

State of Montana
Property Management Pre-Licensing Course
Aptitude Test

1. If you, as a property manager, have a claim filed against you with the state, your license is automatically canceled. T or F
2. If licensing law is not strictly adhered to by a property manager, the Department of Labor & Industry may levy a monetary fine against the licensee. T or F
3. An employee of the department may issue a citation to a property manager responsible for maintenance of a trust account for failure to comply with trust account maintenance requirements T or F
4. Typical duties of a licensed property manager include the convening or transfer of title. T or F
5. In the preparation of a rental agreement, the landlord and tenant can agree to include terms prohibited by law. T or F
6. When a property manager is figuring rent for a rental agreement, he/she apportions the rent on a month-to-month basis. T or F
7. A property manager is liable under tenant's rental agreement until written notice is given to the tenant that the manager is no longer representing the property owner. T or F
8. Property Managers must give tenants 30 days notice of changes to the "terms" of a lease agreement, providing the lease is month-to-month. T or F
9. A Property Manager may require that a tenant notify them of any absence in excess of 7 days. T or F
10. If the Property Manager notices that the tenant has been away from their residence for a long time, the landlord may go into the property whenever they feel it is necessary. T or F
11. If a property is not ready for move in at the date arranged by the Property Manager and tenant, the tenant can terminate the rental agreement with 5 days written notice. T or F
12. When a tenant notifies the Property Manager on December 12th that their heating system is not working, the Property Manager has 5 working days to get it fixed. T or F

13. A property manager has 14 days to remedy emergency problems, after notification in writing from the tenant. T or F
14. Drug activities are not the business of the property manager and they can do nothing about this except call the police. T or F
15. If a tenant with no pet agreement is found to have a dog, the property manager can give written notice and evict the tenant with a 3 day notice. T or F
16. If a tenant is caught vandalizing the community gym equipment, the fastest way to address the tenant is to give them a 30 day notice to vacate. T or F
17. If a tenant is on a month-to-month lease and constantly calls for legitimate maintenance repairs and writes letters of request for repairs, the property manager can bring an action for possession against the tenant. T or F
18. There is no maximum amount for security deposits, but there is a limit for additional deposits. T or F
19. A property manager may deduct for normal carpet wear and tear from the tenant's security deposit. T or F
20. If a tenant moves out and no cleaning or other costs are due, the property manager must return the security deposit immediately or the tenant does not have to return the keys and premises back to the landlord. T or F
21. The security deposit must be refunded to the tenant by certified mail to the property that the tenant just moved from. T or F
22. If a tenant wishes to see the prior person's security deposit disposition, they may request that information in writing from the property manager. T or F
23. If a tenant moves out at the end of their lease but does not show up for or comply with the cleaning inspection, the property manager can keep the entire security deposit.
T or F
24. Montana law states that a tenant can move out at the end of a month to month lease without any notice to the property manager. T or F
25. A "holdover tenant" is one who is renting a property on a month-to-month basis until they can find other housing. T or F

26. When a property is sold to a new party, the tenant has to negotiate a new lease with the new owner. T or F
27. There is no maximum term of a written and signed residential lease by lessor and lessee. T or F
28. Either party may agree to waive their rights under the Landlord/Tenant Act. T or F
29. A mobile park owner may evict a mobile home from the park if the tenant was late in paying the rent twice in 6 months. T or F
30. There is no limit on security deposits in Montana. T or F
31. A “covenant of quiet possession” is a tenant’s legal right to the possession of leased property. T or F
32. The only time a property manager doesn’t have to give a tenant a breakdown of the charges out of their security deposit is when the charges against the security deposit are less than \$50. T or F
33. The power to a four-plex goes out – the landlord has 3 working days to restore power. T or F
34. The maximum term in an unsigned lease is one year. T or F
35. If a tenant is delinquent in rent payment, the landlord may issue a 3 day notice to pay or quit and a 10 day termination. T or F
36. A separate trust account must be kept for each property managed by a licensed property manager. T or F
37. Property managers never keep personal funds in a company trust account. T or F
38. Any type of account can be used as a trust account – it does not have to be designated as one. T or F
39. All deposits and rents are to be kept in a designated trust account. T or F
40. As long as monies are deposited into the trust account by the 10th of each month, no regulations have been broken. T or F
41. Money kept in a trust account may be used to pay the property management fees. T or F

42. The agency relationship of a property manager must be disclosed to any and all potential tenants. T or F
43. You must maintain the bank statements for your trust accounts for a period of 3 years. T or F
44. Property management licensees must include a felony background check with their letters of recommendation in order to pass licensing requirements. T or F
45. Property managers may keep personal funds of up to \$1000 in a company trust account. T or F
46. You do not have to have your company name or property manager on a "FOR RENT" sign, if it is placed in the apartment window. T or F
47. All monies belonging to the property manager must be withdrawn within 10 days when due and payable. T or F
48. If an owner does not have sufficient funds in his/her trust account to pay for the taxes on his property, the property manager can pay the taxes if there is money in the trust account. T or F
49. Interpreting legal documents is just one of the functions of a property manager. T or F
50. One of the exceptions to the licensing requirements is the showing of rentals by the office assistant. T or F
51. A relationship between a property owner and a property manager is established by a written contract. T or F
52. If Bob rents a duplex to Lisa for a one year period, they will have a bilateral agreement. T or F
53. An example of a fiduciary relationship is one formed between an owner and a property manager. T or F
54. The named parties, owner and tenant, are usually the parties to a lease agreement. T or F
55. A "gross lease" is used in commercial real estate when the parties are required to pay a portion of the operating expenses for the building in which they lease. T or F
56. Residential buildings constructed before 1978 require lead based paint disclosures. T or F

57. Lead based paint disclosures are required for all commercial properties. T or F
58. A tenant is referred to as the “lessor” in all legal documents. T or F
59. Property managers commonly receive their commissions from tenants. T or F
60. The day-to-day upkeep of a property is called preventative maintenance. T or F
61. The term “cash flow” means gross income minus free rent. T or F
62. Apartment buildings constructed in or before 1977 require lead based paint disclosures.
T or F
63. Failure to provide the landlord with a forwarding address relieves the landlord of the obligation to return the security deposit. T or F
64. Agency relationship is usually established between a property owner and property manager by written contract. T or F
65. The relationship between a principal and tenant is an example of a fiduciary relationship. T or F
66. The three requirements of a valid lease include: Offer and Acceptance, Valid Consideration, and Capacity to Contract. T or F
67. All of the following are components of a market analysis: Expense Report, One Year Operating Statement, and Five Year Focus?
68. The following items are found as operating expenses on a financial statement: management fees, utilities, and insurance. T or F
69. The maximum amount of rent a property can produce is called the gross potential income. T or F
70. A program of regular inspection and care designed to detect and resolve any potential problems before major repairs are needed is called preventative maintenance. T or F
71. When an owner says they want to do the hiring and firing for properties, you should run from the deal. T or F
72. Rent control laws prohibit discrimination in marketing and leasing residential property.
T or F

73. Fair Housing laws cover unmarried couples, pregnant women, and the presence of one or more children under age 18. T or F
74. A licensed property manager must give preference to disabled applicants when hiring for office positions within their company. T or F
75. Guide dogs for disabled tenants are not allowed in “no pet” rental properties. T or F
76. A senior citizen community may discriminate against couples who are over the age of 62 and unmarried. T or F
77. A property manager must make reasonable accommodations for an employee with a known disability. T or F
78. Families with children may be refused rental in buildings where occupancy is reserved exclusively for those age 62 or older. T or F

64 Correct = 80%