

Week 3. Practice Questions (20)
Housing Development Funding and Risk Management (Insurance)

Choose the best answer.

1. What is the definition of an adjudicated property?
 - A. A property that has been idled because of insufficient development funds
 - B. A property for which a tax sale title is acquired by a political subdivision/ city
 - C. A property that has been placed in state or local government by eminent domain law

2. According to the presentation, who is still liable for the property even after it is adjudicated to a political subdivision?
 - A. The political subdivision
 - B. The tax debtor (original owner)
 - C. The tax sale purchaser
 - D. The city government

3. What must the city do before placing property in a tax sale?
 - A. Demolish the property
 - B. Send notice to the tax debtor
 - C. Renovate the property
 - D. Lease the property

4. What does a tax sale certificate verify?
 - A. The property's market value
 - B. The tax sale interest acquired by the tax sale purchaser
 - C. The property's zoning regulations
 - D. The property's history of ownership

5. What is one of the best ways to avoid title issues?
 - A. Ignoring the property's history
 - B. Obtaining an abstract prior to sale
 - C. Relying on verbal promises
 - D. Skipping the legal process

6. Once a property is adjudicated, the political subdivision (usually a City/Parish) in Louisiana has three options: (1) quiet tax title, (2) DOAP, and (3) _____.
 - A. SOAP
 - B. FOAP
 - C. JOAP

7. In Louisiana, if adjudicated property is selected as DOAP, the transfer of the property must be for _____.
 - A. a commercial purpose

- B. a public purpose
- C. a community purpose

8. In Louisiana, tax debtor has three (3) years from the recordation of tax sale certificate to redeem (get property back). The process is reduced to _____ if there is a blight judgment.

- A. 12 months
- B. 18 months
- C. 24 months

9. In Louisiana, when a property is sold at tax sale, the city is required to send tax debtor notice of the sale at ___ and 90 day intervals.

- A. 45
- B. 20
- C. 30

10. In Louisiana, tax sale purchaser is responsible for taxes until _____ .

- A. redeemed
- B. cleared
- C. reimbursed.

11. During the redemptive period, tax sale purchaser can proceed with quieting tax sale title by taking actions below. Which of the following is not an appropriate action?

- A. Must file a "Petition to Quiet Tax Title" in the court of the parish where property located-consult with an attorney.
- B. Tax debtor and all other tax sale parties (who may have an interest) must be included as parties in the lawsuit and served
- C. If the tax sale purchaser waits 5 years from the date the tax sale certificate is recorded to file the suit, the tax sale purchaser may ask the Court for an immediate judgment quiet tax title; if 5 years have not lapsed, the Court will give the tax debtor or other interested parties 6 months to challenge the suit
- D. Once the minimum three years period has passed, then tax sale purchaser can redevelop the property

12. What does it mean to redeem a tax sale interest?

- A. To allow the third party to have a right to pursue the property ownership.
- B. To "buy back" a tax sale purchaser's interest in a property.
- C. To provide the property owner(s) with rights to pay off the accumulated tax.

13. What is acquisitive prescription?

- A. It is a right of ownership dismemberments that takes 6 months.
- B. It is a method of acquiring property, which usually takes less than 6 months.
- C. This is a means of acquisition that takes 10 years.

14. The Louisiana Housing Corporation (LHC) administers several housing-related programs. One is the National Housing Trust Fund (NHTF). This program complements existing federal, state, and local efforts to increase and preserve the supply of decent, safe, and sanitary _____ for extremely low and very low-income households, including homeless families and individuals.
- A. middle income housing
 - B. affordable housing
 - C. single family housing
15. Which of the following is NOT an eligible use of LHC HOME funds?
- A. To provide home purchase or rehabilitation financing assistance to eligible homeowners.
 - B. To build or rehabilitate housing for rent or ownership.
 - C. To make site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development.
 - D. To make commercial based rental assistance contracts.
16. The LHC offers the Nonprofit Open Cycle Affordable Housing Program (NOAH). Under this program, the LHC distributes _____ to experienced nonprofit housing development organizations on an open noncompetitive basis.
- A. CHAAP Funds
 - B. HOME Funds
 - C. CHDO Funds
17. Which of the following is the largest federal housing program?
- A. The National Housing Trust Fund (NHTF)
 - B. Low-Income Housing Tax Credit Program (LIHTC)
 - C. The Nonprofit Open Cycle Affordable Housing Program (NOAH)
18. General Liability insurance coverage provides protection for
- A. Your Workers injured on the job site
 - B. Covers third party injury and property damage only
 - C. Covers all liability damage caused at the job site
19. Title Insurance provides the following:
- A. Guarantees that there are no problems with the title
 - B. The owner must buy owner's title insurance
 - C. Lender's title insurance protects the purchaser of the property
 - D. All of the above
 - E. None of the above
20. Small construction or contracting companies can bundle their general liability exposure with commercial property insurance in a Business Owners Policy (BOP) if
- A. Have over 100 employees

- B. Operate in a high- risk industry
- C. Have a large office or workplace
- D. Your annual revenue is less than one million dollars