

Michael James Johnston
Real Estate Essentials
Chapter 12 & 13

Name _____

Please select only ONE from each of the following questions.

1. Which of the following is an example of involuntary alienation?
 - a. Selling a property to pay off debts
 - b. Giving a piece of land to the zoo
 - c. Having a piece of land sold for delinquent taxes
 - d. Letting another person plant crops on an unused portion of a piece of land

2. The title to real estate passes when a valid deed is
 - a. signed and recorded.
 - b. delivered and accepted.
 - c. filed and microfilmed.
 - d. executed and mailed.

3. Which of the following deeds contains no expressed or implied warranties?
 - a. A bargain and sale deed
 - b. A quitclaim deed
 - c. A warranty deed
 - d. A grant deed

4. A special warranty deed differs from a general warranty deed in that the grantor's covenant in the special warranty deed
 - a. applies only to a definite limited time.
 - b. covers the time back to the original title.
 - c. is implied and is not written in full.
 - d. protects all subsequent owners of the property.

5. A written summary of the history of all conveyances and legal proceedings affecting a specific parcel of real estate is called a(n)
 - a. affidavit of title.
 - b. certificate of title.
 - c. abstract of title.
 - d. title insurance policy.

6. A buyer took delivery of the deed to his new house but forgot to record the deed. Under these circumstances
 - a. the transfer of the property from the seller is ineffective.
 - b. the buyer's interest is not fully protected against third parties.
 - c. the deed is invalid after 90 days.
 - d. the deed is invalid after 6 months.

7. In which of the following situations would a quitclaim deed be the most appropriate type of deed to use?
 - a. To convey a marketable title
 - b. To release a nominal real estate interest
 - c. To remove a cloud on title
 - d. To warrant that a title is valid

8. The seller conveyed a quitclaim deed to the buyer. Upon receipt of the deed, the buyer may be certain that
 - a. the seller owned the property.
 - b. there are no encumbrances against the property.
 - c. the buyer now owns the property subject to certain claims of the seller.
 - d. all of the seller's interests in the property belong to the buyer.

9. Which of the following would be used to clear a defect from the title records?
 - a. A lis pendens
 - b. An estoppel certificate
 - c. A suit to quiet title
 - d. A writ of attachment

10. Which of the following documents is signed by the owner of the real estate?
 - a. A gift deed
 - b. A trustee's deed
 - c. A reconveyance deed
 - d. A tax deed

11. The type of deed in which the grantor defends the title back to its beginning is a
 - a. trustee's deed.
 - b. quitclaim deed.
 - c. special warranty deed.
 - d. general warranty deed.

12. In order for a deed to be valid
 - a. the grantor must be legally competent.
 - b. the signature of the grantor must be witnessed.
 - c. the deed must be recorded.
 - d. the grantee must sign the deed.

13. When the grantor does not wish to convey certain property rights, he or she
 - a. must note the exceptions in a separate document.
 - b. may not do so, as the deed conveys the entire premises.
 - c. may note the exceptions in the deed of conveyance.
 - d. must convey the entire premises and have the grantee reconvey the rights to be retained by the grantor.

14. The condemnation of private property for public use is exercised under the government right of
 - a. taxation.
 - b. escheat.
 - c. manifest destiny.
 - d. eminent domain.

15. The recorded history of matters that affect the title to a specific parcel of real property is called a
 - a. chain of title.
 - b. certificate of title.
 - c. title insurance policy.
 - d. abstract of title.

16. Under the Torrens system,
 - a. title passes when the registrar approves the grantor's deed for registration.
 - b. the Torrens official performs exactly the same functions as the recorder of deeds.
 - c. the original deed is mailed to the buyer after it has been registered.
 - d. the registration of a title can be canceled by the owner at any time.

17. Which of the following is NOT required for a deed to be valid?
 - a. Date
 - b. Legal description
 - c. Name of the grantee
 - d. Signature of the grantee

18. What will happen to the real estate if the deceased owner did not write a will and has no heirs?
 - a. The ownership will pass by devise.
 - b. The ownership will escheat.
 - c. The courts will seize the ownership.
 - d. The ownership will revert to the previous owner.

19. Which of the following is an example of proof of ownership?
 - a. An abstract of title
 - b. A deed
 - c. Title insurance
 - d. A title search

20. F bought acreage in a distant county, never went to see it, and did not use it, although he regularly paid the real estate taxes on it. L moved his mobile home onto F's property, drilled a well for water, and lived there for many years. L may have become the owner of the acreage if he has complied with the state laws regarding
 - a. intestate succession.
 - b. adverse possession.
 - c. the statute of frauds.
 - d. the statute of limitations.

21. When the preliminary title report reveals the existence of an easement on the property, it indicates that the easement is a(n)
 - a. lien.
 - b. encumbrance.
 - c. encroachment.
 - d. tenement.

22. The mortgagee purchases a title insurance policy on the property a buyer is pledging as security for the mortgage loan. Which of the following is true?
 - a. The policy is issued for the benefit of the buyer.
 - b. The policy guarantees that the buyer's equity will be protected.
 - c. The amount of coverage is commensurate with the loan amount.
 - d. The amount of coverage increases as the borrower's equity increases.

23. A grantor does not wish to be responsible for defects in the title that arise from previous owners but will guarantee the title for the time the grantor has the ownership. What type of deed would the grantor convey?
 - a. Bargain and sale deed
 - b. Quitclaim deed
 - c. Reconveyance deed
 - d. Special Warranty deed

24. The deed that "grants and releases" and implies that the grantor has title is a
 - a. special warranty deed.
 - b. bargain and sale deed.
 - c. quitclaim deed.
 - d. trust deed.

25. A sales contract requires the seller to deliver marketable title. Which of the following is true?
 - a. The delivery of a general warranty deed will provide this assurance.
 - b. A search of the public records will prove that the title is marketable.
 - c. The seller will pay all liens that are pending.
 - d. All encumbrances will be removed by the seller.

26. The clause in the deed that conveys the rights and privileges of ownership is called the
 - a. habendum clause.
 - b. appurtenance clause.
 - c. granting clause.
 - d. acknowledgment.

27. Which of the following is an involuntary alienation of property?
 - a. Quitclaim
 - b. Inheritance
 - c. Eminent domain
 - d. Gift

28. A valid will devises the decedent's real estate after the payment of all debts, claims, inheritance taxes and expenses through the
 - a. administrator of the estate.
 - b. law of testate succession.
 - c. granting clause established in the will.
 - d. court action known as probate.

29. Which of the following would NOT be considered evidence of marketable title?
 - a. An abstract of title with a legal opinion
 - b. A title commitment or title insurance policy
 - c. A certificate of title by a real estate broker
 - d. A certificate of title by a real estate attorney

30. The reversion of real estate to the state because of its lack of heirs or other persons legally entitled to own the property is called
 - a. eminent domain.
 - b. escheat.
 - c. attachment.
 - d. estoppel.

31. Generally, if some defect is found in the title to real property, the effect on a sales contract is that
 - a. the contract is immediately void.
 - b. a new contract must be written.
 - c. the buyer has a reasonable time to find another property.
 - d. the seller has a reasonable time to correct the defect.

32. A third party holds title to property on behalf of someone else through the use of a
 - a. devise.
 - b. quitclaim deed.
 - c. bequest.
 - d. trust deed.

33. The deed states that the grantor is conveying all rights and interests of the grantor to have and to hold by the grantee. This is the
 - a. acknowledgment clause.
 - b. restriction clause.
 - c. covenant of seizen.
 - d. habendum clause.

34. Which of the following deeds can be executed without subjecting the grantor to legal warranties?
 - a. Quitclaim
 - b. Bargain and sale
 - c. Trust
 - d. Trustee's deed

35. A bill of sale is used to transfer the ownership of
 - a. real property.
 - b. fixtures.
 - c. personal property.
 - d. appurtenances.

36. The law that requires transfers of real property ownership to be in writing is the
 - a. parol evidence rule.
 - b. statute of limitations.
 - c. rule of civil procedure.
 - d. statute of frauds.

37. What is the purpose of the acknowledgment by a notary public on a deed?
 - a. To make the deed eligible for recording
 - b. To assure that the title is valid
 - c. To show the genuineness of the grantor's signature
 - d. To prove that the property has not been encumbered

38. The body of law that covers such topics as security agreements, financing statements, and bulk transfers is the
 - a. American Land Title Association.
 - b. Uniform Commercial Code.
 - c. Parol Evidence Rule.
 - d. Statute of Limitations.

39. The recordation of a warranty deed
 - a. guarantees ownership.
 - b. protects the interests of the grantee.
 - c. prevents claims of parties in possession.
 - d. provides defense against adverse possession.

40. Under the terms of a trust established by a will, the trustee is required to sell the real estate the trust holds. The deed that will be delivered at settlement is a
 - a. deed of release.
 - b. warranty deed.
 - c. trustee's deed.
 - d. trustor's deed.

41. Documents affecting real estate are recorded or filed with the county in which the property is located to
 - a. satisfy the legal requirements for recording.
 - b. give constructive notice of the real estate interest.
 - c. comply with the terms of the statute of frauds.
 - d. prove the execution of the document.

42. When a claim is settled by a title insurance company, the company acquires all rights and claims of the insured against any other person who is responsible for the loss. This is known as
- caveat emptor.
 - surety bonding.
 - subordination.
 - subrogation.
43. A deed must be signed by the
- grantor.
 - grantee.
 - grantor and grantee.
 - grantee and two witnesses.
44. P owns a one-quarter undivided interest in a parcel of land, and he wants his interest transferred to his sister E. As a general rule, which of the following actions will transfer P's undivided interest out of his name?
- The redemption from a foreclosure sale
 - The making and the signing of a will
 - The delivery of the deed during the owner's lifetime
 - The acceptance by signature of an offer to purchase
45. *Quieting a title* refers to
- a title insurance company's search of the title.
 - a mortgagor relinquishing title after foreclosure.
 - the deposit of a title with an escrow agent.
 - the removal of a cloud on the title by court action.
46. When U purchased her home, the title insurance policy she received did NOT include which of the following?
- A list of outstanding mortgage loans against the property
 - A record of all of the previous owners of the property
 - A report of the existing tax liens against the property
 - A list of the easements held by utility companies
47. Which of the following would NOT transfer property upon the owner's death?
- By devise
 - By dedication
 - By descent
 - By escheat
48. Which of the following is NOT true about adverse possession?
- The person taking possession of the property must do so without its owner's consent.
 - Occupancy of the property must be continuous over a specified period of time.
 - The person taking possession must compensate the owner at the end of the possessory period.
 - The person taking possession may become the owner of the property.

49. Which of the following is acceptable as the evidence of marketable title?
- A trust deed
 - A warranty deed
 - A title insurance policy
 - An affidavit
50. An outstanding claim or encumbrance which, if valid, would impair an owner's title is a
- color of title.
 - cloud on the title.
 - quiet title.
 - subrogation.
51. The type of deed in which the granting clause states "remit, release, alienate and convey" is a
- special warranty deed.
 - bargain and sale deed.
 - quitclaim deed.
 - sheriff's deed.
52. Which of the following is NOT true regarding public records?
- They give notice of encumbrances.
 - They establish priority of liens.
 - They guarantee marketable title.
 - They provide constructive notice about interests in the property.
53. Which of the following is true regarding a special warranty deed?
- The grantor is making additional warranties beyond those given in a warranty deed.
 - The grantor retains an interest in the ownership.
 - The grantor is warranting that no encumbrances exist against the property.
 - The grantor's warranties are limited to the time the grantor owned the property.
54. The best assurance of good title that a real estate purchaser can obtain is a
- valid warranty deed signed by the seller.
 - valid quitclaim deed signed by the seller.
 - policy of title insurance.
 - certificate of title.
55. The primary purpose of a deed is to
- prove ownership.
 - transfer title rights.
 - give constructive notice.
 - prevent adverse possession.

56. Title to real estate that is inherited from a person who died intestate is referred to as a
- legacy.
 - bequest.
 - devise.
 - demise.
57. In a real estate transaction, any transfer taxes that are due are usually the responsibility of the
- buyer.
 - seller.
 - escrow agent.
 - licensee.
58. The primary reason a buyer obtains title insurance is
- because the mortgage lender requires it.
 - to ensure that the buyer has marketable title.
 - to ensure that the abstractor has prepared a complete summary of title.
 - to pay future liens that may be filed.
59. The type of deed in which the granting clause states "grant, bargain and sell" or "convey and warrant" is a
- special warranty deed.
 - bargain and sale deed.
 - general warranty deed.
 - reconveyance deed.
60. The part of the title insurance policy that sets forth all of the encumbrances and defects that will NOT be insured against is called the
- schedule of defects.
 - citation clause.
 - non-exclusionary clause.
 - schedule of exceptions.
61. A trespasser built a log cabin in a national park and occupied the structure for over 15 years. That person will never be able to claim the property under adverse possession statutes because
- the possession was not "notorious."
 - the possession was not "hostile."
 - the property was not privately owned.
 - the property was not properly fenced.
62. Which one of the following would NOT be acceptable as evidence of marketable title?
- A Torrens certificate
 - A title insurance policy
 - An abstract and legal opinion
 - A property owner's warranty deed

63. Two people own a building as joint tenants with right of survivorship. One of the tenants dies intestate. The other tenant now owns the building
- as a joint tenant with right of survivorship.
 - in severalty.
 - in absolute ownership under the law of descent.
 - subject to the terms of the deceased's will.
64. Grantee is to a deed as devisee is to a(n)
- trust.
 - will.
 - estate.
 - leasehold.
65. An abstract of title does NOT provide evidence of title unless it is accompanied by a
- copy of the title insurance policy.
 - letter of insurance coverage.
 - letter of warranty.
 - legal opinion of title.
66. A defect or a cloud on the title may be cured by
- obtaining quitclaim deeds from all interested parties.
 - bringing an action to register title.
 - paying cash for the property at closing.
 - obtaining title insurance.
67. Normally, a deed will be considered valid even if
- it is signed by an attorney-in-fact rather than the seller.
 - the grantor is not a legal entity.
 - the grantor is a minor.
 - the grantor did not deliver the deed.
68. A document that protects against hidden risks such as forgeries and loss due to defects in the title, subject to specific exceptions, is call a(n)
- chain of title.
 - abstract of title.
 - certificate of title.
 - title insurance policy.
69. A single person owned a parcel of land. Subsequent to the owner's death, the probate court determined the distribution of the land in accordance with the state's statutes. This person
- died testate.
 - died intestate.
 - was the devisee.
 - was the grantee.
70. The recording of a deed
- is all that is required to transfer the title to real estate.
 - gives constructive notice of the ownership of real property.
 - insures the interest in a parcel of real estate.
 - warrants the title to real property.