

## SAMPLE CEO – Multiple Choice Exam

1. Your escrow is to close on February 1. The second half of taxes is \$386.25 and is to be paid through escrow by the buyer. What would the amount of the adjustment of this charge be?
  - a. \$64.38
  - b. \$321.88
  - c. \$66.52
  - d. \$133.04
  
2. A loan secured by a deed of trust is to be paid off through escrow. The unpaid balance of the loan is \$29,326.51. Interest accrues on the loan at the rate of 8.5% per annum. Principal and interest have been paid to June 1. If the escrow closes on August 2 and the beneficiary is to receive payment on the next day, how much additional interest will have accrued?
  - a. \$456.72
  - b. \$436.23
  - c. \$429.31
  - d. \$437.09
  
3. The property in an escrow is subject to a five year lease which expires January 3, 1996. The rent on the lease is \$325.00 per month, and the seller has collected the rent for June and the last month's rent as a deposit. Escrow instructions provide that the rent will be adjusted at close of escrow, June 15, 1993. What would the amount of the proration and adjustment for the last month's rent be?
  - a. debit seller and credit buyer \$173.33
  - b. debit seller and credit buyer \$519.94
  - c. credit seller and debit buyer \$487.50
  - d. debit buyer and credit seller \$10,248.33
  
4. When escrow opened, the seller advised that the unpaid balance of the loan of record which the buyer is to assume was \$20,150.00, and that any difference in the unpaid balance would be adjusted in the amount of buyer's cash deposit to escrow. Upon receipt of the beneficiary's statement, the actual unpaid balance of the loan was shown to be \$20,136.78.
  - a. The difference will increase the amount of the cash deposit by buyer in the amount of \$13.22.
  - b. The difference of \$13.22 will be a credit to buyer, thereby reducing the amount of cash to be deposited by buyer.
  - c. The purchase price will be increased by \$13.22, thereby requiring buyer to deposit more cash.

- d. The seller's statement will reflect a charge of \$13.22 in addition to the interest proration to offset the difference in the actual unpaid balance.
5. Property taxes are \$1,276.15 per year. The first installment has been paid by the seller, and escrow closes November 15. What is the correct adjustment?
- Debit buyer \$475.02
  - Debit seller \$163.06
  - Credit buyer \$237.50
  - Credit seller \$163.06
6. Today is June 7. The purchasers in an escrow are to take title subject to a loan of record with the present unpaid principal balance of \$47,564.23, payable on the fifth day of each month in installments of \$387.00, including interest at the rate of 8.0% per annum. Loan payments are current. If the escrow closes on June 25, the adjustment would be in favor of the \_\_\_\_\_ in the amount of \$ \_\_\_\_\_.
- Seller, \$63.42
  - Buyer, \$63.42
  - Buyer, \$211.40
  - Seller, \$253.68
7. A lender making a construction loan will usually require an LP 4 policy of title insurance when:
- the loan is a short term loan
  - the loan is a long term loan
8. The monthly interest on a note of \$17,800.00 at 9.25% per annum is:
- \$143.98
  - \$173.12
  - \$137.21
  - \$123.37
9. The buyer is taking title subject to the loan of record with an unpaid balance of \$297,384.09. The purchase price is \$499,950.00. Documentary transfer tax to be paid on the deed is:
- \$550.00
  - \$223.30
  - \$327.25
  - \$299.75

10. An administrator is:
- Designated in a will
  - Appointed by the probate court.
11. The necessary requirements to create a valid joint tenancy are:
- equality of time
  - equality of interest
  - equality of possession
  - equality of title
  - all of the above
12. The recordation of a notice of action with a suit pending being the subject of litigation is called:
- estoppel affidavit
  - lis pendens
  - adverse possession
  - abstract of judgment
13. For proration purposes, the per them on a yearly tax bill of \$4,800.00 paid in two equal installments would be:
- \$13.33
  - \$26.67
  - \$13.15
14. A 101 title endorsement covers:
- mechanics lien priority insurance
  - mechanics lien insurance after filing notice of completion
15. A 101.2 title endorsement covers:
- mechanics lien priority insurance
  - mechanics lien insurance after filing notice of completion
16. An LP10 policy of title insurance would be required by a lender making a construction loan when:
- construction has started prior to the recordation of the lender's deed of trust
  - an addition to the existing construction is being contemplated.

17. An LP9 policy of title insurance would be required by a lender making a construction loan when:
- the loan is long term
  - the loan is short term
18. A 100 title endorsement covers:
- property address
  - mechanics lien insurance
  - violation of CC&R's
  - loss of priority
19. CLTA LP9 policy of title insurance is re-written into an ALTA policy of title insurance when:
- construction is completed
  - notice of completion has been recorded
  - the lien period has expired
  - all of the above
20. A 116 title endorsement covers:
- violation of CC&R's
  - property address
  - assignment of beneficial interest under a deed of trust
  - mechanics lien insurance
21. The right to transfer and dispose of a thing or to use and process it to the exclusion of other is known as:
- equitable title
  - ownership
  - real property
  - littoral rights
22. To properly assign a note and trust deed, the following documents are required:
- assignment of note
  - assignment of trust deed
  - assignment of trustee
  - both "a" and "b"

23. Remainder interests in real property ordinarily relate to:
- undivided interests in property
  - life estates
  - fee simple absolute
  - any of the above
24. Fee simple means:
- an estate in land
  - co-ownership
  - ownership in severalty
  - title free from liens and encumbrances
25. An estate of inheritance or an estate for life is known as an estate:
- less than a freehold
  - greater than a freehold
  - nonfreehold
  - freehold
26. A fee simple estate has which of the following characteristics?
- it is of unlimited duration
  - it is freely inheritable
  - it is freely transferable
  - all of the above
27. An estate "to A for the life of X" does which of the following if A dies before X?
- ceases to exist
  - vests in the heirs or devisees of A for the life of X
  - vests in X for his life
  - reverts to the original grantor
28. Which of the following is considered an interest in real property but not an estate.
- lease
  - mortgage
  - life estate
  - fee simple qualified
29. The person who acquires title by deed is called the:
- testator
  - grantee
  - lessee
  - grantor

30. Alienation expresses a meaning most completely opposite to:
- a. acceleration
  - b. acquisition
  - c. amortization
  - d. transfer
31. Escheat is a legal term meaning:
- a. property subject to a mortgage has been released
  - b. fraudulent act has been committed
  - c. property has reverted to the state
  - d. an agent's license has been revoked
32. The power of eminent domain may be exercised by:
- a. cities
  - b. counties
  - c. the state
  - d. any of the above
33. The minimum period for obtaining title by adverse possession in California is:
- a. three years
  - b. five years
  - c. seven years
  - d. ten years
34. Possession under a claim of adverse possession must be:
- a. open and notorious
  - b. continuous for the required time
  - c. hostile
  - d. all of the above
35. Probate proceedings are under the jurisdiction of the:
- a. U.S. District Court
  - b. Superior Court
  - c. Municipal Court
  - d. Tax Court

36. A voluntary conveyance of land to a city “for park purposes” is an example of title by:
- dedication
  - escheat
  - estoppel
  - eminent domain
37. If an owner of real property dies leaving no will and without heirs, his or her property:
- escheats to the state where the property is located
  - escheats to the United States
  - vests in the devisees
  - escheats to the state of the owner's domicile
38. Regarding a probate sale, which one of the following statements doesn't apply?
- It must be for the highest and best offer.
  - It must be sold for cash.
  - The sale must be approved by the court.
  - A commission to a broker may be payable.
39. Ownership under a claim of adverse possession, once established, is ordinarily evidenced by a:
- commissioner's deed
  - sheriff's deed
  - certificate of sale
  - decree quieting title
40. Eminent domain has a meaning similar to:
- foreclosure
  - escheat
  - condemnation
  - dedication
41. A trust created by will is called a:
- Living trust
  - Testamentary trust
  - Resulting trust
  - Constructive trust

42. Real property ownership may be transferred voluntarily by:
- a. a quitclaim deed
  - b. a bill of sale
  - c. an assignment
  - d. any of the above
43. Which of the following are incorporated in any deed?
- a. date
  - b. description
  - c. acknowledgment
  - d. all of the above
44. A deed which conveys whatever present right, title or interest the grantor has is a:
- a. warranty deed
  - b. quitclaim deed
  - c. trust deed
  - d. grant deed
45. A bona fide purchaser of real property is one who buys the property:
- a. in good faith
  - b. for a fair value
  - c. without notice of adverse claims
  - d. all of the above
46. A deed:
- a. must contain words of a conveyance
  - b. must be signed by a legally competent grantee
  - c. both "a" and "b" are necessary
  - d. neither "a" nor "b" is necessary
47. A deed to a person under an assumed or fictitious name is:
- a. void
  - b. voidable
  - c. permissible
  - d. prohibited



48. If a notary neglects to comply with the requirements for taking an acknowledgment, he or she is:
- a. protected by his or her notary bond
  - b. liable for damages, but not in excess of his or her bond
  - c. not liable if he or she relied on the introduction by a mutual friend
  - d. liable to the persons injured thereby for all damages sustained
49. The person who conveys title by deed is called the:
- a. testator
  - b. grantor
  - c. lessor
  - d. grantee
50. A forged deed is an example of a deed that is:
- a. void
  - b. voidable
  - c. authentic
  - d. valid
51. A conveyance to a minor:
- a. may be taken in the name of the minor
  - b. must be taken in the name of the guardian
  - c. must be taken in the name of the minor's parent
  - d. is invalid
52. A deed is unrecordable unless it is:
- a. witnessed
  - b. acknowledged or proved
  - c. supported by consideration
  - d. verified by a notary
53. The authority of an attorney-in-fact under an ordinary power of attorney is terminated by:
- a. the death of the principal
  - b. the mental incapacity of the principal
  - c. an express revocation by the principal
  - d. any of the above

54. When a deed is delivered into escrow:
- title immediately passes to the buyer
  - title remains with the seller until all conditions have been performed
  - it must be recorded the same day
  - the buyer must immediately deposit the balance of the purchase price
55. Payment of a broker's commission to an unlicensed person through escrow is:
- contrary to the law
  - permissible if the seller approves
  - permissible if in compliance with buyer's instructions
  - permissible if authorized in writing
56. If nothing is said about a termite report in the escrow instructions, the escrow officer should:
- explain its importance to the buyer
  - order a copy of the last report from the Structural Pest Control Board
  - tell the seller he may be guilty of fraud
  - not get involved on his or her own
57. Severalty ownership of real estate means:
- ownership by several persons
  - there are several ways to own property
  - sole ownership by one person
  - property has been severed in condemnation proceedings
58. A man and a woman each acquired title to property while they were single. After marriage, this property:
- becomes tenancy in common
  - becomes jointly owned property
  - continues to be separate property, absent an agreement to the contrary
  - requires the consent of the other if either one chooses to sell
59. A notary jurat and a notary acknowledgment are the same and are used interchangeably.
- true
  - false

60. Either husband or wife has the right of testamentary disposition over the following amount of community property:
- all
  - one-half
  - one-third
  - none
61. A brother and his married sister purchased a parcel of real property and acquired title as joint tenants. Later the sister conveyed her interest to her husband without the knowledge or consent of the brother. Her deed:
- has no effect on the joint tenancy
  - terminates the joint tenancy
  - is void since one joint tenant alone cannot deal with the property
  - creates a joint tenancy between her husband and brother
62. A corporation can hold title to real property with another person in all except which of the following ways?
- tenants in common
  - joint tenancy
  - partnership
  - none of the above
63. The following property is ordinarily not subject to testamentary disposition:
- community property
  - joint tenancy property
  - fee simple title
  - property owned as a tenant in common
64. Certain unities are necessary to create a joint tenancy. The unities include:
- marriage
  - interest
  - relationship
  - freehold estate
65. Which of the following is not a legal way to take title to real property in California?
- joint tenancy
  - community property
  - tenancy by the entirety
  - tenancy in common

66. Strictly speaking, only a husband and wife (married to each other) may own property as:
- community property
  - joint tenants
  - tenants in common
  - none of the above
67. Corporations can be classified as either:
- profit or nonprofit
  - private or public
  - domestic or foreign
  - any of the above
68. Condominium ownership in a structure ordinarily includes ownership of:
- undivided interests
  - divided interests
  - both "a" and "b"
  - neither "a" or "b"
69. Unit, project, and common areas are terms ordinarily associated with:
- severalty ownership
  - community property
  - condominiums
  - all of the above
70. The unit of a condominium may be owned:
- as community property only
  - only in joint tenancy
  - only in severalty
  - in any fee estate
71. If a condominium complies with statutory requirements, a unit owner may obtain a:
- separate encumbrance
  - separate tax bill
  - separate policy of title insurance
  - all of the above

72. A condominium may be:
- a. residential property
  - b. industrial property
  - c. commercial property
  - d. any of the above
73. Which of the following is obligated to pay real property taxes on a condominium unit?
- a. project owner
  - b. unit owner
  - c. Board of Directors
  - d. auditor for the condominium
74. Real property taxes become a lien on real property:
- a. each January 1<sup>st</sup>.
  - b. each July 1<sup>st</sup>.
  - c. each November 1<sup>st</sup>.
  - d. each March 1<sup>st</sup>.
75. A deed of trust or mortgage is regarded as:
- a. a lien
  - b. an encumbrance
  - c. both "a" and "b"
  - d. neither "a" nor "b"
76. A trustee under a deed of trust is the party who:
- a. lends the money
  - b. holds legal title as security
  - c. signs the note
  - d. executes the deed of trust
77. An instrument by which an earlier recorded deed of trust is made junior to a later recorded deed of trust is called:
- a. an acceleration clause
  - b. an alienation clause
  - c. a subordination agreement
  - d. a subrogation

78. If a deed of trust secures payment of future advances it is:
- unenforceable as contrary to public policy
  - enforceable in accordance with prescribed rules of priority
  - subject to foreclosure only by court action
  - unenforceable for uncertainty
79. A clause in an installment note which permits the payee, in the event of default, to declare the entire amount immediately due is called:
- An acceleration clause
  - an amortization clause
  - a priority clause
  - an open-end clause
80. The party who has the right of possession under a deed of trust is the:
- trustee
  - beneficiary
  - mortgagee
  - trustor
81. A real property mortgage is cleared from the records by:
- final payment
  - default of the mortgage
  - a deed of reconveyance
  - a release of mortgage
82. The party who borrows money under a note and deed of trust is the:
- trustor
  - trustee
  - beneficiary
  - mortgagee
83. A deed in lieu of foreclosure:
- should be supported by adequate consideration
  - automatically removes a deed of trust from the records
  - must be recorded to be effective
  - is contrary to public policy

84. When you use real property as security for a loan, you
- pledge it and give up possession
  - hypothecate it
  - devise it
  - bequeath it
85. Under a purchase money deed of trust, a power of sale is given by:
- beneficiary to seller
  - buyer to trustor
  - trustor to buyer
  - trustor to trustee
86. An acceleration clause in a note and deed of trust is one that provides for:
- increasing interest rates
  - decreasing interest rates
  - extension of due date
  - entire debt to become due and payable upon a specified happening
87. In the absence of a valid California driver's license, a notary may depend upon the following forms of identification when notarizing signatures:
- Social Security card
  - Photo ID card issued by the person's employer
  - Credit card matching the name of the signer
  - none of the above
88. Which of the following documents must be properly executed and recorded in order to be effective?
- Declared Homestead
  - Notice of nonresponsibility
  - Mechanic's lien
  - All of the above
89. The priority of a mechanic's lien is ordinarily determined by the date when:
- the work of improvement commences
  - the work of improvement is completed
  - the claim of lien is recorded
  - an action to foreclose the lien is filed

90. A Declared Homestead will protect a homeowner from:
- mechanic's lien foreclosure
  - trust deed foreclosure
  - federal income tax lien
  - none of the above
91. In order to have a valid Declared Homestead, the declaration must:
- show the name of the owner
  - contain a description
  - state actual residence
  - all of the above
92. A deed restriction is considered to be primarily:
- a lien
  - an encumbrance
  - both "a" and "b"
  - neither "a" nor "b"
93. Deed restrictions are considered to be:
- a benefit
  - a burden
  - both "a" and "b"
  - neither "a" nor "b"
94. All of the following statements concerning restrictions are true except one. Which one is not true?
- Deed restrictions are enforced by the local building inspector.
  - Deed restrictions are limitations on use created by private agreement.
  - Deed restrictions are encumbrances on title.
  - Deed restrictions are usually referred to in a deed but not set out at length.
95. Real property may be described by:
- metes and bounds
  - tract reference
  - government survey
  - any of the above



96. An owner of land is classified as a subdivider if he or she divides a parcel of land into five or more parcels with the intention to:
- lease the individual parcels
  - sell the individual parcels
  - finance each parcel separately
  - all of the above
97. In selling subdivided lands, the subdivider must furnish a prospective purchaser with a copy of:
- financial statement
  - preliminary title report
  - notice of intention to subdivide
  - public report
98. The subdivision Map Act is enforced by:
- Real Estate commissioner
  - Local governing bodies
  - Corporations commissioner
  - State Department of Housing
99. The extension of an improvement onto the land of an adjoining owner is referred to as:
- an abatement
  - a redemption
  - an encroachment
  - a preemption
100. An easement in gross:
- does not benefit any specific parcel of land
  - is a right in another's land
  - is a personal right, not created for the benefit of land owned by the easement holder
  - any of the above
101. Easements may be acquired by:
- express reservation
  - implied reservation
  - prescription
  - any of the above

102. The right of a utility company to the use of a strip of land over a number of adjoining parcels is generally regarded as:
- a. an encroachment
  - b. an easement in gross
  - c. a lien
  - d. a riparian right
103. The land obtaining the benefit of an easement appurtenant is called the:
- a. dominant tenement
  - b. servient tenement
  - c. remainder
  - d. reversion
104. The land burdened by an easement is called the:
- a. dominant tenement
  - b. servient tenement
  - c. habendum
  - d. hereditament
105. Where the same person becomes the owner of an appurtenant easement and the owner of the servient tenement, the easement is extinguished by:
- a. estoppel
  - b. merger
  - c. attornment
  - d. subordination
106. Easements may be terminated or extinguished by:
- a. abandonment
  - b. quitclaim deed
  - c. merger of estates
  - d. any of the above
107. An easement that has been acquired by prescription may be terminated by:
- a. merger of ownership
  - b. nonuse for five years
  - c. written agreement
  - d. any of the above

108. The one who has the duty to maintain an easement for ingress and egress is the:
- owner of the easement
  - owner of the servient tenement
  - city, if land is within the city
  - county, if the land is outside city limits
109. The main difference between an easement by prescription and title by adverse possession relates to:
- continuous use
  - hostile use
  - open and notorious use
  - payment of taxes
110. Smith and Allen wish to exchange real property. Smith owns a property valued at \$150,000.00, against which there is a \$35,000.00 trust deed. Allen owns a property valued at \$105,000.00 on which there is an existing first trust deed of \$25,000.00, and a second trust deed of \$20,000.00. Allen has \$15,000.00 in cash which he is willing to pay towards the exchange. If Smith is willing to accept a second trust deed and note from Allen in order to effect the exchange, the amount of the note would be:
- \$20,000.00
  - \$40,000.00
  - \$55,000.00
  - \$70,000.00
111. Buyer executes a second trust deed in favor of the seller in the amount of \$2,500.00 with interest at 8.00% per annum, payable in monthly installments of principal and interest at \$30.00. The portion of the first month's payment that would be applied toward the principal. would be:
- \$30.00
  - \$13.33
  - \$16.67
  - \$20.00
112. Assume that a second trust deed of \$1,000.00 was to be paid in annual installments of \$300.00 plus 6% interest, with a balloon payment of the balance at the end of the third year. The remaining balance of the principal after the second annual installment had been paid was:
- \$400.00
  - \$424.00
  - \$505.60
  - \$520.00

113. A duplex (in another state, no doubt!) with a fair market value of \$20,000.00 and an outstanding \$12,000.00 loan balance was exchanged for a four-plex with a market value of \$35,000.00 and an outstanding \$18,000.00 loan balance. The owner of the duplex would pay in cash or secondary financing most nearly:
- a. \$6,100.00
  - b. \$8,100.00
  - c. \$9,000.00
  - d. \$15,100.00
114. On a \$4,000.00 purchase money note and deed of trust, payable at \$70.00 per month, including interest at 7.2%, what would the balance be after the first 3 monthly payments?
- a. \$3,186.18
  - b. \$3,466.83
  - c. \$3,861.17
  - d. \$3,790.00
115. Escrow closed May 1 with interest on a \$4,415.00 second trust deed paid to June 1. The interest rate is 7.2%. What is the interest debit to buyer, if buyer assumed the loan?
- a. \$22.09
  - b. \$26.49
  - c. \$4,415.00
  - d. none of the above
116. The final balance on the seller's and buyer's closing statement
- a. will always be the same
  - b. must be different
  - c. could be the same
  - d. will never be the same
117. The general provisions of most escrow companies provide for prorations and adjustments to be based on a \_\_\_\_\_day year.
- a. 350
  - b. 355
  - c. 360
  - d. 365

118. Escrow provides for a total purchase price of \$70,000.00 with the existing loan to be assumed with a balance of \$35,000.00. County documentary transfer tax at the time of recording would be:
- \$ 19.25
  - \$ 38.50
  - \$ 77.00
  - \$154.00
119. On a final closing statement in an escrow where the seller conveyed income property, escrow would debit the seller for which of the following items:
- final water bill
  - prepaid rent
  - final electric bill
  - all of the above
120. All of the following could be considered negotiable instruments, except:
- an installment note
  - a personal check
  - a draft
  - a trust deed
121. The right or interest that an owner of real property has is often referred to as a “bundle of rights.” Which of the following best describes those rights?
- the right to possess and enjoy the property
  - the right to transfer and dispose of the property
  - the right to exclude others from the property
  - all of the above
122. Normally, a deed deposited into escrow may be delivered to the grantee:
- immediately
  - upon payment of equity to the seller
  - only upon the performance of all conditions of the escrow
  - upon the request of the real estate broker
123. Which of the following items would most likely appear as a credit on the seller's final closing statement?
- prepaid taxes
  - an assumed loan
  - title insurance premium
  - delinquent assessment lien

124. The trustor has a reinstatement period of \_\_\_\_\_ before the scheduled sale date during which he or she can reinstate the loan by paying the defaulted amount plus trustee's fees.
- 90 days
  - 5 days
  - 3 months
  - 120 days
125. If a note in the amount of \$22,500.00 specifies monthly payments over a period of 30 years at 6.6% per annum, what is the first month's interest payment?
- \$111.25
  - \$122.38
  - \$130.71
  - \$140.50
126. An escrow is opened on September 1, and all instructions are subsequently placed in escrow with closing scheduled for December 1. Just prior to the closing the Seller asks to have the deed returned to her to hold until January 1 for tax purposes. The buyer, however, would not consent to this. The escrow officer should:
- give the deed to the seller
  - refuse to give the deed to the seller
  - try to reconcile the position of the buyer and seller
  - act as a holder in due course in order to avoid a suit in court
127. In an escrow you are handling, Mr. and Mrs. Green, the buyers, are purchasing a home for \$16,000.00. The down payment will be equal to 6.25% of the purchase price. The seller will carry back a note and deed of trust for the balance, which provides for an impound account to pay for taxes and insurance. The first trust deed calls for monthly principal payments of \$50.00 plus 7.20% interest on the unpaid balance. Mr. and Mrs. Green obtained a three-year insurance policy at a total cost of \$72.00. Taxes for the year are \$381.00. Mr. and Mrs. Green's first monthly payment on the loan, plus impounds for taxes and insurance would be:
- \$142.00
  - \$173.75
  - \$171.75
  - \$190.00
128. Which of the following belongs in the debit column on a seller's closing statement?
- prepaid taxes
  - prepaid rent by seller's tenant
  - sale of personal property
  - none of the above

129. A purchaser obtained a \$19,500.00 FHA insured loan on a home which sold for \$25,000.00. The seller paid a 2.5% mortgage discount, plus a real estate commission of 6.0%, plus a 1.0% prepayment penalty on a total payoff of \$10,000.00 of the existing loan, plus \$231.50, which included all other costs. The net amount paid to the Seller at closing was:
- a. \$12,319.00
  - b. \$12,568.50
  - c. \$12,681.00
  - d. \$22,681.00
130. If a borrower pays \$1,650.00 interest per quarter on a straight note of \$60,000.00, the interest rate would be:
- a. 8.5%
  - b. 9.0%
  - c. 10.5%
  - d. 11.0%
131. Marketable title means a title.
- a. free from reasonable doubt in fact
  - b. free from reasonable doubt in law
  - c. deducible from the public records
  - d. all of the above
132. The interest rate on a straight note in the amount of \$27,000.00 that calls for interest payments of \$573.75 each quarter would most nearly be:
- a. 6.6%
  - b. 7.2%
  - c. 8.6%
  - d. 9.2%
133. Documentary transfer for a property sold for \$150,000.00 with an assumed loan having an unpaid principal balance of \$25,000.00 would be:
- a. \$28.00
  - b. \$137.50
  - c. \$165.00
  - d. \$113.00

134. Your escrow provides for a total purchase price of \$500,000.00. The buyer will execute an all-inclusive note secured by an all-inclusive deed of trust in favor of the seller in the amount of \$300,00.00. There are two underlying obligations, the first having an unpaid balance of \$128,934.00, and the second having an unpaid balance of \$59,830.98. Documentary transfer tax to be placed on the deed would be in the amount of:
- a. \$550.00
  - b. \$220.00
  - c. \$342.65
  - d. call the county recorders office and have them advise you before affixing the tax amount
135. Assume all the facts as set forth in #284 above; however, the terms of the escrow provide that the buyer will assume the existing all-inclusive deed of trust of record with an unpaid balance of \$296,983.32. The unpaid balance of the underlying obligations is as set forth above. Documentary transfer tax to be placed on the deed would be in the amount of:
- a. \$550.00
  - b. \$223.85
  - c. \$342.65
  - d. none of the above
136. If a customer inquires what to do when a note secured by a deed of trust is lost, he or she should be referred to one of the following for more information:
- a. beneficiary
  - b. trustor
  - c. trustee
  - d. county recorder
137. A contract signed under duress, menace or undue influence is:
- a. valid
  - b. unenforceable
  - c. voidable
  - d. both "a" and "c"
138. A power of attorney could be terminated by:
- a. the death of the principal
  - b. an express revocation
  - c. incapability of the principal to contract
  - d. any of the above



139. In searching the records at the county recorders office, you can distinguish a second trust deed from a first trust deed by the:
- heading of the recorded documents
  - time and date of recordation
  - recorder's declaration
  - information contained in the note
140. Anything that is fastened or attached to real property permanently is considered generally to be:
- personal property
  - private property
  - real property
  - separate property
141. All of the following relate to land except:
- metes and bounds
  - lot and tract
  - restrictions
  - credit report
142. Johnson leased an apartment for a year and recorded the lease. In three months he decided to move. The lease:
- must be eliminated of record after one year
  - encumbers the property until removed of record
  - must be quitclaimed by the lessee
  - is no longer effective as an encumbrance after one year
143. A homestead may be terminated by:
- conveyance
  - declaration of abandonment
  - issuance of a trustee's deed upon foreclosure of a valid deed of trust
  - all of the above
144. The seizure of property by judicial process during the pendency of an action is called:
- an action of eminent domain
  - an attachment
  - condemnation
  - an abstract of judgment

145. The written instrument transferring the title to personal property is a:
- security agreement
  - bill of lading
  - warehouse receipt
  - bill of sale
146. The person appointed by the court who is entrusted with the custody and control of the person and estate of an incompetent person is called:
- an administrator
  - an executor
  - a conservator
  - an attorney-in-fact
147. A partnership composed of two or more persons wherein some of the partners have a limited contribution and liability is called a:
- general partnership
  - joint venture
  - limited partnership
  - syndication
148. An agreement where a junior lien is made superior to an otherwise prior lien is called:
- hypothecation
  - an offset statement
  - substitution of liability
  - a subordination
149. Ownership of property by two or more persons, either in equal or unequal shares, in undivided interests and without right of survivorship is:
- periodic tenancy
  - joint tenancy
  - tenancy by the entirety
  - tenancy in common
150. Your escrow provides for a sales price of \$387,450.00. The buyer will take title subject to the deed of trust of record with an unpaid balance of \$154,390.83, and will execute a second deed of trust in favor of the seller in an amount of \$74,980.00. Documentary transfer tax to be placed on the deed will be in the amount of:
- \$426.25
  - \$425.70
  - \$174.35
  - \$256.85