

CEO Sample Test True/False #2

1. T F One of the advantages of an escrow is that it is a method of achieving a binding contract.
2. T F Basically, there are two kinds of courts in the judicial system. Criminal courts and civil courts.
3. T F Personal property can be referred to as "Chattel".
4. T F As a description in the escrow instructions, the street address of the property is sufficient.
5. T F The difference between a grant deed and a quitclaim deed is that a grant deed conveys after acquired title" whereas a quitclaim deed does not.
6. T F Easements are insurable interests in land.
7. T F An offset statement can be a statement by the tenant in possession of the property.
8. T F A 102.5 endorsement covers CC&R's.
9. T F In Northern California, unilateral instructions are typically used. In southern California, the use of bilateral instructions prevail.
10. T F The term "institutional lender" refers to a group of financial institutions which, in California, are comprised primarily of life insurance companies, savings and loan associations, commercial banks and mortgage companies.
11. T F The usury law does not apply to purchase money loans.

12. T F The ALTA lender's policy of title insurance provides the lender with certain extended coverage or coverages not provided by a CLTA standard policy.
13. T F It is one of the duties of an escrow agent to police escrows for compliance with the Truth in Lending Act.
14. T F After making the necessary appraisal and inspection, the VA issues a Conditional Commitment.
15. T F After making the necessary appraisal and when the requirements have been met, FHA will issue a Certificate of Reasonable Value.
16. T F A 102.5 Endorsement typically includes an inspection of the physical property by the title company issuing the endorsement.
17. T F A release of liability will be needed if a purchaser wishes to "assume" a VA loan.
18. T F An Order Confirming Sale need not be certified by the Clerk of the Court.
19. T F Rents should be prorated on the basis that all rents are paid in advance and there are no uncollected rents.
20. T F A buyer obtaining a new FHA insured loan may pay discount points on the loan at close of escrow.
21. T F Title can be vested in a minor.
22. T F The term "acceleration clause" and "alienation clause" both mean the same and may be used where you have specific language as to which one to use.
23. T F One of the requirements for an ALTA owner's extended coverage policy is a property survey.

24. T F Without exception, all bulk transfers of goods located in California are subject to the Bulk Transfer law.
25. T F All bulk transfers must be handled through an escrow.
26. T F A buyer in a bulk transfer transaction may determine what financing statements are on file by writing to the Secretary of State in Sacramento on a form called "Request for Information."
27. T F An estate for the lifetime of a person or persons is called a life estate.
28. T F In the absence of a reservation of oil, gas or other minerals in a deed to exclude surface rights, a right to use the surface for exploration will ordinarily be implied.
29. T F The protection afforded in an owner's policy of title insurance continues until the interest of the insured is transferred or conveyed, therefore, when an insured owner dies, his heir or devisees are not protected under the terms of the policy of title insurance.
30. T F The fact that the escrow instructions permit the seller to retain an amount deposited by the buyer justifies an escrow holder in paying such amount to the seller upon an apparent breach of the escrow contract by the purchaser.
31. T F Strict compliance with the terms and conditions of the escrow, rather than substantial performance, is ordinarily essential.
32. T F When a developer records a Declaration of Restrictions upon the land he or she owns, it is effective against all future owners without further acts by the developer when deeding to subsequent purchasers.
33. T F It is not important in an escrow to obtain instructions from any person who is not a party to your escrow when said person is depositing money for the credit of a principal in your escrow.

34. T F A condominium is defined in the California Department of Real Estate's Reference Book as a "system of individual fee ownership of units in a multi-family structure, combined with joint ownership of common areas of the structure of the land."
35. T F "Co-op" and "own-your-own" apartments are subdivided into separate ownerships, just as is a condominium.
36. T F If the parties to an escrow instruct the escrow officer to redraw a set of original escrow instructions, eliminating the broker's commission instructions, you must comply.
37. T F An open-end mortgage or deed of trust is one which contains a provision allowing the beneficiary to lend to the record owner of the property additional sums of money to be secured by the same deed of trust.
38. T F It is important that the beneficiary know the condition of the title of the property when accepting a deed in lieu of foreclosure.
39. T F The principals to an escrow may authorize the payment of a broker's commission prior to the actual closing and completion of the escrow.
40. T F When accepting a deed in lieu of foreclosure, the beneficiary must cause a full reconveyance to be recorded to eliminate the trust deed of record.
41. T F Each of the principals to an escrow has the right to see all of the instructions of every person in the escrow.
42. T F An escrow officer might be responsible for making certain that all documents are recorded in the proper order in a transaction covering the purchase of raw land wherein a purchase money trust deed is to be recorded concurrently with the trust deed for the construction of the improvements.
43. T F A document should not be altered or any insertions made after it has been signed without written authorization to complete the executed document at a later date.

44. T F In most condominium projects, a fire insurance policy is written to cover each individual unit, and the premium is paid by the owner.
45. T F A broker can authorize the escrow officer to credit the account of the purchaser with a portion of his commission without the approval of the purchaser.
46. T F An ALTA loan policy liability is progressively reduced as the loan balance is reduced, except when the loan provides for negative amortization.
47. T F Most title companies do not require a corporate resolution if the execution is by the president or vice-president and by the secretary or assistant secretary of the corporation and states that the corporation executed the instrument pursuant to its bylaws or a resolution of its Board of Directors.
48. T F Parcel maps may be used, among other things to demonstrate that a proposed division of land does not constitute a "subdivision" under the Subdivision Map Act, to conform to certain other requirements of that Act, and to demonstrate compliance with local lot-split ordinances.
49. T F Adverse possession is a claim of ownership based upon open and hostile possession and occupancy.
50. T F Prescription is a method of acquiring an easement by adverse use of another's property.