**Unit 9 Quiz**

1. Chain of title is *MOST* accurately defined as
	1. a record of the property's ownership.
	2. an instrument or document that protects the insured parties (subject to specific exceptions) against defects in the examination of the record and hidden risks such as forgeries, undisclosed heirs, errors in the public records, and so forth.
	3. a report of the contents of the public record regarding a particular property.
	4. a summary or history of all instruments and legal proceedings affecting a specific parcel of land.
2. Which of the following would *NOT* be acceptable evidence of ownership?
	1. Attorney's opinion
	2. Title insurance policy
	3. Deed signed by the last seller
	4. Abstract
3. The *BEST* reason for a buyer to obtain title insurance is
	1. to ensure that the seller can deliver marketable title.
	2. to pay future liens that may be filed.
	3. to ensure that the abstractor has prepared a complete summary of title.
	4. that the mortgage lender requires it.
4. Which of the following would be used to clear a defect from the title records?
	1. A writ of attachment
	2. A lis pendens
	3. A suit to quiet title
	4. An estoppel certificate
5. At what point in the transaction should a buyer raise concerns about any defects in the title?
	1. At settlement
	2. At the time the contract is created
	3. Before acceptance of the deed
	4. After title has passed
6. What is the effect of recording a warranty deed?
	1. Allows claims of parties in possession
	2. Protects the interests of the grantee
	3. Provides defense against adverse possession
	4. Guarantees ownership
7. Documents affecting real estate are recorded or filed with the county in which the property is located in order to
	1. satisfy the legal requirements for recording.
	2. give constructive notice of the real estate interest.
	3. comply with the terms of the statute of frauds.
	4. prove the execution of the document.
8. An abstract of title does *NOT* provide evidence of title unless it is accompanied by
	1. copy of the title insurance policy.
	2. letter of insurance coverage.
	3. letter of warranty.
	4. legal opinion of title.
9. At closing, the title insurance policy includes all of the following *EXCEPT*
	1. a list of outstanding mortgage loans against the property.
	2. a record of all of the previous owners of the property.
	3. a report of the existing tax liens against the property.
	4. a list of the easements held by utility companies.
10. A written summary of the history of all conveyances and legal proceedings affecting a specific parcel of real estate is called
	1. an affidavit of title.
	2. a certificate of title.
	3. an abstract of title.
	4. a title insurance policy.
11. Generally, if some defect is found in the title to real property, the effect on a sales contract is that
	1. the contract is immediately void.
	2. a new contract must be written.
	3. the buyer has a reasonable time to find another property.
	4. the seller has a reasonable time to correct the defect.
12. A buyer took delivery of the deed to his new house but forgot to record the deed. Under these circumstances, the
	1. transfer of the property from the seller is ineffective.
	2. buyer’s interest is not fully protected against third parties.
	3. deed is invalid after 90 days.
	4. deed in invalid after six months.
13. The mortgagee purchases a title insurance policy on the property a buyer is pledging as security for the mortgage loan. Which of the following is *TRUE*?
	1. The policy is issued for the benefit of the buyer.
	2. The policy guarantees that the buyer’s equity will be protected.
	3. The amount of coverage is commensurate with the loan amount.
	4. The amount of coverage increases as the borrower’s equity increases.
14. A defect or a cloud on the title may be cured by
	1. obtaining quitclaim deeds from all interested parties.
	2. bringing an action to register title.
	3. paying cash for the property at closing.
	4. obtaining title insurance.
15. All of the following are true regarding public records *EXCEPT*
	1. they give notice of encumbrances.
	2. they establish priority of liens.
	3. they guarantee marketable title.
	4. they provide constructive notice about interests in the property.
16. The primary reason a buyer obtains title insurance is
	1. because the mortgage lender requires it.
	2. to ensure that the buyer has marketable title.
	3. to ensure that the abstractor has prepared a complete summary of title.
	4. to pay future liens that may be filed.
17. A sales contract requires the seller to deliver marketable title. Which of the following is *TRUE*?
	1. The delivery of a general warranty deed will provide this assurance.
	2. A search of the public records will prove that the title is marketable.
	3. The seller will pay all liens that are pending.
	4. All encumbrances will be removed by the seller.
18. An outstanding claim or encumbrance which, if valid, would impair an owner’s title is a
	1. color of title.
	2. cloud on the title.
	3. quiet title.
	4. subrogation.
19. Quieting a title refers to
	1. a title insurance company’s search of the title.
	2. a mortgagor relinquishing title after foreclosure.
	3. the deposit of a title with an escrow agent.
	4. the removal of a cloud on the title by court action.
20. The *BEST* assurance of good title that a real estate purchaser can obtain is a
	1. valid warranty deed signed by the seller.
	2. valid quitclaim deed signed by the seller.
	3. title insurance policy.
	4. certificate of title.