

## Sample CEO True/False Test

1. T F All escrows cover the delivery of instruments which affect some kind of property. The property is either real or personal.
2. T F Holding title to real property as tenants in common may be in unequal interests.
3. T F An example of an escrow could be: A deposit of a deed with a third party for delivery upon the performance of a condition or conditions.
4. T F State licensed escrow companies are subject to the jurisdiction of the insurance commissioner.
5. T F A single man or woman was previously married, but is not presently married.
6. T F A Preliminary Change of Ownership Report is used to determine supplemental tax bills.
7. T F If a PCOR is not included with a conveyance document, an additional fee is required at the time of recording.
8. T F A PCOR is required with the recording of an Affidavit-Death of Joint Tenant.
9. T F The person who executes a Deed of Trust is called the trustee.
10. T F You may close an escrow by accepting personal checks and verifying that the check has cleared
11. T F In California, real property tax bills cover the period from July 1 through June 30<sup>th</sup>.

12. T F The first installment of real property taxes in California are due on April 10<sup>th</sup>.
13. T F The second installment of real property taxes in California become delinquent after December 10<sup>th</sup>.
14. T F Property owners usually receive their property tax bills about November 10<sup>th</sup>.
15. T F A “Due on Sale” clause is only required on the Deed of Trust.
16. T F Documentary transfer tax for the amount of the net equity transferred must be affixed to each deed, and is computed as follows: \$1.10 for each \$500 or portion thereof.
17. T F Escrows are processed in exactly the same manner throughout the State of California.
18. T F A judgment lien is for a period of five years from the date of its entry.
19. T F In order to prove payment of a judgment and clear title, a satisfaction of judgment must be obtained and filed with the court.
20. T F Escrow instructions clearly state that as a condition of his or her offer to purchase, the buyer must secure a new loan for a specific amount and for specific terms. This is called a contingency.
21. T F A CLTA owner's policy of title insurance will insure the buyer.
22. T F A CLTA joint protection policy of title insurance will insure the buyer and the buyer's institutional lender.
23. T F An ALTA policy of title insurance will only insure the lender.

24. T F Most institutional lenders will require the borrowers pay the cost of a tax service contract. Such contract ensures that the lender will be informed if the borrowers property taxes, bonds and assessments are not paid when due.
25. T F "FNMA" are the initials standing for the Federal National Mortgage Association.
26. T F "FHLMC" are the initials standing for the Federal Home Loan Mortgage Corporation.
27. T F The protection afforded a lender under an FHA loan is that its repayment is insured by the United States Federal Government.
28. T F The protection afforded a lender under a VA loan is that its repayment is guaranteed by the United States Veterans Administration.
29. T F Endorsement No. 116 covers violation of CC&R's.
30. T F The document which is recorded to change the trustee named in a deed of trust is called a Substitution of Trustee.
31. T F One basic difference between loan escrows and sale escrows is the fact that the document most commonly recorded through a loan escrow is a deed of trust rather than a grant deed.
32. T F To verify the unpaid balance and terms of a note being purchased, the buyer may require that he or she be furnished with a beneficiary's statement.
33. T F A tenant who has executed a lease is called the lessee.
34. T F A Power of Attorney need not be recorded if used for signatures on documents which will be recorded, provided the title company determines the document is in good order, properly signed and contains all the proper language.

35. T F A bulk sale involves the sale of bulk goods.
36. T F When properly filed with a UCC-1, the secured party's security interest is perfected for a period of 5 years.
37. T F For a promissory note to be negotiable, it is necessary that the words "or order" appear after the payee's name.
38. T F Risk of loss upon damage or destruction of the property which is the subject matter of the escrow would appear to be on the person who has the right of possession.
39. T F The source of repayment for a construction loan is the purchase loan obtained by the new buyer.
40. T F A contingency can be described as a requirement placed in an escrow by one of the principals stating that the completion of the escrow is dependent upon the future happening of one or more events.
41. T F In order to save the expense and delay of foreclosure proceedings, a beneficiary under a deed of trust will sometimes accept a "Deed in Lieu of Foreclosure" from the trustor.
42. T F When there is a controversy between the principals in an escrow, the escrow holder may bring an "action of indecision" against the conflicting parties to compel them to litigate their claims among themselves.
43. T F In a legal description, "metes" means measurements and "bounds" means boundaries.
44. T F A clear and concise contingency clause should include the following matters: what, who, how and when.
45. T F If the seller has a copy of a note held by a private party which clearly shows that the due date has passed, and if the beneficiary of the note cannot be located to provide a demand and request for full reconveyance, the seller may sign a substitution of trustee and request for full reconveyance.

46. T F Individuals may be licensed as escrow agents by the Department of Corporations in California.
47. T F A partial reconveyance may be obtained in order to release a portion of the real estate described in the deed of trust being paid.
48. T F The beneficiary and the trustee named in a trust deed may be the same person or entity.
49. T F Escrow Holders must be very familiar with the different forms of leases as they may have the occasion to prepare them in escrow.
50. T F A straight note requires payments to be made in equal installments.
51. T F A "short form" deed of trust contains no general provisions.