



Chapter 13 Quiz

1. A certified statement showing the outstanding balance due on a mortgage is
 - A. a satisfaction of mortgage.
 - B. a trust deed.
 - C. an estoppel certificate.
 - D. a covenant of seisin.
2. When a purchaser of real estate assumes a mortgage, the purchaser
 - A. does not have to meet loan qualifications.
 - B. accepts sole responsibility for the debt.
 - C. actually leases the property.
 - D. agrees to pay the debt.
3. A man bought a woman's property by assuming the existing mortgage and paying \$30,000 in cash. Three years later, the man defaulted on the mortgage loan and the mortgagee foreclosed on the mortgage. Which of the following statements is *TRUE*?
 - A. The man has less financial liability than if he purchased the property subject to the existing mortgage.
 - B. The most The man can lose is his equity.
 - C. The woman and the man would both be liable on a deficiency judgment unless the woman is removed from the bond or note.
 - D. Only the man has liability on a deficiency judgment.
4. The clause that makes a mortgage unassumable is the
 - A. defeasance clause.
 - B. estoppel clause.
 - C. acceleration clause.
 - D. alienation clause.
5. A deed in lieu of foreclosure conveys a title to whom?
 - A. Trustee
 - B. Mortgagor
 - C. Mortgagee
 - D. Sheriff
6. Charging more interest than is legally allowed is known as
 - A. escheat.
 - B. usury.
 - C. a deficiency.
 - D. an estoppel.

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7. A mortgagor is the one who
 - A. borrows the funds.
 - B. holds the mortgage.
 - C. provides the mortgage funds.
 - D. forecloses on the mortgage.

8. If the amount realized at a sheriff's sale as part of a mortgage foreclosure is more than the amount of the indebtedness and expenses, then the excess belongs to the
 - A. mortgagor.
 - B. mortgagee.
 - C. sheriff's office.
 - D. county.

9. The term *real estate owned (REO)* refers to
 - A. corporations that own real estate.
 - B. an owner selling property without the help of a real estate licensee.
 - C. property for which a deed has been recorded.
 - D. properties acquired by lenders through foreclosure.

10. A mortgage document should be recorded in order to
 - A. establish the rights of the buyers.
 - B. protect the rights of the seller.
 - C. establish the lien's priority over future mortgages.
 - D. verify that the transfer of the property took place.