

TEXAS PRINCIPLES 1 EXAM 2023-2024 ACTUAL EXAM 300 QUESTIONS AND CORRECT DETAILED ANSWERS WITH RATIONALES (VERIFIED ANSWERS) |ALREADY GRADED A+

What's the purpose of PMI? - ANSWER- **Covers the gap between the actual loan amount and 80% of the LTV**

Private mortgage insurance (PMI) is used on conventional loans that are taken out for more than 80% of the LTV. It covers the gap between the actual loan amount and 80% of the LTV.

A real estate licensee is acting as what type of agent when assigned by the broker to represent one party in an in-house transaction? -

ANSWER- **Designated**

[learnexams](https://www.learnexams.com)

What's the purpose of the ECOA? - ANSWER- **To prevent discrimination in lending**

Acme Realty offers discounted services. Berringer Realty and Hawthorne Real Estate Group decide to not show any of Acme's listings and to prohibit showings from Acme buyers to drive Acme out of business. What is this an example of? - ANSWER- **Group boycotting**

How do licensees create implied agency? - ANSWER- **Through the parties' actions**

Tina has fee simple ownership of her timeshare unit. Which of these is NOT an example of the type of ownership she may have?

- A) Interval ownership
- b) Right-to-use**
- c) Tenancy in common
- d) Timeshare estate - ANSWER- b

Why is right-to-use not an example of a fee simple ownership of a timeshare unit? - ANSWER- **Fee simple ownership of a timeshare (aka timeshare estate) unit means that the owner may share tenancy in common with other timeshare owners or may have an interval ownership. A right-to-use timeshare is a lease agreement, not an ownership interest.**

learnexams

Which of the following is NOT a good method for real estate companies to avoid penalties for making accidental calls to numbers on the DNC list?

- a) Calling consumers on the DNC list for four weeks after they are added to the registry**
- b) Documenting the process used in making calls
- c) Training staff on procedures
- d) Updating records as required - ANSWER- a

In Texas, when is a licensee required to provide an agency disclosure to the party they are not representing in a transaction?

- a. When delivering an offer for a specific property
- b. When determining a listing price for a specific property
- c. When engaging in substantive dialogue about a specific property
- d. When entering into an agency agreement - ANSWER- c.

You must disclose whatever agency, or broker, relationship you have at the time of the first substantive dialogue with the party you are not representing in the transaction. Substantive dialogue includes conversations held in face-to-face meetings, or via email, phone, and/or text.

Which legal description method uses compass headings and directions?

- a. Block and grid
- b. Lot and block
- c. Metes and bounds
- d. Rectangular government survey - ANSWER- c

What divides land into townships and further divides those into sections.
- ANSWER- **rectangular government survey**

1 acre = _____ square feet - ANSWER- **43,560**

Which one of the following types of ownership termination allows each tenant to have a specific, divided portion (partition) of the property exclusively?

- a. Termination by division
- b. Termination of co-ownership by partition**
- c. Termination of estate in severalty
- d. Termination of joint tenancies - ANSWER- b

Termination of tenancy in common by partition allows each tenant to have a specific, divided portion of the property exclusively. If the property can't be divided, the court may rule that the property be sold and the proceeds divided by the tenants.

learnexams

Fee simple _____ includes two categories, which can be distinguished in part by the way in which ownership may be regained by the original grantor of the estate. - ANSWER- **defeasible**

"Separate property" is property most likely acquired _____. - ANSWER- **Prior to marriage**

Tom and Linda are Texas residents who wish to make a fair housing complaint to the TWCCRD about a licensee they encountered while shopping for a vacation home in Montana. Can they do this? - ANSWER- **No. All complaints to the TWCCRD must be for Texas property.**