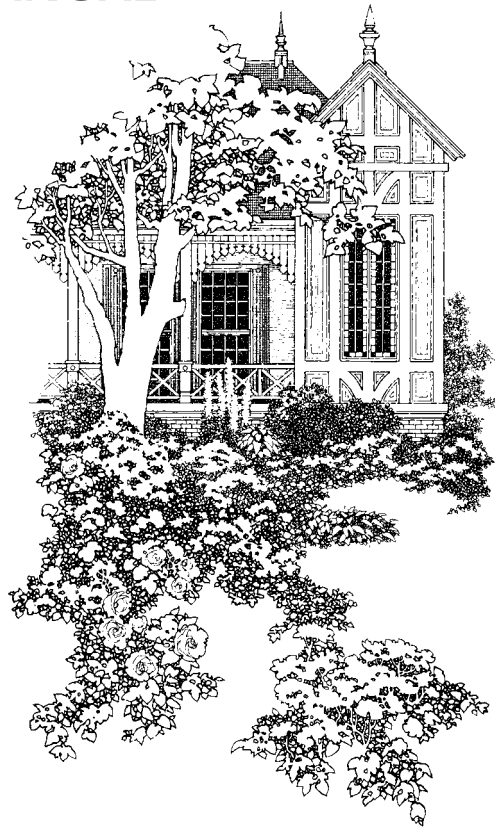
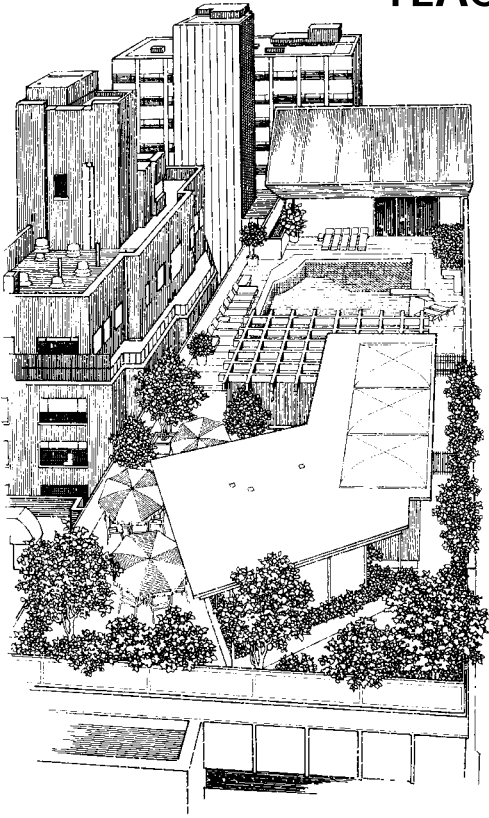
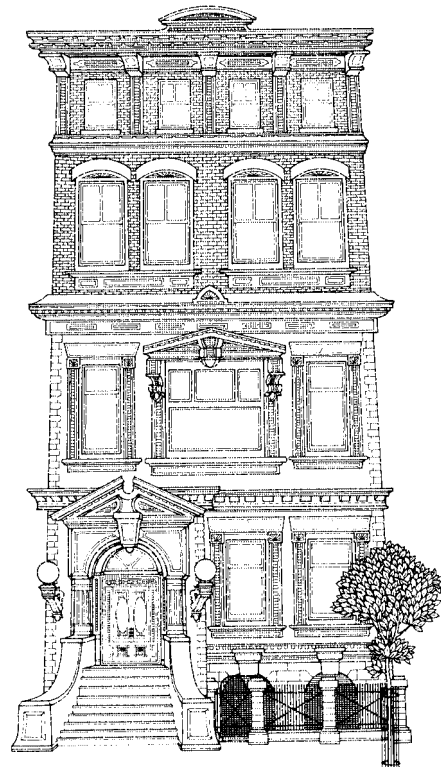
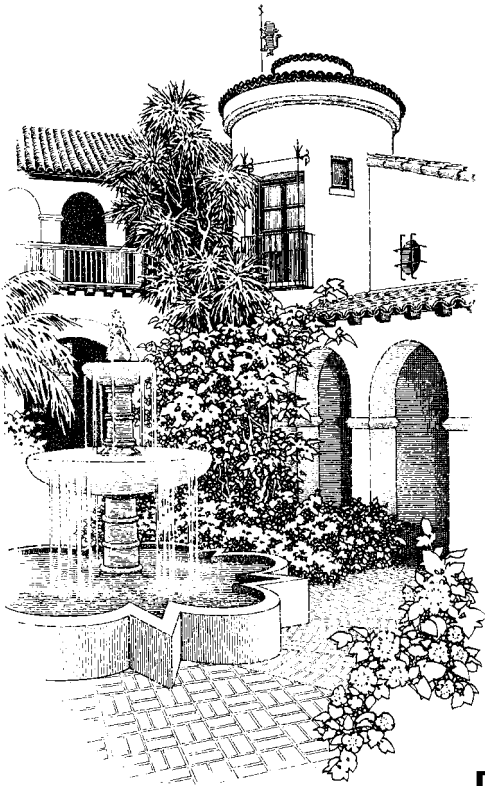


TEACHER'S MANUAL



IT'S YOUR MOVE



PUBLISHED BY
OKLAHOMA REAL ESTATE COMMISSION

A CONSUMER EDUCATION UNIT ON REAL ESTATE

IT'S YOUR MOVE

By
Merle Wood
Consultant in Business Education
Oakland Unified School District
Oakland, California

You will soon be out of high school. You need to understand the process of renting, buying, and selling real estate. You also need to know about maintenance and management of a dwelling. Your place of residence will represent a significant financial investment. It will represent even more. It will be your home. In it, free from unlawful intrusion, you may live in the tradition of your culture.

This booklet was revised and adapted to Oklahoma law and custom by the Oklahoma Real Estate Commission in close cooperation with the Business Education Specialist, Instruction Division, Oklahoma State Department of Education. It was made possible by the Oklahoma Real Estate Education and Recovery Fund.

The booklet was originally developed by the California State Department of Real Estate in close cooperation with the Bureau of Business Education, California State Department of Education. It was revised and updated in 1996 by the Staff of the Education Department of the Oklahoma Real Estate Commission.

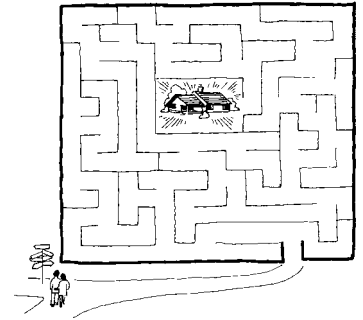


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IT'S YOUR MOVE

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IT'S YOUR MOVE

GENERAL METHODOLOGY AND TEACHING SUGGESTIONS

◆ TARGET POPULATION

The instructional booklet IT'S YOUR MOVE was designed to be used primarily by Oklahoma's 11th and 12th grade students to acquaint them with consumer housing information. Many students leave home shortly after completing high school. They are soon renting apartments. Soon thereafter many of them will be considering the purchase of a home. These young people need housing information.

Oklahoma is a complex state. It is made up of large segments of urban, suburban, and rural population. Furthermore, there is a complete racial mix. As in all states, our people range from the fabulously wealthy to those who are poverty stricken. Perhaps meeting the needs of all these diverse people with their different backgrounds, cultures, and economic situations is impossible. Yet an attempt was made to design the contents of the booklet so that it would have the broadest possible application. It is not written for the inner city student or for the suburban student or the rural student. It was not designed specifically for less-able students or for advantaged students. It attempts to present consumer real estate topics and issues to all students. Each student will make his or her own applications of the theory encountered in this unit of instruction. It will provide a base on which students can build a deeper competency in consumer housing.

◆ WHERE TO USE THE MATERIAL

While IT'S YOUR MOVE was developed to be used with 11th and 12th grade students, this may be impossible or impractical in some districts. Because the material does deal with a consumer topic, it can be fitted into many "host" courses. Teachers of business, home economics, and social science subjects will

have primary interest in the material. Depending upon local curriculum designs, teachers of other subjects may find it appropriate to use the material. Some attempt should be made in each participating school to avoid duplication. If there is no coordination, students may encounter the consumer housing unit in more than one course.

◆ THE LEVEL OF MATERIAL

IT'S YOUR MOVE was written to appeal to today's 11th and 12th grade students. It has an illustration or activity on virtually every page. It is designed with a "you" approach. The problems and activities will appeal to high school age students. The writing is uncomplicated and direct. The reading level averages approximately eighth grade reading level.

◆ THE CASES AND PROJECTS

The booklet has eleven case problems for students to solve and twelve activities for them to do. The cases are open ended. Many of the cases have no single answer. Each student can determine his or her best solution—the one that most nearly fits individual situations and attitudes. The cases lend themselves to class discussion. In fact, teachers may elect to use the cases for discussion rather than to have students do them independently. By so doing it will become very obvious to every student in class that there are differences in students' backgrounds, needs, interests, and desires as they relate to housing.

Even if the cases are solved by the students on an individual basis, there is value in following up with class discussion. Having already made their own decisions, students will feel fairly comfortable in participating in discussion. Such exchanges will impress

every student in class with the widely varying ideas and attitudes that exist toward housing, living style, economic concepts, ethics, and so on. These discussions can result in significant student growth.

These projects were designed to provide an opportunity for students to actually do something rather than to just read and talk. There is enough variety in the projects to permit students with widely varying interests and abilities to find some projects they feel particularly interested in doing. In some cases there are options—students can do one activity or an alternate. Such options help to convince students that their special interests and skills are given consideration.

◆ THE PROGRAM DESIGN

It is impossible, in such a short booklet, to cover all there is to know about consumership in real estate. It was necessary to select the topics that are most important, most often encountered, and most often confused. There are entire books written on topics that are given only a paragraph or two in IT'S YOUR MOVE. An excellent bibliography is included in this teacher guide. Some of the references may be in your own school library. Others will be available in your public library. If there are topics on which you and your students wish to do more intensive study you will find a great deal of help in the references cited.

◆ INDIVIDUAL OR GROUP PROGRESS

You can make your own decision regarding the question of using individual or group instruction techniques. The material is designed to be used either way. If you have never instructed on an individualized basis you may wish to employ this material individually in order to evaluate this particular methodology.

◆ GROUP INSTRUCTION

If you should instruct the consumer housing unit in the traditional group process you simply use IT'S YOUR MOVE as a mini-textbook. Students are given assignments; they read, they discuss, papers are handed in and checked, and testing and evaluation takes place. Students progress as a unit. Guest speakers, film presentations, and other activities are phased in at the same point for all students since they are studying and progressing in unison.

◆ INDIVIDUALIZED PROGRESS

Because of the design of IT'S YOUR MOVE, you can

use it individually. You may decide that, upon completion of some specific class project or unit, students are each to be handed a copy of the booklet. After they take the pretest and hand in the score strip, they are on their own. They progress as rapidly or slowly through the unit as their time and skill will permit. They do each assignment as directed in the booklet. Where there are optional projects, students make their own selection of which project to do.

When special reports, guest speakers, or film presentations are scheduled, students stop their work on the booklet and participate in the group activity. Then they return to the booklet and take up where they left off—working at their own pace.

Because the finishing time for students will vary greatly, it will be necessary to administer the posttest individually. Simply advise the students that, when they are through with the last project in the booklet, they are to come to you for the posttest. You return to them the pretest/posttest page that you will have filed. Since the test is not timed, you will not find it a burden to administer. Upon completion of the test they hand it in for correction.

◆ FINAL TEST

A final test has been developed for use with the unit of instruction. The master copy of the test can be removed from this teacher guide. Use it to make copies for the use of your students. A scoring key is also provided in this guide. Teachers who wish to, may design their own final tests rather than use the one that is provided.

Depending upon the manner in which the unit was presented, it may be beneficial to supplement the prepared test with additional questions and exercises. For example, if there were a number of significant student reports, films, guest speakers, field trips, etc., you might want to develop some sort of examination questions to evaluate the understanding that students should have obtained from such special activities.

◆ PRETEST/POSTTEST

The pretest/posttest was not prepared as an optional exercise. It will prove itself to be an interesting and valuable teaching and learning tool. Do use it.

It is very important that you announce to students that the pretest/posttest scores will not be used for grading. This testing system is more an evaluation of the materials and instruction than it is of students. The

pretest/posttest was not designed as an instrument for establishing grades and it should not be used as such. A final test has been provided to assist you in determining a student grade.

The pretest should be given on the first day the material is introduced. Have students immediately remove the pretest/posttest page from the booklet. Read the directions aloud to your students. Have them put their names in the blanks on both answer columns. Ask them to turn the page over before they begin work. Read the special directions at the top of the back side of the page. Make sure they understand that on the pretest they are to mark their answers in the RIGHT HAND COLUMN and the first side of the test paper and in the LEFT HAND COLUMN on the reverse side.

The objective of this reversal is to permit students to cut the pretest answer column from the page after the pretest. You should score the pretest and file the pretest answer slips. Also file the test sheet itself. At the end of the unit you will hand the test sheet to the students. They will take the test again. After scoring the test you and your students can compare pretest/posttest scores.

◆ STUDENT INFORMATION— STUDENT CLASS AVERAGE

There is nothing quite so stimulating to students as knowing they have succeeded. They will quickly grasp the significance of the gains they make in their posttest scores over their pretest scores. You will find that, virtually without exception, there will be significant increases in test scores. Students will gain 10, 20, 30, 40 points or more between the two testings. This will be ample evidence to you, to the students, and to interested administrators that something did happen in the unit. Students did learn. You can show quantitatively what the gain has been.

You can compute the average gain of students in your class. Just total the pretest scores, then find the average. Do the same with posttest scores. The difference between the two averages will be the average gain per student in your class. Along with knowledge of their own individual gains, the average student gain in score provides ample evidence of student growth.

◆ ITEM ANALYSIS

If time permits, you may wish to do an item analysis on both the pretest and the posttest. This information

can be of real value to you.

PRETEST: If you count the number of students (on the pretest) who miss each question, you may find, for example, that questions 3, 9, 28, 37, and 41 were very frequently missed. This can guide you as you work with the students on the material. You can give special attention to the points brought up by the problem questions. You may find that a half-dozen questions were missed by few, if any, students. From this you can assume that most students know the information contained in those questions and those particular topics should get little special attention as students study the unit.

POSTTEST: An item analysis of the responses to the posttest questions will also provide valuable information to you. If you find that most students had a high posttest score you have visible assurance that your teaching apparently was successful. However, you may find that two or three questions were still missed by a number of students. This would give you evidence that would influence your presentation of the material the next time you teach the consumer housing unit. You might feel that it would be wise to place some emphasis on those topics that your previous class did not seem to grasp.

◆ PERFORMANCE OBJECTIVES

A few tentative performance objectives have been developed as a guide for your use. It is felt that no one can develop adequate and appropriate measurable objectives except the teacher who is dealing directly with the students. Thus, it is hoped that you will take the list of objectives and modify them to suit your students and your community. Add to the list. Then adopt them. The objectives must be ones that you design. It is for this purpose that the objectives are not produced in the students' manual.

As you review the objectives that are presented, it will quickly become obvious that the performance criteria is somewhat vague and general. Often the criteria is "...in the judgment of the instructor" or a similar statement. Yet, with the content covered in the student booklet, this seems the most appropriate criteria to use. Much of the content cannot, or should not be measured quantitatively.

If you should develop tailor-made performance objectives, reproduce them and give students a copy. It is just as important for them to have the objectives clearly stated as it is for the teacher to have this infor-

mation. By knowing what the objectives are, the students are forewarned. They can continually refer to their list and, when a topic is at hand on which they are to be measured, they will know to redouble their effort.

◆ STUDENT PERFORMANCE OBJECTIVES

You are interested in yourself. This is only natural. You will be interested in knowing what you can DO when you complete this unit. You already know what you will study about, but what will you be able to do by the time you complete the unit?

YOU WILL BE ABLE TO:

- Define 35 real estate terms that your instructor gives you and get 30 or more of them correct.
- Explain the obligations of landlord and tenant to the satisfaction of your instructor.
- Name and define four major types of housing to the satisfaction of your instructor.
- Outline the process of selling a house to the satisfaction of your instructor.
- Explain the functions of real estate agents to the satisfaction of your instructor.
- Explain the process of evaluating a house that one might be interested in buying to the satisfaction of your instructor.
- Translate the information in both apartment-for-rent and house-for-rent advertisements with 100% accuracy.
- Explain to the satisfaction of your instructor the alternatives for housing that a particular family might have and indicate the most appropriate solution for the family.
- List seven of the eight requirements for rental property to be considered livable.

The value of performance objectives is obvious. If the teacher and the student know what the student is supposed to be able to demonstrate at the conclusion of a unit of instruction, both the teacher and student have direction. At the conclusion of the unit of instruction, students can be evaluated. If instruction

has been effective, students should be able to demonstrate that they have met the stated objectives—that they can do things which they could not do prior to the unit of instruction. Such demonstrations provide for real accountability. The teacher (and the materials and special activities) did teach and the students did learn. Firm knowledge of these facts is stimulating to both teacher and students.

◆ TEACHING SUGGESTIONS: SPECIAL ACTIVITIES

FIELD TRIPS

Consider taking your students to a real estate agency office. Have the company personnel explain their function; how they work with clients and customers, the records they must keep, legal requirements, how multiple listing works, information they have available for persons seeking property, etc.

Visit a new construction site. Try to arrange for comments from the architect, the contractor, the city building inspector, and the developer while your class is at the building site.

Visit a lending company that specializes in granting loans on property. Tour the offices. Find the kinds of regulations and laws under which they operate. Discuss the way they evaluate loan applications. Get sample copies of some of their standard loan forms. Discuss interest charges, collection procedures, foreclosures, the various documents used in processing a loan, etc.

SPEAKERS

There are a wide variety of individuals who could profitably be used as class speakers while your students are studying the consumer housing unit. As always, of course, they should be properly guided as to the kinds of information you want them to present to your class.

- Real estate licensees
- Building developer
- Attorney
- Apartment manager
- Personnel from land use or environmental offices
- Architect
- City building inspector
- Loan officer
- City zoning department officer

In preparation for each class speaker, you might have your students prepare a list of a dozen questions they would like to have answered. You might also

have a committee of several students selected to greet, introduce, and to thank the speaker for the contributions to your class.

SPECIAL PROJECTS

There are many special projects possible with a consumer housing unit. A few suggestions are presented here. You may use them or modify them to suit your particular teaching situation.

MODEL HOUSE: If there are several students in your class who like to build models, they might be interested in constructing a scale model of a house. The sills, wall studding, room partitions, rafters, and roofing can all be made from balsa wood. Your shop teacher may be available to guide the students who work on the project.

HOME FLOOR PLAN CONTEST: Have four or five groups of students form teams. Let them design and draw the floor diagram for a three bedroom, two bath home. Limit them to a total of 1,900 square feet of space. Let students from the drafting department or art department of your school evaluate the finished designs and select the winner. Remind students that they can get a great many ideas on floor layout from popular homeowner magazines. Almost every issue of these publications contains a half-dozen suggested floor designs.

LANDSCAPE CONTEST: Have one of your more artistic students draw the front view of a simple house on a sheet of 8 1/2 by 11 inch paper. Have each student draw in trees, shrubs, planters, etc., they feel would improve the appearance of the house.

SURVEY OF HOUSING COSTS: Have each student (using actual data) bring in a list of monthly costs for their home or that of a neighbor or relative. Cost data such as monthly payment of principal, interest payments, average monthly maintenance, heat, water,

lights, garbage, lawn care, insurance, and taxes should be gathered. Consolidate the information on a table and determine the average cost of each category of housing expense for the entire class.

Using your local newspaper, have students select and cut out house-for-sale advertisements that sound like they would be good buys. Mount the ads on construction paper and display the collection on the tack board.

HOUSING SCRAPBOOK: Select a committee of several students to watch for published information about housing. There is a lot of it in newspapers and popular magazines. Have them clip and mount the information in a class scrapbook. You might want to have the scrapbook set up in sections: home designs, home maintenance, home financing, etc.

STUDENT NOTEBOOK: Have each student prepare a notebook about the house that each would like to own. They can illustrate it with clippings from magazines. They should be assigned to include: price, location, style of house, floor plan, interior decoration "theme," major landscaping features, estimated maintenance, estimated costs for electricity, gas, and similar expenses.

DOCUMENT COLLECTION: You may be able to collect a series of documents that deal with real estate. Purchase contracts, promissory notes, deeds, lease agreements, rental agreements, loan forms, loan payment books, etc., may be available to you (or a committee of students). Sources will be real estate companies, attorneys, and loan offices. Display the documents on the tack board. Write or print a small card detailing how each document is used in real estate transactions. Tack such explanations under the appropriate forms.

SCORE: _____ Section I _____ Section II _____ Section III _____ TOTAL _____

SECTION I

DIRECTIONS: You are to use the terms listed here to fill in the blanks in the story below. There are several words and terms listed which will not be used. Read through the story quickly, then start over, filling in the blanks with the correct terms as you read.

- | | | | | |
|-------------------|--------------------|-------------|-----------------|-----------|
| Purchase Contract | Title Insurance | Inherited | Default | Equity |
| Heir | Landlord | Escrow | Balloon Payment | Lease |
| Mortgage | Real Estate Broker | Contingency | Earnest Money | Principal |
| Building Code | Closing Costs | Zoning | Cleaning Fee | Loan |
| Title | Interest | Deed | Commission | Want Ad |
| Sublease | Appreciate | | | |

Marcy found an apartment she liked, she signed a _____ for one year.

The _____ collected \$45 to pay the _____ as well as \$300 for the first and last month's rent.

About 10 months later, Marcy _____ a small house in the community where she lived. As an _____ she could dispose of the property any way she wanted to. She decided to sell. She contacted a _____ to sell the property for her. The company charged a 6% _____ for its services. The buyer of the house paid \$500 _____ at the time he signed the _____. This money was placed in _____.

The loan company has the buyer sign a _____ so, if he should _____, they could recover their money. The _____ of the loan was \$25,000 and the _____ was 9%. Marcy has to pay about \$875 _____.

Part of this was for _____ which the buyer insisted she purchased for him.

With the money from the sale of the house, Marcy decided to _____ her apartment and to purchase a small house of her own. She wanted to build a/an _____ in real estate and she felt the house she purchased would _____ in value. As soon as she got _____ to the property she had the _____ recorded.

SECTION II

DIRECTIONS: Write the correct word or words in the blanks.

1. Personal property is sold, but real property is _____.
2. Real property is also called _____.
3. If you rent an apartment you are known as the lessee or the _____.
4. The initial AEK in an apartment ad means _____.
5. If you add _____ to rental property, you must leave them when you move.
6. A written rental agreement for a period of time is a/an _____.
7. A/An _____ is two dwellings, joined together.
8. In a/an _____ tenants own full title to their units and joint ownership in the common ground.
9. A real estate salesman must be employed by a/an _____.
10. A person who legally represents another in a business transaction is a/an _____.
11. A/An _____ is an agreement whereby you lease or rent your apartment to someone else.
12. Each payment is for the same amount on a/an _____ home loan.
13. A/An _____ is an unconditional written promise to pay money.
14. A city or state government may purchase property through _____.
15. A house which increases in value is said to _____.
16. There are about _____ new households established each year in the United States.
17. Real estate companies make their money by charging a/an _____.
18. An area designated for single family dwellings is zoned _____.
19. People may have rights to use another person's land through a/an _____.
20. A/An _____ is a document which transfers title to real property.

SECTION III

DIRECTIONS: Read each statement. If it is True, circle the "T" at the left. If is False, circle the "F".
Number 1 is an example.

- T (F) 1. You can expect to spend from 10 to 20 percent of your income for housing.
- T F 2. It is never wise to rent housing unless you are very poor.
- T F 3. A landlord is also know as a lessor.
- T F 4. Some real estate companies list rental property as one of their services.
- T F 5. Furnished apartments are about twice as expensive as unfurnished apartments.
- T F 6. The location of a house is seldom of much concern to a renter or buyer.
- T F 7. A landlord is required to keep rental property safe and in good repair.
- T F 8. A landlord must re-paper an apartment when the wallpaper gets dull and grimy.
- T F 9. You cannot, even with the landlord's approval, change a printed lease.
- T F 10. Charging the "last month's rent" when one moves into an apartment, is illegal.
- T F 11. A landlord may inspect rental property at any time he pleases.
- T F 12. Newspaper ads provide a great deal of help to a person hunting an apartment.
- T F 13. A tenant is required to keep his rental property clean and sanitary.
- T F 14. A tenant who subleases an apartment may not charge more than he has been paying.
- T F 15. A tenant who subleases is still responsible for the property he originally leased.
- T F 16. Owning a duplex and renting out one unit is often a wise way to build equity.
- T F 17. Mobile homes are generally purchased by very poor people.
- T F 18. It is always wiser to buy a new house than to purchase an existing, used house.
- T F 19. Prefabricated houses are seldom purchased because they are so very expensive.
- T F 20. Real estate salesmen must have a proven reputation for integrity.
- T F 21. If you hire a real estate salesman to sell your house, you are a principal.
- T F 22. You must pay about 2% more commission if you use a Multiple Listing Service.
- T F 23. VA and FHA home loans are no longer available.
- T F 24. Real estate brokers are usually very familiar with loan companies and loan laws.
- T F 25. Real estate companies make their income by charging interest on home loans.
- T F 26. You can rely on all information a seller of a house gives you as a buyer.
- T F 27. Since purchase contracts are all about the same you need not read them with care.
- T F 28. A down payment on a house is often called earnest money.
- T F 29. Usually an unamortized loan has a balloon payment.
- T F 30. Partially amortized loan payments are for decreasing amounts each month.
- T F 31. It is not uncommon today for home loans to be for 8 or 9 percent interest.
- T F 32. Usually closing costs for the seller of a house are about \$25.
- T F 33. Many home loan payments include principal, interest, insurance, and taxes.
- T F 34. Often lending companies provide payment cards or coupons to their borrowers.
- T F 35. It is generally considered a waste of money to purchase title insurance.
- T F 36. If you acquire real estate by inheritance you may not sell it for three years.
- T F 37. If property goes down in value due to age, it depreciates.
- T F 38. Modernizing an older house is always a very risky investment.
- T F 39. Home maintenance costs about 1% of the amount of your monthly loan payments.
- T F 40. Home loan interest rates have been very stable for the past 30 years.
- T F 41. Transaction Brokers can only assist buyers and sellers in a transaction.

FINAL EXAM ANSWERS

SCORE: _____ Section I _____ Section II _____ Section III _____ TOTAL _____

SECTION I

DIRECTIONS: You are to use the terms listed here to fill in the blanks in the story below. There are several words and terms listed which will not be used. Read through the story quickly, then start over, filling in the blanks with the correct terms as you read.

Purchase Contract	Title Insurance	Inherited	Default	Equity
Heir	Landlord	Escrow	Balloon Payment	Lease
Mortgage	Real Estate Broker	Contingency	Earnest Money	Principal
Building Code	Closing Costs	Zoning	Cleaning Fee	Loan
Title	Interest	Deed	Commission	Want Ad
Sublease	Appreciate	Single Party Broker		Transaction Broker

Marcy found an apartment she liked, she signed a _____ **lease** _____ for one year.

The _____ **landlord** _____ collected \$45 to pay the _____ **cleaning fee** _____ as well as \$300 for the first and last month's rent.

About 10 months later, Marcy _____ **inherited** _____ a small house in the community where she lived. As an _____ **heir** _____ she could dispose of the property any way she wanted to. She decided

to sell. She contacted a _____ **Real Estate Broker** _____ to sell the property for her. The company charged a

6% _____ **commission** _____ for its services. The buyer of the house paid \$500 _____ **earnest money** _____

at the time he signed the _____ **purchase contract** _____. This money was placed in _____ **escrow** _____.

The loan company has the buyer sign a _____ **mortgage** _____ so, if he should _____ **default** _____,

they could recover their money. The _____ **principal** _____ of the loan was \$25,000 and the

_____ **interest** _____ was 9%. Marcy has to pay about \$875 _____ **closing cost** _____.

Part of this was for _____ **title insurance** _____ which the buyer insisted she purchased for him.

With the money from the sale of the house, Marcy decided to _____ **sublease** _____ her apartment

and to purchase a small house of her own. She wanted to build a/an _____ **equity** _____ in

real estate and she felt the house she purchased would _____ **appreciate** _____ in value. As soon

as she got _____ **title** _____ to the property she had the _____ **deed** _____ recorded.

FINAL EXAM ANSWERS

SECTION II

DIRECTIONS: Write the correct word or words in the blanks.

1. Personal property is sold, but real property is conveyed.
2. Real property is also called real estate.
3. If you rent an apartment you are known as the lessee or the tenant.
4. The initial AEK in an apartment ad means all-electric kitchen.
5. If you add permanent fixtures to rental property, you must leave them when you move.
6. A written rental agreement for a period of time is a/an lease.
7. A/An duplex is two dwellings, joined together.
8. In a/an condominium tenants own full title to their units and joint ownership in the common ground.
9. A real estate salesman must be employed by a/an real estate broker.
10. A person who legally represents another in a business transaction is a/an single party broker.
11. A/An sublease is an agreement whereby you lease or rent your apartment to someone else.
12. Each payment is for the same amount on a/an fully amortized home loan.
13. A/An promissory note is an unconditional written promise to pay money.
14. A city or state government may purchase property through eminent domain.
15. A house which increases in value is said to appreciate.
16. There are about 1,300,000 new households established each year in the United States.
17. Real estate companies make their money by charging a/an commission.
18. An area designated for single family dwellings is zoned R-1.
19. People may have rights to use another person's land through a/an easement.
20. A/An deed is a document which transfers title to real property.

FINAL EXAM ANSWERS

SECTION III

DIRECTIONS: Read each statement. If it is True, circle the "T" at the left. If it is False, circle the "F".
Number 1 is an example.

- T (F) 1. You can expect to spend from 10 to 20 percent of your income for housing.
- T (F) 2. It is never wise to rent housing unless you are very poor.
- (T) F 3. A landlord is also know as a lessor.
- (T) F 4. Some real estate companies list rental property as one of their services.
- T (F) 5. Furnished apartments are about twice as expensive as unfurnished apartments.
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- (T) F 7. A landlord is required to keep rental property safe and in good repair.
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- (T) F 13. A tenant is required to keep his rental property clean and sanitary.
- T (F) 14. A tenant who subleases an apartment may not charge more than he has been paying.
- (T) F 15. A tenant who subleases is still responsible for the property he originally leased.
- (T) F 16. Owning a duplex and renting out one unit is often a wise way to build equity.
- T (F) 17. Mobile homes are generally purchased by very poor people.
- T (F) 18. It is always wiser to buy a new house than to purchase an existing, used house.
- T (F) 19. Prefabricated houses are seldom purchased because they are so very expensive.
- (T) F 20. Real estate salesmen must have a proven reputation for integrity.
- (T) F 21. If you hire a real estate salesman to sell your house, you are a principal.
- T (F) 22. You must pay about 2% more commission if you use a Multiple Listing Service.
- T (F) 23. VA and FHA home loans are no longer available.
- (T) F 24. Real estate brokers are usually very familiar with loan companies and loan laws.
- T (F) 25. Real estate companies make their income by charging interest on home loans.
- T (F) 26. You can rely on all information a seller of a house gives you as a buyer.
- T (F) 27. Since purchase contracts are all about the same you need not read them with care.
- T (F) 28. A down payment on a house is often called earnest money.
- (T) F 29. Usually an unamortized loan has a balloon payment.
- (T) F 30. Partially amortized loan payments are for decreasing amounts each month.
- (T) F 31. It is not uncommon today for home loans to be for 8 or 9 percent interest.
- T (F) 32. Usually closing costs for the seller of a house are about \$25.
- (T) F 33. Many home loan payments include principal, interest, insurance, and taxes.
- (T) F 34. Often lending companies provide payment cards or coupons to their borrowers.
- T (F) 35. It is generally considered a waste of money to purchase title insurance.
- T (F) 36. If you acquire real estate by inheritance you may not sell it for three years.
- (T) F 37. If property goes down in value due to age, it depreciates.
- T (F) 38. Modernizing an older house is always a very risky investment.
- T (F) 39. Home maintenance costs about 1% of the amount of your monthly loan payments.
- T (F) 40. Home loan interest rates have been very stable for the past 30 years.



IT'S YOUR MOVE

OPTIONAL MATERIALS

The following materials are presented for those teachers who wish to use them, as they wish to use them.

◆ OPTIONAL CASE STUDIES

Case #1—Rent or Buy

Mary Lou and Tommy rent an apartment for \$350.00 per month. Some of their friends are trying to get them to buy a home to obtain tax advantages. The Smiths both hate yard work.

- A. Discuss some advantages of home ownership. Some disadvantages.
- B. The Smiths do want the tax advantage. What should they do?

Case #2—Selling A House

Jim and Barbara Tyler were bicycling one Sunday afternoon when they noticed a lovely old two-story house for sale in a beautiful area of town. It was 2,800 square feet with two full baths. They made an offer and purchased the old house because it seemed to fit their needs and fulfill a lifelong dream.

The Tylers then listed their newer house with one bath and 1,300 square feet for sale with a local real estate company. After three months they still had not sold the house, when the real estate associate called and said he had a party that would pay the Tylers a \$5,000 profit for the lovely old two-story house.

The \$5,000 profit looked very tempting to Jim as he was having trouble selling the other house, but Barbara was emotionally involved in the two-story house which had a room just perfect for their grand piano.

Write down on a separate sheet of paper what you think the Tylers should do and why.

Case #3—Leasing Agreement

The Wooleys leased a house for two years. Early in their occupancy they improved the property by installing new drapes, removable wall-to-wall carpeting carefully installed over hardwood floors, and with the landlord's permission replaced the central heating and air conditioning unit with an up-to-date, energy efficient unit. May they remove all these things when they leave? Discuss your answer.

Case #4—Contracts

Cunningham conveyed his home to Hornbuckle by quit claim deed. After taking possession, Hornbuckle discovered that property taxes had not been paid for three years and that a mortgage balance of \$5,000 was owed to a bank. Does Hornbuckle have any recourse against Cunningham?

Case #5—Buying A House

Bob and Carol will soon be married. Both Bob and Carol have professional careers with good salaries. They have always rented apartments, but now they want to purchase real property as they begin their married life together.

Make a list of desirable features they might want to include in their first real estate transaction.

◆ SOLUTIONS TO CASES STUDIES

Case #1—Answers will vary.

Case #2—Answers will vary.

Case #3—Yes, with the exception of the combination heating and air conditioning unit, which is a fixture. The other items are not fixtures because they were installed with the intention they would be removed when the tenants departed. Removal can be done without damaging either the real or the personal property involved. The heating and air conditioning unit, however, was integrated into the building and could not be removed without depriving the structure of an essential service. It is reasonable to assume that the parties intended that it remain as a fixture. There could be a dispute over the wall-to-wall carpeting, and this should have been anticipated by agreement between the parties before installation.

Case #4—No. A quit claim deed conveys whatever interest the grantor has and nothing more. It makes no warranties. Hornbuckle is responsible for all delinquent and outstanding mortgages and taxes.

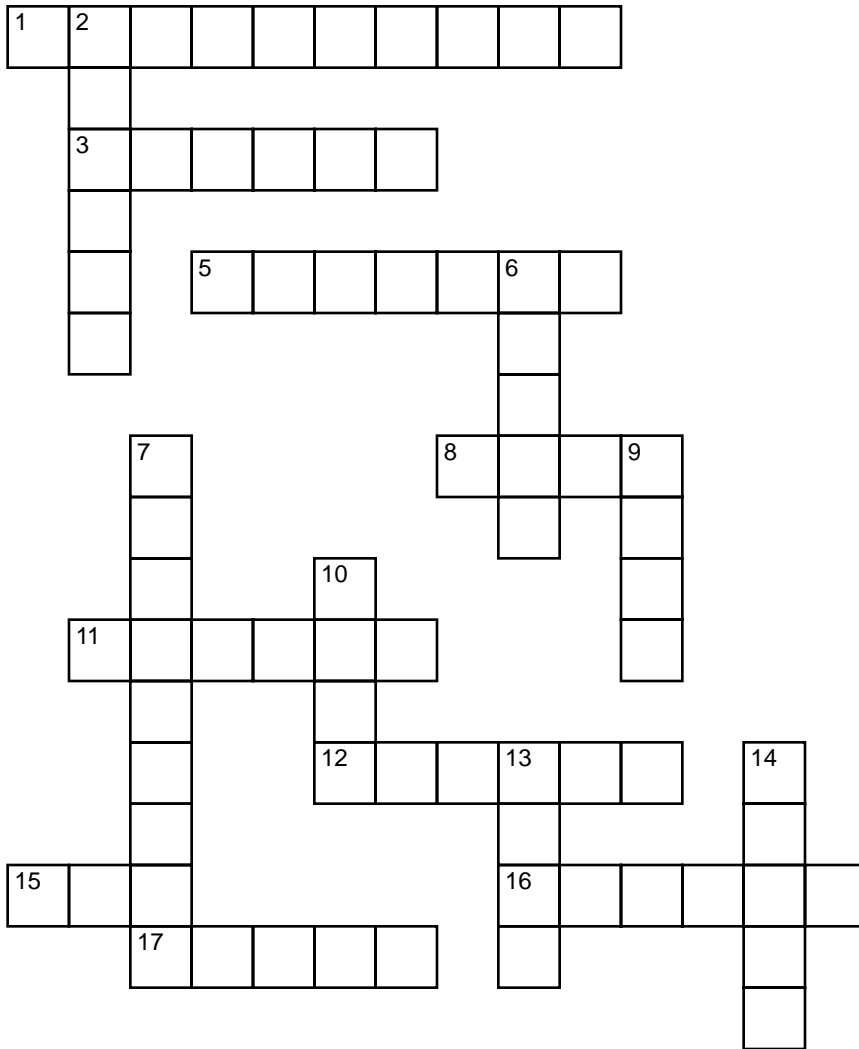
Case #5—Answers will vary.

REAL ESTATE WORD SEARCH PUZZLE

C O M M I S S I O N A B C R
O P A B A O T S I T L A E R
Q R E A G G C L O S I N G S
O L A B B C E F W Q R I A G
L I C E N S E A R A R T L O
L O B C T B R O K E R A D L
I R A G C T T A T S T E S A
S C E F O L S A M N E N P S
T M K C A B T A S D K R O I
I A S E C S L G N S I S E A
N C R K E T O R E C M N O R
G C E L N S T Q S I C L K P
L O A N M N C Y A H G N I P
B E A S S O C I A T E O S A
R E Y E N O M T S E N R A E

REAL ESTATE	DEED
BROKER	LICENSE
COMMISSION	LOAN
APPRAISAL	CLOSING
REALTIST	MONEY
REALTOR	ETHICS
ASSOCIATE	

REAL ESTATE CROSSWORD PUZZLE



ACROSS

1. Payment to a broker for services rendered, such as in the sale or purchase of real property; usually a percentage of the selling price of the property.
3. One who lives on property but does not own it.
5. A real estate broker who is a member of the National Association of REALTORS.
8. A person who receives an inheritance.
11. A person who brings parties together and, for a fee or commission, assists them in conducting a business transaction.
12. Two single family dwellings joined together.
15. Federal Housing Authority.
16. The interest or value which an owner has in his or her property over and above any mortgage indebtedness.
17. A contract by which property is rented for a certain period of time.

DOWN

2. An agreement to keep open for a set period an offer to sell or purchase property.
6. The person who has the title and rights to the property.
7. The process by which a value is placed on real estate or other property.
9. The amount paid for the use of property for a limited time.
10. A written instrument that, when executed and delivered, conveys title to or an interest in real estate.
13. A money claim on property to make certain that a debt will be paid.
14. The right of ownership.

REAL ESTATE WORD SEARCH PUZZLE

H Z J J K G L F P R O P A O B
E D I P H P G A E B E Q P Y R
C E D R W L M D A L C V P E K
F S A O D C Q H T P Z B R A I
J T R R Q O N I O P C S E N X
G S Y A N K T Y T B I O C L Z
I O X T A E G F A B N Y I Z A
B C M I L A S I A R P P A T G
Q G V O E G N T L U H S T F S
W N P N Q C L A M C E T I H L
X I Y B U V V L R O M D O K F
R S I U I V M I K Z N E N U L
E O Z Q T N T E K D J E Q M Y
J L X D Y U F N X A W D Y T C
J C P R I N C I P A L W U V S

Adjustments of interest, taxes and insurance, etc. _____

Evidence of a person's right or interest in property. _____

The deposit paid by a buyer to bind the contract. _____

Charges such as a building inspection, lot survey, prorated taxes, costs of an appraisal, title insurance, transfer taxes, and commissions. _____

A money claim on property to make certain that a debt will be paid. _____

An increase in the worth or value of a property due to economic or related causes. _____

The interest or value which an owner has in his or her property over and above any mortgage indebtedness.

A legal document that transfers title to real property. _____

An estimated value of property. _____

A sum of money loaned, borrowed or invested. _____

CURRENT MONTHLY EXPENSES

CURRENT MONTHLY

	<u>AVERAGE PAYMENT</u>	<u>MONTHLY CURRENT</u>
HOUSING EXPENSES		
Rent	\$ _____	\$ _____
Utilities (if not paid as a part of the rent payment.)	\$ _____	\$ _____

CURRENT EXPENSES NOT ASSOCIATED WITH HOUSING COSTS

Food	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Daycare	\$ _____	\$ _____
Tuition	\$ _____	\$ _____
Car loan	\$ _____	\$ _____
Car insurance	\$ _____	\$ _____
Other insurance	\$ _____	\$ _____
Gas and oil	\$ _____	\$ _____
Car repairs	\$ _____	\$ _____
Transportation other than car	\$ _____	\$ _____
Health care	\$ _____	\$ _____
Monthly debt payments	\$ _____	\$ _____
Entertainment	\$ _____	\$ _____
Taxes	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Other (child support, alimony, etc)	\$ _____	\$ _____
Savings	\$ _____	\$ _____
TOTAL MONTHLY EXPENSES AND SAVINGS	\$ _____	\$ _____

CASH AND ASSETS WORKSHEET

CHECKING ACCOUNT	\$ _____
SAVINGS ACCOUNT	\$ _____
MUTUAL FUNDS, STOCKS, BONDS, ETC.	\$ _____
LIFE INSURANCE CASH VALUE	\$ _____
CASH FROM PARENTS/RELATIVES	\$ _____
OTHER	\$ _____
TOTAL OF CASH AND ASSETS	\$ _____

MONTHLY DEBT PAYMENT WORKSHEET

	AVERAGE MONTHLY AMOUNT
CAR PAYMENT	\$ _____
INSTALLMENT LOAN PAYMENTS (with a balance of 10 or more payments left)	\$ _____
CREDIT CARD PAYMENTS	\$ _____
STUDENT LOAN PAYMENT	\$ _____
MEDICAL PAYMENTS	\$ _____
ALIMONY/CHILD SUPPORT PAYMENT	\$ _____
TOTAL MONTHLY DEBT PAYMENTS	\$ _____

GROSS MONTHLY INCOME WORKSHEET

	AVERAGE MONTHLY AMOUNT
MONTHLY PAY BEFORE TAXES	\$ _____
OVERTIME	\$ _____
PART-TIME	\$ _____
SEASONAL	\$ _____
COMMISSIONS	\$ _____
DIVIDENDS/INTEREST	\$ _____
BUSINESS OR INVESTMENT EARNINGS	\$ _____
PENSION/SOCIAL SECURITY	\$ _____
VETERANS ADMINISTRATION BENEFITS	\$ _____
UNEMPLOYMENT COMPENSATION	\$ _____
PUBLIC ASSISTANCE	\$ _____
ALIMONY, CHILD SUPPORT, SEPARATE MAINTENANCE	\$ _____
TOTAL GROSS MONTHLY INCOME	\$ _____
GROSS MONTHLY INCOME × 12 = GROSS ANNUAL INCOME	\$ _____

SAMPLE OF "RESIDENTIAL PROPERTY CONDITION DISCLAIMER STATEMENT FORM"

Residential Property Condition Disclaimer Statement Form

Seller instructions: Oklahoma Law (the "Residential Property Condition Disclosure Act," 60, O.S. Section 831 et. seq., effective July 1, 1995) requires a seller of 1 and 2 residential dwelling units to deliver, or cause to be delivered, a disclaimer statement to a purchaser as soon as practicable, but in any event before acceptance of an offer to purchase if you, the seller: 1) have never occupied the property and make no disclosures concerning the condition of the property; and 2) have no actual knowledge of any defect concerning the property.

If, however, you occupied the property or know of a defect in regard to the property, you must complete and deliver, or cause to be delivered, a "Residential Property Condition Disclosure Statement" to the purchaser.

Also, if you become aware of a defect after delivery of this disclaimer statement to a purchaser, but before you accept an offer to purchase, you must complete and deliver, or cause to be delivered, a "Residential Property Condition Disclosure Statement" to a purchaser.

Completion of this form by you may not be more than 180 days prior to the date this form is received by a purchaser.

Note: If this disclaimer statement is delivered to a purchaser after an offer to purchase has been made by the purchaser, the offer to purchase shall be accepted by you only after a purchaser has acknowledged receipt of this statement and confirmed the offer to purchase.

Defect means a condition, malfunction, or problem that would have a materially adverse effect on the monetary value of the property, or that would impair the health or safety of future occupants of the property.

(For more information on the requirements of the law, please refer to the Residential Property Condition Disclosure Information Pamphlet.)

Seller's Disclaimer Statement

The undersigned seller states that seller has never occupied the property located at _____, Oklahoma; makes no disclosures concerning the condition of the property; AND has no actual knowledge of any defect.

Seller's Signature

Date

Seller's Signature

Date

Purchaser's Acknowledgment

The purchaser shall sign and date this acknowledgment. The purchaser is urged to carefully inspect the subject property and, if desired, to have the property inspected by an expert. The purchaser acknowledges that purchaser has read and received a signed copy of this statement. This completed acknowledgment should accompany an offer to purchase you make on the property identified above.

Purchaser's Signature

Date

Purchaser's Signature

Date

Note to seller and purchaser: A real estate licensee has no duty to the seller or purchaser to conduct an independent inspection of the property and has no duty to independently verify the accuracy or completeness of any statement made by the seller in this disclaimer statement.

The disclosure and disclaimer statement forms and the Residential Property Condition Disclosure Information Pamphlet are made available by the Oklahoma Real Estate Commission, 4040 N. Lincoln Blvd., Suite 100, Oklahoma City, Oklahoma 73105.
(OREC-7/95)

SAMPLE OF "RESIDENTIAL PROPERTY CONDITION DISCLOSURE STATEMENT FORM"

RESIDENTIAL PROPERTY CONDITION DISCLOSURE STATEMENT FORM																																																																																																																																																																																																																																																																																										
<p>Oklahoma Law (the "Residential Property Condition Disclosure Act," 60 O.S. §831 et.seq., effective July 1, 1995) requires Sellers of 1 and/or 2 residential dwelling units to complete this form. A Seller must complete, sign, and date this disclosure form and deliver it or cause it to be delivered to a purchaser as soon as practicable, but in any event no later than before an offer is accepted by the seller. Note: If you become aware of a defect after delivery of this statement, but before you accept an offer to purchase, you must deliver or cause to be delivered an amended disclosure statement disclosing the newly discovered defect to the purchaser. If the disclosure form, or amendment is delivered to a purchaser after an offer to purchase has been made by the purchaser, the offer to purchase shall be accepted by you only after a purchaser has acknowledged receipt of this statement and confirmed the offer to purchase.</p> <p>THE DECLARATIONS AND INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT ARE NOT WARRANTIES, EXPRESS OR IMPLIED OF ANY KIND, AND ARE NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS NOT INTENDED TO BE A PART OF ANY CONTRACT BETWEEN THE PURCHASER AND SELLER. THE INFORMATION AND STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE DECLARATIONS AND REPRESENTATIONS OF THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE REAL ESTATE LICENSEE.</p> <p>Seller is _____ is not _____ occupying the subject property located at: _____</p> <p>Instructions to the Seller: (1) Answer ALL questions. (2) Report known conditions affecting the property. (3) Complete this form yourself. (4) If some items do not apply to your property, check N/A (nonapplicable). If you do not know the facts, check Unknown (Unk). (5) The date of completion by you may not be more than 180 days prior to the date this form is received by a purchaser.</p>																																																																																																																																																																																																																																																																																										
<p>Appliances/Systems/Services: The items below are in NORMAL working order:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">Unk</th> <th style="width: 5%;">N/A</th> <th style="width: 30%;"></th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">Unk</th> <th style="width: 5%;">N/A</th> <th style="width: 30%;"></th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">Unk</th> <th style="width: 5%;">N/A</th> </tr> </thead> <tbody> <tr> <td>Sprinkler System</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Heating System</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Smoke Detectors</td><td>___</td><td>___</td><td>___</td><td>___</td> </tr> <tr> <td>Swimming Pool</td><td>___</td><td>___</td><td>___</td><td>___</td> <td> ___ Electric ___ Gas ___ Heat 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<td>Whirlpool Tub</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Garage Door Opener/</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Source of Household Water</td><td>___</td><td>___</td><td>___</td><td>___</td> </tr> <tr> <td>Sewer System</td><td>___</td><td>___</td><td>___</td><td>___</td> <td> Control</td><td>___</td><td>___</td><td>___</td><td>___</td> <td> ___ Public ___ Private ___ Well</td><td>___</td><td>___</td><td>___</td><td>___</td> </tr> <tr> <td> ___ Public ___ Septic ___ Lagoon</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Intercom</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Other: _____</td><td>___</td><td>___</td><td>___</td><td>___</td> </tr> <tr> <td>Air Conditioning System</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Central Vacuum</td><td>___</td><td>___</td><td>___</td><td>___</td> <td>Other: _____</td><td>___</td><td>___</td><td>___</td><td>___</td> </tr> <tr> <td> ___ Electric ___ Gas ___ Heat 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Heater	___	___	___	___	Humidifier	___	___	___	___	Garbage Disposal	___	___	___	___	___ Electric ___ Gas ___ Solar	___	___	___	___	Gas Supply	___	___	___	___	Gas Grill	___	___	___	___	Water Purifier	___	___	___	___	___ Public ___ Propane ___ Butane	___	___	___	___	Vent Hood	___	___	___	___	Water Softener	___	___	___	___	Propane Tank	___	___	___	___	Microwave Oven	___	___	___	___	___ Leased ___ Owned	___	___	___	___	___ Leased ___ Owned	___	___	___	___	Built-in Oven/Range	___	___	___	___	Sump Pump	___	___	___	___	Ceiling Fans	___	___	___	___	Trash Compactor	___	___	___	___	Plumbing	___	___	___	___	Electric Air Purifier	___	___	___	___	Kitchen Stove	___	___	___	___	Whirlpool Tub	___	___	___	___	Garage Door Opener/	___	___	___	___	Source of Household Water	___	___	___	___	Sewer System	___	___	___	___	Control	___	___	___	___	___ Public ___ Private ___ Well	___	___	___	___	___ Public ___ Septic ___ Lagoon	___	___	___	___	Intercom	___	___	___	___	Other: _____	___	___	___	___	Air Conditioning 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Sump Pump	___	___	___	___	Ceiling Fans	___	___	___	___	Trash Compactor	___	___	___	___																																																																																																																																																																																																																																																																												
Plumbing	___	___	___	___	Electric Air Purifier	___	___	___	___	Kitchen Stove	___	___	___	___																																																																																																																																																																																																																																																																												
Whirlpool Tub	___	___	___	___	Garage Door Opener/	___	___	___	___	Source of Household Water	___	___	___	___																																																																																																																																																																																																																																																																												
Sewer System	___	___	___	___	Control	___	___	___	___	___ Public ___ Private ___ Well	___	___	___	___																																																																																																																																																																																																																																																																												
___ Public ___ Septic ___ Lagoon	___	___	___	___	Intercom	___	___	___	___	Other: _____	___	___	___	___																																																																																																																																																																																																																																																																												
Air Conditioning System	___	___	___	___	Central Vacuum	___	___	___	___	Other: _____	___	___	___	___																																																																																																																																																																																																																																																																												
___ Electric ___ Gas ___ Heat Pump	___	___	___	___	Security System	___	___	___	___																																																																																																																																																																																																																																																																																	
Window Air Conditioner	___	___	___	___	___ Rent ___ Own ___ Monitored	___	___	___	___																																																																																																																																																																																																																																																																																	
Attic Fan	___	___	___	___																																																																																																																																																																																																																																																																																						
<p>IF YOU ANSWERED NO TO ANY OF THE ABOVE, PLEASE EXPLAIN. Attach additional pages, with your signature.</p>																																																																																																																																																																																																																																																																																										
<p>Property Conditions, Improvements & Additional Information: _____ Yes No Unk</p>																																																																																																																																																																																																																																																																																										
<p>1. Property is zoned: Residential ___ / Commercial ___ / Historical ___ / Agricultural ___ / Industrial ___ / Office ___ / Urban Conservation ___ / Other ___ / Unknown ___ /</p>																																																																																																																																																																																																																																																																																										
<p>2. Has there been any occurrence of water in the heating and air conditioning ducts? _____</p>																																																																																																																																																																																																																																																																																										
<p>3. Is flood insurance required for this property? _____</p>																																																																																																																																																																																																																																																																																										
<p>4. Is this property in a flood zone? _____</p>																																																																																																																																																																																																																																																																																										
<p>5. Are you aware of water seepage or leakage in any of the improvements on the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>6. Has the property been damaged or affected by flood, storm run-off, sewer backup, drainage or grading problems? _____</p>																																																																																																																																																																																																																																																																																										
<p>7. Have any substantial additions or alterations been made without required permits? _____</p>																																																																																																																																																																																																																																																																																										
<p>8. Are you aware of previous foundation repairs? _____</p>																																																																																																																																																																																																																																																																																										
<p>9. Has the roof ever been repaired or replaced during your ownership of the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>10. Approximate age of roof if known: _____ Do you know of any current problems with the roof? _____</p>																																																																																																																																																																																																																																																																																										
<p>11. Are you aware of treatment for termite or wood-destroying organism infestation? _____</p>																																																																																																																																																																																																																																																																																										
<p>12. Are you aware of damage caused by termites or wood-destroying organisms? _____</p>																																																																																																																																																																																																																																																																																										
<p>13. Are you aware of major fire, tornado, or wind damage? _____</p>																																																																																																																																																																																																																																																																																										
<p>14. Are you aware of features of the property shared in common with adjoining landowners such as fences, driveways and roads whose use or responsibility have an effect on the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>15. Are you aware of easements, right of way or encroachments affecting the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>16. Are you aware of a mandatory homeowners association? _____</p>																																																																																																																																																																																																																																																																																										
<p>17. Are you aware of the presence of asbestos? _____</p>																																																																																																																																																																																																																																																																																										
<p>18. Are you aware of the presence of radon gas? Yes ___ No ___ Unk ___ Have you tested for Radon Gas? _____</p>																																																																																																																																																																																																																																																																																										
<p>19. Are you aware of the presence of lead based paint? Yes ___ No ___ Unk ___ Have you tested for lead based paint? _____</p>																																																																																																																																																																																																																																																																																										
<p>20. Are you aware of any underground storage tanks? _____</p>																																																																																																																																																																																																																																																																																										
<p>21. Are you aware of the presence of a landfill? _____</p>																																																																																																																																																																																																																																																																																										
<p>22. Are you aware of substances, materials, or products which may be an environmental hazard? _____</p>																																																																																																																																																																																																																																																																																										
<p>23. Are you aware of any zoning, building code or set back requirement violations? _____</p>																																																																																																																																																																																																																																																																																										
<p>24. Are you aware of any notices from any governmental or quasi-governmental agencies affecting the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>25. Are you aware of any alterations or repairs having been made to correct defects or problems? _____</p>																																																																																																																																																																																																																																																																																										
<p>26. Are you aware of any threatened or existing litigation affecting the property? _____</p>																																																																																																																																																																																																																																																																																										
<p>27. Are you aware of any defect or condition affecting the interior or exterior walls, ceilings, slab/foundation, basement/storm cellar, floors, windows, doors, fences or garage? _____</p>																																																																																																																																																																																																																																																																																										
<p>(A) IF YOU ANSWERED "YES" TO ANY OF THE ITEMS 1-27, or (B) IF YOU HAVE KNOWLEDGE OF OTHER DEFECTS, THEN YOU MUST EXPLAIN. PLEASE REFER TO THE ITEM NUMBER. Attach additional pages, with your signature.</p>																																																																																																																																																																																																																																																																																										
<p>On the date this form is signed, the seller states that based on seller's CURRENT ACTUAL KNOWLEDGE of the property, the information contained above is true and accurate.</p>																																																																																																																																																																																																																																																																																										
Seller's Signature _____				Date _____				Seller's Signature _____				Date _____																																																																																																																																																																																																																																																																														
<p>A real estate licensee has no duty to the Seller or the Purchaser to conduct an independent inspection of the property and has no duty to independently verify the accuracy or completeness of any statement made by the Seller in this disclosure statement.</p>																																																																																																																																																																																																																																																																																										
<p>The Purchaser is urged to carefully inspect the property and, if desired, to have the property inspected by an expert. For specific uses and restrictions for this property, contact the City Planning Department. The Purchaser acknowledges that the Purchaser has read and received a signed copy of this statement. This completed acknowledgement should accompany an offer to purchase on the property identified above.</p>																																																																																																																																																																																																																																																																																										
Purchaser's Signature _____				Date _____				Purchaser's Signature _____				Date _____																																																																																																																																																																																																																																																																														
<p><small>The disclosure and disclaimer statement forms and the Residential Property Condition Disclosure Information Pamphlet are made available by the Oklahoma Real Estate Commission, 4040 N. Lincoln Blvd., Suite 100, Oklahoma City, OK 73105. (For more information on the requirements of the law, please refer to the Residential Property Condition Disclosure Information Pamphlet.)</small></p>																																																																																																																																																																																																																																																																																										
<p><small>(OREC Revised—1/99)</small></p>																																																																																																																																																																																																																																																																																										



IT'S YOUR MOVE

SOLUTIONS TO THE CASES AND PROJECTS

◆ CASE SOLUTIONS

1. As far as money is concerned, they would be ahead to rent the unfurnished apartment. Even with the cost of furniture, they would spend \$480 less for housing in 24 months. Then too, they could sell the furniture when they move and recover part of the \$1200.
2. Some of the things which Teresa's list should include are: rent, closet space, distance to transportation, condition of apartment, amount of any deposits, apartment rules, size of rooms, heating and cooling system, other tenants, cleanliness, and safety.
3. Terms might include: amount of rent, any deposits, care of property, rules on pets, if the tenants can sublease, disposal of garbage and rubbish, getting approval for any major changes in property, etc.
4. You must pay for the broken mirror. You are responsible for any damage beyond "reasonable wear and tear." If you want the wallpaper replaced, you will have to pay for it. Often your landlord may pay for all materials, if you will do the necessary work. The landlord must repair the bad wall socket. He is required to provide electrical lighting and wiring in good working order. The landlord must get rid of the rats. This is a legal responsibility.
5. You cannot just "skip out" because you have signed a binding lease. You are going to have to pay the \$560 one way or another. If you or the landlord cannot get another tenant to replace you, you will have to decide if you are going to commute or if you are going to pay the remainder of the lease and move closer to the new job.
6. There is no absolute answer to this case. If they do not purchase this house, there may be problems for years. If they do, the maintenance may be a problem. Emotions are very often deeply involved in the selection of a house. Each person must recognize this and deal with the problem as best he can.
7. 1. The salesman violated the law and his obligation to his client.
2. He owes his clients complete information (the fact that the freeway exit was to be built and the fact that he was arranging for a relative to purchase the property).
3. She could report him to the Oklahoma Real Estate Commission for investigation. If he belongs to any real estate associations, he could be reported to the association. She also could bring suit against him for the amount of monetary damage she suffered because of his improper handling of the property.
8. It looks like Mrs. Marovich now *does* have a job! Considering the complete lack of background, the Marovich's should probably have a real estate agency sell their property. They just do not seem to know enough to handle it. For example, it is obvious they need help on setting the price. Unless they get a lot of help they are going to have problems finding a qualified buyer (one who can get a loan), handling the legal documents, getting any needed appraisals, survey, etc.
9. \$9.00 per month, \$2,620.56, \$113,832.
Bea \$15,759.36
10. She should check: price, location, neighborhood, wiring, basements foundation, roof, recent repairs, landscaping, size of rooms, layout of rooms, lot boundaries, what is included in the property, zoning restrictions, easements, taxes and annual maintenance.
11. I would get estimates on how much it would cost to fix up the old house until it was completely renovated, inside and out. Then I would check on the approximate price of a new house which would meet the family needs. I would consider the income tax on the profit and the amount of monthly payments, if I bought a new house. With all of this financial information, I would still have to decide if I wanted to move from the comfortable old family home or not, but I would be able to make a better decision if I knew the exact cost of staying or moving.

◆ PROJECT SOLUTIONS

Project 1

1. No, too expensive
2. #6, #10, #18
3. #30
4. #27
5. Only one listed—\$135.00
6. #33 or (#41)
7. #11
8. #24
9. \$1,656, \$2,076
10. #15, #16, #17, #18, #21, #23, #25, #27
11. #1, #4, #10
12. #35

Project 2

Use the Glossary of Terms, page 51–52

Project 3 and Project 4

Answers will vary.

Project 5

HOUSE	DUPLEX
Privacy	Semi-private
Build equity	Income from rent
Freedom	Build equity
Pride in home	Good tax deductions
Interest and taxes deductible from income tax	Pride
Yard	Yard

*Must maintain
Down Payment
Must pay taxes
Must insure*

*Maintenance
Must locate renters
Must pay taxes
Operating expenses*

APARTMENT
No maintenance
Can move quickly
Carefree life

CONDOMINIUM
No maintenance
Build equity
Carefree life
Security

*No equity
Must obey rules*

*Taxes
Pay share of grounds care*

MOBILE HOME
Build equity
Limited maintenance
Can move dwelling
No property taxes
Easy care living

*Lack of space
License fee
Small grounds*

Project 6

Answers to this project will vary from student to student.

Project 7

Use the Glossary of Terms, page 51–52

Project 8

Since this is a research project, every student's information will be different

Project 9

1. #9, #15, #18, #21, #25, #28
2. #10, #12
3. #6, #19, or #13
4. #13, #17
5. #18, #19, or #22
6. #26, #27 or possibly #18, #20, and #25
7. Answers will vary since each person has his own idea of what the “best” house is.
8. The main house sounds pretty good and you could rent the small one bedroom house and have income.
9. It could be priced anywhere from as low as \$30,000 to as high as \$50,000.
10. From the look of their ads they might specialize in large lots, and “handyman” property—something with trees, buildings, and space.
11. The answers to this will vary. Each person has his own ideas of the kind of house he wants to live in.

Project 10

Use the Glossary of Terms, page 51–52

Project 11

1. \$16,271.51
2. \$867.39
3. \$226.52
4. \$76.50
5. \$110.45

Project 12

Use the Glossary of Terms, page 51–52

Pretest/Posttest

- | | | | | |
|-------|-------|-------|-------|-------|
| 1. F | 11. F | 21. F | 31. T | 41. T |
| 2. F | 12. F | 22. F | 32. F | 42. F |
| 3. T | 13. T | 23. F | 33. F | 43. T |
| 4. T | 14. T | 24. T | 34. T | 44. F |
| 5. F | 15. T | 25. F | 35. F | 45. T |
| 6. T | 16. F | 26. T | 36. T | 46. T |
| 7. T | 17. T | 27. F | 37. F | 47. F |
| 8. T | 18. F | 28. T | 39. F | 48. T |
| 9. T | 19. F | 29. T | 39. T | 49. T |
| 10. T | 20. F | 30. F | 40. T | 50. T |