

2. Home Electric Company's recorded easement to string electrical wires ten feet over the rear of your property is an example of what type of, easement:

- a) In Common
- b) In Gross
- c) Servient
- d) Prescriptive



- a) the mortgage is the first lien
- b) the house and land are worth the purchase price
- c) there is a right of access to and from the real estate
- d) that taxes will not increase



- a) the rights of heirs of the former owner
- b) rights of the government to appropriate land for a highway
- c) second mortgages
- d)appurtenant easements

5. A Loan Policy does not insure the lender that:

- a) the mortgage note was signed
- b) the mortgage was recorded
- c) the mortgage debt will be paid by the borrowers
- d) there is access to the property

6. A Loan Policy does not insure the lender that:

a) there are not other liens except those shown on Schedule B

b) that future real estate taxes will be promptly paid

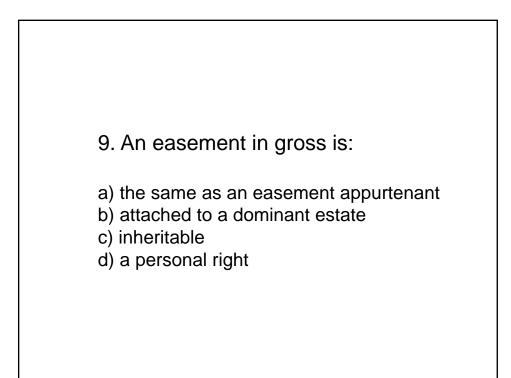
c) the borrower is the-record owner of the property

d) the mortgage note was properly signed

7. Which of the following normally will not concern a title agent when examining a survey:

- a) the date of the survey
- b) the surveyor's signature
- c) the type of construction (brick, frame, etc.)
- d) the location of the garage

8. A property owner whose boundary line is a non-navigable stream:
a) owns the edge of the stream
b) owns to the 100 year high-water mark
c) owns to the middle of the stream
d) owns the entire stream bed in trust for the public



10. A Title Policy may not be issued to:

a) an owner

b) a lender

c) a land contract vendee

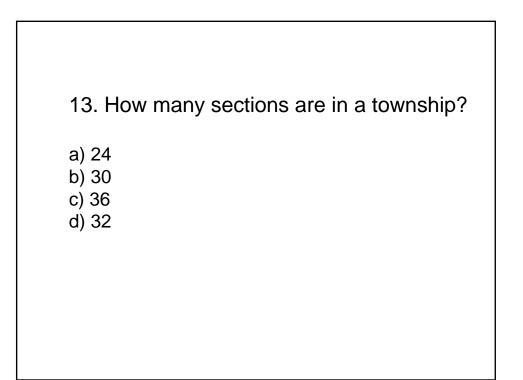
d) a non-secured creditor

11. A title agent receives a letter from an attorney stating that "his client is insured under the agent's title policy" and there may be a claim. The agent should:

a) ignore the letter since it is not a definite claim
b) try to negotiate the claim himself
c) forward the letter to his underwriter
d) write a threatening letter to the claimant on behalf of the insured

12. A system describing real estate that uses feet, degrees and a point of beginning is:
a) rectangular survey
b) metes and bounds

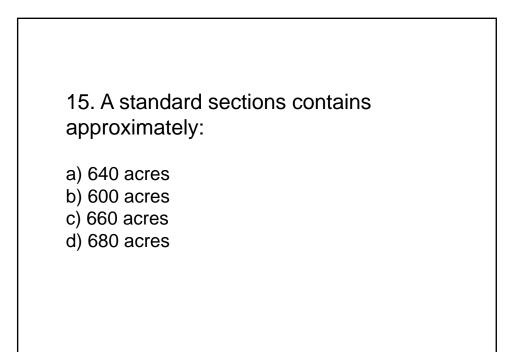
- c) government survey
- d) recorded plat of subdivision



14. How long is a chain?

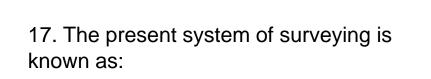
a) 60 feet b) 66 feet

- c)100 feet
- d) 120 feet

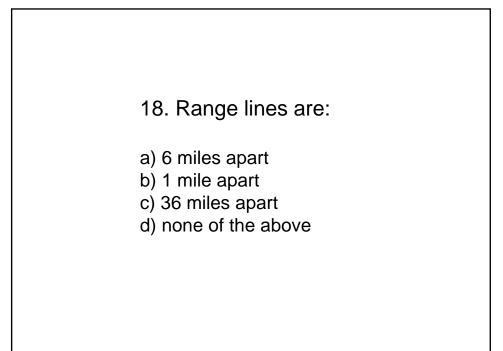


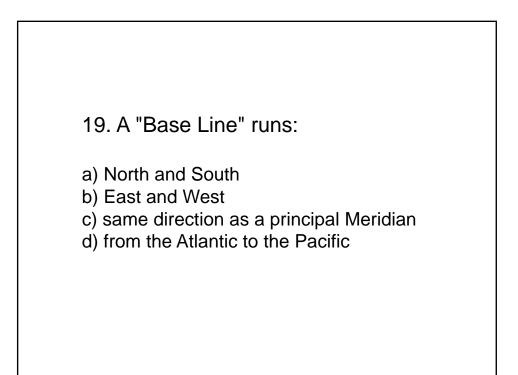
16. A Lis Pendens is:

- a) a lien
- b) an adjudication
- c) a notice of a pending court action
- d) a taking by condemnation



- a) The American System
- b) The Metes & Bounds System
- c) The Western System
- d) The Rectangular System





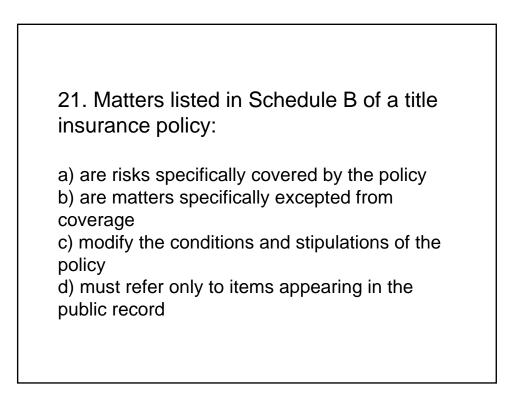
20. A loan policy of title insurance insures:

a) the legal enforceability of each provision of the insured mortgage

b) that the borrower cannot legally contest the validity of the insured mortgage

c) the validity and priority of the lien of the insured mortgage

d) that the insured mortgage is not in default as of the date of the policy



22. After a claim has been paid and insured made whole, the right of subrogation provided in the policy is vested in:

- a) the insurance company
- b) the insured claimant
- c) the party who caused the claim to occur
- d) three years after the claim has been paid

23. Under the terms of an Owner's Policy of title insurance the insurer is obligated to pay:

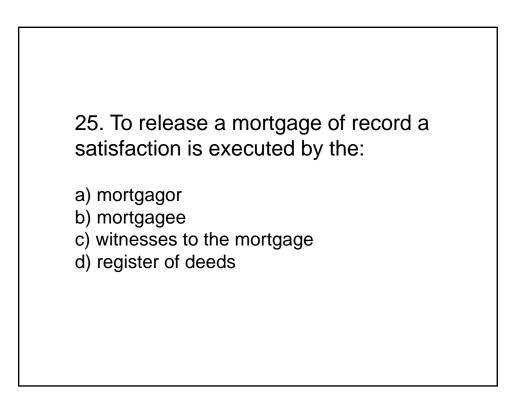
a) only the cost of defending the insured's titleb) only for an insured's substantive loss up tothe amount of the policy

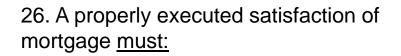
c) for the insured's substantive loss up to the amount of the policy plus the costs of defending the title

d) only up to the amount of the policy for both defense costs and substantive loss

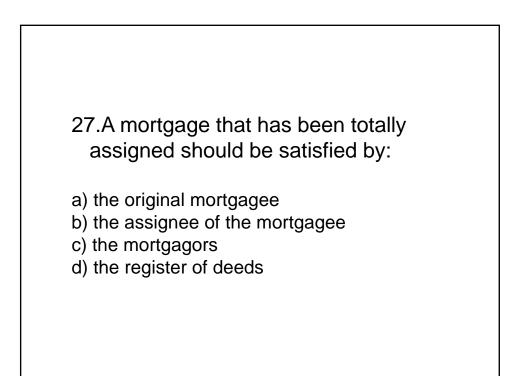
24. A personal representative is appointed by which of the following?

- a) termination of joint tenancy
- b) domiciliary letters
- c) letters of trust
- d) letters of authority





- a) identify the mortgage being satisfied.
- b) have a corporate seal
- c) show who the new mortgagee will be
- d) state the amount of the mortgage



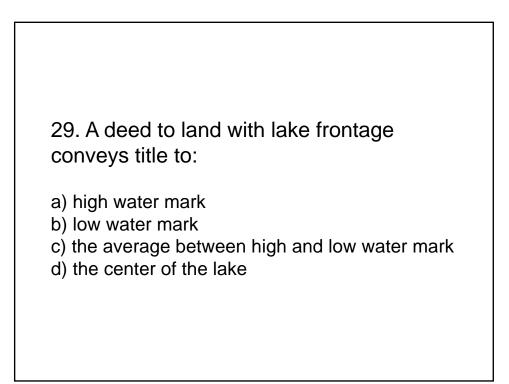
28. Constructive notice of an interest in real estate is imputed by law when:

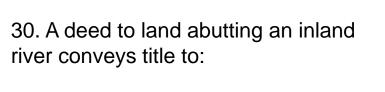
a) a deed is delivered and accepted

b) reasonable person would or should have known it

c) a deed is recorded with the Register of Deeds

d) a deed is re-recorded



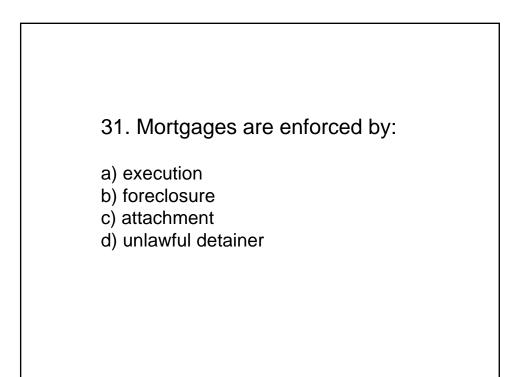


a) the entire river between the extended side boundaries

b) the flood stage of the river

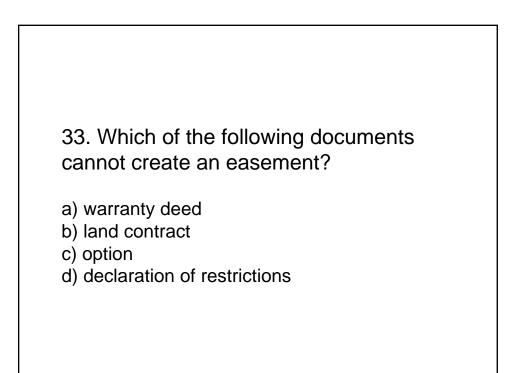
c) the center or thread of the river

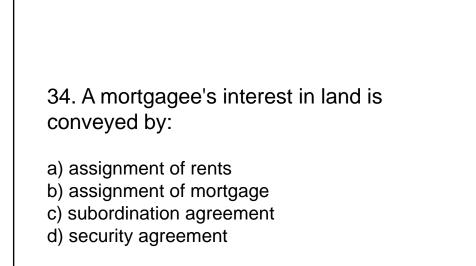
d) the place where a saw log will float



32. Documents properly recorded in the office of the recording entity create a legal presumption called:

- a) deductive notice
- b) inductive notice
- c) restrictive notice
- d) constructive notice







- a) a document authorizing a person to act as an agent of the person granting it
- b) a historical summary of all of the recorded instruments and proceedings that affect the title to a particular piece of property
- c) an encumbrance on property
- d) the actual evidence which shows the state of title to property

36. An easement may be all of the following, except:

- a) appurtenant
- b) of necessity
- c) landlocked
- d) prescriptive

37. The ownership of realty implies a whole group of rights, the total of which is a fee simple estate. Some of the lesser interests include **all but one** of the following:

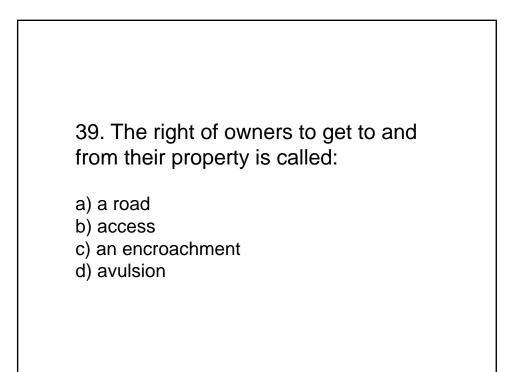
- a) Leasehold
- b) Life estate
- c) Remainder
- d) Quit claim

38. If John Jones conveys fee title to Sam Smith but retains a life estate in the property, must Schedule B of the owners title insurance policy contain an exception for the life estate?

a) no, since Jones conveyed fee title he released all ownership rights in the property he may have hadb) yes, because Smith took title subject to Jones' retained life estate

c) no, because a life estate is not considered a legally recognized interest in real property

d) no, because the title policy excludes from coverage all conveyances



40. Upon reviewing a survey you notice it reveals that the home on the property encroaches upon the neighbors lot by <u>one foot</u>. When completing the owners title insurance Schedule B, you:

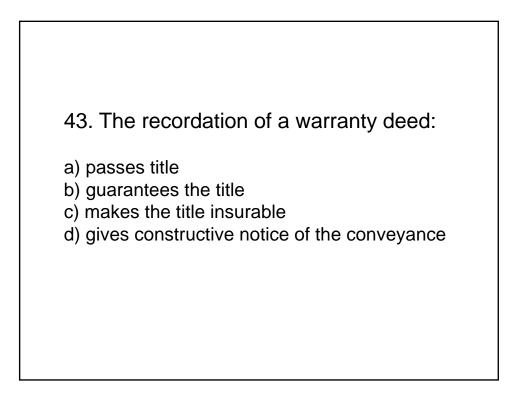
- a) Ignore it. Since the property encroaches upon another lot, it does not affect the insured's own property
- b) Include on Schedule A that the insured has the right to use the one foot area that he is encroaching upon, because the house was originally built that way
- c) Include it on Schedule B as an exception but then insure over it, because you do not want this issue to jeopardize the closing
- d) Include it as an exception on Schedule B

41. The ABC Title Insurance Company offers new customers a 10% reduction in premium. for their first policy premium. The ABC Title Insurance Company is engaging in an unfair trade practice known as:

- a) twisting
- b) misrepresentation
- c) coercion
- d) rebating



a) owns land which either includes or borders upon a river or other body of water
b) leases land under a lease with a term in excess of three years
c) owns land under eminent domain
d) owns the fee title to property subject to an existing life estate



44.What is the effect of a recorded "notice of lis pendens"?

- a) all mortgages, liens or encumbrances prior to the date of the filed notice are no longer effective
- b) the property is free to be sold even though the owner is currently in bankruptcy
- c) it gives notice that the title to property itself is involved in litigation such that purchasers and/or subsequent encumbrancers will be bound by the outcome to the litigation
- d) gives notice that construction is being commenced on the property

45. Which one of the following characteristics is <u>true</u> of a power of attorney?

a) It survives the death of the principal

b) an individual who does not have the necessary capacity to convey property may instead give a power of attorney to a third party to accomplish the conveyance

c) it **is** effective if the original grantor is still living, he has not revoked the power and it sufficiently describes the. actions taken by the grantee which are authorized

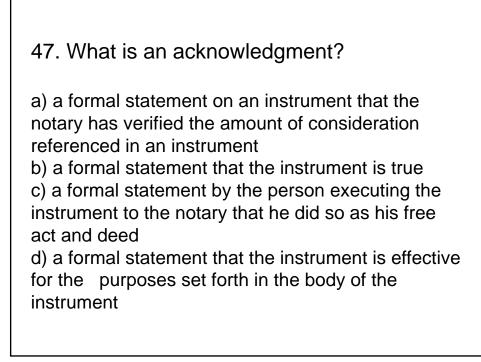
d) it is irrevocable for the life of the grantor

46. A joint tenancy is:

a) where two or more persons hold title in equal shares with the provision that, upon the death of a joint tenant, that joint tenant's interest passes in accordance with the terms of either a will or the laws of intestacy

b) a partnership agreement whereby the percentage ownership of property is dictated by its termsc) a lease agreement which provides for multiple tenants in the same building

d) where two or more persons hold equally a nondivided share in property with the provision that, upon the death of a joint tenant, that joint tenant's interest passes automatically to the surviving joint tenant regardless of the terms of a will



48. A policy of owner's title insurance:

a) guarantees the insured that a certain structure exists on the insured property
b) extends coverage automatically to the immediate purchaser from the insured
c) is a contract to indemnify for losses *which* are covered by the insuring provisions and which are not excluded or excepted from coverage
d) would not provide coverage for a loss from a deed from an incompetent in the insured's <u>chain</u> of title

49. An exclusion in an owner's policy:

a) provides that a certain type of matter which may affect the ownership interest will not fall within the policy's coverage

b) would be found in Schedule B

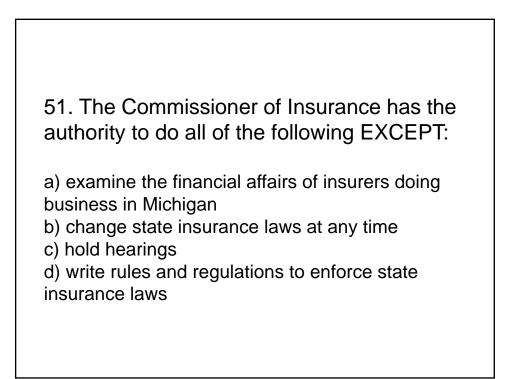
c) a specific matter adversely affecting title that would normally come within policy coveraged) may be deleted by the agent upon the owner's request 50. Regarding the estate of tenancy in common, which one of the following statements is <u>false?</u>

a) no one co-tenant can claim sole ownership or exclusive possessionb) a co-tenant may transfer his undivided interest in

the property to a third party

c) a judgment against one co-tenant would be a lien against the interest of all co-tenants.

d) upon the death of a tenant in common, his interest passes to his devisees or heirs



52. What is the maximum fine for violating a cease and desist order issued by the Commissioner?
a)\$25,000.00
b)\$50,000.00
c)\$10,000.00
d)\$5,000.00

53. An agent must report a change in his or her mailing address to the Insurance Bureau within:

a) 60 daysb) 10 daysc) 30 daysd) 90 days

Sample Test Questions - Answer Key				
1. C 2. B 3. C 4. B 5. C 6. B 7. C 8. C 9. D 10. D 11. C 12. B 13. C 14. B 15. A 16. C 17. D	18. A 19. B 20. C 21. B 22. A 23. C 24. D 25. B 26. A 27. B 28. C 29.D 30.C 31.B 32.D 33.C 34.B	35. B 36. C 37. D 38. B 39.B 40.D 41.D 42.A 43.D 44.C 45. C 46. D 47. C 48. C 49.A 50.C 51.B	52. C 53.C	