

Rhode Island Exam Prep

1. In Rhode Island, the real estate license law is administered by the
 - A. commission for human rights.
 - B. director of the Rhode Island Department of Business Regulation.
 - C. Rhode Island Association of REALTORS®
 - D. Rhode Island Real Estate Commission

2. How are members of the real estate commission selected?
 - A. By the governor
 - B. Public election
 - C. By the state association of REALTORS®
 - D. Elected by real estate licensees

3. The director of the Rhode Island Department of Business Regulation has the authority to
 - A. make and enforce the rules by which all real estate licensees must abide.
 - B. compose the examination questions on the state exam.
 - C. administer the exams given at the testing sites.
 - D. enact the laws that govern real estate licensees.

4. The director of the Rhode Island Department of Business Regulation may undertake an investigation of a licensee based on all of the following grounds EXCEPT
 - A. its own initiative.
 - B. a random selection of licensees.
 - C. a motion from the members of the commission.
 - D. a verified written complaint submitted by a disgruntled customer.

5. In Rhode Island, a real estate license is required for a
 - A. person who employs fewer than three apartment leasing agents.
 - B. licensed attorney acting under a power of attorney to convey real estate.
 - C. resident apartment manager working for an owner if the manager's primary residence is the apartment building being managed.
 - D. partnership selling a building owned by the partners.

6. A real estate license is required for which of the following?
- A. Resident manager collecting rent on behalf of a building owner
 - B. A company that matches individuals from different parts of the country who want to exchange properties and that assists them in doing so for a fee
 - C. Not-for-profit real estate referral service
 - D. Executor selling a decedent's building
7. Under Rhode Island law, any person (other than the owner) who sells a single co-operative unit must
- A. be licensed as a securities broker.
 - B. have his or her securities license endorsed by the real estate commission.
 - C. be approved by the Securities and Exchange Commission.
 - D. There are no special licensing requirements for a person selling a single co-operative unit.
8. Under Rhode Island licensing law, a partnership, association, or corporation will be granted a license only if
- A. the broker retains a current license.
 - B. every member and officer actively participating in the brokerage business has a broker's license.
 - C. all papers are filed with the secretary of state.
 - D. the brokerage business has paid a one-time fee to the guaranty fund.
9. "Engaging in the real estate business" consists of acting for another for a fee in all of the following activities EXCEPT
- A. managing real estate.
 - B. reselling a mobile home.
 - C. selling real estate.
 - D. collecting rent for the use of real estate.
10. If engaged in real estate activities, which of the following are exempt from the real estate licensing requirement?
- A. Attorneys at law
 - B. Appraisers
 - C. Associations, partnerships, corporations
 - D. Real property rental managers

11. 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

- A. violating the license law.
- B. required to have a broker's license.
- C. required to have a salesperson's license.
- D. exempt from real estate licensing requirements.

12. In Rhode Island, applications for any real estate license must

- A. be completed and submitted to the Rhode Island Department of Business Regulation before taking the written exam.
- B. contain a picture of the applicant.
- C. be submitted before May 31 of each year.
- D. be accompanied by a sworn statement attesting to the applicant's character.

13. In Rhode Island, all of the following are requirements for obtaining a broker's license EXCEPT

- A. having successfully completed 90 hours of approved real estate courses.
- B. being at least 21 years of age
- C. having been actively engaged as a licensed salesperson for at least three years.
- D. being of good moral character.

14. A person successfully completed her real estate CE requirement on November 1, 2000. What is the latest date on which she may apply for license renewal for a salesperson's license?

- A. December 31, 2000
- B. April 30, 2002
- C. October 31, 2001
- D. November 1, 2002

15. Three weeks before N begins his real estate prelicense class, he offers to help his neighbor sell her house. The neighbor agrees to pay N a five percent commission. An offer is accepted while N is taking the class and the closing takes place on the day before N passes the examination and receives his salesperson's license. The neighbor refuses to pay N the agreed commission. Can N sue to recover payment?

- A. Yes, because N was formally enrolled in a course of study intended to result in a real estate license at the time an offer was procured and accepted, the commission agreement is binding.
- B. No, in Rhode Island, a real estate salesperson must work in a permanent office in which his or her license is displayed in order to collect a commission from a seller.
- C. Yes, while the statute of frauds forbids recovery on an oral agreement for the conveyance of real property, Rhode Island law permits enforcement of an oral commission contract under these facts.
- D. No, state law prohibits lawsuits to collect commissions unless the injured party is a licensed broker and the license was in effect before the agreement was reached.

16. Which of the following persons must have a real estate license in order to transact business?

- A. A person who owns a sixplex and personally manages the building, collects rents, and shows the apartments to prospective tenants
- B. A person who negotiates the sales of entire businesses, including their stock, equipment, and buildings, for a promised fee
- C. The superintendent of a large apartment building who shows apartments to prospective tenants as part of his or her regular duties
- D. A person who has his or her parents' written authority to negotiate the sale of the parents' residence

17. An applicant for a real estate license in Rhode Island must

- A. have completed at least two years of college.
- B. be at least 21 years old.
- C. not have been convicted of a felony.
- D. show proof of passing the license examination any time up to six months prior to the application.

18. An unlicensed individual who engages in activities for which a real estate license is required is subject to which of the following penalties for the first offense?

- A. Fine not to exceed \$5,000
- B. Fine not to exceed \$500, one-year imprisonment, or both
- C. Civil penalty of \$5,000 in addition to other penalties provided by law
- D. Civil penalty not to exceed \$5,000 and a mandatory prison term not to exceed five years

19. When do real estate salespersons' licenses expire in Rhode Island?

- A. March 31 of every odd-numbered year
- B. April 30 of every even-numbered year
- C. December 31 of the third year of licensure
- D. January 31 of every odd-numbered year

20. To renew a license in Rhode Island, a salesperson must

- A. only pay a fee of \$80.
- B. be actively participating in the real estate business.
- C. have completed six hours of continuing education in the last two years, three hours in real estate law and three hours in fair housing.
- D. have completed 24 hours of continuing education in the last two years.

21. A licensee who allows his or her license to be inactive has how long to reinstate the license without re-examination?

- A. There is no "free" time.
- B. Up to one year
- C. No more than two years
- D. One year from the last June 23 he or she had an active license

22. In Rhode Island, licenses are renewed

- A. annually, in the month issued.
- B. every two years in the month of the licensee's birthday.
- C. on April 30 of each year.
- D. on April 30 of every even-numbered year.

23. After the first renewal, what is required to renew a salesperson's real estate license?

- A. 12 approved course hours of continuing education
- B. 18 hours of home study
- C. Three 12-hour classes for listing, buying, and ethics
- D. There are no mandatory requirements.

24. In Rhode Island, an unlicensed real estate assistant may perform all of the following activities EXCEPT

- A. compute commission checks.
- B. assemble legal documents required for a closing.
- C. explain clauses on preprinted contract documents to prospective buyers.
- D. prepare and distribute flyers and promotional materials.

25. Personal real estate assistants in Rhode Island

- A. must be licensed.
- B. may insert factual information into form contracts under the employing broker's supervision and approval.
- C. may independently host open houses and home show booths.
- D. must be unlicensed individuals; licensees must be either salespeople or associate brokers.

26. A 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. The broker now wants to pay the assistant a percentage of the commission "because the assistant has really earned it." Under Rhode Island license law, the broker may

- A. compensate the assistant in the form of a commission under the circumstances described here.
- B. not pay the assistant a cash commission but is permitted to make a gift of tangible personal property.
- C. not pay a commission to the assistant under the facts presented here. They are both in violation of rules regarding unlicensed assistants.
- D. pay a commission to the assistant only if the assistant is an independent contractor.

27. If a person obtains a Rhode Island reciprocal real estate broker's license, he or she must

- A. be licensed as a broker or salesperson in any reciprocal licensure state.
- B. establish a principal place of business in Rhode Island or be licensed under a resident Rhode Island broker.
- C. take all education course requirements in Rhode Island.
- D. file a power of attorney with the director of the Rhode Island Department of Business Regulation.

28. What must a nonresident license applicant file with the director of the Rhode Island Department of Business Regulation?

- A. A certificate of specific performance.
- B. Power of attorney naming the director of the Rhode Island Department of Business Regulation as the applicant's attorney-in-fact with respect to Rhode Island license law
- C. Copy of his or her birth certificate
- D. Corpus delicti

29. Which of the following statements regarding the Rhode Island Real Estate Commission is not true?

- A. Members of the commission are selected by the state association of REALTORS®.
- B. The director of the Rhode Island Department of Business Regulation makes and enforces the rules by which all real estate licensees must abide.
- C. The examinations that must be taken by all applicants for real estate licensing are administered by an independent testing company.
- D. The operation of the commission's activities is administered by an executive director specifically hired for that purpose.

30. The on-site property manager for Acme Apartments is responsible for negotiating leases for the apartments. In this position, the on-site manager

- A. must have a salesperson's license.
- B. must have a broker's license.
- C. is exempt from the licensing requirements.
- D. is violating the license law.

31. All of the following are exempt from the provisions of the Rhode Island license law EXCEPT a(n)

- A. property owner who sells or leases his or her own property.
- B. individual who received compensation for procuring prospective buyers or renters of real estate.
- C. individual who is employed as a resident property manager.
- D. resident lessee who receives the equivalent of one month's rent as a "finder's fee" for referring a new tenant to the owner.

32. An individual wants to sell her own house. Which of the following statements is true?

- A. She does not need a real estate license to sell her house herself.
- B. In Rhode Island, anyone who sells real property must first have a real estate license issued by the Rhode Island Department of Business Regulation.
- C. The individual may obtain a temporary real estate license in order to legally sell her house.
- D. She may sell her house without obtaining a real estate license only if she is a licensed attorney.

33. Which of the following is a requirement to obtain a real estate salesperson's license in Rhode Island?

- A. Successful completion of 12 credit hours of real estate law, investments, finance, and appraisal
- B. An associate degree or certificate in real estate from an accredited college, university, or proprietary school
- C. United States and Rhode Island citizenship
- D. Successful completion of an examination of general principles of real estate and Rhode Island real estate license law

34. Which of the following situations would satisfy the biannual CEU requirement in Rhode Island?

- A. Attending approved CEU courses that result in the accumulation of 24 hours of classroom participation
- B. Attending a six-hour course on managing agricultural property, offered by an approved CEU sponsor
- C. Participation in a twelve-hour course on using spreadsheet programs effectively in a real estate office, offered by a local community college
- D. Teaching a prelicense course several evenings a week

35. Rhode Island real estate licenses

- A. are granted in perpetuity.
- B. do not need to be renewed unless previously revoked.
- C. expire annually on April 30
- D. expire on April 30 of every even-numbered year.

36. What is the expiration date of every salesperson's license in Rhode Island?

- A. January 31 of every even-numbered year
- B. April 30 of each even-numbered year
- C. October 31 of each odd-numbered year
- D. Every other anniversary date of the individual salesperson's license

37. A broker who holds a Rhode Island license by reciprocity, but whose home state is Connecticut, will be exempt from the requirement that he or she maintain a definite place of business in Rhode Island if all of the following factors are met EXCEPT

- A. if the broker maintains an office in Connecticut.
- B. if an active broker's license in the state of Connecticut is maintained by the broker.
- C. if at least one Rhode Island licensee is employed by the broker, either as a salesperson or associate broker.
- D. if the broker files a written power of attorney appointing the director of the Rhode Island Department of Business Regulation as his or her Rhode Island agent for service of process, submits to the RIDBR's jurisdiction, and agrees to abide by the provisions of the license act.

38. A person must be licensed as a real estate broker or salesperson if that person is

- A. selling his or her house.
- B. buying a house for his or her personal use.
- C. engaging in the real estate business.
- D. constructing houses.

39. A licensed broker procures a ready, willing, and able buyer for his or her seller-principal. The seller accepts the buyer's offer in writing, then experiences a change of heart and withdraws the acceptance. In this situation, the broker

- A. is entitled to collect a commission.
- B. is without recourse because the transaction was never completed.
- C. may sue the buyer.
- D. may retain the deposit as commission.

40. A seller's listing agreement has expired, and the seller lists with a different brokerage firm. Jim, the original listing agent, now has a buyer interested in the seller's property. Jim

- A. is a dual agent.
- B. cannot disclose offers received on the seller's property while it was listed with him to the buyer.
- C. cannot disclose information about the physical condition of the property to the buyer.
- D. cannot represent the buyer.

41. 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?

- A. No, because this would be an unwise referral
- B. Yes, if the salesperson and the buyers have previously entered into a written buyer agency agreement
- C. Yes, if the salesperson discloses the referral fee to the sellers.
- D. Yes, if the lender offers the market's best interest rates and terms

42. In Rhode Island, an exclusive-right-to-buy contract

- A. is illegal.
- B. is equivalent to a listing agreement.
- C. must be indicated as such in the buyer agency agreement.
- D. requires the signature of the principal only.

43. Buyer-brokerage contracts in Rhode Island

- A. must be in writing to be enforceable.
- B. must be on specific forms.
- C. are not regulated under the license laws.
- D. are illegal.

44. All of the following provisions are included in the Rhode Island real estate license law regarding listing agreements EXCEPT the provision that

- A. a listing agreement must state the exact fee the broker will earn.
- B. a listing agreement must be accompanied by a qualified expert's report of the property's condition.
- C. A listing agreement must be in writing and signed by both broker (or authorized representative) and seller.
- D. The seller must receive a true copy of the listing agreement after signing it.

45. A seller is required to give a buyer a property condition disclosure report in all of the following transactions EXCEPT

- A. when the seller is not assisted by a licensed real estate agent.
- B. if the seller has not resided on the property in the last year.
- C. a sale of commercial property.
- D. If the buyer has lived on the property as a tenant.

46. Seller property condition disclosures must be delivered to the buyer

- A. prior to the buyer's making a written offer.
- B. at the time that the seller agrees to the offer.
- C. at the time of the home inspection.
- D. prior to closing.

47. 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 property condition disclosure, when responding to whether the seller has any knowledge of plumbing system problems, she should respond

- A. "yes."
- B. "no."
- C. "unknown."
- D. The seller would not be required to respond to this question.

48. In Rhode Island, when a broker is listing a home and asks the seller to complete a property condition disclosure, which of the following statements is true?

- A. The disclosures are optional, and the seller may avoid liability by refusing to make any disclosures about the condition of the property.
- B. The standard disclosures cover a narrow range of structural conditions only.
- C. An agent should not give the seller any advice regarding which property conditions to disclose and which to ignore.
- D. Seller disclosure of known property conditions is required by Rhode Island statute.

49. A salesperson represents a seller in a transaction. When prospective buyers ask to look at the property, the salesperson must

- A. tell them that they must first enter into a buyer representation agreement with another licensee.
- B. inform them in writing that the salesperson represents the seller's interests.
- C. inform them, either orally or in writing, that the salesperson represents the seller's interest.
- D. 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.

50. 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?

- A. You must disclose both the murder and the AIDS-related death.
- B. You are specifically prohibited by law from disclosing either event.
- C. You are specifically relieved of liability for nondisclosure of either by the Rhode Island Real Estate Sales Disclosures law.
- D. You do not need to disclose the murder, but you must disclose the AIDS-related death.

51. 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

- A. resign as the broker's agent and make an offer after the owner has retained another broker.
- B. have some third party purchase the property on the salesperson's behalf so that the owner does not learn the true identity of the purchaser.
- C. obtain permission from the Rhode Island Real Estate Commission.
- D. inform the owner in writing that the salesperson is a licensee before making an offer.

52. Six months after a 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

- A. can sue the broker since disclosure is required by license law.
- B. cannot sue the broker under the license law.
- C. can sue the seller under license law.
- D. cannot do anything because the leaking roof could have been discovered by inspection.

53. A real estate licensee must give the agency disclosure statement to prospective purchasers/tenants

- A. before they are shown any properties.
- B. at an open house.
- C. at the closing table.
- D. before any offers to purchase or lease are prepared or presented.

54. All of the following are exempt from the Property Disclosure Act EXCEPT a

- A. foreclosure sale.
- B. sale by an uncle to his niece.
- C. conveyance of a primary residence from one former spouse to another under a divorce settlement agreement.
- D. sale by a real estate licensee of a two-unit residential property.

55. A licensed salesperson obtains a listing. Several days later, the salesperson meets prospective buyers at the property and tells them, "I am the listing agent for this property, and so I'm very familiar with it." Under these circumstances, the salesperson

- A. has failed to properly disclose his or her agency relationship.
- B. has properly disclosed his or her agency relationship with the seller.
- C. is in violation of Rhode Island regulations because the listing belongs to the broker.
- D. has created a dual agency, which is a violation of Rhode Island regulations.

56. A real estate broker representing a seller knows that the property has a cracked foundation and that its former owner committed suicide in the kitchen. The broker must disclose

- A. both facts.
- B. the suicide only.
- C. the cracked foundation only.
- D. neither fact.

57. A broker has entered into a listing agreement with a seller. Another broker, who has been working with a buyer as a customer, learns of the property through the MLS. Typically the second, cooperating broker would represent

- A. the seller as a subagent.
- B. the buyer as an agent
- C. the buyer as a subagent
- D. neither buyer nor seller.

58. A broker decides to "sweeten" an MLS listing for a property by making a blanket offer of subagency. Is the broker's action acceptable?

- A. Yes, because Rhode Island law permits the creation of subagency relationships only through multiple-listing services
- B. Yes, because a subagency relationship may be created by either a blanket offer in an MLS or through a specific agreement between parties
- C. No, because subagency is illegal under Article IV of the Rhode Island real estate license law
- D. No, because subagency relationships in Rhode Island may be created only by a specific agreement between the parties

59. A buyer who is a client of a broker wants to purchase a house that the broker has listed for sale. Which of the following statements is true?

- A. If the listing salesperson and selling salesperson are two different people, there is no problem.
- B. The broker should refer the buyer to another broker to negotiate the sale.
- C. The seller and buyer must be informed of the situation and agree to the broker's representation of both of them
- D. The buyer should not have been shown a house listed by the broker.

60. In Rhode Island, all of the following would be grounds for revoking a broker's license EXCEPT

- A. being convicted of a felony.
- B. advertising in a newspaper that he or she is a member of the Rhode Island Association of Real Estate Professionals when in fact he or she is not.
- C. depositing escrow money in his or her personal checking account.
- D. agreeing with a seller to accept a listing for more than the normal commission rate.

61. The commission has the power to revoke a salesperson's license if the salesperson

- A. declines to represent a real estate broker other than his or her employer, after obtaining the employer's consent.
- B. attempts to represent a buyer.
- C. enters into an exclusive-listing contract.
- D. deposits a buyer's down payment into his or her own bank account.

62. In Rhode Island, a broker may have his or her license suspended or revoked for all of the following actions EXCEPT

- A. being declared mentally incompetent.
- B. depositing earnest money into the firm's escrow account.
- C. helping another person cheat on the licensing examination.
- D. displaying a "For Sale" sign on a property without the owner's consent.

63. For which of the following acts is the Rhode Island Department of Business Regulation required to suspend or revoke a licensee's license?

- A. Failing to perform as promised in a guaranteed sales plan
- B. Having been found liable in a civil trial for illegal discrimination
- C. Commingling clients' money or property with his or her own
- D. Failing to provide information requested by the Office of Banks and Real Estate within 30 days of the request as part of a complaint or audit procedure

64. Which of the following actions is legal and not a violation of license law?

- A. Encouraging a seller to reject an offer because the prospective buyer is a Methodist
- B. Placing a "For Sale" sign in front of a house after asking the seller's permission and receiving written permission to do so
- C. Advertising that individuals who attend a promotional presentation will receive a prize without mentioning that they will also have to take a day trip to a new subdivision site
- D. Standing in the hallway outside the testing room and offering employment to new licensees as soon as they receive their passing score at the testing center

65. If a broker tells a lender that the sales price on a property is something above its actual sales price, the

- A. broker has done nothing wrong as long as the appraisal substantiates this price.
- B. buyer is likely to receive an interest rate break.
- C. broker can lose his or her license and be fined.
- D. buyer can receive a higher mortgage amount.

66. Salesperson J-H paid the local telephone company to list her name in the directory under the real estate heading as "J-H, Real Estate Salesperson, Residential Property My Specialty." J-H is also required to include

- A. her license number.
- B. the expiration date of her license.
- C. her street address.
- D. the name of her employing broker.

67. A broker who wishes to place a "For Sale" Sign on a listed property must first

- A. obtain the property owner's consent.
- B. sell the property.
- C. list the property.
- D. get the neighbors' permission.

68. When advertising real property, real estate licensees

- A. may state only the licensee's box number or street address.
- B. may simply give a telephone number to call for more information.
- C. must include the name of a licensed real estate broker in all ads placed.
- D. must identify the owner of the property.

69. A real estate salesperson decides to sell his or her own property without using a broker. When advertising the property, the salesperson

- A. must disclose the name, address, and phone number of his or her employing broker
- B. must disclose the fact that he or she is a real estate licensee.
- C. Does not need to disclose licensed status in advertisements if acting as a private citizen.
- D. Is prohibited from selling his or her own home in this manner by license law.

70. A broker has developed a website advertising the broker's office. What, if anything, does the broker need to include?

- A. Name and address of home office and states in which the brokerage holds licenses
- B. License number of brokerage and list of current active licensees
- C. Names of active licensees, addresses, and phone numbers
- D. There is no Rhode Island requirement for specific disclosures in this situation.

71. A salesperson has developed a website on the Internet. What, if anything, must the salesperson include?

- A. Name and location of office that holds the salesperson's license and list of states in which salesperson is licensed
- B. Name of home office of company that holds salesperson's license and list of states in which company is licensed.
- C. Names of all licensees in broker's office and the states in which they are licensed.
- D. There is no need for additional disclosures.

72. Listings based on a "net price" are

- A. more profitable because no minimum is set on the amount of commission collectable.
- B. legal in Rhode Island as long as the seller agrees.
- C. illegal in Rhode Island at any time.
- D. Permissible with approval of the commission.

73. A seller told a Rhode Island broker that she wanted to clear \$50,000 when she sold her house. The broker accepted the listing and sold it for \$160,000. He gave \$50,000 to the seller and kept the rest. Which of the following is correct?

- A. The broker should have given the seller a better appraisal of the value of her house.
- B. The broker's commission exceeds statutory and NAR guidelines.
- C. The broker accepted an illegal net listing.
- D. As the seller's agent, the broker had a duty to sell the house for as much as possible.

74. In Rhode Island, real estate commissions are

- A. set by law.
- B. set by the real estate commission.
- C. determined by local groups of brokers.
- D. negotiable between the seller or buyer (in buyer's brokerage) and broker.

75. Commissions earned by a broker in a real estate sales transaction

- A. are determined by agreement of the broker and his or her principal.
- B. may be shared with an unlicensed person, provided that such person aided the broker in bringing the buyer and seller together.
- C. may be deducted from the earnest money deposit and claimed by the broker as soon as the buyer and seller execute the purchase and sales agreement.
- D. are based on a schedule of commission rates set by the Rhode Island Real Estate Commission.

76. All funds received by a broker on behalf of his or her principal must be deposited in an escrow or trust account within

- A. three days of receiving the offer.
- B. three days of obtaining all signatures for the contract.
- C. five working days of receiving the offer.
- D. ten banking days of receiving all signatures.

77. A broker received an earnest money deposit from a buyer. Under Rhode Island law, the broker should

- A. open a special escrow account that will contain funds for this transaction only, separate from funds received in any other transaction.
- B. deposit the money in an existing special escrow account in which all earnest money received from buyers may be held at the same time.
- C. immediately (or by the next business day) commingle the funds by depositing the earnest money in the broker's personal interest-bearing checking or savings account.
- D. hold the earnest money deposit in a secure place in the broker's real estate brokerage office until the offer is accepted.

78. 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 his own bank account for \$5,300, representing the original earnest money plus six percent interest. The broker

- A. should have deposited the money in a special non-interest-bearing bank account.
- B. properly cashed the check, but should have kept the interest.
- C. should have deposited the money in his personal bank account, and would have been entitled to keep the interest as a service fee.
- D. should have deposited the money in a special bank account, and should have discussed the interest with the parties.

79. If a broker establishes an account to hold money belonging to others, which of the following is correct?

- A. All deposits into the account must solely be the assets of the broker's clients.
- B. Accounts may be labeled either "Trust" or "Escrow."
- C. The account cannot be in the same bank as the broker's personal checking account.
- D. An individual account is required for each transaction.

80. A broker manages three properties for the same owner. One property is in need of emergency repairs, but there is not enough money in the management account to cover the cost. The broker borrows money from the escrow account of one of the other properties to make the repairs. Which of the following is true?

- A. The broker has acted properly by safeguarding the client's interest.
- B. Such action is proper when the same person owns all properties.
- C. The broker is in violation of regulations for improperly handling escrow funds.
- D. The broker must use personal funds for repairs if there is not enough money in the management account.

81. In Rhode Island, brokers and salespeople who are not lawyers may

- A. complete a bill of sale after a sales contract has been signed.
- B. fill in blanks on preprinted form contracts customarily used in their community.
- C. suggest additional language to be added to a preprinted sales contract by a buyer or seller.
- D. explain the legal significance of specific preprinted contract clauses to a buyer or seller.

82. All of the following must appear in a written listing agreement EXCEPT

- A. a statement that a property must be shown to all prospective buyers regardless of race, color, religion, national origin, sex, handicap, or familial status.
- B. the complete legal description of the property being sold.
- C. the duration of the listing.
- D. the proposed gross sales price of the property.

83. A broker signs a listing agreement with a seller. The agreement contains the following clause: "If the Property has not been sold after three months from the date of this signing, this agreement will automatically continue for additional three-month periods thereafter until the property is sold." Based on these facts, the agreement

- A. is legal under Rhode Island law, because it contains a reference to a specific time limit.
- B. is illegal in Rhode Island.
- C. automatically received a statutory six-month listing period in Rhode Island.
- D. is legal under Rhode Island law, because the list periods are for less than six months each.

84. Regarding the listing agreements in Rhode Island, which of the following could result in the suspension or revocation of a licensee's license to practice real estate?

- A. A specified commission rate
- B. No specific termination date
- C. No broker protection clause
- D. A specific termination date

85. Under Rhode Island law, all of the following disclosures must be included in a listing contract EXCEPT

- A. special compensation.
- B. property condition.
- C. disposition of earnest money in the event of a purchaser default.
- D. seller's net return.

86. Upon obtaining a listing, a broker or licensed salesperson is obligated to

- A. set up a listing file and issue it a number in compliance with Rhode Island Real Estate License Law and Rules.
- B. place advertisements in the local newspapers.
- C. cooperate with every real estate office wishing to participate in the marketing of the listed property.
- D. give the person or persons signing the listing a legible, signed, true, and correct copy.

87. 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?

- A. The seller has canceled the agreement and there are no mandated penalties.
- B. The seller has withdrawn the broker's authority to sell the property and may be subject to a penalty.
- C. The seller is required by law to leave his house on the market until June.
- D. The Rhode Island Real Estate Commission will decide if the seller's action is justifiable.

88. A salesperson engaged in activities that constitute violations of the Rhode Island Fair Housing Law, 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 real estate commission?

- A. The employing broker will not have his or her license revoked as a result of the salesperson's violations.
- B. The salesperson's employing broker will be required to pay any fine imposed against the salesperson out of his or her own personal funds.
- C. 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.
- D. The salesperson's employing broker will be held liable for the Rhode Island Fair Housing violations only.

89. A person who believes that he or she has been illegally discriminated against may file a complaint with the

- A. board of REALTORS®.
- B. attorney general.
- C. real estate commission.
- D. Rhode Island Commission for Human Rights or HUD.

90. A housing discrimination charge must be filed with the Rhode Island Commission for Human Rights within

- A. 6 months.
- B. 1 year.
- C. 2 years.
- D. 30 days.

91. If a buyer wants to have a clause included in the sales contract under which the seller offers assurances against the existence of werewolves, vampires, and trolls on the property, which of the following statements is true in Rhode Island?

- A. The broker may include the clause, because such standard supernatural disclosures are in general usage.
- B. Only an attorney-prepared and reviewed preprinted fill-in-the-blank addendum or a licensed attorney-prepared document of the clause is acceptable for inclusion in the sales contract.
- C. In Rhode Island, brokers are permitted to add additional clauses to blank form contracts, such as the clause described here, that do not directly involve the conveyance of title to real property.
- D. Under Rhode Island law, a frivolous clause, such as the one described here, is not permitted and any contract containing such a clause will be invalid.

92. A Rhode Island real estate salesperson may lawfully collect compensation from

- A. either a buyer or a seller.
- B. his or her employing broker only.
- C. any party to the transaction or the party's representative.
- D. a licensed real estate broker only.

93. What are the procedures that a salesperson must follow when the salesperson decides to terminate his or her affiliation with an employing broker?

- A. Give the broker an official letter of termination that he or she can send to the Rhode Island Department of Business Regulation
- B. None, the broker is responsible for notifying the Rhode Island Department of Business Regulation of the change.
- C. Return all customer cards to the employing broker
- D. Return his or her license, along with a letter of termination, to the Rhode Island Department of Business Regulation

94. A licensed salesperson may hold a concurrent license with more than one broker under which of the following circumstances?

- A. Under no circumstances
- B. With the permission of his or her sales manager
- C. With the written consent of the brokers being represented
- D. With the permission of the Real Estate Commission

95. 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 because he felt it was earned. In this situation, which of the following is true?

- A. The associate broker may accept the bonus because he is licensed as an associate broker.
- B. Accepting the money is allowed if more than 30 days have elapsed since the closing.
- C. The associate broker may accept the money if his broker permits him to do so.
- D. Accepting the money is a violation of Rhode Island license law.

96. When a sole proprietor has his or her license suspended for two years, what effect does this have on the associate brokers and salespeople affiliated with the proprietor?

- A. Affiliates' licenses will be revoked, subject to reinstatement after one year.
- B. Affiliates' licenses will also be suspended for a two-year period.
- C. Suspension has no effect on the affiliates.
- D. Affiliated licensees must find a new employing broker or return their licenses to the Rhode Island Department of Business Regulation.

97. 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 its relationship with his main office. The broker names a licensed real estate salesperson as the branch office manager. Under these facts, will the broker receive approval for the branch office?

- A. Yes, the broker has fully complied with the requirement of the license law.
- B. No, under the license law, brokers cannot have branch offices in more than one municipality.
- C. Yes, by naming the salesperson as the branch's manager, the broker is in compliance with the requirement that a broker may be in direct operational control of only one office or branch.
- D. No, the manager of a branch office must be a licensed real estate broker.

98. An associate broker is not satisfied with her present real estate company and has decided to become associated with another. Before the associate broker can begin actively selling for the new company, the

- A. first broker must transfer the associate broker's license to the new office.
- B. new broker must notify the commission of the change and send in the proper forms and fees.
- C. associate broker must take her license to the new brokerage and notify the commission, within three days, of the transfer to a new location.
- D. associate broker must complete and send a change of address request, along with the proper fee, to the Rhode Island Department of Business Regulation.

99. When a licensed broker changes his or her place of business,

- A. a new license will be issued by the board immediately.
- B. his or her license may be revoked if the Rhode Island Department of Business Regulation is not notified.
- C. a new license will be issued for a full term.
- D. the new address must be approved by the board.

100. In any real estate sales transaction that a broker negotiates, the broker is required to do all of the following EXCEPT

- A. inform the buyer of his or her personal opinion of the condition of the seller's title to the property.
- B. make sure that the written purchase and sales agreement includes all of the terms of the parties' agreement.
- C. make sure that the terms of the purchase and sales agreement have been carried out by both buyer and seller.
- D. keep copies of all documents involved in the transaction in his or her files for five years after the year in which the transaction was closed.

101. All of the following are necessary for a broker to be entitled to a commission EXCEPT a

- A. signed listing agreement.
- B. ready, willing, and able buyer.
- C. closing of title by the purchaser.
- D. binding contract between the seller and purchaser.

102. Every Rhode Island real estate office is required to

- A. maintain escrow account records for five years.
- B. keep transaction records for three years.
- C. display signage at the office location.
- D. employ at least one salesperson.

103. Under the terms of a sales contract, a seller is required to provide a termite certificate. The seller requests that the salesperson order one. The salesperson does so, knowing she will receive a referral fee from the pest control company. Is this a violation of the license law?

- A. No, if the fee is less than \$25
- B. No, if the fee is disclosed, either orally or in writing, to the parties to the contract
- C. Yes, because a salesperson may not receive a referral fee
- D. Yes, because special fees may be paid to the salesperson only by the seller

104. An airline pilot 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?

- A. As soon as a valid sales contract is signed by the parties
- B. Only after the sale closes
- C. After the funds are released from escrow
- D. The broker may not pay the pilot for the lead.

105. A broker is convicted on May 1 of possession and distribution of a controlled substance. Both the crime and the conviction took place out of state. On June 15, the broker calls the real estate commission and leaves a message informing the real estate commission of the conviction. Based on these facts, which of the following is true?

- A. The broker has properly informed the Rhode Island Department of Business Regulation within 60 days after the conviction, and the broker's license may be renewed.
- B. Both the conviction and the broker's failure to immediately notify the Rhode Island Department of Business Regulation violates Rhode Island law.
- C. Because the conviction did not occur in Rhode Island, it is not evidence of unworthy conduct.
- D. The conviction is evidence of both improper dealing and fraud.

106. 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

- A. 5 days of receipt of resale documents.
- B. 15 days of receipt of resale documents.
- C. 5 days from the date the new executed the contract.
- D. The new buyer does not have the right to cancel a signed contract in this situation.

107. How is a broker's commission determined in a real estate sales transaction?

- A. It must be stated in the listing agreement and is negotiated between the broker and seller.
- B. It is determined according to the standard rates set by agreement of local real estate brokers.
- C. If under dispute, it will be determined through arbitration by the Rhode Island Department of Business Regulation.
- D. It must be paid with cash or a cashier's check upon closing.

108. A broker wants to list a property but is getting a lot of competition from other brokers who also would like to list it. The broker offers the seller the following inducement to sign his listing agreement: "I'll buy your property if it doesn't sell in 90 days." With this advertising, the broker must do all of the following EXCEPT

- A. buy the property at the agreed figure at any time during the 90 days.
- B. market the property as if no special agreement existed.
- C. show the seller evidence of the broker's financial ability to buy the property.
- D. show the seller written details of the plan before any contract of guaranty is signed.

109. A broker has obtained an offer to purchase a residence that is listed with his firm. After the buyers sign a purchase and sale agreement and the broker accepts their earnest money deposit, the broker must

- A. deposit the earnest money in the broker's personal checking account for safekeeping until closing.
- B. 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.
- C. provide the buyers a copy of the agreement within ten days as a receipt for their deposit.
- D. 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.

110. The listing agent must make a diligent effort to market which types of listings?

- A. Exclusive-right-to-sell listings and exclusive-agency listings
- B. Exclusive-right-to-sell listings and open listings
- C. Exclusive-agency listings and open listings
- D. Multiple listings and open listings

111. A landlord has a "no pets" policy in his apartment building. If a visually impaired person wants to rent an apartment from the landlord, but owns a guide dog, which of the following statements is true?

- A. If the landlord's "no pets" policy is applied uniformly, in a nondiscriminatory manner, it may be legally applied to the guide dog as well.
- B. The Rhode Island Fair Housing Law specifically prohibits the landlord from refusing to rent the apartment to the visually impaired person on the basis of the owner's "no pets" policy.
- C. Under the Rhode Island Fair Housing Law, the landlord may not discriminate against the visually impaired person on the basis of a "no pets" policy, but the landlord may require the tenant to pay an additional damage fee.
- D. The Rhode Island Fair Housing Law does not address the issue of guide, hearing, or support dogs.

112. In Rhode Island, the age of legal competence is

- A. 18.
- B. 19.
- C. 20.
- D. 21.

113. All of the following are protected classes under the Rhode Island Fair Housing Law EXCEPT

- A. race.
- B. handicap.
- C. individuals addicted to controlled substances.
- D. sexual preference.

114. In Rhode Island, what is the statutory usury ceiling on loans secured by real estate?

- A. 10 percent
- B. 15 percent
- C. 22 percent
- D. There is none.

115. Unclaimed estates escheat to the state after a period of

- A. 5 years.
- B. 10 years.
- C. 15 years.
- D. 20 years.

116. A childless couple has entered into a purchase and sale agreement with a seller. In accordance with the Rhode Island Lead Hazards Law, the couple has a lead paint inspection done on the property and lead paint is discovered. Is any action required of the owner to keep the sale progressing?

- A. No, abatement of lead paint is required as the couple is childless.
- B. Yes, they must abate defective lead paint.
- C. No, as long as the sellers do not have an elevated blood lead level, they need not conduct any abatement.
- D. No, abatement of lead paint is required only in rental housing.

117. How long before the signing of a sales contract for recreational lots outside Rhode Island must the seller present a purchaser with a prospectus?

- A. 24 hours
- B. Within 72 hours
- C. Five business days
- D. One week

118. All of the following persons or entities may serve as the trustee of a trust deed loan in Rhode Island EXCEPT a(n)

- A. real estate broker.
- B. title insurance company.
- C. attorney.
- D. saving and loan association.

119. Which of the following are title search methods commonly used by an attorney in Rhode Island?

- A. Land court certificates
- B. Title search and opinion
- C. Certificates of title
- D. Torrens certificates

120. In Rhode Island, the responsibility for preparing any promissory notes involved in a closing belongs to the

- A. seller's broker.
- B. settlement attorney.
- C. lender.
- D. buyer.

121. A sales contract is signed on May 1. Closing takes place on June 10, and the deed of trust is recorded on June 15. The borrower's first payment is due on August 30. When is the earliest date on which the broker can receive his or her commission check?

- A. May 1
- B. June 10
- C. June 15
- D. August 30

122. In Rhode Island, who is responsible prior to closing for calculating the proration between the buyer and seller, searching the title, and preparing the mortgage note and deed?

- A. Broker
- B. Salesperson
- C. Closing attorney
- D. Lender

123. A broker or salesperson may perform all of the following in preparation for the closing EXCEPT

- A. maintain a time schedule and provide net data.
- B. explain closing procedures to both buyer and seller and anticipate decision-making alternatives.
- C. coordinate inspections and deliver documents and escrow monies to the appropriate attorney.
- D. conduct any title searches that might be required.

124. How old must a citizen of Rhode Island be before he or she may prepare a legally binding will?

- A. 15 (as long as real property is not involved)
- B. 18
- C. 21
- D. Any age as long as the will is legally witnessed and recorded

125. How many witnesses must sign in the presence of the person making a will to fulfill the legal minimum?

- A. One
- B. Two
- C. Three
- D. Four

126. Which of the following legal life estate could be available to a surviving husband in Rhode Island?

- A. Homestead
- B. Dower
- C. Curtesy
- D. A marital easement

127. The principal method of delineating property boundaries or legal descriptions in Rhode Island is known as the

- A. colonial block grant system.
- B. system of principal meridians and base lines.
- C. system of metes and bounds.
- D. rectangular survey system.

128. 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 records a mechanic's lien on July 3. What is the priority of the liens?

- A. ABC Construction, City Bank, Country Bank
- B. City Bank, Country Bank, ABC Construction
- C. ABC Construction, then City Bank and Country Bank equally
- D. City Bank and Country Bank equally, then ABC Construction

129. Once a judgment is rendered, a creditor on a judgment must enforce it within

- A. 6 months.
- B. 1 year.
- C. 5 years.
- D. 20 years.

130. In Rhode Island, an individual may enter into legally enforceable contracts (with no exceptions) when he or she reaches the age of

- A. 16.
- B. 18.
- C. 19.
- D. 21.

131. If a minor enters into a contract in Rhode Island, what is the statutory period within which he or she may legally void the contract after reaching the age of majority?

- A. 6 months
- B. 1 year
- C. The contract may be voided only up to the date when the minor reaches the age of majority; after that date, the contract is binding.
- D. There is no statutory period.

132. In Rhode Island, the prescriptive period to acquire an easement is

- A. 100 months.
- B. 10 years.
- C. 12 years.
- D. 30 years.

133. A neighbor has been crossing W's property to get to a state beach. W wishes to prevent the neighbor from acquiring an easement to cross his land. To do so effectively, W can

- A. follow Rhode Island statutory procedures.
- B. write the neighbor a letter granting her permission to cross the property.
- C. write her a letter forbidding her to cross the property.
- D. put up a "No Trespassing" sign.

134. The prescriptive period in the state of Rhode Island to acquire title to real property to adverse possession is

- A. 7 years.
- B. 10 years.
- C. 12 years.
- D. 15 years.

135. A neighbor has a ten-foot easement through W's forested lot for the purpose of walking to the bank of the river. The neighbor widens the path to 14 feet to accommodate his truck so he can launch his boat. W is furious. Which of the following is true in this situation?

- A. The neighbor's original use was a right; W can do nothing.
- B. The new use is hostile, and if not stopped within 10 years, it could become an easement by prescription.
- C. The additional four feet is a reasonable extension of the original easement and must be granted.
- D. If the neighbor uses the extension for 20 years, then the original easement is automatically his by adverse possession.

136. With respect to leases for terms in excess of one year, the landlord may record, instead of the actual lease, a

- A. *lis pendens*.
- B. rent supplement notice.
- C. notice of constructive occupancy.
- D. notice of lease.

137. A couple has signed a lease containing a provision to waive their rights to the interest earned from the security deposit. This provision is

- A. unenforceable, thus making the lease invalid.
- B. unenforceable, but the lease is still valid.
- C. enforceable because all parties agreed to it.
- D. unenforceable only for the term of the lease.

138. In Rhode Island, the landlord may file court action for eviction for nonpayment of rent if a tenant fails to pay rent within how many days of the scheduled due date?

- A. 7 days
- B. 10 days
- C. 20 days
- D. 30 days

139. In a month-to-month periodic lease, how long must a landlord wait before he or she can raise rents?

- A. Forever, because this is illegal
- B. Until all the leases expire
- C. 30 days
- D. Six months

140. A tenant leased space in a warehouse and put down a two-month security deposit. What percent interest does her security deposit earn as long as she does not pay her rent late?

- A. 2 percent
- B. 4 percent
- C. 5 $\frac{1}{4}$ percent
- D. None

141. In Rhode Island, if a monthly rental payment is made ten days after the due date, how much interest must the tenant forfeit on his or her security deposit?

- A. One month's security deposit interest
- B. Two months' security deposit interest
- C. Three months' security deposit interest
- D. There is no penalty to the tenant in this case.

142. A tenant skips out on his last schedule monthly payment on a one-year lease. The landlord may

- A. keep the tenant's belongings.
- B. retain the security deposit.
- C. do nothing because the lease is terminated.
- D. extend the lease automatically because the tenant gave no notice.

143. Under summary process, if an evicted tenant does not remove his or her belongings, the belongings of the evicted tenant may be

- A. used by the landlord.
- B. sold by the landlord.
- C. placed in storage by the sheriff.
- D. brought to the town dump.

144. If no one claims the proceeds of a sale resulting from a public auction of the belongings of an evicted tenant within 30 days from such sale, these proceeds are turned over to the

- A. landlord, to offset the judgment.
- B. sheriff who executed the eviction.
- C. town treasury.
- D. state's general fund.

145. How must a landlord handle a security deposit?

- A. Security deposits can be used only for residential units.
- B. Landlords must pay tenants interest on their security deposits.
- C. At the end of the lease, the landlord cannot apply the security deposit to rent owed by the tenant.
- D. Unless there have been damages, the landlord must return the security deposit to the tenant within 20 days of the end of the lease.

146. One landlord owns a three-unit apartment building. Another is the landlord of a 30-unit apartment building. Based on these facts, which of the following is true of security deposits?

- A. Both landlords must give tenants an itemized statement of alleged damages before they can withhold any part of the security deposit as compensation.
- B. Only the landlord of the three-unit building is required to limit security deposits to three months rent.
- C. Only the landlord of the three-unit building is required to give tenants an itemized statement of alleged damages before any part of the security deposit may be withheld as compensation.
- D. Both landlords are required to pay interest on security deposits at a rate linked to minimum deposit passbook savings accounts at Rhode Island's largest commercial bank.

147. The tenant is default of his lease for failing to pay rent on time. In Rhode Island, how much written notice is a landlord required to give the tenant to pay overdue rent prior to filing a court action to evict?

- A. 0 years
- B. 3 days
- C. 5 days
- D. 10 days

148. In order to enforce the provisions of a lease, the lease

- A. can be oral for up to 15 months after the date of signing.
- B. would have to be in writing for a term that begins one year after the date of signing.
- C. would have to be in writing for any time period less than six months.
- D. that is verbally agreed to for 18 months could be enforceable.

149. In Rhode Island, if a landlord wants to terminate a year-to-year tenancy, how much notice must the tenant receive?

- A. 7 days
- B. 30 days
- C. 90 days
- D. 4 months

150. A landlord who is subject to the Residential Landlord and Tenant Act charges \$750 per month for an apartment. What is the maximum amount the landlord can require as a security deposit?

- A. \$750
- B. \$1,000
- C. \$1,500
- D. \$2,250

151. During a crime wave, a tenant decides to install a burglar alarm in a rented house. Does the tenant need to inform the landlord?

- A. No, because the tenant has full right of possession during the lease
- B. No, because only tenants in multi-unit apartment buildings are required to inform a landlord about a security system
- C. Yes, but the tenant must also give the landlord instructions and passwords
- D. Yes, but the cost of the system may be deducted from the rent

152. After a lease terminates, the tenant is entitled to the return of his or her security deposit

- A. within 20 days, after notification of the tenant's forwarding address.
- B. within three weeks, including interest.
- C. unless the property has been transferred to a new owner.
- D. with no deduction withheld.

153. How soon must deeds of conveyance be recorded after closing?

- A. A reasonable time
- B. One business day
- C. Three business days
- D. One month

154. In Rhode Island, the local official who records deeds and maintains the grantor/grantee lists is the

- A. first selectman.
- B. assessor.
- C. tax collector.
- D. town clerk.

155. To be eligible for recording in Rhode Island, a document must be

- A. in any language.
- B. witnessed by two persons who are not affected by the document.
- C. acknowledged.
- D. drawn up by an attorney.

156. To acquire title to the land, a tax sale purchaser

- A. registers the deed to the property at the registry of deeds.
- B. files a tax certificate with the registry of deeds.
- C. brings action in the land court to register title and confirm ownership.
- D. pays the back taxes and files a tax release at the registry of deeds.

157. A homeowner's property is being foreclosed through a strict foreclosure process. The homeowner has the right to redeem the property by

- A. redeeming the property before title passes to the foreclosing creditor.
- B. being the successful bidder at the foreclosure sale.
- C. redeeming the property within one year of title's passing to the foreclosing creditor.
- D. matching the successful bidder's bid within one year of the foreclosure sale.

158. In Rhode Island, if an owner defaults on his or her mortgage loan and the property is ordered sold at a foreclosure sale, the owner may redeem the property

- A. prior to the sale, under the statutory right of redemption.
- B. prior to the sale, under the equitable right of redemption.
- C. after the sale, under the statutory right of redemption.
- D. after the sale, under the statutory right of reinstatement.

159. If there is no redemption of the property, how long must a tax sale purchaser wait before starting action to obtain title to the land?

- A. Two years after the unpaid taxes are due
- B. One year and one day from the date of the tax sale
- C. Three years from the date of the tax sale
- D. Two years from the date of the tax sale

160. How long is the defaulted borrower's redemption period after a foreclosure sale is complete?

- A. One year
- B. Six months
- C. Three years
- D. There is no redemption period.

161. The Rhode Island statutes require a complete revaluation of real properties in any given town once every

- A. 10 years.
- B. 5 years.
- C. 12 years.
- D. time the grand list increases by ten percent.

162. From a strictly legal standpoint, real property taxes become a lien on the property as of the

- A. due date.
- B. 30th day from the due date.
- C. date of assessment.
- D. date a foreclosure suit is filed and recorded.

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

- A. selling price.
- B. earnest money.
- C. amount of the mortgage.
- D. date of the purchase.

164. How must the real property transfer tax be paid?

- A. By personal check, made out to the department of revenue
- B. By certified check, made out to the housing development authority
- C. By purchasing transfer tax stamps from the county recorder
- D. By purchasing a “green sheet” from the county recorder for the total due

165. General real estate taxes apply to which of the following?

- A. Cemeteries
- B. Federal government buildings
- C. Housing owned by a disabled veteran
- D. Private schools

166. How often is the assessed valuation of all real estate in Rhode Island adjusted by town authorities?

- A. Quarterly
- B. Every ten years
- C. Biennially
- D. Every three years

167. In Rhode Island, real estate taxes become a lien on the property on

- A. January 1.
- B. June 30.
- C. July 1.
- D. December 31.

168. In order to pay the current 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. June 20 of the next year.
- B. January 1 of the current tax year.
- C. January 1 of the next year.
- D. July 1 of the next year.

169. In Rhode Island, a reduction in real property taxes for a personal residence may be available to which of the following individuals?

- A. 55-year-old retiree
- B. 26-year-old single parent
- C. 34-year-old widower
- D. 28-year-old veteran

170. A recently recorded deed states that the purchase price was “\$10 and other good and valuable consideration.” The conveyance tax stamp indicates that \$192.50 was paid for town conveyance tax. What was the property sold for?

- A. \$87,490
- B. \$21,175
- C. \$175,000
- D. \$192,500

171. The state wishes to widen a highway. It exercises its right of eminent domain and takes a portion of a property through condemnation proceedings. In this situation, the conveyance tax would be

- A. one-half the usual.
- B. zero.
- C. the same as usual but picked up by the state.
- D. \$250, regardless of the consideration amount.

172. What is the Rhode Island transfer tax on a property that sells for \$250,000?

- A. \$125
- B. \$250
- C. \$550
- D. \$1,250

173. What is the state transfer tax on a property that sells for \$185,000?

- A. \$37
- B. \$407
- C. \$185
- D. \$1,850

174. A house was purchased for \$203,000, cash. How much will the revenue stamps cost?

- A. \$446
- B. \$900
- C. \$927
- D. \$945

175. A house was sold for \$150,000, with the buyers assuming a \$40,000 mortgage. How much will the revenue stamps cost?

- A. \$242
- B. \$330
- C. \$344
- D. \$506

176. If an aggrieved person is awarded a judgment against a real estate licensee for violation of the Rhode Island license law, which of the following correctly states the aggrieved person's rights regarding the recovery fund?

- A. He or she has the right, under the license law, to immediately apply to the RIDBR for payment from the recovery fund for the full judgment amount plus court costs and attorney's fees.
- B. He or she has the right to a maximum award amount of \$50,000 per licensee involved from the recovery fund, including court costs and attorney's fees.
- C. He or she has the right to seek satisfaction from the licensee in a private civil action after being compensated from the recovery fund.
- D. He or she has the right to a \$10,000 maximum recovery from the recovery fund, plus limited court costs and attorney's fees.

177. If a broker violates the license law, following a lawsuit resulting in monetary damages to a consumer, what is the latest date on which the injured party may file for a collection from the real estate recovery fund?

- A. One year after the judgment was awarded
- B. Two years after the alleged violation occurred
- C. Three years after the judgment was awarded
- D. Three years after the date on which a professional relationship of trust and accountability commenced

178. Which is the purpose of the Rhode Island Real Estate Recovery Fund?

- A. To ensure that real estate licensees have adequate funds available to pay their licensing and continuing education fees
- B. To provide a means of compensation for actual monetary losses suffered by individuals as a result of the acts of a licensee who violates the license law or commits other illegal acts related to a real estate transaction
- C. To protect the commission from claims by individuals that they have suffered a monetary loss as the result of the action of a licensee who has violated the license law or committed other illegal acts related to a real estate transaction
- D. To provide an interest-generating source of revenue to fund the activities of the commission

179. Of the following, who may receive compensation from the Rhode Island Real Estate Recovery Fund?

- A. Broker who does not receive an earned commission
- B. Any unrelated party suffering damage from the actions of a licensee
- C. Buyer who pays a fee to a broker under a buyer agency agreement
- D. Cooperating broker who does not receive a commission split

180. The maximum compensation that will be paid from the Rhode Island Real Estate Recovery Fund for any single transaction is

- A. \$5,000 per licensee involved.
- B. \$10,000 per licensee involved.
- C. \$50,000 per licensee involved.
- D. \$550,000 per licensee involved.

181. Whenever the commission is required to satisfy a claim against a licensee with money from the Rhode Island Real Estate Recovery Fund, the

- A. licensee may continue engaging in real estate activities under the commission's direct supervision.
- B. licensee may repay the full amount plus interest to the account if his or her license is to be reinstated.
- 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.

182. What is the minimum balance of the Rhode Island Real Estate Recovery Fund?

- A. \$250,000
- B. \$350,000
- C. \$450,000
- D. \$550,000

183. After proper investigation, a payment is made from the Rhode Island Real Estate Recovery Fund as a result of the improper activities of a licensee. What happens when the payment is made?

- A. The license of the licensee is automatically suspended.
- B. No further action is taken.
- C. The licensee's license is automatically revoked.
- D. The licensee is subject to a fine of \$2,000.

184. A broker commits a fraudulent act in connection with the sale of a property on March 15, 1999. On March 30, the transaction closes. On November 1, the client sues the broker, alleging fraud. On December 20, the jury finds in favor of the client. When must the client file a claim with the real estate commission to recover money from the recovery fund?

- A. The request must be filed within 30 days following the illegal activity, in this case, by April 15, 1999.
- B. Within one year after having been awarded a judgment by the courts, in this case, by December 20, 2000
- C. Within one year of filing suit, in this case, by November 1, 2000
- D. Within two years of the date of closing, in this case, by March 30, 2001

185. In Rhode Island, dower and curtesy are

- A. currently recognized.
- B. recognized voluntarily.
- C. recognized but not enforced.
- D. not recognized.

186. All of the following forms of ownership are recognized under Rhode Island law EXCEPT

- A. tenancy in common.
- B. joint tenancy with survivorship rights.
- C. survival.
- D. tenancy by the entirety.

187. A husband and wife, who own their home as tenants by the entirety, obtain a divorce. At that time, the tenancy by the entirety

- A. extinguishes and becomes a tenancy in common.
- B. continues until one of them dies.
- C. extinguishes and becomes a tenancy at sufferance.
- D. reverts to common interest ownership.

188. To establish a "marketable record title," an unbroken chain of title must be established for a period of at least

- A. 15 years.
- B. 20 years.
- C. 40 years.
- D. 60 years.

189. How far back does a normal Rhode Island title search go?

- A. 15 years
- B. 40 years
- C. 75 years
- D. 125 years

190. Unless stated to the contrary in a deed, ownership of land by a married couple in Rhode Island is assumed to be by

- A. severalty.
- B. joint tenancy.
- C. tenancy in common.
- D. tenancy by the entirety.

191. A buyer enters into a purchase and sale contract to buy a house on October 15. The closing occurs on November 15, at which time the seller delivers the deed. The deed is recorded on November 17. The buyer moves into the property on November 18. In Rhode Island, title would have passed from the seller to the buyer on

- A. October 15.
- B. November 15.
- C. November 17.
- D. November 18.

ANSWER KEY

1. B. The director of the Rhode Island Department of Business Regulation administers the real estate license law. Regarding the other answer choices, the commission for human rights handles fair housing complaints; the Rhode Island Association of REALTORS® is a trade association; and the Rhode Island Real Estate Commission is an advisory commission to the director of the Rhode Island Department of Business Regulation.
2. A. Rhode Island license law stipulates that the governor makes appointments to the Rhode Island Real Estate Commission for a term of five years. Members of the real estate commission are not elected by the public, by the state association of REALTORS®, nor by licensees.
3. A. The director of the Rhode Island Department of Business Regulation has the authority to write and enforce the rules and regulations by which all real estate licenses must abide. Regarding the other answer choices, the legislature enacts law; the exam questions are written by an independent testing service and reviewed by the real estate commission; and the testing service administers the exams.
4. B. The commission may not initiate random investigations of licensees. There must be a valid reason. Valid reasons can include one or more of the following: the director's own initiative, a motion from the members of the commission, or a verified written complaint submitted by a disgruntled customer.
5. A. A person who employs any apartment leasing agents requires a license. Anyone holding a power of attorney has the authority to sign the principal's name and does not have to have a real estate license. Resident managers are specifically exempt from licensing requirements. Partners selling their own property are not required to have a real estate license.
6. B. Matching individuals for a fee or commission requires a real estate license.
7. A. The sale of a single co-op unit is the sale of co-op stock and the transfer of a proprietary lease. Real property ownership rights are not involved, and therefore, to conduct security exchanges the non-owner selling the stock must have a securities license.
8. A. All members must have a license, one of which is a broker's license.

9. B. Reselling a mobile home does not require a real estate license unless land is part of the sale because in Rhode Island, mobile homes are considered personal property. Selling or managing real estate for another is considered real estate activities for which a license is required. A person who collects rents must also be licensed.
10. A. Attorneys at law are exempt from licensing requirements. If engaging in real estate activities, associations, partnerships, and appraisers must have a real estate license. Real Estate rental managers must have a real estate license.
11. D. The office manager is performing non-real estate activities and is therefore exempt from licensing requirements.
12. A. An application must be completed and submitted to the Rhode Island Department of Business Regulation before taking the test, which is given on an on-going basis throughout the year. The commission does not require a photo and sworn statements are not required to take the test.
13. C. To obtain a broker's license, one must be licensed for two years, successfully complete 90 hours of approved real estate courses, be at least 21 years of age, and be of good moral character.
14. B. All Rhode Island licenses expire on April 30 of every even-numbered year.
15. D. N cannot sue to recover payment because the injured party must have had an active license at the time the agreement was reached.
16. B. Anyone who is engaged in a real estate activity, such as negotiating the sale of a building along with the personal property, must have a real estate license. Regarding the other answer choices, selling personal property does not require a license; owners are not required to obtain real estate licenses to manage their own properties; and if a person has written authority to sign on behalf of another, he or she need not obtain a real estate license in order to negotiate the sale.
17. C. An applicant must not have been convicted of a felony. The applicant must be at least 18 year of age. In Rhode Island, one does not need to take the exam in order to apply for a real estate license. However, after application for said license, the applicant must pass an examination to obtain the license. The license exam scores are valid for one year. No college is required.

18. B. The maximum fine is \$500, one year in prison for the first offense, or both. The consequences for subsequent offenses are \$500 to \$1,000 fines and/or two years in prison per offense. Although the Rhode Island license law specifies civil and criminal penalties that can be court ordered, it does not give jurisdiction to the Rhode Island Real Estate Commission to adjudge the penalties.
19. B. Real estate salespersons' licenses expire in Rhode Island on April 30 of every even-numbered year.
20. D. A licensee must take 24 hours of continuing education within the last two years prior to renewal in order to renew his or her real estate license.
21. B. A licensee is given a one-year "inactive" period in which to become active after his or her license has become inactive.
22. D. In Rhode Island, licensees are renewed on April 30 of every even-numbered year.
23. A. Rhode Island license law stipulates that to renew a salesperson's real estate license, the applicant must successfully complete 12 continuing education course hours from the real estate licensing division's list of approved list of courses.
24. C. Only licensees may explain and fill in blanks on preprinted contract forms. A person does not have to be licensed to write advertising under the direction of a licensee. Likewise, an unlicensed assistant can compute commission checks (bookkeeping act) and assemble closing documents (secretarial act).
25. B. Personal assistants may be licensed in order to perform more services for the licensee who hired them. Some assistants are unlicensed performing only ministerial duties. Inserting factual information into form contracts under the employing broker's supervision and approval is secretarial and does not require licensing. Only licensed personal assistants may independently host open houses.
26. C. Both the broker and assistant are in violation of Rhode Island license law because unlicensed assistants are not permitted to perform the described services, and commissions paid to unlicensed personnel are not allowed.

27. D. To obtain a Rhode Island reciprocal real estate broker's license, an applicant must file a power of attorney with the director of the Rhode Island Department of Business Regulation. The applicant must operate an office in the state of his or her residence. A salesperson must be employed by a broker holding a Rhode Island reciprocal license in Rhode Island.
28. B. A nonresident license applicant must file a power of attorney with the director of the Rhode Island Department of Business Regulation.
29. A. The state association of REALTORS® does not select members of the Rhode Island Real Estate Commission. The commission makes and enforces license law rules and oversees the examinations given by an independent testing company. The executive director is specifically hired to oversee the operation of the commission's activities.
30. C. On-site property managers are specifically exempt from the licensing requirements.
31. B. Anyone receiving compensation for finding buyers or tenants must first hold a real estate license. Anyone selling or renting his or her own property does not need a license. Neither does a resident property manager or a resident tenant who receives one month's free rent for a tenant referral.
32. A. Anyone selling or renting his or her own property does not need a license to do so. The owner does not have to be an attorney nor receive permission from anyone.
33. D. One requirement for a salesperson's license is the successful completion of an examination on general real estate principals and Rhode Island license law. No college is required, nor is United States or Rhode Island citizenship.
34. A. Twelve hours of approved CEU courses are required to satisfy the biannual CEU requirement in Rhode Island.
35. D. All Rhode Island real estate licenses expire on April 30 in even-numbered years only.
36. B. The expiration date of every salesperson's license in Rhode Island is April 30 of each even-numbered year.

37. C. A broker does not have to employ any salespeople. The broker must, however, maintain an office and an active broker's license in his or her home state, and the broker must file a written power of attorney appointing the director of Rhode Island Department of Business Regulation as his or her Rhode Island agent for service of process.
38. C. Anyone engaging in the real estate business for the benefit of another must first hold a real estate license. Individuals may buy, sell, or build their own houses without a real estate license.
39. A. The broker earned the commission since the seller accepted the offer, however, the broker will have to pursue the seller for the commission in court. The deposit must be returned to the buyer, and the broker cannot take his or her commission from it.
40. B. Confidential information must remain confidential forever, but agents must always disclose information about the physical condition of the property. The original listing agent is now free to represent the buyer since the original agent no longer has an agency relationship with the seller.
41. A. This is an unwise referral. The salesperson should not refer her buyers to this lender since salespeople can only receive compensation from their employing brokers.
42. C. Buyers can enter into an exclusive-right-to-buy-agreement, but it must be clearly identified.
43. A. The buyer-brokerage contract is an employment contract and must be in writing to be enforceable.
44. B. The agent does not have to include an expert's report on the property condition as part of the listing agreement. The listing agreement must state the exact brokerage fee, be in writing and signed by both broker (or representative) and seller. The seller must receive a true copy of the listing agreement after signing it.
45. C. The law does not mandate a property condition disclosure report with the sale of commercial property. Seller property disclosure forms are required in the transfer of one to four dwelling units. The forms are required whether or not the seller has resided on the property or if the buyer has lived there as a tenant. Likewise, the form is required whether or not a real estate licensee is involved.

46. A. The form must be delivered before the buyer makes an offer so that the buyer can make an informed offer.
47. B. The seller should say “no” since she has no knowledge of any problems with the system at the present time.
48. D. Property disclosures must be made for the sale of all one- to four- dwelling units. Required disclosures cover a wide range of potential problems, and the agent should encourage the seller to be honest and disclose all known problems.
49. B. The agent must clearly indicate that he or she represents the seller’s best interests. Buyers do not have to be represented to work with the seller’s agent. Such agent disclosures must be made in writing.
50. C. Neither must be disclosed. State law does not cover stigmatized properties, and federal fair housing laws prohibit discussion of the AIDS-related death.
51. D. The salesperson will have to inform the owner in writing that the salesperson is a licensee before making the offer. The salesperson does not have to resign nor obtain permission from the Rhode Island Real Estate Commission. The salesperson should not use a third party.
52. A. The buyer can sue the broker but cannot sue the seller under license law. The broker is required by law to disclose any fact that would materially affect the buyer’s decision to make an offer. The fact that the buyer did not ask is not relevant.
53. D. The buyer or prospective tenant should be given an agency disclosure statement before any offers to purchase or lease are prepared or presented.
54. D. A two-unit residential property is covered by the disclosure act. Foreclosures, sales between close family members, and a conveyance from one spouse to another in a divorce are all exempt from the disclosure act.
55. A. The statement is an inadequate disclosure. Agency representation is not a disclosure about the property; but rather the duties and obligations to a client and a customer. The buyers do not know what their relationship is, apart from the fact that they do not know what the agent owes the seller.

56. C. The broker must disclose the cracked foundation, but discussing the suicide could constitute a breach of duty to the client.
57. A. Typically the second, cooperating broker would represent the seller as a subagent.
58. D. The broker may not make a blanket offer of subagency because subagency relationships may be created only with a specific agreement between the parties.
59. C. The seller and buyer must be informed of the dual agency situation and agree to the broker's representation of both of them.
60. D. Commission rates are always negotiable between the seller and the broker. Activities for which a license may be revoked include conviction of a felony, false advertising, and commingling of funds.
61. D. Commingling of personal and clients' funds is a prohibited practice. Regarding the other answer choices, a salesperson may represent only one broker at a time; buyers may be represented; and most real estate brokers prefer an exclusive-listing agreement.
62. B. Depositing earnest money into the firm's escrow account is proper conduct. Grounds for suspension or revocation include being declared mentally incompetent, cheating on the licensing examination, and displaying a "For Sale" sign on a property without the owner's consent.
63. B. The Rhode Island Department of Business Regulation is specifically mandated by state license law to revoke the license if a licensee has been found liable in a civil trial for illegal discrimination. The other situations, failing to perform as promised in a guaranteed sales plan, commingling money, and failing to provide information to the Office of Banks and Real Estate within 30 days, may be grounds for suspension but it is not mandated.
64. B. The broker must always have permission before erecting a sign. Brokers are not permitted, however, to solicit information or offer employment at the testing site, encourage a decision based on religious grounds, or fail to make full disclosures of all conditions of a promotion.
65. C. The broker can lose his or her license and be fined. Brokers are not to be parties to dual contracts for the purpose of obtaining a larger loan.

66. D. All advertising is in the employing broker's name and therefore J-H must indicate the name of her employing broker.
67. A. After obtaining the property owner's permission, the broker may erect a "For Sale" sign on the property.
68. C. In order to avoid a "blind ad," all advertising must be made in the name of the employing broker, not the licensee. A telephone number is not sufficient. The property owner does not have to be identified.
69. C. When acting as a private citizen, the salesperson need not disclose license status in advertising. The licensee must disclose licensed status to the serious buyer prior to an offer to purchase being signed.
70. A. Each screen must include the name of the brokerage, home office address, and the states in which the brokerage holds licenses. However, if the brokerage is a member of a national franchise and is independently owned and operated, this must be stated in the Web site. The brokerage does not have to name each active licensee.
71. A. Each screen must include the name and location of the salesperson's office and a list of states in which the salesperson is licensed. The licensee does not have to name other licensees or identify the home office.
72. C. Net listings are illegal because of potential conflict of interest for the broker.
73. C. The broker accepted an illegal net listing. This is a good example of the conflict of interest that an illegal net listing provokes since the broker was not working in the best interest of his client.
74. D. Commissions, what the broker charges the seller, are always negotiable between the principal and the agent. They are not set by law or the real estate commission, nor determined by the local group of brokers.
75. A. Commissions are always negotiable between the principal and the agent and are not determined by custom or law. Commissions may not be shared with an unlicensed party or deducted from the earnest money deposit.

76. D. Rhode Island license law specifies that all earnest monies must be deposited into a neutral account within ten days of receipt by the listing broker. Common law application is ten working or banking days.
77. B. The broker may deposit this buyer's funds into an escrow account containing money from other customers and clients. The broker may not commingle the earnest money with another personal account nor keep it in the office indefinitely.
78. D. The money should have been deposited into a neutral account and the interest discussed with the parties. Rhode Island license law does not specify that escrow accounts must be interest bearing nor to whom the interest must be payable. Common law application is that the interest accrued is negotiable, but most often the listing broker accrues the interest on escrow accounts.
79. A. All deposits into the account must solely be the assets of the broker's clients. Rhode Island has no such requirement regarding the name on the account. A broker does not have to open a new account each time that earnest money is received and the accounts can be in the same bank; however, the broker must keep careful records to accurately account for all funds.
80. C. The broker has violated state law by using funds from one property to make repairs on another property.
81. B. Brokers and salespeople are special agents, hired for a very narrow purpose, and should therefore be careful to avoid any appearance of the unauthorized practice of law. Filling in the blanks at the direction of the consumers who make final decisions and sign the contract is permissible and avoids any appearance of unauthorized practice of law.
82. B. An adequate description, such as the property address, is required, but not the legal description. Listings must have an asking price and a definable broker fee to avoid an unintentional, prohibited net listing. The listing agreement does not have to include a fair housing statement. Listings must have a definite termination date.
83. B. Rhode Island real estate license law requires that all listings must contain a definite termination date (month, day, and year). Automatic extensions are not permitted under Rhode Island law.

84. B. Listings must have a defined termination date. Commission rates are required to avoid new listings. Including a specific termination date would be following the state law. State law does not address the issue of whether or not to include a broker protection clause.
85. D. A listing contract need not discuss the seller's net return. The buyer and seller must make the determination and the broker may not disburse funds without their authority. State law requires that the seller make known any material defects to the property. The licensee must disclose all sources of compensation.
86. D. A broker or licensed salesperson is obligated to give the person or persons signing the listing a legible, signed, true, and correct copy. State law does not obligate the listing broker to advertising, numbering files, or advertising by cooperating brokers.
87. A. The listing agreement may be canceled but the seller may be responsible for some expenses. The real estate commission does not have jurisdiction in this matter.
88. A. Since the employing broker was unaware of the salesperson's illegal activities, there will be no action taken against the broker.
89. D. Fair housing complaints are generally directed to HUD or the Rhode Island Commission for Human Rights. REALTOR® organizations do not receive discrimination complaints.
90. B. A person has one year to file a complaint with the Rhode Island Commission for Human Rights.
91. B. Only an attorney can prepare actual, legal clauses. Salespeople should be careful to avoid the unlawful practice of law by writing such a clause.
92. B. Salespeople may only collect compensation from their employing brokers.
93. B. The broker is responsible for notifying the Rhode Island Department of Business Regulation of the salesperson's departure and returning the salesperson's license to the department. If the salesperson is employed by another broker, the salesperson would submit a change of address request to the department. The department would then forward the salesperson's license to the new employing broker.

94. A. A salesperson may be licensed with only one broker.
95. D. A salesperson may collect a fee only from his or her employing broker.
96. D. The affiliates' licenses are on inactive state until "hired" by a new broker.
97. D. The broker will not receive permission. Brokers can have branch offices, but each office must be under the direction of a licensed real estate broker.
98. D. The associate broker must complete and send a change of address request, along with the proper fee to the Rhode Island Department of Business Regulation and then the new license will be forwarded to the new broker. This license must be received before the associate broker can start selling.
99. B. The Rhode Island Department of Business Regulation must be notified immediately of the new business address. Failure to do so may result in a revocation of the license.
100. A. The broker may not offer a title opinion, which could be an unauthorized practice of law. State law requires that these documents be retained for five years. The broker should make sure that all terms have been included since the broker is responsible for seeing that the terms of the purchase and sales agreement have been completed.
101. A. Simply having a listing agreement does not ensure a commission. Having a contract between a willing seller and a willing buyer and a closing of title by the purchaser generally lead to the broker receiving a commission.
102. B. State law requires that brokers keep transaction records for at least three years.
103. C. A salesperson may not accept a fee from anyone other than his or her employing broker.
104. D. The broker may say "thank you" to the pilot, but may pay a referral fee only to someone who holds a real estate license.
105. B. Both the conviction and the broker's failure to immediately notify the Rhode Island Department of Business Regulation violates Rhode Island law.
106. D. The buyer of a resale condo unit does not have any rescission rights. A buyer has the right to rescind the contract only when purchasing from the original developer, and then within five days of receipt of contract.

107. A. The broker and seller agree to the commission fee that must be stated on the listing agreement. There are no standard rates, nor is it determined by local custom. The Rhode Island Department of Business Regulation does not arbitrate commission disputes.
108. A. Since the ad says “after 90 days,” the broker is not obligated to buy it until the 90-day expiration. The broker must be able to substantiate his offer to purchase and must indicate all terms so that the seller is not surprised.
109. C. The broker must provide the buyers a copy of the agreement within ten days as a receipt for their deposit. All written offers must be presented to the seller immediately. Completing a false, second purchase agreement for the purposes of obtaining a larger loan, is prohibited under any circumstances. Other people’s money must not be placed in a personal bank account.
110. A. Rhode Island license law specifies that all real estate contracts must be in writing. Furthermore, the listing agent must make a diligent effort to market all exclusive-right-to-sell listings and exclusive-agency listings. No such requirement is imposed on open listings. In addition, the Rhode Island Association of REALTORS® and statewide MLS bylaws only allow exclusive-right-to-sell listings and exclusive-agency listings to be placed in the MLS. Open listings are not permitted.
111. B. The Rhode Island Fair Housing Law specifically prohibits the landlord from refusing to rent the apartment to the visually impaired person on the basis of the owner’s “no pets” policy.
112. A. The age of legal competence in Rhode Island is 18.
113. C. Individuals addicted to controlled substances have no protection under the Rhode Island Fair Housing Law.
114. D. Usury indicates an exorbitant interest rate and thus usury ceilings have been abolished.
115. D. Unclaimed estates escheat to the state after a period of 20 years.
116. B. In Rhode Island, defective lead-based paint must be abated.
117. B. The seller must present a purchaser with a prospectus within 72 hours before the signing of a sales contract for recreational lots outside Rhode Island.
118. A. A real estate broker may not serve as trustee of a trust deed loan. A savings and loan association, title insurance company, or an attorney may serve as a trustee.

119. B. Title search and opinion are used, but land court certificates, certificates of title, and Torrens certificates are not used.
120. C. The lender is responsible for preparing any promissory notes.
121. C. The broker receives the commission check when the deed is recorded and funds are disbursed, in this example, June 15.
122. C. The closing attorney is responsible for these activities.
123. D. The broker will not conduct a title search; that may lead to charges of practicing law without a license. The broker can maintain a time schedule, provide net data, explain closing procedures, anticipate decision-making alternatives, coordinate inspections, and deliver documents and escrow monies to the appropriate attorney.
124. B. The age of majority is 18.
125. B. Two witnesses must sign in the presence of the person making the will.
126. A. Only a homestead life estate is available to a surviving husband in Rhode Island. Curtesy and dower are no longer recognized.
127. C. The primary method of describing property in Rhode Island is through the system of metes and bounds.
128. A. The mechanic has 120 days to file the lien, which is effective as of the date construction was completed, or the last significant visit. Thus, the mechanic is first, then the mortgage companies as recorded. Because of the way Rhode Island's Mechanic's Lien Law is written it is possible to purchase a seemingly-lien-free property only to have a lien filed against it after the purchase.
129. D. A creditor must enforce a judgment within 20 years.
130. B. Legal age with no exceptions is 18. Some exceptions may enable a 16-year-old the right to sign certain contracts.
131. D. A contract signed by a minor may be voided at any time in the future.
132. B. In Rhode Island, the prescriptive period to acquire an easement is continuous, open, and notorious use established for 10 years.
133. A. W must follow statutory procedures. Writing a letter or putting up a "No Trespassing" sign may be insufficient.

134. B. Continuous use, hostile to the owner, must be established for at least 10 years to acquire title by adverse possession.
135. B. The new use is hostile and if not stopped within 10 years, could become an easement by prescription.
136. D. The landlord may record a “notice of lease.”
137. C. The provision is enforceable since all parties agreed to it. In Rhode Island law, interest earned on security deposits is not addressed, and the lease is still valid.
138. C. With proper notice, the landlord may file court action for eviction 20 days after the failure to pay on the due date. The 20 days includes the 15 days for the late rent payment plus the 5 days for the demand notice period.
139. C. The landlord may raise rents after a 30-day notice of the rent increase.
140. D. The Rhode Island Landlord Tenant Act does not specify who is entitled to accrued interest from security deposit accounts nor does it specify an interest rate for those accounts. In common practice, the landlord accrues the interest on such accounts at whatever rate they can obtain.
141. D. The Rhode Island Landlord Tenant Act does not provide a penalty for overdue rent. According to the act, the landlord must wait 15 days after the due date before the rent is legally overdue. In that situation, the landlord’s recourse is to file court action for eviction.
142. B. The landlord may, at his or her option, retain the security deposit for unpaid rent. Under RILLTA, the landlord must return security deposits upon termination of the rental agreement within 20 days of receipt of a forwarding address from the ex-tenant. If there is a retention of a portion or all of the security deposit, then the tenant must receive an itemized accounting of the reduction along with the balance due.
143. C. The sheriff may place the belongings in storage.
144. A. The proceeds of the sale may be turned over to the landlord to offset the judgment.
145. D. Unless there have been damages, the landlord must return the security deposit to the tenant within 20 days of the end of the lease. Security deposits may be required for the rental of any kind of property.

146. A. All residential building owners are required to give tenants an itemized statement. Security deposits are limited to one-month's rent. There is no requirement for Rhode Island landlords to pay interest on security deposits.
147. C. Rhode Island Law requires that a five-day demand notice be given to the tenant after the rent is 15 days in arrears.
148. B. The statute of frauds requires all contracts to be in writing to be enforceable in a court of law. One exception to this rule is that an oral lease of one-year duration or less is generally considered to be enforceable.
149. C. The landlord must give a 90-day notice to terminate a year-to-year tenancy.
150. A. The landlord can require up to one month's rent as a security deposit, in this example, \$750.
151. C. The tenant must notify the landlord and supply instructions and passwords,
152. A. The security deposit must be returned within 20 days of notification of the tenant's forwarding address.
153. A. Deeds should be recorded within a reasonable time after closing.
154. D. The town clerk records deeds and maintains the grantor/grantee lists.
155. C. To be eligible for recording in Rhode Island, a document must be acknowledged and in English.
156. C. The tax sale purchaser must bring action in the land court to register the title and to confirm ownership.
157. A. The homeowner has the right of equity of redemption before title passes to the foreclosing creditor.
158. B. The homeowner has the right of equity of redemption before title passes to the foreclosing creditor.
159. B. A tax sale purchaser must wait one year and one day from the tax sale before starting action to obtain title to the land.
160. D. There is no redemption period after a foreclosure sale.
161. A. State statutes require revaluation of real property every ten years.
162. A. Taxes become delinquent on the due date and become a lien on the property at that time.

163. A. The conveyance tax is based on the sale price.
164. C. Transfer tax stamps must be purchased from the county recorder to pay this tax.
165. C. A disabled veteran would have to pay tax on his or her house. Cemeteries, federal government buildings, and private schools are exempt from paying general real estate taxes.
166. B. Town authorities must adjust the assessed valuation of real property every 10 years.
167. A. Rhode Island taxes are assessed on December 31. They become a lien on January 1. The tax is due and payable on the date of that particular assessing town's fiscal year. The taxpayer has the option of payment in full or quarterly at no penalty.
168. B. Taxes must be paid by January 1 of the current tax year to avoid penalties and interest on the taxes.
169. D. Rhode Island real estate tax laws permit real estate property tax exemptions for bona fide veterans. After applying for the exemption and meeting the veteran qualification requirements, the veteran gets a set exemption amount, regardless of years of military duty. He or she does not have to reapply. To qualify for a senior citizen exemption, you must be at least 65 years old and reapply yearly and meet a sliding income scale by an annual verification of income.
170. A. The Rhode Island state-mandated real estate transfer tax rate is \$2.20 per \$1,000 of sale price. Since the recorded tax is stated as \$192.50, then the other good and valuable consideration would have to have been valued at \$87,490. $\$192.50 \text{ divided by } \$2.20 = 87.5 \times \$1,000 = \$87,500$.
171. B. There is no conveyance tax on a condemnation sale.
172. C. The Rhode Island state-mandated real estate transfer tax rate is \$2.20 per \$1,000 of the sales price. $\$250,000 \text{ divided by } \$1,000 = 250 \times \$2.20 = \550 .
173. B. The Rhode Island state-mandated real estate transfer tax rate is \$2.20 per \$1,000 of the sales price. $\$185,000 \text{ divided by } \$1,000 = 185 \times \$2.20 = \407 .
174. A. The Rhode Island state-mandated real estate transfer tax rate is \$2.20 per \$1,000 of the sales price. $\$203,000 \text{ divided by } \$1,000 \times 2.20 = \$446$.
175. B. The Rhode Island state-mandated real estate transfer tax rate is \$2.20 per \$1,000 of the sales price. $\$150,000 \text{ divided by } 1,000 \text{ times } \$2.20 = \$300$. No taxes are due on the mortgage amount.

176. B. He or she has the right to a maximum award amount of \$50,000 per licensee involved from the recovery fund, including court costs and attorney's fees.
177. A. The injured party may file for a collection from the real estate recovery fund within one year after the judgment was awarded.
178. B. The purpose of the Rhode Island Real Estate Recovery Fund is to provide a means of compensation for actual monetary losses suffered by individuals as a result of the acts of a licensee who violates the license law or commits other illegal acts related to a real estate transaction.
179. B. Any unrelated party suffering damage from the actions of a licensee is eligible to receive compensation from the fund.
180. C. The maximum compensation that will be paid from the Rhode Island Real Estate Recovery Fund for any single transaction is \$50,000 per license involved.
181. B. If the commission has satisfied a claim against a licensee by paying out of the fund, the licensee must repay the full amount plus interest to the account if his or her license is to be reinstated.
182. A. The minimum balance of the Rhode Island Real Estate Recovery Fund is \$250,0000.
183. C. Once a payment is made from the fund, the licensee's license is automatically revoked until the money is repaid plus interest.
184. B. The client must file a claim within one year after having been awarded a judgment by the courts, in this case, December 20, 2000.
185. D. Rhode Island does not recognize curtesy and dower.
186. C. Rhode Island does not recognize a form of ownership called survival. It does recognize tenancy in common, joint tenancy with survivorship rights, and tenancy by the entirety.
187. A. Tenancy by the entirety extinguishes upon the divorce and converts to tenancy in common.
188. C. To establish a "marketable record title," an unbroken chain of title must be established for a period of at least 40 years.
189. B. A normal Rhode Island title search goes back 40 years.
190. B. Unless stated to the contrary in the deed, ownership of land by a married couple in Rhode Island is assumed to be by tenancy in common.

191. B. Title will have passed from seller to buyer on November 15, the time that the seller delivered the deed to the buyer.