



Chapter 21 Quiz

1. Which of the following is generally acceptable as the evidence of marketable title?
 - A. A trust deed
 - B. A warranty deed
 - C. A title insurance policy
 - D. An affidavit
2. An abstract of title does not provide evidence of title unless it is accompanied by a
 - A. copy of the title insurance policy.
 - B. letter of insurance coverage.
 - C. letter of warranty.
 - D. legal opinion of title.
3. A written summary of the history of all conveyances and legal proceedings affecting a specific parcel of real estate is called
 - A. an affidavit of title.
 - B. a certificate of title.
 - C. an abstract of title.
 - D. a title insurance policy.
4. Documents affecting real estate are recorded or filed with the county in which the property is located to
 - A. satisfy the legal requirements for recording.
 - B. give constructive notice of the real estate interest.
 - C. comply with the terms of the statute of frauds.
 - D. prove the execution of the document.
5. The primary reason a buyer obtains title insurance is
 - A. because the mortgage lender requires it.
 - B. to ensure that the buyer has marketable title.
 - C. to ensure that the abstractor has prepared a complete summary of title.
 - D. to pay future liens that may be filed.
6. The purpose of the Real Estate Settlement Procedures Act (RESPA) is to
 - A. see that buyers do not borrow more money than they can repay.
 - B. make real estate brokers more responsive to the needs of buyers.
 - C. help sellers know how much money is required to purchase the property.
 - D. see that buyers and sellers know all of their settlement costs.

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7. At the closing, a seller's attorney informed her that he would be giving credit to the buyer for certain accrued items. These items represent
 - A. bills related to the real estate that have already been paid by the seller.
 - B. bills related to the real estate that have not been paid as of the time of the closing.
 - C. all of the seller's outstanding bills.
 - D. all of the buyer's outstanding bills.
8. Under TRID rules, the lender is required to provide the five-page closing disclosure to the buyer
 - A. within 24 hours of closing.
 - B. at least three business days before closing.
 - C. within 36 hours of completed loan application.
 - D. seven days of closing.
9. The Real Estate Settlement Procedures Act (RESPA) specifically prohibits
 - A. lenders from requiring escrow accounts.
 - B. kickbacks to real estate licensees for making referrals to lenders or other interested parties.
 - C. discriminatory advertising.
 - D. redlining.
10. In New Jersey, the realty transfer fee is always
 - A. split between the seller and the buyer.
 - B. charged to the buyer.
 - C. charged to the seller.
 - D. negotiated between the buyer and the seller.