

## Chapter 4 – Transferring Ownership

1. C

Explanation: Recording an instrument provides constructive notice to the public of the interest set forth in the recorded instrument.

2. A

Explanation: A corporate seal may be added where a corporation is grantor, in order to indicate that the person who signed had authority to sign on behalf of the corporation.

3. D

Explanation: A standard policy of title insurance is based only on investigation of the public record, not on an inspection or survey of the property in question.

4. A

Explanation: A grantor would execute a quitclaim deed in favor of a grantee if there is a cloud on the title that needs to be cured.

5. C

Explanation: A deed is a document used by a private landowner to transfer title to someone else. It generally does not specify the terms of the transaction.

6. D

Explanation: While a deed must be acknowledged in order to be recorded, it does not need to be acknowledged in order to be valid.

7. B

Explanation: An individual can never receive title to property through escheat; only the state can. An individual may acquire an interest in property through a patent (a grant of land from the state), prescription (a method of obtaining an easement similar to adverse possession), or accession (through natural forces).

8. C

Explanation: No policy, standard or ALTA, will cover against defects that arise after the date of issue of the policy.

9. C

Explanation: A standard coverage policy insures against hidden problems such as forged signatures, fraud, or incompetence. It does not protect against defects that are undisclosed or that can't be discovered by examining the public record, or against any governmental action such as eminent domain.

10. C

Explanation: If a person dies intestate and without any heirs, that person's property will escheat to the state.

11. D

Explanation: Recording a deed creates the presumption that the deed was acknowledged, delivered, and accepted. Transfer of title occurs at the moment that the grantor delivers the deed and the grantee accepts it.

12. D

Explanation: An administrator is usually appointed by a probate court to distribute the property of a person who dies intestate. While a court may sometimes have to appoint an administrator in the context of a will -- for instance, if the executor named in a will were dead or incompetent at the time of the testator's death -- the other three concepts apply only in the case of a will.

13. D

Explanation: Recording the deed and possessing the property both provide notice of an interest in the property. Without either of those, a subsequent good-faith purchaser would have no notice of the true owner's interest in the property.

14. B

Explanation: Recording a document provides constructive notice to the world of its existence. A person has constructive notice of a fact if he should know the fact, whether or not he actually knows it.

15. D

Explanation: The records of the county recorder are public records, and therefore any member of the public has access to them.