1. The charge for borrowing money is called:
   a. boot.
   b. usury.
   c. interest.
   d. chattel.

2. A prepayment penalty for a one- to four-unit home loan is only enforceable during the first:
   a. twenty years of the loan.
   b. ten years of the loan.
   c. five years of the loan.
   d. two years of the loan.

3. Impound accounts are prepaid items consisting of reserves for:
   a. property taxes.
   b. hazard insurance.
   c. mortgage insurance.
   d. all of the above

4. Which of the following is considered an institutional lender?
   a. Savings banks
   b. Commercial banks
   c. Life insurance companies
   d. All of the above

5. A loan for which the payments are usually the same each month for the life of the loan is a(n):
   a. adjustable rate mortgage.
   b. fixed rate mortgage.
   c. graduated payment mortgage.
   d. all of the above

6. What occurs when monthly installment payments are insufficient to pay the interest accruing on the principle balance, so that the unpaid interest must be added to the principle due?
   a. Reverse amortization
   b. Forensic amortization
   c. Negative amortization
   d. Accelerated amortization
7. FNMA stands for:
   a. Fannie Mae.
   c. both a and b.
   d. none of the above.

8. Which of the following federal acts allows loan applicants who have data collected to see their files?
   a. The Truth in Lending Act
   b. The Equal Credit Opportunity Act
   c. The Equal Access Act
   d. The Fair Credit Reporting Act

9. What is the difference between market value and existing loans against the property called?
   a. Equity
   b. Boot
   c. Profit
   d. Proceeds

10. The SAFE Act stands for the:
    c. Securitization After Funding Enforcement Act.