

Mckissock 8-hour National Valuation Bias and Fair Housing Laws and Regulations Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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. What is the owner-occupied exemption for 1-4 unit dwellings under the FHA?**
 - A. If The Owner Lives In One Of The Units, No Broker Is Involved, And No Discriminatory Advertising Is Used, The Transaction May Be Exempt From Certain FHA Advertising And Discriminatory Provisions**
 - B. The Exemption Requires The Owner To Hire A Broker And Use Inclusive Ads**
 - C. The Exemption Applies Only To Buildings With More Than Four Units**
 - D. The Exemption Allows Any Discriminatory Advertising**

- 2. Which group is described as being at the forefront of fair housing in the source material?**
 - A. Insurance brokers**
 - B. Property developers**
 - C. City planners**
 - D. Real estate agents**

- 3. Which agency created the maps that provided federal support to discriminatory housing practices?**
 - A. Home Owners Loan Corporation**
 - B. Federal Housing Administration**
 - C. U.S. Department of Housing and Urban Development**
 - D. Home Mortgage Disclosure Act**

- 4. Blockbusting is described as the profiteering real-estate practice of buying homes from white homeowners below market values, based on the implied threat of future devaluation during minority integration. Which of the following best reflects this description?**
 - A. True**
 - B. False**
 - C. Only for rental properties**
 - D. Not defined**

- 5. Which agencies enforce the FHA?**
- A. The U.S. Department of Housing and Urban Development (HUD) and the Department of Justice, with state/local agencies also involved.**
 - B. The Federal Reserve.**
 - C. The Environmental Protection Agency.**
 - D. The Department of Transportation.**
- 6. What is a reasonable modification in disability housing?**
- A. A Physical Change To The Dwelling Or Building To Enable A Person With A Disability To Use The Housing**
 - B. A Change In Rules Or Policies**
 - C. An Advertising Change**
 - D. A Temporary Eviction**
- 7. In the TV price example, the buyer purchases the \$2,000 TV as a bargain, despite a cheaper option elsewhere. This lapse is attributed to which bias?**
- A. Framing effect**
 - B. Representativeness**
 - C. Anchoring bias**
 - D. Scarcity**
- 8. A mortgage lender refuses to make mortgage loans in inner-city neighborhoods. This practice is BEST described as:**
- A. Redlining**
 - B. Steering**
 - C. Blockbusting**
 - D. Reverse redlining**
- 9. In the late 1800s and early 1900s, tools of housing discrimination included which of the following?**
- A. Both governmental and private restrictions**
 - B. Deed restrictions**
 - C. Zoning ordinances**
 - D. Public housing programs**

10. An appraiser makes a valuation decision based on the appraiser's own perceptions of the market. What term best describes this decision?

- A. Objective**
- B. Subjective**
- C. Empirical**
- D. Quantitative**

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Answers

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

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Explanations

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1. What is the owner-occupied exemption for 1-4 unit dwellings under the FHA?

- A. If The Owner Lives In One Of The Units, No Broker Is Involved, And No Discriminatory Advertising Is Used, The Transaction May Be Exempt From Certain FHA Advertising And Discriminatory Provisions**
- B. The Exemption Requires The Owner To Hire A Broker And Use Inclusive Ads**
- C. The Exemption Applies Only To Buildings With More Than Four Units**
- D. The Exemption Allows Any Discriminatory Advertising**

The owner-occupied exemption applies to small 1-4 unit dwellings when the owner lives in one of the units. In that situation, the FHA's advertising and certain discrimination provisions may be exempt, provided the owner does not use a real estate broker to market the property and does not publish discriminatory advertising. This allows a private owner to sell or rent a small property without triggering those specific FHA provisions, while still prohibiting discriminatory practices generally. The other statements miss key points: involving a broker removes the exemption, the exemption covers buildings with up to four units (not more), and discriminatory advertising would defeat the exemption.

2. Which group is described as being at the forefront of fair housing in the source material?

- A. Insurance brokers**
- B. Property developers**
- C. City planners**
- D. Real estate agents**

Real estate agents operate at the frontline of housing transactions, so their daily interactions directly shape who can access which homes. Because fair housing laws regulate how people are treated in buying, renting, and marketing properties, agents are the ones most visibly responsible for upholding non-discrimination in practice. They handle advertising, showings, pricing, and negotiations, making their actions—whether they promote equal access or unintentionally steer clients—central to fair housing outcomes. The source emphasizes that agents must comply with the Fair Housing Act and related guidelines, ensuring equal service regardless of protected characteristics and avoiding discriminatory practices. While other roles like city planning or development influence housing supply and design, the immediate, everyday conduct of housing professionals places them at the forefront of fair housing efforts.

3. Which agency created the maps that provided federal support to discriminatory housing practices?

A. Home Owners Loan Corporation

B. Federal Housing Administration

C. U.S. Department of Housing and Urban Development

D. Home Mortgage Disclosure Act

Redlining—the practice of denying or limiting mortgage lending in certain neighborhoods based on race or ethnicity—was reinforced by maps created in the 1930s by the Home Owners' Loan Corporation. HOLC produced color-coded city maps that rated areas by perceived mortgage risk, and these grades guided lenders on where to approve or reject loans. That system effectively directed federal support away from minority neighborhoods and into predominantly white areas, embedding discriminatory practices into housing finance. The Federal Housing Administration played a role in shaping lending standards that supported these patterns, but the actual map project came from HOLC. HUD did not originate these maps, and the Home Mortgage Disclosure Act is a later law focused on reporting lending data to uncover bias rather than creating the risk maps.

4. Blockbusting is described as the profiteering real-estate practice of buying homes from white homeowners below market values, based on the implied threat of future devaluation during minority integration. Which of the following best reflects this description?

A. True

B. False

C. Only for rental properties

D. Not defined

Blockbusting is the practice of exploiting fears of racial change to prompt homeowners to sell at depressed prices. The description—profiteering by buying homes from white homeowners below market values based on the implied threat of future devaluation during minority integration—captures exactly how blockbusting works: brokers or agents capitalize on racial panic to acquire property cheaply, then convert it into profits by selling to minority buyers or investors. This is illegal under fair housing laws because it uses race to manipulate housing opportunities and prices, harms communities, and constitutes discrimination. It isn't limited to rental properties and isn't a legitimate or defined practice; the described behavior clearly fits blockbusting, so the statement is correct.

5. Which agencies enforce the FHA?

- A. The U.S. Department of Housing and Urban Development (HUD) and the Department of Justice, with state/local agencies also involved.**
- B. The Federal Reserve.**
- C. The Environmental Protection Agency.**
- D. The Department of Transportation.**

Enforcement of the FHA is led by HUD as the primary federal agency that administers and enforces federal fair housing laws, handling complaints, investigations, and remedies. The Department of Justice also enforces FHA provisions, bringing civil rights lawsuits when discrimination is found or when there's a pattern or practice of discrimination. State and local fair housing agencies can participate through the Fair Housing Assistance Program, allowing them to enforce FHA provisions in their jurisdictions in a manner substantially equivalent to HUD's enforcement. The Federal Reserve, Environmental Protection Agency, and Department of Transportation do not enforce the FHA. Therefore, the best answer highlights HUD and DOJ, with state/local agencies involved through FHAP.

6. What is a reasonable modification in disability housing?

- A. A Physical Change To The Dwelling Or Building To Enable A Person With A Disability To Use The Housing**
- B. A Change In Rules Or Policies**
- C. An Advertising Change**
- D. A Temporary Eviction**

A reasonable modification is a physical change to the dwelling or building that enables a person with a disability to use the housing. Examples include installing a ramp, widening doorways, or modifying a bathroom to improve accessibility. This reflects the Fair Housing Act's requirement to remove barriers in the living space itself, usually at the tenant's expense. Changes in rules or policies, advertising, or eviction actions are not physical changes to the housing, so they aren't the same concept as a reasonable modification.

7. In the TV price example, the buyer purchases the \$2,000 TV as a bargain, despite a cheaper option elsewhere. This lapse is attributed to which bias?

- A. Framing effect**
- B. Representativeness**
- C. Anchoring bias**
- D. Scarcity**

Anchoring bias is at work here. The first price you see becomes the reference point for judging value. When the TV is listed at \$2,000, that amount sets an anchor in your mind. Even if a cheaper option exists, your sense of what counts as a "good deal" is still colored by that anchor, so the \$2,000 TV can feel like a bargain in comparison or worth paying more for, because you're evaluating it relative to the initial price rather than against a fresh, objective comparison. Since your judgment is pulling toward that anchor, you don't adjust your evaluation as much as you should when a cheaper alternative appears.

8. A mortgage lender refuses to make mortgage loans in inner-city neighborhoods. This practice is BEST described as:

- A. Redlining**
- B. Steering**
- C. Blockbusting**
- D. Reverse redlining**

Denying mortgage loans in inner-city neighborhoods is redlining. This discriminatory practice involves lenders refusing to provide or insure loans in a geographic area based on the neighborhood's characteristics rather than the individual borrower's qualifications, cutting off access to credit and investment in that community. Historically, redlining used mapped demarcations to seal off entire areas from lending, which is illegal under fair housing laws because it targets protected groups based on location. Steering would involve directing borrowers toward or away from certain neighborhoods, blockbusting involves exploiting fear of demographic change to prompt sales, and reverse redlining refers to charging higher costs or offering worse terms to a community. The situation described matches redlining because the decision hinges on the neighborhood, not the borrower's creditworthiness.

9. In the late 1800s and early 1900s, tools of housing discrimination included which of the following?

- A. Both governmental and private restrictions**
- B. Deed restrictions**
- C. Zoning ordinances**
- D. Public housing programs**

Deed restrictions, or restrictive covenants, were a common private tool used to keep neighborhoods racially and religiously homogeneous in the late 1800s and early 1900s. Developers and property owners inserted clauses in property deeds that barred sale or occupancy by people of certain races or faiths, and these covenants were often enforced through private action and by the courts. While government actions did occur later, the period's most telling discriminatory practice in housing was these private restraints on who could buy or live in a home. Zoning ordinances and public housing programs became more prominent later, so they don't best reflect the era's primary discriminatory tool.

10. An appraiser makes a valuation decision based on the appraiser's own perceptions of the market. What term best describes this decision?

- A. Objective**
- B. Subjective**
- C. Empirical**
- D. Quantitative**

Subjective describes a valuation decision that comes from the appraiser's own perceptions of the market rather than from verifiable data. If the decision were based on observable market facts and data, it would be objective; empirical implies conclusions drawn from observed evidence, and quantitative involves numerical measurements. Because this scenario centers on personal judgment of market conditions, subjectivity is the best descriptor. To maintain credibility, appraisers should support any subjective judgments with data and documented rationale.

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://mckissock8hrnatvaluationbias.examzify.com>

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

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