

Chapter 12

Answer Key

1. b. Title is not considered transferred until the deed is actually delivered to and accepted by the grantee. (212)
2. b. Title is a way of referring to ownership. The document by which the owner transfers his/her title is known as the deed. (209)
3. a. The covenants in a general warranty deed extend back to its origins. In a special warranty deed, the grantor warrants that the property was unencumbered during the time the grantor held title. (273, 274)
4. a. In some states, the grantor's spouse is required to sign any deed of conveyance to waive any marital or homestead rights. (212)
5. d. A trustor conveys real estate to a trustee for the benefit of a beneficiary. The real estate is held by the trustee to fulfill the purpose of the trust. (215)
6. c. The transfer tax can be paid by either the buyer or seller, depending on the agreement in the sales contract, or local custom. (216)
7. c. The gift of real property by will is known as a devise, and the person who receives property by will is known as a devisee. (218)
8. a. Most deeds have to be signed by the owner (grantor) of the real estate. However, trustee's deeds, reconveyance deeds, and tax deeds are exceptions. (210)
9. b. The bargain and sale deed contains no express warranties against encumbrances, but does imply grantor holds title and possession. (214)
10. d. The deed must be signed by the grantor to be valid. (211)
11. b. When a person dies intestate, title to the real estate passes to the state by the state's power of escheat, and is an involuntary alienation. (217)
12. c. An acknowledgment is a formal declaration that the person who signs a written document does so voluntarily and the signature is genuine. (212)
13. c. To transfer title, the deed must be delivered to and accepted by the grantee. (212)

14. d. For the title to pass to the devisees, state laws require that on the death of a testor, the will must be filed with the court and probated. Probate is the legal procedure verifying the validity of a will accounting for the decedent's assets. (219)
15. c. If the grantor conveys less than his or her complete interest, the wording in the granting clause must indicate this limitation. (211)
16. b. If possession by Laverne has been open, notorious, continuous, hostile and adverse, there must be proof of such for a statutorily prescribed period. (218)
17. d. The quitclaim deed carries no covenants or warranties. It is used to convey less than a fee simple estate or to cure a cloud on the title. (214)
18. c. A trustee's deed is a conveyance from trustee to a third party. It is used when a trustee conveys real estate held in trust to anyone other than the trustor. (215)
19. b. A grantee is the person to whom the property is conveyed. A person who receives property by will is a devisee. (209, 219)
20. c. The law recognizes that the use of land is an important function of its ownership, and to claim adverse possession, the possession by the claimant must usually be all of the following: open, notorious, continuous, hostile and adverse. There is no requirement of compensation. (217)
21. a. A deed must be signed by all grantors named in the deed. The grantee must be named, but does not sign. (211)
22. a. The attorney-in-fact must act under a power of attorney- the specific written authority to execute and sign for another person. (212)
23. a. Competency of the grantor is one of the requirements for a valid deed. The grantor must be of lawful age and sound mind. Witnessing the grantor's signature, or recording a deed, are not required for validity of deed. (210)
24. d. The quitclaim deed offers no covenants or warranties, only that the grantor "remises, releases, and quitclaims" interest in the property, in any. (214)
25. d. The general warranty deed provides the greatest protection to the buyer because the grantor defends the title against both himself/herself, and all those who previously had title. (213)

26. d. A special warranty deed contains two basic warranties: that the grantor received title, and that the property was not encumbered during the time the grantor held title, except as noted in the deed. (214)
27. b. Title to real estate passes to the state by the state's power of escheat in the event a person dies intestate. (217)
28. b. Probate is a formal judicial process whose purpose is to see that the assets are distributed correctly. Probate courts distribute assets according to statute only when no other reasonable alternative exists. (219)
29. c. Condemnation is an operation of the law which carries out an involuntary transfer (alienation). (217)
30. b. A bargain and sale deed contains no express warranties, but implies that the grantor holds title and possession. The granting clause usually contains the terms "grant, bargain, and sell." (214)
31. a. In a special warranty deed, the grantor defends the title against himself/herself. The words usually contained in the granting clause are "remit, release, alienate and convey." (214)
32. d. Voluntary alienation is the legal term for the voluntary transfer of title, such as when the owner sells the property. (209)
33. c. Title to property transferred without the owner's consent, known as involuntary alienation, is usually carried out by operation of law, and can include having the property sold to satisfy delinquent taxes. (217)
34. c. The granting clause states the grantor's intention to convey the property. The habendum clause defines the ownership. (211)
35. d. The habendum clause defines or explains the ownership to be enjoyed by the grantee, and its provisions must agree with those stated in the granting clause. The habendum clause begins with the words: "to have and to hold". (211)