

1. In Northern California the buyer usually pays for escrow fees. Who usually pays for them in Southern California?
  - A. Buyer
  - B. Seller
  - C. Both buyer and seller
  - D. There are no escrow fees in Southern California
2. Proration of expenses and income is based on a month with:
  - A. 28 days.
  - B. 29 days.
  - C. 30 days.
  - D. 31 days.
3. The standard fire insurance policy insures against which perils?
  - A. Fire only
  - B. Fire and lightning
  - C. Fire and smoke
  - D. Lightning, fire, and smoke
4. A title company could make a title search by searching the records of the:
  - A. county clerk's office.
  - B. county recorder's office.
  - C. federal lands office.
  - D. all of the above.
5. Which of the following is NOT a requirement of a valid escrow?
  - A. Signed instructions
  - B. Neutral party acting as a dual agent
  - C. Confirmation of citizenship
  - D. Conditional delivery of funds and documents
6. A recorded history of a specific property is called a:
  - A. chain of title.
  - B. title plant.
  - C. title record.
  - D. all of the above.
7. From what document are escrow instructions usually drawn?
  - A. The listing agreement
  - B. The purchase agreement
  - C. The transfer disclosure statement
  - D. The agency relationship form
8. Which of the following is NOT normally prorated?
  - A. Interest
  - B. Fire insurance
  - C. Broker's commission
  - D. Property taxes
9. If the time of closing is not specified, escrow will close:
  - A. in 30 days.
  - B. in 60 days.
  - C. in 90 days.
  - D. by mutual consent.
10. In an escrow, the process of signing, transfer of documents and distribution of funds is referred to as:
  - A. the wrap up.
  - B. the proration.
  - C. the closing.
  - D. the interpleader.
11. Proration of prepaid taxes is:
  - A. a debit to the seller.
  - B. a credit to the seller.
  - C. a credit to the buyer.
  - D. negotiable between buyer and seller.

12. According to generally accepted practices, an escrow agent is authorized to:
- A. give buyers advice.
  - B. change instructions when asked.
  - C. call for buyer's documents and funds.
  - D. authorize pest control repairs.
13. Any escrow amendment must be signed by the:
- A. escrow agent, seller and buyer.
  - B. both parties (seller and buyer).
  - C. brokers, seller and buyer.
  - D. escrow agent and brokers involved.
14. With regards to the closing escrow statement, the seller's and buyer's respective totals:
- A. can be different.
  - B. must balance.
  - C. are negotiable.
  - D. none of the above.
15. Most lenders require buyers (owners) to obtain an extended title insurance policy, known as a(n):
- A. RESPA policy.
  - B. CLTA policy.
  - C. ALTA policy.
  - D. none of the above.
16. Which of the following would NOT be applicable to RESPA requirements?
- A. Purchase of a shopping center
  - B. A house to be built
  - C. A property on which a mobile home sits
  - D. A condominium unit of one-to-four families
17. Which party is usually responsible for sending notification of the sale of a single-family residence to the Internal Revenue Service (IRS)?
- A. Buyer
  - B. Seller
  - C. Broker
  - D. Escrow officer
18. Items that are NOT included in the standard title insurance policy (CLTA) include:
- A. undisclosed grants or liens.
  - B. mining claims.
  - C. nonpublic record liens.
  - D. all of the above.
19. RESPA requires that the buyer be notified of closing costs:
- A. only if requested.
  - B. within 3 business days after escrow closes.
  - C. one business day before closing (upon buyer's request).
  - D. none of the above.
20. The only party who can require a specific title insurance company is the:
- A. broker.
  - B. lender.
  - C. seller.
  - D. buyer.

Quiz 7 Answers

1. C (p.213)	1. C (p.213)
2. C (p.219)	2. C (p.219)
3. B (p.222)	3. B (p.222)
4. D (p.223)	4. D (p.223)
5. C (p.211)	5. C (p.211)
6. A (p.223)	6. A (p.223)
7. B (p.215)	7. B (p.215)
8. C (p.219)	8. C (p.219)
9. D (p.216)	9. D (p.216)
10. C (p.216)	10. C (p.216)