

CET SAMPLE TEST - Multiple Choice

- 1) Which of the following is not important when proofing a Grant Deed before sending to your Title Officer?
 - a) The return address is completed
 - b) The notary section has been completed properly
 - c) The Transfer Tax is indicated on the Deed
 - d) The County Recorder's Stamp is legible

- 2) Who is the party that signs a Deed of Trust?
 - a) Grantee
 - b) Trustee
 - c) Trustor
 - d) Beneficiary

- 3) The following party is automatically entitled to obtain information about your escrow:
 - a) Principals Attorney
 - b) Buyer's Lender
 - c) Seller's Daughter
 - d) None of the above

- 4) The purpose of a Request for Demand on a note secured by a trust deed is to:
 - a) Notify the current lien holder of intent to pay off the loan
 - b) Find out the total amount due on the loan
 - c) Ask for a reconveyance
 - d) all of the above

- 5) A joint tenancy may consist of all of these except:
 - a) a husband and wife
 - b) a single man and a married man
 - c) a married man and a corporation
 - d) a single woman and an unmarried man

- 6) A receipt for funds should always indicate:
 - a) name of the person who deposited the funds
 - b) the sellers' name
 - c) the legal description of the property
 - d) the subject property address of the transaction

7) Escrow instructions may consist of everything except:

- a) the mutual promises of buyer and seller
- b) conditions of buyers purchase and sellers agreement to deposit items necessary to deliver title to the property
- c) general instructions of the escrow holder
- d) buyer's drivers license number

8) The parties to a grant deed are the:

- a) grantor and grantee
- b) mortgagor and mortgagee
- c) lessor and lessee
- d) trustor and beneficiary

9) Which of the following is not a party to a deed of trust

- a) trustor
- b) trustee
- c) maker
- d) beneficiary

10) An amendment is normally used to:

- a) eliminate the CAR contract
- b) identify the sellers' TIN
- c) modify the terms of the original escrow instructions
- d) complete 1099 processing

11) The recordation of a Notice of Action with a suit pending being the subject of litigation is called:

- a) Estoppel Affidavit
- b) Lis Pendens
- c) Adverse Possession
- d) Abstract of Judgment

12) A Notary Public is commissioned by the State of California and may operate:

- a) Only in the county for which appointed
- b) Anywhere in the State of California
- c) Within a 50-mile radius of her business address
- d) Only at the address of her place of business

13) The terms "ingress" and "egress" are usually used in connection with:

- a) Title
- b) Liens
- c) Easements
- d) Urban Renewal

- 14) A document which allows a newly recorded lien to be made superior to an existing recorded lien is called:
- a) Hypothecation
 - b) Offset Statement
 - c) Substitution of Trustee
 - d) Subordination Agreement
- 15) A Deed of Trust is cleared from the public records by:
- a) Final payment per the terms of the Note
 - b) Recordation of a Notice of Default
 - c) Recordation of a Reconveyance
 - d) Recordation of a Release of Lien
- 16) A Preliminary Change of Ownership Report is required by the Recorder whenever recording a:
- a) Grant Deed
 - b) Deed of Trust
 - c) Affidavit of Death
 - d) Both A and C
- 17) Only a couple married to each other or registered as domestic partners may take title as:
- a) Joint Tenants
 - b) Community property
 - c) Tenants in Common
 - d) None of the Above
- 18) The person who conveys title by Deed is called the:
- a) Grantor
 - b) Grantee
 - c) Lessor and Lessee
 - d) Lessee
- 19) The person who receives the original Grant Deed in a sale after recordation is:
- a) Lender
 - b) Buyer
 - c) Listing Agent
 - d) Seller

20) The Selling Agent gives instructions to credit a portion of her commission to the buyer. Who must approve this credit?

- a) Buyer
- b) Seller
- c) Lender
- d) All of the above

21) The power of Eminent Domain may be exercised by:

- a) Cities
- b) Counties
- c) The State
- d) Any of the above

22) A Bona Fide purchaser of real property is one who buyer the property:

- a) In good faith
- b) For a fair value
- c) Without notice of adverse claims
- d) All of the above

23) The authority of an attorney-in-fact under an ordinary power of attorney is terminated by:

- a) The death of the principal
- b) Expiration of a specified date
- c) An express revocation by the principal
- d) Any of the above

24) When a deed is delivered into escrow:

- a) Title immediately passes to the buyer
- b) Title remains with the seller until all conditions have been performed
- c) It must be recorded the same day
- d) The buyer must immediately deposit the balance of the purchase price

25) Payment of a broker's commission to an unlicensed person through escrow is:

- a) Contrary to the law
- b) Permissible if the seller approved
- c) Permissible if in compliance with buyer's instructions
- d) Permissible if authorized in writing by the Broker

26) Which of the following is not a legal way to take title to real property in California?

- a) Joint tenancy
- b) Community property
- c) Tenancy by the entireties
- d) Tenancy in Common

- 27) 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 of HOA
 - d) Auditor for the condominium HOA
- 28) The party who borrows money under a Note and Deed of Trust is the:
- a) Trustor
 - b) Trustee
 - c) Beneficiary
 - d) Mortgagee
- 29) An acceleration clause in a note and deed of trust is one that provides for:
- a) Increasing interest rate
 - b) Decreasing interest rate
 - c) Extension of due date
 - d) Entire debt to become due and payable upon a specified happening
- 30) Real Property may be described by:
- a) Metes and bounds
 - b) Tract reference
 - c) Government survey
 - d) Any of the above
- 31) 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 months?
- a) \$3,186.18
 - b) \$3,466.83
 - c) \$3,861.17
 - d) \$3,790.00
- 32) 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
- 33) The written instrument transferring title to personal property is a:
- a) Security Agreement
 - b) Bill of Sale
 - c) Warehouse receipt
 - d) Bill of Lading

- 34) On a payoff demand, interest is paid to 4/25. Escrow is closing 5/8. The demand states to include interest through the date of close of escrow. Principal balance is \$57,760.00 and interest is at 6%. How much additional interest will you collect?
- a) \$154.08
 - b) \$134.82
 - c) \$125.19
 - d) \$144.45
- 35) Funding/Recording date is 3/26. First payment is due 5/1. How much will be collected in prepaid interest on the new loan of \$278,500 at 5.5% interest?
- a) \$1,506.31
 - b) \$209.85
 - c) \$251.82
 - d) \$1,528.28
- 36) For proration purposes, the per diem on a yearly tax bill of \$4,800.00 paid in two equal installments would be:
- a) \$13.33
 - b) \$26.67
 - c) \$13.15
 - d) \$12.00
- 37) 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 portion?
- a) \$111.25
 - b) \$123.75
 - c) \$130.71
 - d) \$140.50
- 38) The monthly interest on a note of \$17,800.00 at 9.25% per annum is:
- a) \$143.98
 - b) \$173.12
 - c) \$137.21
 - d) \$123.37
- 39) Real Estate taxes are \$2,348.44 per year. Taxes are paid to 7/1. Close of escrow is 3/26. What is the proration in a sale escrow?
- a) Credit Seller, Debit Buyer \$619.70
 - b) Debit Seller, Credit Buyer \$619.70
 - c) Credit Seller, debit Buyer \$1,206.80
 - d) Debit Seller, credit Buyer \$1,206.80

40) Statewide, County transfer tax with new financing is based on:

- a) \$1.10 per \$500 of sale price
- b) \$1.10 per \$1000 of sale price
- c) \$.55 per \$500 of sale price
- d) \$.55 per \$1000 of sale price