Review Quiz Chapter 10 – The Role of Escrow and Title Insurance Companies

1. Which of the following is not exempt from the escrow licensing law?
(a) trust companies
(b) escrow companies
(c) title insurance companies
(d) real estate brokers when acting as an agent in the transaction

2. A history of title transfers for a particular parcel of land is a/an:
(a) preliminary report
(b) title insurance policy
(c) abstracter index
(d) chain of title

3. Which insurance policy requires the title company to make a physical inspection of the property?
(a) CLTA
(b) standard
(c) RESPA
(d) ALTA

4. There are certain requirements that must be met before a transaction can be placed in escrow. They are:
(a) a binding contract between buyer and seller
(b) a neutral third party is employed
(c) conditional delivery of all documents related to sale
(d) all of the above

5. Which of the following is normally paid by the seller?
(a) prepayment penalty
(b) credit report fee
(c) recording fee for the trust deed
(d) loan origination fee

6. When an escrow officer receives conflicting instruction that cannot be resolved by the parties, the escrow officer can file a legal action in court called:
(a) arbitration
(b) hold harmless
(c) interpleader
(d) settlement suit
7. Which law prohibits a real estate agent from receiving a referral fee from an escrow or title company?
   (a) Truth in Lending
   (b) Regulation Z
   (c) RESPA
   (d) all of the above

8. Title insurance does not cover publicly disclosed:
   (a) easements
   (b) zoning ordinances
   (c) deeds of trust
   (d) deeds

9. Title insurance rates are set by:
   (a) title companies
   (b) insurance commissioner
   (c) real estate commissioner
   (d) corporation commissioner

10. On behalf of the buyer and seller, the escrow officer acts as:
    (a) an employee
    (b) an independent contractor
    (c) an agent
    (d) a licensee