreed not to tell any prospective buyers. The broker claims that the buyer did not ask about the roof. Under these facts the buyer
- can sue the broker for nondisclosure required by license law.
 - cannot sue the broker under the license law.
 - can sue the roofing contractor.
 - cannot do anything because the leaking roof could have been discovered by inspection.
68. When must a real estate licensee make an agency disclosure to prospective purchasers?
- Before they are shown any properties
 - At an open house
 - At the closing table
 - Before any offers to purchase are prepared or presented
69. The Seller's Real Property Disclosure must be made in which of the following situations?
- Foreclosure sale
 - Sellers who do not use a real estate licensee
 - Conveyance of a primary residence from one former spouse to another under a divorce settlement agreement
 - Sale by a real estate licensee of a two-unit residential property
70. A real estate broker representing the seller knows that the property has a cracked foundation and that its former owner committed suicide in the kitchen. The broker must disclose
- both facts.
 - the suicide, but not the foundation.
 - the cracked foundation, but disclosing the suicide could constitute a breach of duty to the client.
 - neither fact.
71. A realty company has entered into agency agreements with both a seller and a buyer. The seller and the buyer have signed the Dual Agency Consent Agreement. The salesperson with the realty company has been working with the buyer. Legally, the salesperson may
- provide comparable market data to the buyer.
 - disclose the buyer's financial qualifications to the seller.
 - disclose to the buyer that the seller will accept less than the listing price.
 - disclose to the seller that the buyer will pay more than the offering price.
72. All of the following information has to be made available to an owner of a condominium apartment in Hawaii EXCEPT
- any maintenance fee delinquencies of 30 days or more.
 - a membership list of all owners.
 - the minutes of all meetings along with the recorded vote of each board member on all motions.
 - the budgets and income statements.
73. Real estate licensees must include which of the following pieces of information when advertising real estate?
- The licensee's real estate broker
 - The licensee's phone number and street address
 - The phone number and address of the licensee's broker
 - The broker's phone number
74. In Hawaii, a real estate broker may NOT
- charge a commission rate higher than other brokers in the community.
 - give written authorization to sales agents to deposit money into the client trust account.
 - advertise properties without placing the listing price in the ad.
 - allow sales agents to disburse funds from the client trust account.
75. In Hawaii, which of the following is legal and NOT grounds for revoking a broker's license?
- A licensee attempts to represent a real estate broker other than his or her own broker
 - A salesperson accepts commissions from someone other than his or her employing broker
 - A salesperson pays a referral fee to another licensed salesperson
 - Accepting commissions from a buyer and a seller with their informed consent

76. In Hawaii, a broker may do which of the following and NOT have his or her license suspended or revoked?
- Be declared mentally incompetent
 - Deposit earnest money into the firm's escrow account
 - Memorize questions on the licensing exam in order to sell them to another person taking the exam
 - Display a For Sale sign on a property without the owner's written consent
77. Which of the following actions is legal and NOT a violation of license law?
- Encouraging a seller to reject an offer because the prospective buyer is a Methodist
 - Placing a For Sale sign in front of a house after receiving the seller's written permission
 - Advertising that individuals will receive a prize without mentioning that they will also have to attend a 90-minute time-share presentation in order to receive the prize
 - Standing outside the testing room and offering employment to new licensees as soon as they receive their passing score at the testing center
78. If a broker tells a lender that the sales price on a property is something above its actual sales price in order to help the buyer get a larger loan, the
- broker has done nothing wrong as long as the appraisal substantiates this price.
 - buyer is likely to receive an interest rate break.
 - broker can lose his or her license and be fined and imprisoned.
 - buyer can receive a higher mortgage amount.
79. In a newspaper advertisement, the licensee must include the
- licensee's residence phone number.
 - name of the brokerage firm.
 - address of the listed property.
 - price of the property.
80. Salesperson J-H placed an order with the telephone company listing her name in the directory under the Real Estate heading, stating "J-H, Real Estate Salesperson, Residential Property My Specialty." J-H is also required to include
- her license number.
 - the expiration date of her license.
 - her street address.
 - the name of her employing broker.
81. A broker who wishes to place a For Sale sign on a listed property must first
- obtain the written consent of the owner of the property.
 - sell the property.
 - list the property.
 - get permission from the neighbors.
82. When advertising real property, real estate licensees must
- state only the licensee's phone number.
 - include the price.
 - include the name of a licensed brokerage firm.
 - identify the multiple listing number of the property.
83. A real estate salesperson decides to sell his or her own property without using a broker. When advertising the property, the salesperson
- must disclose the name, address, and phone number of his or her employing broker.
 - must disclose the fact that he or she is a real estate licensee.
 - does not need to disclose his or her license status if acting as a private citizen.
 - is prohibited by license law from selling his or her own home in this manner.
84. A salesperson has developed an Internet Web site. What, if anything, must the salesperson include?
- Name and location of the office that holds the salesperson's license and a list of states in which the salesperson is licensed
 - Name of the home office of the company that holds the salesperson's license and a list of states in which the company is licensed
 - Names of all of the licensees in the broker's office and the states in which they are licensed
 - There is no need for any particular disclosures.

85. How is a broker's commission determined in a real estate sales transaction?
- It is negotiated between the broker and seller and must be stated in the listing agreement.
 - It is determined according to the standard rates set by agreement of local real estate brokers.
 - If under dispute, it will be determined through arbitration by the Hawaii Real Estate Commission.
 - It must be paid with cash or a cashier's check upon closing.
86. In Hawaii, real estate commissions are
- set by law.
 - set by the real estate commission.
 - determined by local groups of brokers.
 - negotiable between the seller and buyer and broker.
87. Commissions earned by a broker in a real estate sales transaction
- are determined by agreement of the broker and his or her principal.
 - may be shared with an unlicensed person, provided that such person aided the broker in bringing the buyer and seller together.
 - may be deducted from the earnest money deposit and claimed by the broker as soon as the buyer and seller execute the purchase and sale agreement.
 - are based on a schedule of commission rates set by the Hawaii Real Estate Commission.
88. All funds received by a broker on behalf of his or her principal must be deposited in an escrow or trust account within
- three days of receiving the offer.
 - three days of obtaining all signatures for the contract.
 - five working days of receiving the offer.
 - one business day after receipt.
89. A broker received an earnest money deposit from a buyer. Under Hawaii law, the broker should
- open a special, separate escrow account that will contain funds for this transaction, separate from funds received in any other transaction.
 - deposit the money in an existing escrow account in which all earnest money received from buyers may be held at the same time.
 - deposit the funds in the broker's operating account by the next business day.
 - hold the earnest money deposit in a secure place in the broker's real estate brokerage office until the offer is accepted.
90. A broker received a buyer's earnest money check for \$5,000 and immediately cashed it. At closing, the broker handed the seller a personal check drawn on the broker's own personal bank account for \$5,300, representing the original earnest money plus 6 percent interest. The broker
- should have deposited the money in a special non interest-bearing bank account.
 - properly cashed the check, but should have kept the interest.
 - should have deposited the money in a personal bank account and would have been entitled to keep the interest as a service fee.
 - should have deposited the money in a special bank account and should have discussed the interest with the parties.
91. If a broker establishes an account to hold money belonging to others, which of the following is correct?
- The broker must keep accurate and detailed records for at least three years.
 - The account cannot be in the same bank as the client's personal checking account.
 - The broker must keep accurate and detailed records for at least seven years.
 - An individual account is required for each transaction.
92. A broker wants to list a property but is getting a lot of competition from other brokers who would also like to list it. The broker offers the seller the following inducement to sign a listing agreement: "I'll buy your property if it doesn't sell in 90 days." With this inducement, the broker must do all of the following EXCEPT
- buy the property at the agreed-upon figure at any time during the 90 days.
 - market the property as if no special agreement existed.
 - show the seller evidence of the broker's financial ability to buy the property.
 - show the seller written details of the plan before any contract of guaranty is signed.

93. A broker has obtained an offer to purchase a residence that is listed with that broker's firm. After the buyers sign a purchase and sale agreement and the broker accepts their earnest money deposit, the broker must
- deposit the earnest money in the broker's personal checking account for safekeeping until closing.
 - complete a second earnest money agreement form that states an exaggerated selling price and give the second form to the buyers to present to the lender so that they will be certain to obtain sufficient financing for their purchase.
 - immediately provide the buyers with a copy of the agreement as a receipt for their deposit.
 - file the agreement in the broker's records and, when two or three other offers have been received for the property, present them all to the sellers who then may choose the best offer.
94. A salesperson engaged in activities that constitute violations of the Hawaii Civil Rights Act, including blockbusting and discrimination on the basis of disability. The salesperson also cashed a \$25,000 earnest money check from a prospective buyer and used the proceeds to buy a new car. The salesperson's employing broker was unaware of all of these activities. What is the impact on the salesperson's broker when the salesperson's violations are brought to the attention of the Hawaii Real Estate Commission?
- The employing broker will not automatically have his or her license revoked as a result of the salesperson's violations.
 - The salesperson's employing broker will be required to pay any fine imposed against the salesperson out of his or her own personal funds.
 - The salesperson's actions are legally the responsibility of the employing broker, who will be subject to the same disciplinary action as the salesperson regardless of whether or not he or she knew the violations had occurred.
 - The salesperson's employing broker will be held liable for the Civil Rights Act violations only.
95. A Hawaii real estate salesperson may lawfully collect compensation from
- either a buyer or a seller.
 - his or her employing broker only.
 - any party to the transaction or the party's representative.
 - a licensed real estate broker only.
96. A licensed salesperson may hold a concurrent license with more than one Hawaii broker under which of the following circumstances?
- Under no circumstances
 - With the permission of his or her sales manager
 - With the written consent of the brokers being represented
 - With the permission of the Hawaii Real Estate Commission
97. Several weeks after a closing, an associate broker received a thank-you letter and a nice bonus check from the seller of the house. The associate broker cashed the check, feeling that it was earned. In this situation, which of the following is TRUE?
- The associate broker may accept the bonus because this person is licensed as an associate broker.
 - Accepting the money is allowed if more than 30 days have elapsed since the closing.
 - The associate broker may accept the money if the employing broker permits it.
 - Accepting the money is a violation of commission regulations.
98. When a broker has his/her license suspended for two years, what effect does this have on the associate brokers and salespeople affiliated with the broker?
- Affiliates' licenses will be revoked, subject to reinstatement after one year.
 - Affiliates' licenses will be also be suspended for a two-year period.
 - Suspension has no effect on the affiliates.
 - Affiliates' licenses will be put on inactive status upon the suspension of their broker's license.
99. A broker intends to open a branch office in a neighboring town. The broker applies for a branch office license, giving a name that clearly identifies the branch office's relationship with the main office. The broker names a licensed real estate salesperson as the broker-in-charge. Under these facts, will the broker receive approval for the branch office?
- Yes; the broker has fully complied with the requirements of the license law.
 - No; under the license law, brokers cannot have branch offices in more than one municipality.
 - Yes; by naming the salesperson as the broker-in-charge, the broker is in compliance with the requirement that a broker may be in direct operational control of only one office or branch.
 - No; the broker-in-charge of a branch office must be a licensed real estate broker.

100. A salesperson is not satisfied with her present real estate company and has decided to become associated with another. Before the salesperson can begin actively selling for the new company,
- the first broker must transfer the salesperson's license to the new office.
 - the new broker must notify the commission of the change and send in the proper forms and fees.
 - the salesperson must take her license to the new brokerage and notify the commission within ten days of the transfer to a new location on a form provided by the commission.
 - the salesperson's license, along with the proper fee and form signed by the new broker, must be sent to the commission and the new license returned to the second broker.
101. When a licensed broker changes his or her place of business,
- a new license will be issued by the board immediately.
 - he or she must notify the Hawaii Real Estate Commission within ten days.
 - a new license will be issued for a full term.
 - the new address must be approved by the board.
102. In any real estate sales transaction that a broker negotiates, the broker is NOT required to
- inform the buyer of his or her personal opinion of the condition of the seller's title to the property.
 - make sure that the written purchase and sales agreement includes all the terms of the parties' agreement.
 - review the closing statement for accuracy and see that a copy of it is delivered to both the buyer and the seller.
 - keep copies of all documents involved in the transaction in his or her files for three years after the year in which the transaction was closed.
103. All of the following are necessary for a broker to be ensured of the receipt of a commission EXCEPT
- a signed listing agreement.
 - a "ready, willing, and able" buyer.
 - price and terms acceptable to the seller.
 - a binding contract between seller and purchaser.
104. Every Hawaii real estate office is required to
- maintain escrow account records for five years.
 - keep transaction records for at least three years.
 - display signage at the office location.
 - employ at least one salesperson.
105. The principal broker wants to take a month-long vacation. What should the broker do?
- Find and place a temporary broker in charge for the month
 - Notify the real estate commission that the sales associates will be unsupervised
 - Place one of the senior sales associates in charge
 - Place the brokerage firm's and the sales associate's licenses on an inactive status until returning from vacation
106. The broker's unlicensed assistant worked late nights and weekends to help ensure the successful closing of a difficult transaction. The assistant's extra work included making several phone calls to the prospective buyers, encouraging them to accept the seller's counteroffer. Largely because of the assistant's efforts, the sale went through with no problem. Now the broker wants to pay the assistant a percentage of the commission, "because the assistant has really earned it." Under Hawaii law, the broker may
- compensate the assistant in the form of a commission under the circumstances described here.
 - not pay the assistant a cash commission but is permitted to make a gift of tangible personal property.
 - not pay a commission to the assistant under the facts presented here. They are both in violation of rules regarding unlicensed assistants.
 - pay a commission to the assistant only if the assistant is an independent contractor.
107. A licensed broker procures a "ready, willing, and able" buyer for his or her seller- principal. The seller first accepts the buyer's offer in writing, then experiences a change of heart and withdraws the original acceptance. In this situation, the broker
- is entitled to collect a commission.
 - is out of luck because the transaction was never completed.
 - may sue the buyer.
 - may retain the deposit as commission.

108. Which of the following must conform to Hawaii's Uniform Land Sale Practices Act?
- A developer offering fewer than 20 lots for sale in a 12-month period
 - A developer selling lots to persons engaged in the business of constructing buildings for resale
 - A person selling cemetery lots
 - A developer selling 25 lots in a subdivision to more than ten persons
109. The right of election that has replaced dower and curtesy means that during his or her lifetime, each spouse can deal with his or her property as they choose, and upon the death of one, the surviving spouse has an automatic right to a percentage of the estate as determined by the length of the marriage. All of the following are true EXCEPT that a marriage of
- 5 years would entitle the surviving spouse to 15 percent of the estate.
 - 10 years would entitle the surviving spouse to 30 percent of the estate.
 - 15 years would entitle the surviving spouse to 50 percent of the estate.
 - 20 years would entitle the surviving spouse to 65 percent of the estate.
110. The principal method of delineating property boundaries or legal descriptions in Hawaii is known as the
- Hawaiian block grant system.
 - system of principal meridians and baselines.
 - system of metes and bounds.
 - rectangular survey system.
111. Which of the following legal descriptions is NOT used in Hawaii?
- Metes and bounds
 - Government rectangular survey system
 - Recorded plats and parcels
 - Subdivision and lot numbers
112. An easement is presumed abandoned if the owner vacates the property for a continuous period of at least how many years?
- 7
 - 15
 - 20
 - None of these
113. In Hawaii, the prescriptive period to acquire an easement is
- 10 years.
 - 12 years.
 - 15 years.
 - 20 years.
114. To be extinguished by law and considered abandoned, an easement must have been unused for at least
- There is no specific length of time.
 - 12 years.
 - 15 years.
 - 20 years.
115. For real property tax purposes on Oahu, the following are all reductions in the assessed value of owner-occupied properties EXCEPT the
- \$40,000 reduction in assessed value for a standard homeowner exemption.
 - \$60,000 reduction in assessed value for an owner 55 to 59 years of age.
 - \$80,000 reduction in assessed value for an owner age 65 to 69 years of age.
 - \$120,000 reduction in assessed value for an owner over 70 years of age.
116. An owner-occupant can claim a tax (home) exemption for all of the following EXCEPT
- a vendor in an agreement of sale.
 - a person with a residential lease of five years or more who is responsible for paying all property taxes on the property.
 - a person buying under an agreement of sale.
 - an owner of a condominium or cooperative apartment.

117. In Hawaii, dower and curtesy are
- currently recognized.
 - recognized voluntarily.
 - recognized but not enforced.
 - recognized for properties owned and marriages that occurred prior to July 1, 1977.
118. In Hawaii, when do dower and curtesy rights become effective?
- At the time of the marriage
 - At the moment of a spouse's death
 - When a creditor lays claim to the property
 - When the couple is divorced
119. All of the following forms of ownership are recognized under Hawaii law EXCEPT
- tenancy in common.
 - joint tenancy with survivorship rights.
 - community property.
 - tenancy by the entirety.
120. A husband and wife, who own their home as tenants by the entirety, obtain a divorce. At that time, in Hawaii, the tenancy by the entirety
- extinguishes and becomes a tenancy in common.
 - continues until one of them dies.
 - extinguishes and becomes a tenancy at sufferance.
 - reverts to common interest ownership.
121. Unless stated to the contrary in a deed, ownership of land by a married couple is assumed to be by
- severalty.
 - joint tenancy.
 - tenancy in common.
 - tenancy by the entirety.
122. A tenancy in Hawaii that exists exclusively between a husband and wife is
- joint tenancy.
 - tenancy by the entirety.
 - tenancy in common.
 - reciprocal beneficiary.
123. The reciprocal beneficiary law extends certain rights and benefits that are only available to married couples to couples who are legally prohibited from marrying under Hawaii state law. In order to enter into a valid relationship, all of the following are necessary EXCEPT that
- each party must be at least 21 years old.
 - each party signs a declaration of reciprocal beneficiary relationship.
 - the parties are legally prohibited from marrying one another.
 - the parties are unmarried.
124. Which of the following is allowed under Hawaii time-sharing laws?
- Offering a prize or gift to a consumer without disclosing that the prize is being offered for the purpose of soliciting sales of time-share units or interest
 - Offering a prize or gift to a consumer without disclosing that to collect the prize the consumer must attend and complete a time-share sales presentation
 - Not including the caption "THIS IS A TIME-SHARING SALES PRESENTATION" in 24-point bold type on promotional literature
 - Informing a purchaser that they have a seven-day right to cancel the contract to purchase a time-share unit
125. Which of the following is legal under Hawaii time-sharing laws?
- Representing that the time-share is an investment, including what the value of the investment will be worth in a year
 - Making an agreement or contract with a purchaser before delivering any promised prize or gift to the prospective purchaser
 - Hiring an acquisition agent who does not hold a current real estate license
 - Including provisions in a reservation agreement purporting to waive any right provided for purchasers under Hawaii time-share regulations

126. When is a consumer entitled to his or her gift or prize according to Hawaii time-share rules?
- When the Outside Public Contact (OPC) person signs him or her up for the presentation
 - Prior to the time-share sales presentation
 - Only after the consumer agrees to purchase a time-share unit
 - After attending the time-share sales presentation, but before signing a contract to purchase a time-share unit
127. Under provisions of Hawaii time-share rules, an acquisition agent may
- solicit attendance at a time-share sales presentation.
 - offer to sell a time-share unit.
 - quote prices of a time-share unit.
 - disclose financing terms.
128. In Hawaii, the gas, oil, and mineral rights under a privately owned property
- belong to the landowner.
 - are reserved for the state in over 90 percent of lands in Hawaii.
 - are shared equally between the landowner and the state.
 - belong to the county government in which the property is located.
129. In 1997, amendments to Hawaii statutes attempted to limit problems arising from encroachments. All of the following are true regarding De Minimus Structure Position Discrepancies EXCEPT that ,
- if the building is destroyed, a new structure does not have to comply with the current survey.
 - there is a 3-inch tolerance for commercial, industrial, and multiunit residential properties and a 6-inch tolerance for residential properties.
 - there is a 9-inch tolerance for agricultural and rural properties.
 - there is an 18-inch tolerance for conservation properties.
130. The boundary between public beaches and privately owned lands in Hawaii is recognized as
- the vegetation line, which is usually evidenced by the high wash of the waves.
 - the mean high water mark.
 - 40 feet inland from the vegetation line.
 - the low tide line.
131. Regarding Public Access to Shorelines in Hawaii (PASH), all of the following apply to native Hawaiian rights EXCEPT that they
- have access to undeveloped lands privately owned for traditional gathering rights.
 - have access to undeveloped lands privately owned for traditional cultural purposes.
 - have access to undeveloped lands privately owned for access to the shoreline for fishing purposes.
 - have access to developed lands privately owned for religious needs.
132. All of the following are true about condominiums in Hawaii EXCEPT that
- entering a property into the condominium property regime requires the unanimous approval of all owners.
 - amending the declaration requires a 75 percent vote of the owners.
 - amending the bylaws requires a 67 percent vote of the owners.
 - removing the property from the condominium property regime requires an 80 percent vote of the owners.
133. If the owner of the leased fee interest offers to sell the leased fee in a condominium in Hawaii, who has the right of first refusal to purchase it?
- Board of directors of the association of apartment owners
 - Hawaii Housing Authority
 - Any buyer who can come up with the money
 - Any U.S. citizen
134. An owner or lessee may submit his or her property to the condominium property act and it will become a condominium by the terms of the act when
- the final report is issued.
 - all the units have been sold.
 - the certificate of completion is issued by the appropriate county official.
 - the declaration is recorded.

135. All of the following are true regarding apartment ownership EXCEPT
- individual apartments in a condominium are conveyed and financed as if they were single-family dwellings on separate pieces of land.
 - ownership in a cooperative usually requires purchase of stock in the cooperative corporation or association.
 - condominium apartments must be on fee simple land.
 - cooperative owners can usually sell their units only with prior board of director approval.
136. As parts of a residential condominium built in Hawaii today, all of the following are required EXCEPT
- at least 9 members on the board of directors if the condominium has more than 50 units.
 - a mailbox for each unit if the condominium was built after May 18, 1984.
 - ownership of a parking stall if the condominium was built after April 29, 1986.
 - separate metering for commercial apartments in a mixed use condominium.
137. The following are true regarding the development of any new condominium project containing residential units in Hawaii EXCEPT
- at least 50 percent of the units must be offered for sale to prospective owner- occupants.
 - such units shall constitute a proportionate representation of all the residential units in the project with regard to factors of square footage and number of bedrooms and baths.
 - the buyer must sign an affidavit promising to occupy the unit as a principal residence for at least six months before selling or leasing.
 - the developer must publish an announcement containing information about the location and size of the units, along with the name and address of someone to contact for further information.
138. Under Hawaii's Uniform Land Sales Practices Act, how long does the buyer have to rescind the contract at no penalty after signing a contract to purchase subdivided lands?
- 24 hours
 - 72 hours
 - 5 business days
 - 7 days
139. In Hawaii, an individual may enter into legally enforceable contracts upon the age of
- 16.
 - 18.
 - 19.
 - 21.
140. In Hawaii, the age of legal competence is
- 18.
 - 19.
 - 20.
 - 21.
141. All of the following agreements must be in writing EXCEPT a(n)
- exclusive agency listing.
 - exclusive buyer representation agreement.
 - exclusive right to sell.
 - multiple listing.
142. Listings based on a net price are
- more profitable because no minimum is set on the amount of commission collectable.
 - legal in Hawaii, but discouraged because of the potential conflict of interest.
 - illegal in Hawaii at any time.
 - permissible with approval of the commission.
143. All of the following must appear in a written listing agreement EXCEPT a
- statement that the property must be shown to all prospective buyers regardless of race.
 - complete legal description of the property being sold.
 - time duration of the listing.
 - listing price of the property.

144. A broker signs a listing agreement with a seller. The agreement contains the following clause: "This agreement will automatically continue until the property is sold." Based on these facts, the agreement
- is legal under Hawaii law because it contains no reference to a specific time limit.
 - is illegal in Hawaii.
 - automatically receives a statutory six month listing period in Hawaii.
 - is legal under Hawaii law because the list periods are for more than six months.
145. Regarding listing agreements in Hawaii, which of the following could result in the suspension or revocation of a licensee's license to practice real estate?
- A specified commission rate
 - No specific termination date
 - No broker protection clause
 - A specific termination date
146. Upon obtaining a listing, a broker or licensed salesperson is obligated to
- set up a listing file and issue it a number in compliance with Hawaii real estate license laws.
 - place advertisements in the local newspapers.
 - cooperate with every real estate office wishing to participate in the marketing of the listed property.
 - give the seller signing the listing a legible, signed, true, and correct copy.
147. A seller listed his house for sale with a broker on February 1. The listing agreement was to last five months. In April, the seller decided that the house was no longer for sale. Which of the following statements is TRUE?
- The seller has canceled the agreement and there are no penalties.
 - The seller has withdrawn the broker's authority to sell the property and may be subject to a penalty.
 - The seller is required by law to leave his house on the market until June.
 - The Hawaii Real Estate Commission will decide if the seller's action is justifiable.
148. A buyer has just entered into a contract to buy a condominium unit from a person who originally bought the unit from the developer and has lived there for the past ten years. This new buyer has a right to cancel the contract within
- 5 days of receipt of resale documents.
 - 15 days of receipt of resale documents.
 - 5 days from the date the newly executed the contract.
 - The new buyer does not have the right to cancel a signed contract in this situation.
149. A condominium in Hawaii has adopted a new "no pets" rule. All of the following are true EXCEPT
- owners are given 45 days to remove their pets.
 - owners that have pets are allowed to keep their pets.
 - if an owner's pet dies, rules vary by each association as to if they are allowed to replace the pet.
 - if an owner sells their unit, the new owner must follow the new "no pets" rule.
150. In Hawaii, what is the statutory usury ceiling on conventional, FHA, and VA loans secured by real estate?
- 10%
 - 15%
 - 22%
 - There is no ceiling.
151. In Hawaii, what is the statutory usury ceiling on second mortgages secured by real estate when carried by private individuals other than a seller?
- 10%
 - 12%
 - 22%
 - There is no ceiling.
152. What types of loans does the state usury law apply to in Hawaii?
- Conventional loans
 - FHA and VA loans
 - Seller financing such as purchase money or agreement of sale
 - Second mortgages, when carried by private individuals such as a friend or relative

153. Unclaimed estates escheat to the state after a period of
- 5 years.
 - 10 years.
 - 15 years.
 - 20 years.
154. All of the following are title search methods commonly used in Hawaii EXCEPT
- land court certificate.
 - title search and opinion.
 - certificate of title.
 - abstract.
155. What is the primary requirement of Hawaii's Good Funds Act?
- Escrow cannot close until all checks have cleared or wired transfers are on deposit.
 - Documents can be recorded only if funds were disbursed at settlement.
 - Recording of documents can occur only with actual notice of disbursement of funds.
 - Recording of deeds is not necessary if the deed is a deed of gift.
156. In Hawaii, the responsibility for preparing any promissory notes involved in a closing belongs to the
- seller's broker.
 - settlement attorney.
 - lender's attorney.
 - buyer's attorney.
157. A nephew was a witness to his uncle's will. When the will was read after the uncle's death, the nephew discovered that he was a devisee of his uncle's will. Which of the following statements is TRUE?
- Because the nephew is a witness, the devise is void.
 - As a witness, the nephew should have read the will.
 - Because the nephew is a witness, the will is void.
 - The nephew has a right of election.
158. A homeowner contracted with ABC Construction Company to put a new deck on her house. They began work on May 1 and finished on June 1, but they were never paid. On July 1, the homeowner sold her house to a buyer, who received a mortgage loan from Country Bank and a mortgage loan from City Bank. City Bank recorded its mortgage on July 1. Country Bank recorded its mortgage on July 2. ABC Construction Company recorded a mechanic's lien on July 3. What is the priority of the liens?
- ABC Construction, City Bank, Country Bank
 - City Bank, Country Bank, ABC Construction
 - ABC Construction, then City Bank and Country Bank equally
 - City Bank and Country Bank equally, then ABC Construction
159. To claim a mechanic's lien for materials supplied, a supplier must file a notice of the lien in the public record within
- 90 days after the material is supplied.
 - 45 days after the material is supplied.
 - 60 days after the material is supplied.
 - 45 days after the work is completed.
160. How long from the entry of the court order (probable cause hearing) directing the lien to attach does the lienor have to file suit before the mechanic's lien expires?
- Three months
 - Six months
 - Nine months
 - One year
161. The State of Hawaii does NOT recognize
- notice of non responsibility procedure.
 - mechanics' liens.
 - material men's liens.
 - plaintiff's right of attachment.

162. One stipulation required for filing a mechanic's lien in Hawaii is that
- only a person who has actually done the work may file a mechanic's lien.
 - a lien must be filed within 45 days of commencement of the construction.
 - the lien can be filed up to 90 days after the work is completed.
 - the lien will not attach unless a notice is filed in writing in the office of the clerk of the circuit court where the property is located.
163. The prescriptive period in the state of Hawaii to acquire title to real property under adverse possession is
- 7 years.
 - 15 years.
 - 20 years.
 - 10 years.
164. In Hawaii, the recordation of deeds and maintenance of the grantor/grantee lists is done at the
- bureau of conveyances.
 - assessor's office.
 - tax collector's office.
 - county clerk's office.
165. To be eligible for recording in Hawaii, a document must be
- in any language.
 - witnessed by two persons who are not affected by the document.
 - acknowledged.
 - drawn up by an attorney.
166. In Hawaii, all of the following are true regarding the land court system EXCEPT
- registration is done by the registrar of the land court in Honolulu.
 - title is recorded at the county recorder's office.
 - title transfers only upon registration of the deed in the records of the land court.
 - the deed is accompanied by a transfer certificate of title (TCT).
167. All of the following is true in reference to the grantor/grantee index at the bureau of conveyances EXCEPT
- there are separate books with the seller's name (grantor) and the buyer's name (grantee) indexed in alphabetical order.
 - the books are not indexed by the year.
 - one can find the type of instrument involved and the date of the transaction.
 - it includes information about the location of the property (district and island).
168. The lender has foreclosed on a home in Hawaii. The proceeds of the foreclosure sale did not satisfy the outstanding debt. The lender may
- not bid on the home at the foreclosure sale.
 - not pursue the borrower for the amount of the deficiency.
 - file a claim with the real estate recovery fund.
 - be awarded a deficiency judgment for the shortfall and place a lien on other properties owned by the borrower.
169. A homeowner's property is being foreclosed on through a non judicial foreclosure process in Hawaii. In this situation,
- the homeowner may redeem the property within one year of the foreclosure sale.
 - the mortgage may not contain a "power of sale" clause in order to use the non judicial foreclosure.
 - a non judicial foreclosure is based on advertisement and sale by the mortgagor.
 - the intent of the legislation is to reduce the time and expenses involved in a foreclosure.
170. How long is the defaulted borrower's redemption period after a foreclosure sale is complete?
- One year
 - Six months
 - Three years
 - There is no redemption period.

171. Which of the following properties is *NOT* exempt from paying real estate taxes?

- a. Educational institutions
- b. Government buildings
- c. Housing owned by a disabled veteran
- d. Nonreligious organizations

172. How often is the assessed valuation of all real estate in Hawaii adjusted by county authorities?

- a. Quarterly
- b. Annually
- c. Biennially
- d. Every three years

173. In order to pay the current fiscal year's real estate taxes in one payment without having to pay a penalty and interest on the taxes, the taxes must be paid by

- a. February 20 of the next year.
- b. August 20 of the current year.
- c. January 1 of the next year.
- d. July 1 of the next year.

174. In Hawaii, a property owner can pay the annual real estate tax in two equal installments. The second-half payment must be made by

- a. July 1 of the current year.
- b. December 31 of the current year.
- c. January 1 of the following year.
- d. February 20 of the following year.

175. In Hawaii, a parcel of real estate may be sold for the unpaid real estate taxes when such taxes are delinquent for more than

- a. six months.
- b. one year.
- c. two years.
- d. three years.

176. In Hawaii, a reduction in real property taxes for a personal residence may be available to all of the following individuals *EXCEPT* a

- a. 72-year-old woman married to a 20-year-old man.
- b. 26-year-old tenant with AIDS.
- c. 34-year-old afflicted with Hansen's disease (leprosy).
- d. 41-year-old disabled veteran.

177. The conveyance tax levied by the state of Hawaii on the seller of property is based on the

- a. selling price.
- b. earnest money.
- c. amount of the mortgage.
- d. time of the purchase.

178. A recently recorded deed states that the purchase price was "\$10 and other good and valuable consideration." The deed indicates that \$192.50 was paid for state conveyance tax. What amount was the property sold for?

- a. \$10
- b. \$96,250
- c. \$175,000
- d. \$192,500

179. What is the state conveyance tax on a property that sells for \$250,000?

- a. \$125
- b. \$250
- c. \$500
- d. \$1,250

180. Regarding land court property in Hawaii, all of the following are true *EXCEPT*

- a. if the subject property of a power-of- attorney is registered in land court, a specific description of the property, full names of all parties involved, and a transfer certificate of title (TCT) must be shown.
- b. a distinctive feature of land court registered property is that title does not pass, or encumbrances are not effective, until they are noted on the original certificate of title.
- c. subsequent transfers are more expensive than a transfer in the regular system.
- d. a title is established that is superior to an abstract or title insurance policy.

INET

REALTY

Real Estate Schools



Answer Key

| | | | | | |
|-----|-----|-----|------|------|------|
| 1D | 31A | 61B | 91A | 121C | 151B |
| 2D | 32B | 62C | 92A | 122B | 152D |
| 3B | 33B | 63D | 93C | 123A | 153C |
| 4D | 34C | 64B | 94A | 124D | 154D |
| 5D | 35C | 65D | 95B | 125C | 155A |
| 6B | 36C | 66C | 96A | 126B | 156C |
| 7D | 37D | 67A | 97D | 127A | 157A |
| 8A | 38A | 68D | 98D | 128B | 158A |
| 9B | 39D | 69D | 99D | 129A | 159D |
| 10D | 40A | 70A | 100C | 130A | 160A |
| 11A | 41D | 71A | 101B | 131D | 161A |
| 12A | 42C | 72A | 102A | 132B | 162D |
| 13B | 43B | 73A | 103A | 133A | 163C |
| 14A | 44B | 74D | 104B | 134D | 164A |
| 15A | 45D | 75D | 105A | 135C | 165C |
| 16B | 46B | 76B | 106C | 136A | 166B |
| 17C | 47A | 77B | 107A | 137C | 167B |
| 18B | 48C | 78C | 108D | 138D | 168D |
| 19D | 49C | 79B | 109D | 139B | 169D |
| 20D | 50D | 80D | 110C | 140A | 170D |
| 21D | 51A | 81A | 111B | 141D | 171D |
| 22B | 52C | 82C | 112D | 142B | 172B |
| 23D | 53C | 83D | 113D | 143B | 173B |
| 24C | 54B | 84A | 114A | 144B | 174D |
| 25A | 55D | 85A | 115C | 145B | 175D |
| 26B | 56B | 86D | 116A | 146D | 176B |
| 27A | 57C | 87A | 117D | 147B | 177A |
| 28C | 58C | 88D | 118B | 148D | 178D |
| 29D | 59B | 89B | 119C | 149A | 179B |
| 30B | 60B | 90D | 120A | 150D | 180C |

State Final Review

1. After showing a house, the client and his agent walked by a neighboring house with a sign saying "For Sale by Owner." The client seems to show interest and asks the agent to call the owner. What would be the appropriate response by the agent:
 - a. The agent cannot call the owner because the owner is not represented by a real estate agent.
 - b. The agent would be happy to call the owner to schedule an appointment.
 - c. The agent cannot call the owner because he is on the "Do Not Call" list, but tells the buyer to call the owner himself.
 - d. The agent tells the client he is not getting paid so he cannot help him.
2. Which of the following would have the LEAST effect on the value of a property?
 - a. Depreciation of the land
 - b. Physical deterioration
 - c. Functional obsolescence
 - d. External obsolescence
3. "Normal wear and tear" includes all of the following EXCEPT:
 - a. Intended use
 - b. Fading of exterior wall paint
 - c. Erosion of sewer pipes
 - d. Infrequent cleaning
4. In Hawaii, counties have the authority over the following land uses EXCEPT:
 - a. Conservation
 - b. Agricultural
 - c. Rural
 - d. Urban
5. Obtaining an SMA for the coastal area of Hawaii will NOT help to:
 - a. Increase the size of beach area
 - b. Prevent the adverse effect on water quality
 - c. Maintain fisheries, marine life in the area
 - d. Keep the public access to tidal land
6. Special Management Area is applied in a developer's planning to protect the land from:
 - a. the ocean
 - b. the volcanoes
 - c. the mountains
 - d. preserved forest land
7. A mortgage broker asks a licensee for an opinion of value for a property that is NOT listed under the licensee. The licensee should:
 - a. Get paid for the opinion under the condition that his opinion is not professional appraisal
 - b. Get paid only for travel and other related expenses to the appraising process
 - c. Cannot give an opinion in this scenario
 - d. Give an opinion but cannot get paid for it
8. How long should a licensee wait until he can show a personal ownership interest in a distressed property that was listed under him:
 - a. 365 days after the listing agreement expires
 - b. 6 months after the listing agreement expires
 - c. 365 days after the listing date
 - d. The agent cannot buy this property

9. Which of the following property should a licensee NOT have any ownership interest in:
- A 4 unit dwelling
 - Distressed property
 - Property held in a trust
 - Property held by entities and individuals
10. The conveyance document for a co-op is:
- deed
 - assignment of interest
 - assignment of shares of stock
 - limited warranted deed
11. In an Agreement of Sale, there are two closings involving transfers of legal and equitable titles. Which of the following ONLY occurs once in the process:
- conveyance tax
 - title search
 - escrow fee
 - termite inspection
12. Regarding the 4 divisions in TMK, which is true:
- 1-Oahu
 - 2-Maui, Molokai, Lanai, Kahoolawe
 - 3-Hawaii
 - All of the above
13. Buyer has how many days to examine the Condominium Disclosure statement & give written consent to rescind the offer before the buyer is considered to have approved the documents:
- 10 business days
 - 10 calendar days
 - 15 business days
 - 15 calendar days
14. The termination clause on the Purchase Contract must be addressed in a timely manner or:
- The seller is in default
 - The buyer is in default
 - The contingency is deemed to be waived
 - The contingency is extended until written notice is given/provided
15. Who selects the title insurance Company:
- buyer
 - seller
 - escrow
 - agent
16. If the property tax is paid until June 30, and the closing date is on July 1, at closing the seller should be:
- Credited for the prorated tax amount
 - Debited for the prorated tax amount
 - Neither credited or debited
 - Convert/transfer the tax bill to the buyer
17. In an Open Listing, licensee cannot:
- List with multiple agencies
 - Have an open house
 - Receive 100% of the commission if she sells it
 - Advertise the property

18. Regarding Hawaii's Hula Mae program, buyers must meet all the following EXCEPT:
- Be a resident of Hawaii
 - Be a first time homebuyer
 - Be 18 years or older
 - Be of Hawaiian descent
19. Hawaii Discrimination law protects all the following classes EXCEPT:
- Age
 - Marital status
 - Gender/sexual orientation
 - Military
20. All of the following are entitled to a property tax exemption EXCEPT:
- Absentee owner
 - Owner with disabilities
 - A single mother with a child
 - An owner with a mortgage on the property
21. An individual that rents out condo units for a homeowners association must:
- Have a real estate license
 - Live in the condominium
 - Meet the approval of 67% of all unit owners
 - Meet the approval of the Condo Board/members
22. A licensee moved to an outer island but her brokerage firm is still in Oahu, in her advertisement she must include:
- Licensee name, status, and address of her brokerage firm
 - The legal name of her brokerage firm only
 - Name, address and phone number of her brokerage firm
 - Licensee name and brokerage firm
23. Is the owner who resides in a 4 bedroom home and rents rooms exempt from Hawaii discrimination laws?
- Yes, but only for HIV people
 - Yes, discrimination law does not apply in this scenario
 - No, he must comply with the discrimination law
 - Yes, but only based on age and gender
24. Under the Good Funds Act, escrow must have the closing funds by:
- Noon of the recordation date
 - End of the business day before the recordation date
 - On the same day of closing
 - Escrow cannot close until all checks have cleared or wired transfers are received.
25. When is a condominium established?
- Approved by City of planning and permitting
 - When the first unit is purchased by a buyer
 - Once the Public Report is distributed
 - When the developer executes and records a declaration together with a master deed
26. Hawaii law allows Tenancy by the Entirety to be held by:
- Husband and wife only
 - Reciprocal beneficiaries
 - Two unrelated parties
 - A mother and her 16 year old daughter

27. A licensee received a referral from a person who is not a licensee in Hawaii, he cannot compensate the person if he/she is:
- A licensee from another country
 - A licensee from another state
 - A mortgage broker with a real estate license in Hawaii
 - A travel agent that arranges vocational rentals
28. The lease agreement contains all of the following EXCEPT:
- length of the term
 - expiration date
 - tax schedule
 - renegotiation date
29. Which of the following environmental hazards is indicated by leakage near electrical equipment such as transformers:
- Asbestos
 - Formaldehyde
 - Radon
 - Polychlorinated biphenyls (PCB's)
30. Hula Mae loans can be made on leasehold property:
- With a remaining lease of 25 years
 - With a remaining lease of 35 year or more
 - With a remaining lease of 20 years
 - Cannot be made on leasehold property
31. The lease agreement contains all of the following EXCEPT:
- length of the term
 - expiration date
 - tax schedule
 - renegotiation date
32. What is the maximum amount a landlord is allowed to collect for pet security deposits:
- One months rent
 - \$1,000
 - Two months rent
 - \$1,500
33. Who can borrow from the Employee Retirement System (ERS)?:
- State and County employees
 - Military employees
 - Federal Employees
 - Hawaii resident employees
34. A minor inherits real estate then she wants to sell it. The Purchase Contract is:
- Void
 - Voidable
 - Unenforceable
 - Valid

TMK order: Division/zone/section/plat/parcel/CPR

It's a violation of law when a broker: allows an experienced licensee to process a real estate transaction on behalf without supervision

Leasehold property: just read about this

Know everything about Landlord Tenant Code!

In a Tenancy by the Entirety, both husband and wife have to sign in order to convey or mortgage the property.

Disclosure Laws: know it page 50

Party walls was in a Zero-lot is a common/shared area

Regarding HARPTA, who's responsible in collecting and remitting fund to the state?

Buyer

Which of the following is NOT escrow's duties: page 150

Escrow duties include: paying liens, computing prorations, ordering title evidence, having new documents prepared, drawing up closing statements, obtaining necessary signatures, recording documents, receiving funds, and disbursing funds.

Who is responsible for preparing for the closing statement? Escrow officer

Which of the following statement is TRUE about agreement of sale: The seller is the vendor and the buyer is the vendee

In an Agreement of Sale, the vendor gets the _____ title, and the vendee gets the _____ title: legal title, equitable title
Legal title only transfer to vendee upon completion of full payment

"As is" does not release/relieve the seller from providing information about special assessments

Special Management Area (SMA) is an area that has been laid out by the city or county that has smaller type areas within the larger area.

Metes & Bounds – A method of describing or locating real property. A description starting with a well -marked point of beginning and following the boundaries of the land until it returns once more to the point of beginning (POB).

PUD: to increase space/unit, to maximize utilization of open space
Landlord Tenant Code applies to: residential properties only

Must keep trust fund receipt for at least 2 years

Usury Law: maximum 12% interest rate in Hawaii for private money lending

Land created by Lava: belongs to state of Hawaii

Answers:

1. b
2. a
3. d
4. a
5. a
6. a
7. a
8. d
9. b
10. c
11. a
12. d
13. d
14. c
15. a
16. c
17. a
18. d
19. d
20. a
21. a
22. d
23. b
24. d
25. d
26. b
27. d
28. c
29. d
30. b
31. c
32. a
33. a
34. b

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