

### Week 3. Practice Questions (20)

#### Housing Development Funding and Risk Management (Insurance)

Choose the best answer.

1. Zuleika Moore, a Program Certified Neighborhood Developer, shared a success story from her project. She has adopted a BRRRR methodology to continue her neighborhood development projects. The BRRRR includes Buy - Rehab - Rent - \_\_\_\_\_ - Repeat.

- A. Retool
- B. Recycle
- C. Recite
- D. Refinance

2. In October 2024, Zuleika Moore developed 2 duplexes and 1 single family in Monroe, LA. She completed her project with funding available through \_\_\_\_\_.

- A. Chase Bank Small Business Loan
- B. New Orleans Affordable Housing Grant Assistance
- C. U.S. Department of Housing and Urban Development Grant Assistance
- D. LHC Neighborhood Landlord Rental Program Grant Assistance

3. In 2025, Zuleika Moore plans to develop 4 single family homes with a grant of \$700,000 from Louisiana Housing Corporation and a \_\_\_\_\_ of \$100,000 from City of Monroe.

- A. Hope V funds
- B. Gap funds
- C. CHDO funds
- D. Louisiana Humanity funds

4. As a certified sustainable neighborhood developer, Zuleika Moore highlighted several practical observations and recommendations based on her past projects. Which of the following is not on her list?

- A. Hire a GC that you can openly communicate with and speaks your language
- B. Hire a third-party contractor to inspect behind your GC: dirt work, before concrete poured, before and after insulation.
- C. Inspections take time, plan accordingly
- D. Double check on required permits and zoning requirements
- E. Prepare the project funds on a just-in-time base

5. 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

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 \_\_\_\_\_ redeemed.

- 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