

TRUE / FALSE EXAM SAMPLE

1. Funds deposited in escrow by a third party other than the Broker, for the account of the Buyer, should always be returned to the Buyer in the event of cancellation.
 - a. True
 - b. False
2. In an exchange transaction, it is okay to refer to the parties as Seller #1 and Buyer #2
 - a. True
 - b. False
3. Both parties should sign the waiver of a contingency, unless otherwise stated in the escrow instructions.
 - a. True
 - b. False
4. When a valid escrow has been established and all conditions are timely performed by the Grantee, the death of a Grantor does not operate to revoke the deposited instrument.
 - a. True
 - b. False
5. CC&R's on a new subdivision are not enforceable on present and future buyers unless imposed by the Seller in the first deed out of each and every lot.
 - a. True
 - b. False
6. You may refuse to accept cancellation instructions from one of the parties if the time limit of the escrow has expired.
 - a. True
 - b. False
7. Out of a Probate Sale, a certified copy of the Order Confirming Sale must be recorded prior to or concurrently with the deed.
 - a. True
 - b. False

8. The escrow law requires that escrow files be retained for a minimum of 7 years.
 - a. True
 - b. False

9. Property vested in a minor child may be conveyed or encumbered solely by his parents, provided they both execute all documents.
 - a. True
 - b. False

10. Where title to real property is vested in a partnership composed of married men, the partners' spouse must joint in the executed of the deed in order to pass title.
 - a. True
 - b. False

11. Assigning a Note "with recourse" means the assignor guarantees the payment of the Note.
 - a. True
 - b. False

12. An "Interim loan" and a "take out" loan are always one and the same thing.
 - a. True
 - b. False

13. A Security Agreement is an agreement between the Debtor and the Secured Party, which creates a security interest in favor of the Secured Party.
 - a. True
 - b. False

14. A collateral assignment means that the assignor is putting up his Note and Deed of Trust temporarily as security for the payment of an obligation.
 - a. True
 - b. False

15. It is contrary to law to state in a Deed of Trust that upon default the Trustor will quitclaim the property to the beneficiary in lieu of foreclosure.
 - a. True
 - b. False

16. An optional advance under an open-end Deed of Trust is not superior in lien to junior liens, unless the junior lien holder(s) execute and record a subordination agreement(s).
 - a. True
 - b. False

17. A Request for Notice is the first document filed by the Trustee to begin foreclosure proceedings.
 - a. True
 - b. False

18. An instruction to pay a commission to a Broker prior to close of escrow may be accepted by the Escrow Holder, providing both Buyer and Seller have signed escrow instructions and the order releasing funds to the Broker.
 - a. True
 - b. False

19. In an exchange, the difference in equities is usually made up of payment of additional cash by one of the parties. This additional cash is referred to as “Boot”.
 - a. True
 - b. False

20. Under a contract of sale agreement, the retention by the vendor of the fee title to the property is his security that the Buyer will make the payments as called for under the contract.
 - a. True
 - b. False

END OF SAMPLE TRUE/FALSE QUESTIONS