

Real Estate Principles

Chapter 4 Quiz

1. Recording a deed gives:
 - A. effective notice
 - B. actual notice
 - C. constructive notice
 - D. positive notice

2. If a corporate seal is present on a deed, that means:
 - A. that the proper or authorized person signed the deed
 - B. that a corporation is the grantee
 - C. corporate approval is necessary for recording the instrument
 - D. a natural person and a corporation both had title as co-tenants

3. There are three processes involved in the issuance of a standard title insurance policy. Of the following, which is not one of those processes?
 - A. Examination and investigation of title
 - B. Determination of the amount of the insurance requirement
 - C. Protection of the insured against possible losses due to title defects
 - D. Determination of correct boundary lines through a survey of the property to be insured

4. Who would execute a quitclaim deed in order to clear away a cloud on a title?
 - A. Grantor
 - B. Grantee
 - C. Trustor
 - D. Trustee

5. The principal purpose of a deed is to:
 - A. provide evidence of the terms of a real property transaction
 - B. identify the parties to a transfer of real property
 - C. provide evidence of a change in title or transfer of an interest in real property
 - D. provide written notice of a transaction so that it can be recorded

6. Which of the following is not necessary for a deed to be valid?
 - A. It must be in writing
 - B. Parties must be competent to convey and capable of receiving the property
 - C. There must be a granting clause
 - D. It must be acknowledged

7. Which of the following is not a way through which an individual can acquire an interest in real property?
 - A. Patent
 - B. Escheat
 - C. Prescription
 - D. Accession

8. An ALTA policy of title insurance would cover:
- A. Encroachments that occur after the policy is issued
 - B. The claims of unknown persons who occupy the property after the date of the policy
 - C. All stated conditions and title as of the date of issuance
 - D. Easements created after the effective date of the policy
9. A standard policy of title insurance will insure against:
- A. Defects in the title known to the insured but not to the title company at the time the policy is issued
 - B. Eminent domain
 - C. A lack of capacity of any party to a transaction involving title to the property
 - D. An unrecorded easement
10. What does the term "escheat" refer to?
- A. Revocation of an agent's license
 - B. Commission of constructive fraud
 - C. Reversion of property to the state
 - D. Reconveyance of legal title under a deed of trust
11. Ed executes a deed to Ned and Ned records it. Ed later tries to set the conveyance aside, claiming that the deed was never delivered. Why is Ed's argument unlikely to succeed?
- A. Ned has already taken possession of the property
 - B. Once the deed is recorded, the transaction is finalized
 - C. Recording the deed assures Ned's lien position
 - D. In order for Ned to record the deed, Ed must have already delivered it
12. Which of the following would not ordinarily apply to a will?
- A. Testator
 - B. Executor
 - C. Devise
 - D. Administrator
13. Who would be in the weakest position to protect himself against a loss of property to another claimant?
- A. A holder of a recorded deed who rents the property out
 - B. A holder of an unrecorded deed who occupies the property
 - C. A holder of a certificate of title issued by a title company
 - D. A holder of an unrecorded quitclaim deed who does not occupy the property
14. If a buyer fails to examine public records relating to a property, the buyer is still considered to have:
- A. actual notice
 - B. constructive notice
 - C. conditional notice
 - D. contingent notice

15. Who is entitled to examine the records of a county recorder?
- A. A employee of a bank that services home loans
 - B. An employee of the county
 - C. An interested citizen
 - D. Any of the above