Seiler School of Real Estate   Proration Quiz #2

1. A Hilo home with a market value of $175,000 was assessed at 82% of its value. The taxes have not been paid. The tax rate is $4.20 per $100. Figure the tax proration THROUGH the day of closing on June 1st.
   a. $2,493.36
   b. $2,486.54
   c. $2,527.74
   d. $2,025.74

2. The year's taxes on Kimiko's house are $2,753 and have not yet been paid. The closing date is May 4th. Prorate the taxes THROUGH the date of closing.
   a. $948.60 credit buyer
   b. $935.27 credit buyer
   c. $935.27 credit seller
   d. $948.60 credit seller

3. The annual taxes on Jack's condo are $1,837.50 and have not been paid. Closing is scheduled for May 21st. The SELLER will pay for day of closing. What will be the prorated amount?
   a. $720.29
   b. $718.56
   c. $713.82
   d. $719.10

4. Judy is purchasing a Wailuku house, which has been assessed at a value of $71,400 for tax purposes. If the tax rate is 21.7 mills and the sale will close on September 12th. What will be the tax proration TO the day of closing?
   a. $1,078.17
   b. $1,082.44
   c. $1,079.30
   d. $1,097.48

5. Annual taxes for a Makiki property that is set to close on July 16th are $807 and remain unpaid. What is the tax proration THROUGH the date of closing.
   a. $441.61
   b. $439.04
   c. $434.37
   d. $433.35

6. After the monthly payment due on January 1st was made, $66,600 is the unpaid balance of a seller's 8% assumable mortgage. Find the amount of accrued interest TO the day of closing on January 16th.
   a. $233.56
   b. $218.96
   c. $222.00
   d. $232.92

7. Using an interest rate of 8.5% on an outstanding balance of $102,743.50 calculate the proration on an assumption with a closing date of June 21st. The June payment has been made. SELLER is to pay for day of closing.
   a. $509.46
   b. $501.09
   c. $478.53
   d. $455.74

8. The October 1st payment of $765.42 was made, the loan balance was $36,569.20. The assumable mortgage has a rate of 9%. BUYER to pay for day of closing on October 18th.
   a. $164.56
   b. $155.38
   c. $161.86
   d. $162.31

9. After the August 1st payment was made, Susie's mortgage balance was $120,853. Her monthly payment of $1,160 includes principal and interest only on a 7 ¾% per annum loan. The sale of her home is to close on August 29th. What will be the proration THROUGH closing using a bankers year?
   a. $742.12
   b. $728.48
   c. $744.16
   d. $754.58

10. The premium of $673 was paid in full for a one-year insurance policy that expires on May 21st.. The house sale is scheduled to close on Feburary 1st. Compute the proration THROUGH closing using a statutory year.
    a. $205.70 debit buyer / credit seller
    b. $205.70 debit seller / credit buyer
    c. $469.23 debit seller / credit buyer
    d. $469.23 debit buyer / credit seller

11. The annual premium for a $40,000 fire insurance policy is $615. This premium was paid on January 5th. What will be the proration using a banker's year if the policy is transferred to the buyer at a closing on September 5th. Prorate TO closing date.
    a. $200.51
    b. $201.63
    c. $203.49
    d. $205.00

12. Felicia purchases a one-year homeowner's policy on January 12th and paid the $730 premium in full. She sold the home and closed on October 23rd. What is the proration if the buyer assumes the policy and is responsible for day of closing?
    a. $162.00
    b. $568.00
    c. $160.37
    d. $565.75

13. Frank paid the $844 insurance premium for a one-year policy on March 18th. Closing date of November 26th. When the buyer assumes the policy, how much will the prorated amount be if Frank pays THROUGH the day of closing?
    a. $253.66
    b. $257.40
    c. $259.74
    d. $254.36

14. The sale of Kimo's home will close on September 28th. Included in the sale is a rental apartment. The tenant will remain in the unit after closing. The tenant has given Kimo a $525 security deposit and the September rent of $525 has been paid. Calculate the rent proration TO the date of closing.
    a. $52.50
    b. $1,085
    c. $490
    d. $1,540

15. A Pahoa apartment complex contains 100 units, of which 50 units are one-bedroom and rent for $600 per month; 30 units are two-bedrooms and rent for $825 per month; 20 units are three-bedrooms and rent for $1,100 per month. Prorate the rent for a closing on February 18th, assuming all units are occupied and have paid the rent for February. Buyer is responsible for day of closing.
    a. $30,151.79
    b. $33,258.29
    c. $27,410.71
    d. $26,465.52

Proration Quiz #2

Seiler School of Real Estate

Proration Question #1

- 06-06-02 Seller pays <u>through</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-05-01 = <u>151 days</u>
- $175,000 x 82% = $143,500 Assessed
- $143,500 / 100 = 1,435
- 1,435 x $4.20 = $6,027 year / 360 = $16.74
- 151 x $16.74 = **<u>$2,527.74</u>** = **<u>C</u>**

Proration Question #2

- 06-05-05 Seller pays <u>through</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-04-04 = <u>124 days</u>
- $2,753 / 360 = <u>$7.65</u> per diem
- 124 x $7.65 = **$948.60** = <u>A</u>

Proration Question #3

- 06-05-22 Seller pays <u>through</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-04-21 = <u>141 days</u>
- $1,837.50 / 360 = <u>$5.10</u> per diem
- 141 x $5.10 = **<u>$719.10</u>** = **<u>D</u>**

Proration Question #4

- 06-09-12 Seller pays <u>to</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-08-11 = <u>251 days</u>
- $71,400 x .0217 = $1,549.38
- $1,499.40 / 360 = <u>$4.30</u> per diem
- 251 x $4.30 = **<u>$1,079.30</u>** = <u>**C**</u>

Proration Question #5

- 06-07-17 Seller pays <u>through</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-06-16 = <u>196 days</u>
- $807. / 360 = <u>$2.24</u> per diem
- 196 x $2.24 = **<u>$439.04</u>** = **<u>B</u>**

Proration Question #6

- 06-01-16 Seller pays <u>to</u> day of close
- <u>06-01-01</u> First Day of UPP
- 00-00-15 = <u>15 days</u>
- $66,600 x 8% = $5,328
- $5,328 / 360 = <u>$14.80</u> per diem
- 15 x $14.80 = **<u>$222.00</u>** = <u>**C**</u>
- Credit Buyer Debit Seller

Proration Question #7

- 06-06-22 Seller pays <u>through</u> day of close
- <u>06-06-01</u> First Day of UPP
- 00-00-21 = <u>21 days</u>
- $102,743.50 x 8.5% = $8,733.20
- $8,733.20 / 360 = <u>$24.26</u> per diem
- 21 x $24.26 = **<u>$509.46</u>** = <u>**A**</u>
- Credit Buyer, Debit Seller

Proration Question #8

- 06-10-18 Seller pays <u>to</u> day of close
- <u>06-10-01</u> First Day of UPP
- 00-00-17 = <u>17 days</u>
- $36,569.20 x 9% = $3,291.23
- $3,291.23 / 360 = <u>$9.14</u> per diem
- 17 x $9.14 = **<u>$155.38</u>** = **<u>B</u>**
- Credit Buyer Debit Seller

Proration Question #9

- 06-08-30 Seller pays <u>through</u> day of close
- <u>06-08-01</u> First Day of UPP
- 00-00-29 = <u>29 days</u>
- $120,853 x 7.75% = $9,366.11
- $9,366.11 / 360 = <u>$26.02</u> per diem
- 29 x $26.02 = **<u>$754.58</u>** = **<u>D</u>**
- Debit Seller

Proration Question #10

- 06-05-22 First Day of UPP
- <u>06-02-02</u> Seller pays <u>through</u> day of close
- 00-03-20 = <u>110 days</u>
- $673. / 360 = <u>$1.87</u> per diem
- 110 x $1.87 = **$205.70** = <u>**A**</u>
- Debit Buyer, Credit Seller

Proration Question #11

- 07-01-05 First Day of UPP
- 06-09-05 Seller pays to day of close
- 00-04-00 = 120 days
- $615.00 / 360 = $1.71 per diem
- 120 x $1.71 = **$205.20 = D**
- Debit Buyer, Credit Seller

Proration Question #12

- 07-01-12 First Day of UPP
- <u>06-10-23</u> Seller pays <u>to</u> day of close
- 00-02-19 = <u>79 days</u>
- $730.00 / 360 = <u>$2.03</u> per diem
- 79 x $2.03 = **<u>$160.37</u>** = **C**
- Debit Buyer, Credit Seller

Proration Question #13

- 07-03-18 First Day of UPP
- <u>06-11-27</u> Seller pays <u>through</u> day of close
- 00-03-21 = <u>111 days</u>
- $844.00 / 360 = <u>$2.34</u> per diem
- 111 x $2.34 = **<u>$259.74</u>** = <u>**C**</u>
- Debit Buyer, Credit Seller

Proration Question #14

- 06-10-01 First Day of UPP
- 06-09-28 Seller pays to day of close
- 00-00-03 = 3 days
- $525.00 / 30 = $17.50 per diem
- 3 x $17.50 = **$52.50** = **A**
- Debit Seller, Credit Buyer

Proration Question #15

- 06-03-01 First Day of UPP
- <u>06-02-18</u> Seller pays <u>to</u> day of close
- 00-00-13 = <u>13 days</u>
- 50 x $600. = $30,000.
- 30 x $825. = $24,750.
- 20x$1,100 = <u>$22,000.</u>
- Total   = $76,750.
- $76,750 / 30 = <u>$2,558.33</u> per diem
- 13 x $2,558.33 = **<u>$33,258.29</u> = B**
- Debit Seller, Credit Buyer