

Modern Real Estate Practice in Illinois, 6th Edition
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Chapter 10 Review Quiz

1. When properly recorded in the county where the real estate of the defendant is located, a judgment becomes a(n)
 - A. voluntary lien.
 - B. involuntary lien.
 - C. specific lien.
 - D. juried lien.

2. When a company furnishes materials for the construction of a house and is subsequently not paid, it may file a(n)
 - A. deficiency judgment.
 - B. lis pendens.
 - C. estoppel certificate.
 - D. mechanic's lien.

3. Which of the following liens does not need to be recorded to be valid?
 - A. Mortgage lien
 - B. Real estate tax lien
 - C. Judgment lien
 - D. lis pendens lien

4. When a lien against a parcel of real estate may result from a lawsuit currently before the court, one examining the public records would look for
 - A. the chain of title.
 - B. a lis pendens.
 - C. a suit to quiet title.
 - D. a judgment lien.

5. A mechanic's lien would be properly classified as a(n)
 - A. equitable lien.
 - B. voluntary lien.
 - C. general lien.
 - D. statutory lien.

6. The current market value of a property is \$335,000. For tax purposes, it is assessed at 40 percent of market value. The tax rate is \$4 per \$100 of assessed value. What is the amount of the tax due?
 - A. \$5,360
 - B. \$5,625
 - C. \$5,705
 - D. \$5,740

7. Under which of the following types of liens can both the real property and the personal property of the debtor be sold to pay the debt?
 - A. Real estate tax lien
 - B. Mechanic's lien
 - C. Judgment lien
 - D. Assessment lien

8. Which of the following is a voluntary lien?
 - A. Mortgage lien
 - B. Estate tax lien
 - C. Real estate tax lien
 - D. Judgment lien

9. Mechanic's liens are based on
 - A. federal law.
 - B. state law.
 - C. common law.
 - D. case law.

10. A court orders real estate to be sold to satisfy an unpaid mortgage lien is an action known as a(n)
- A. encumbrance.
 - B. attachment.
 - C. seizure.
 - D. foreclosure.
11. A mechanic's lien can be filed against an owner's real estate by a(n)
- A. real estate salesperson claiming part of the broker's commission.
 - B. lumber company furnishing materials ordered by the property owner.
 - C. real estate broker claiming a commission under a rejected offer.
 - D. individual who obtained a judgment against the property owner.
12. Judgment liens are
- A. specific liens.
 - B. voluntary liens.
 - C. statutory liens.
 - D. involuntary liens.
13. A property owner contracted to have a heated gazebo constructed on her property. When the heated gazebo was finished, the owner refused to pay for the improvement, and the contractor filed a lien for nonpayment. This lien was most likely a
- A. general lien.
 - B. special lien.
 - C. specific lien.
 - D. voluntary lien.
14. Gordon has defaulted in the payment of several of his debts, and the court has ordered his property sold to satisfy them. A title search revealed several outstanding liens against the property. Which of the following liens has first priority?
- A. The outstanding first mortgage lien dated and recorded one year ago
 - B. The current year's real estate tax lien
 - C. The judgment lien rendered and recorded last month
 - D. The mechanic's lien for work started two months before the mortgage was recorded

15. After real estate has been sold by the state or county to satisfy a delinquent tax lien, the defaulted owner usually has a right to
- A. have the sale canceled by paying the back taxes and penalties.
 - B. pay his or her creditors directly and have their liens removed.
 - C. redeem the property within the time specified by law.
 - D. record a notice of nonresponsibility for the unpaid taxes.
16. Normally, the priority of general liens is determined by
- A. the order in which they are filed or recorded.
 - B. the order in which the cause of action arose.
 - C. the size of the claim.
 - D. the court.
17. All of the following are specific liens *EXCEPT*
- A. real estate taxes.
 - B. judgments.
 - C. mortgages.
 - D. mechanic's liens.
18. Which of these is a lien on real estate?
- A. An easement
 - B. A recorded mortgage
 - C. An encroachment
 - D. A restrictive covenant
19. When establishing the general rule related to priority of liens
- A. a mechanic's lien is always first in priority.
 - B. the date on which the lien was recorded determines priority.
 - C. the date on which the debt was incurred determines priority.
 - D. a broker's lien is automatically first in priority.

20. The current value of a property is \$340,000. The property is assessed at 40% of its current value, with an equalization factor of 1.5 applied to the assessed value. If the tax rate is \$4 per \$100 of assessed value, what is the amount of tax due on the property?
- A. \$8,640
 - B. \$8,160
 - C. \$8,600
 - D. \$8,240
21. What is the difference between a general and a specific lien?
- A. A general lien cannot be enforced in court, while a specific lien can be enforced.
 - B. A specific lien is held by one person, while a general lien is held by at least two persons.
 - C. A general lien covers all of the debtor's property, while a specific lien covers only a certain piece of real property.
 - D. A specific lien covers real estate, while a general lien covers personal property.
22. If the market value of property is \$284,500 and the assessment ratio is 35%, what are the monthly taxes if the tax rate is 30 mills?
- A. \$2,987.25
 - B. \$2,942.50
 - C. \$ 248.94
 - D. \$ 287.72
23. Taxes levied on a property owner to help fund the installation of sidewalks or sewers are called
- A. ad valorem taxes.
 - B. general property taxes.
 - C. special excise taxes.
 - D. special assessments.

24. Debts that are incurred by an individual and become liens against all real property owned by that person are
- A. voluntary liens.
 - B. specific liens.
 - C. fiduciary encumbrances.
 - D. special assessments.
25. What would a judgment, a lis pendens notice and a foreclosure have in common?
- A. They are all voluntary liens.
 - B. They are all involuntary liens.
 - C. They are liens but would not create a cloud on the title.
 - D. They are all general liens.
26. Which of the following is *NOT* a specific lien?
- A. ad valorem taxes
 - B. mechanics' lien
 - C. IRS lien
 - D. special assessment
27. George owns a principal place of residence and a duplex. He pays the property taxes on his home, but fails to pay the property taxes on the duplex. George may find that a lien has been placed against his
- A. home.
 - B. duplex.
 - C. home and duplex.
 - D. home, duplex and personal property.

IN ILLINOIS . . .

28. Which of the following is true of the Illinois homestead estate?
- A. It exempts all of a homeowner's property from real estate taxes.
 - B. It shelters equity on a place of residence of up to \$15,000 for an individual.
 - C. It does not apply to homeowners over the age of 65.
 - D. It reduces the real estate taxes on a place of residence.

29. In Illinois, property tax concessions are *NOT* available to
- A. disabled veterans.
 - B. owners of properties in enterprise zones.
 - C. owners who install solar heating equipment.
 - D. owners who hold real estate licenses.
30. What is the rate of assessment in most of Illinois?
- A. 15 percent of fair market value.
 - B. 33.33% of fair market value.
 - C. 33.33% of sales price.
 - D. 15 percent of average assessed valuation.
31. An Illinois general real estate tax was levied on January 1, 2008. When is it due and payable?
- A. January 15, 2008
 - B. June 1, 2008
 - C. January 2, 2009
 - D. September 15, 2009
32. At which of the following sales do interested parties try to purchase the tax lien to a property?
- A. Scavenger
 - B. Forfeiture
 - C. Annual
 - D. General
33. In Illinois, a contractor's right to a lien expires how long after completion of the work, if no suit is filed within that time?
- A. 6 months
 - B. 1 year
 - C. 18 months
 - D. 2 years

34. In Illinois, when does a judgment become a general lien on a defendant's real and personal property?
- A. Seven years after it is recorded in the Illinois Office of Title and Recordation
 - B. At the time it is recorded in the county recorder's office
 - C. Six months after judgment is entered in the county record
 - D. As soon as all creditors and lien holders receive written notice by certified mail
35. Which group is *NOT* entitled to a lien on property in Illinois?
- A. Commercial real estate brokers
 - B. Residential real estate brokers
 - C. Subcontractors
 - D. General contractors