

Accredited Mortgage Professional (AMP) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Who is required to sign both the note and the mortgage in a loan agreement?**
 - A. Borrower/Agent**
 - B. Lender/Guarantor**
 - C. Mortgagor/Promissory Note**
 - D. Cosigner/Guarantor**

- 2. How can seller concessions benefit buyers?**
 - A. They simplify the home inspection process.**
 - B. They often help to cover the buyer's closing costs.**
 - C. They guarantee a lower interest rate on loans.**
 - D. They ensure the property is sold quickly.**

- 3. A mortgage must include a power-of-sale clause to be foreclosed by?**
 - A. Judicial Proceeding**
 - B. Advertisement**
 - C. Public Auction**
 - D. Notice to Cure**

- 4. What type of mortgage allows for properties to be purchased with minimal down payments and lower credit scores?**
 - A. Conventional mortgage**
 - B. FHA mortgage**
 - C. VA mortgage**
 - D. Bridge mortgage**

- 5. What is the primary purpose of Private Mortgage Insurance (PMI)?**
 - A. To lower interest rates for borrowers**
 - B. To protect the lender when a borrower defaults**
 - C. To insure the property against damage**
 - D. To cover property taxes in case of foreclosure**

6. Which document outlines the terms of a mortgage agreement?

- A. Good Faith Estimate**
- B. Mortgage application**
- C. Loan estimate**
- D. Promissory note**

7. What is the main purpose of a home inspection?

- A. To secure financing from a bank**
- B. To assess the condition and identify potential issues of a property**
- C. To negotiate the final selling price**
- D. To verify the buyer's ability to pay**

8. What does it mean to "lock in" an interest rate?

- A. To reduce the principal amount of the loan**
- B. To set a specific interest rate for a loan**
- C. To adjust the loan term for lower payments**
- D. To secure approval for additional credit**

9. In many states, by paying the debt after a foreclosure sale, the mortgagor has the right to regain the property. What is the right called?

- A. Equitable Right of Redemption**
- B. Statutory Right of Redemption**
- C. Right to Reconvey**
- D. Right of Reinstate**

10. What is the purpose of loan segregation?

- A. To increase the interest rates on all loans**
- B. To classify loans into different groups based on specific criteria**
- C. To consolidate loans for easier management**
- D. To eliminate paperwork in the loan process**

Answers

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1. C
2. B
3. B
4. B
5. B
6. D
7. B
8. B
9. B
10. B

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Explanations

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1. Who is required to sign both the note and the mortgage in a loan agreement?

- A. Borrower/Agent
- B. Lender/Guarantor
- C. Mortgagor/Promissory Note**
- D. Cosigner/Guarantor

In a loan agreement, the mortgagor is the individual or entity that borrows money to buy real estate and uses the property as collateral for the loan. The promissory note refers to the party that promises to repay the loan, which in this case is typically the same as the mortgagor. Both the note and the mortgage are legal documents: the note outlines the terms of the loan, including repayment details, while the mortgage secures the loan by placing a lien on the property. The requirement for the mortgagor to sign both the note and the mortgage ensures that they are legally bound to the repayment and recognizes the lender's right to the property should default occur. This signing process is crucial because it protects the lender's interests and clearly establishes the responsibilities of the borrower regarding the mortgage agreement. Having the same party sign both documents simplifies the relationship and accountability between the borrower and lender.

2. How can seller concessions benefit buyers?

- A. They simplify the home inspection process.
- B. They often help to cover the buyer's closing costs.**
- C. They guarantee a lower interest rate on loans.
- D. They ensure the property is sold quickly.

Seller concessions can be incredibly beneficial for buyers, particularly when it comes to managing the financial burden of closing costs. Closing costs can often add up significantly, sometimes ranging from 2% to 5% of the home's purchase price. When sellers offer concessions, they essentially provide financial contributions to cover these costs, allowing buyers to allocate their funds towards the down payment or other necessary expenses related to purchasing a home. By assisting with closing costs, seller concessions make homeownership more attainable for buyers who might not have enough cash on hand at the time of closing. This is especially helpful for first-time homebuyers or those with limited savings. The ability to receive seller concessions can also make a property more appealing to buyers, potentially leading to a quicker sale for the seller while benefitting the buyer financially. Other options, while they may seem appealing, do not accurately reflect the impact of seller concessions on the buyer's experience or financial situation. For example, seller concessions do not directly influence the home inspection process, guarantee lower interest rates, or ensure that a property sells quickly. These aspects are contingent on various market conditions and buyer-seller negotiations rather than the concessions themselves.

3. A mortgage must include a power-of-sale clause to be foreclosed by?

- A. Judicial Proceeding**
- B. Advertisement**
- C. Public Auction**
- D. Notice to Cure**

The correct choice indicates that a mortgage must include a power-of-sale clause to be foreclosed by advertisement. A power-of-sale clause allows the lender to sell the property without going through the court system, which is typically required in judicial foreclosures. When a mortgage includes this clause, it grants the lender the authority to initiate a non-judicial foreclosure, which involves notifying the public through advertisements and conducting a public auction to sell the property in question. This process often allows for a quicker resolution than judicial foreclosures, as it bypasses the need for court proceedings and can lead to the property being sold without a lengthy litigation process. In contrast, the other choices represent different foreclosure methods that do not inherently require a power-of-sale clause. For instance, a judicial proceeding requires court involvement and is characterized by legal actions rather than advertisements. Public auction can occur as part of the process but is not specifically reliant on a power-of-sale clause unless in the context of non-judicial foreclosures. Finally, notice to cure refers to a way of informing the borrower of default, and while it is part of the foreclosure process, it does not itself act as a method for initiating foreclosure. Thus, the power-of-sale clause is critical in enabling the advertisement

4. What type of mortgage allows for properties to be purchased with minimal down payments and lower credit scores?

- A. Conventional mortgage**
- B. FHA mortgage**
- C. VA mortgage**
- D. Bridge mortgage**

A Federal Housing Administration (FHA) mortgage is designed specifically to help individuals who may have less-than-perfect credit and cannot afford a substantial down payment. One of the key benefits of an FHA mortgage is that it allows for down payments as low as 3.5% of the purchase price, making it accessible for first-time homebuyers and those with limited financial resources. Additionally, the FHA has more lenient credit score requirements compared to conventional loans, which often require higher credit scores for approval. This makes FHA loans a popular choice among buyers who may struggle to qualify for more traditional forms of financing. In contrast, conventional mortgages typically require larger down payments and higher credit scores, while VA mortgages, while offering favorable terms for veterans, still have specific eligibility requirements that may not apply to all borrowers. Bridge mortgages are a short-term financing option primarily used to fund the purchase of a new home before selling the existing one, and they do not inherently provide the same low down payment or credit score flexibility.

5. What is the primary purpose of Private Mortgage Insurance (PMI)?

- A. To lower interest rates for borrowers**
- B. To protect the lender when a borrower defaults**
- C. To insure the property against damage**
- D. To cover property taxes in case of foreclosure**

The primary purpose of Private Mortgage Insurance (PMI) is to protect the lender when a borrower defaults on their mortgage. PMI is typically required for borrowers who are unable to make a down payment of at least 20% of the home's purchase price. In cases where the borrower does default, PMI ensures that the lender is compensated for a portion of their loss, thus mitigating risk associated with higher loan-to-value ratios. This insurance provides a security blanket for lenders, encouraging them to lend to borrowers who may otherwise not qualify for a conventional mortgage due to the smaller down payment. Other options do not accurately reflect the role of PMI. For instance, while lowering interest rates for borrowers might be a goal of other financial products, it is not the function of PMI. Similarly, insuring a property against damage is typically managed through homeowner's insurance, not PMI. Lastly, covering property taxes in the event of foreclosure does not align with the purpose of PMI, which is strictly focused on loan default liability rather than tax obligations. Thus, the role of PMI is essential in facilitating home ownership for borrowers with lower down payments by providing safeguards for lenders.

6. Which document outlines the terms of a mortgage agreement?

- A. Good Faith Estimate**
- B. Mortgage application**
- C. Loan estimate**
- D. Promissory note**

The document that outlines the terms of a mortgage agreement is the Promissory Note. This document is a legal written promise to repay a loan under specified terms, including the principal amount, the interest rate, the repayment schedule, and the maturity date. It serves as evidence of the borrower's obligation to repay the borrowed funds. The Promissory Note is crucial because it not only details the specifics regarding the loan but also sets forth the implications of default and the conditions under which the lender can pursue legal action to recover the unpaid amount. It's fundamental in both confirming the borrower's intentions and providing legal enforceability to the loan agreement. In contrast, while other documents like the Good Faith Estimate, mortgage application, and Loan Estimate provide important information related to the loan process, they do not serve the same purpose as the Promissory Note in outlining the specific obligations of the borrower regarding repayment. The Good Faith Estimate offers different cost estimates associated with the loan, the mortgage application collects personal and financial information from the borrower, and the Loan Estimate presents an overview of expected loan costs after applying for a mortgage but does not detail the borrower's legal commitment to repay the loan.

7. What is the main purpose of a home inspection?

- A. To secure financing from a bank
- B. To assess the condition and identify potential issues of a property**
- C. To negotiate the final selling price
- D. To verify the buyer's ability to pay

The main purpose of a home inspection is to assess the condition of a property and identify any potential issues that may exist. This thorough examination of the home typically covers various aspects, including the structural integrity, electrical systems, plumbing, roofing, and HVAC systems. By doing so, a home inspection provides valuable information to the buyer, helping them make an informed decision about the property. Identifying potential issues allows buyers to address concerns before proceeding with a purchase or negotiate repairs with the seller. This proactive approach can prevent future complications, ensuring that buyers are fully aware of the home's condition and any necessary maintenance or repairs. Overall, a professional inspection serves as a safeguard for the investment, promoting transparency in the real estate transaction. The other options relate to different aspects of the home buying process. Securing financing involves assessing the buyer's financial situation and the property's value but is not the primary aim of a home inspection. Negotiating the final selling price may be influenced by the findings of an inspection, but it is separate from the inspection's intended purpose. Finally, verifying the buyer's ability to pay is an essential step in the mortgage process but does not relate to the home inspection itself.

8. What does it mean to "lock in" an interest rate?

- A. To reduce the principal amount of the loan
- B. To set a specific interest rate for a loan**
- C. To adjust the loan term for lower payments
- D. To secure approval for additional credit

When you "lock in" an interest rate, it means that you are committing to a specific interest rate for a loan, typically within a predefined period. This process protects the borrower from fluctuations in interest rates while they prepare to close on a mortgage or loan. Once the interest rate is locked, it cannot be changed, which can be particularly beneficial in a rising interest rate environment. Locking in the interest rate ensures that the borrower will pay that specific rate for the duration of the lock period, usually lasting from a few weeks to a few months, depending on the lender's policies. This can provide peace of mind, as the borrower will know their monthly payment amounts and can effectively plan their finances accordingly. The other options do not pertain to the concept of locking in an interest rate at all. Reducing the principal amount relates to the loan's total debt, adjusting the loan term pertains to the repayment duration rather than the rate itself, and securing approval for additional credit is unrelated to the interest rate being set for a specific loan.

9. In many states, by paying the debt after a foreclosure sale, the mortgagor has the right to regain the property. What is the right called?

- A. Equitable Right of Redemption**
- B. Statutory Right of Redemption**
- C. Right to Reconvey**
- D. Right of Reinstatement**

The concept being described is indeed the Statutory Right of Redemption. This right allows a mortgagor to reclaim their property after a foreclosure sale by paying off the total amount owed, including any applicable fees and costs. The key aspect of this right is that it is defined by state law, which may vary in terms of the time frame and conditions under which this right can be exercised. In many jurisdictions, the Statutory Right of Redemption provides a vital safety net for homeowners, allowing them an opportunity to recover their home even after it has been sold at foreclosure. The emphasis is on the legal provisions established in the state that grant the mortgagor this chance to redeem their property. The other options, while related to redemption or foreclosure situations, do not accurately represent the specific right described in the question. The Equitable Right of Redemption refers to the ability of a borrower to pay off the mortgage and reclaim the property before the foreclosure sale itself, which differs from the timing and context of the statutory right. The Right to Reconvey pertains to the process of transferring property back when a loan is paid off in full, and the Right of Reinstatement allows a borrower to cure a default by paying the overdue amount before foreclosure, which

10. What is the purpose of loan segregation?

- A. To increase the interest rates on all loans**
- B. To classify loans into different groups based on specific criteria**
- C. To consolidate loans for easier management**
- D. To eliminate paperwork in the loan process**

The purpose of loan segregation is to classify loans into different groups based on specific criteria. This process is essential in the lending industry as it allows lenders to evaluate and manage loans more effectively. By categorizing loans, lenders can analyze their portfolios based on risk levels, borrower characteristics, loan types, or geographic locations, among other factors. This detailed classification helps in assessing performance, determining loan pricing, and making informed decisions regarding risk management and resource allocation. In contrast, options related to increasing interest rates or eliminating paperwork do not reflect the fundamental purpose of loan segregation. While consolidating loans for easier management could be beneficial in some contexts, it does not pertain specifically to the notion of segregating loans based on defined criteria. Thus, the focus on classification within loan segregation serves a distinct function in shaping lending strategies and improving overall financial management.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://accredmortgagepro.examzify.com>

We wish you the very best on your exam journey. You've got this!

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