

Louisiana 90-Hour Course: Real Property, Ownership, Deeds, and Auctions Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

- 1. Under what condition can new owners limit their liability for cleanup under SARA?**
 - A. After purchasing property regardless of inspections**
 - B. When due diligence was performed prior to purchase**
 - C. Only if the property was abandoned**
 - D. Under government supervision only**
- 2. What is the purpose of incentive zoning?**
 - A. To restrict developers from building additional units**
 - B. To incentivize developers to provide public amenities**
 - C. To increase property taxes for developers**
 - D. To ensure equal housing opportunities across neighborhoods**
- 3. What legal implication does an easement imply for a property owner?**
 - A. Complete ownership of the property**
 - B. A right to sell the entire property**
 - C. A physical restriction on how the property can be used**
 - D. No impact on property rights**
- 4. What is the concept of "adverse possession"?**
 - A. The process of determining property taxes**
 - B. The right to claim ownership of land after continuous use**
 - C. The legal process of inheriting property**
 - D. The government's right to restrict land use**
- 5. Which of the following is NOT a way to hold title to property in Louisiana?**
 - A. Sole ownership**
 - B. Tenancy in common**
 - C. Partnership ownership**
 - D. Community property**

- 6. What is a "deed"?**
- A. A contract for rental of a property**
 - B. A legal document that conveys ownership of real property**
 - C. A document outlining property taxes**
 - D. An agreement for loans against property**
- 7. Which of the following is a characteristic of a deed of trust?**
- A. Involvement of a borrower and a lender only**
 - B. Involvement of a third-party trustee holding the title**
 - C. It is considered a lease agreement**
 - D. It is a direct sale of the property**
- 8. What defines an encroachment in real estate?**
- A. Authorized alteration of property lines**
 - B. Unauthorized intrusion onto another's property**
 - C. Temporary lease violation**
 - D. Property boundary survey**
- 9. Which of the following can be classified as an asset?**
- A. Outstanding loans**
 - B. A leased commercial building**
 - C. A home generating rental income**
 - D. Mortgage payments**
- 10. How is an easement defined in real estate?**
- A. A full ownership of a property**
 - B. An authorized physical restriction on a property's use**
 - C. A temporary lease arrangement**
 - D. A type of partnership agreement**

Answers

SAMPLE

- 1. B**
- 2. B**
- 3. C**
- 4. B**
- 5. C**
- 6. B**
- 7. B**
- 8. B**
- 9. C**
- 10. B**

SAMPLE

Explanations

SAMPLE

1. Under what condition can new owners limit their liability for cleanup under SARA?

- A. After purchasing property regardless of inspections**
- B. When due diligence was performed prior to purchase**
- C. Only if the property was abandoned**
- D. Under government supervision only**

New owners can limit their liability for cleanup under the Superfund Amendments and Reauthorization Act (SARA) when due diligence was performed prior to purchasing the property. Due diligence typically involves assessing the environmental condition of a property to identify potential contamination issues. This process often includes conducting environmental assessments such as Phase I Environmental Site Assessments (ESAs), which can reveal past uses of the property, existing hazards, and any necessary remediation that may be needed. By performing due diligence, new owners demonstrate that they had taken reasonable steps to understand the property's condition before acquisition. This proactive approach can establish a defense against liability for contamination that occurred before their ownership. This means they may not be held responsible for cleanup costs associated with pre-existing contamination if they acted in good faith and documented their findings. In contrast, the other conditions listed do not provide the same level of protection. Simply purchasing property without inspections does not demonstrate awareness of potential environmental issues, while the conditions of abandonment or government supervision alone do not ensure that the new owners can limit their liability without having conducted the necessary due diligence beforehand.

2. What is the purpose of incentive zoning?

- A. To restrict developers from building additional units**
- B. To incentivize developers to provide public amenities**
- C. To increase property taxes for developers**
- D. To ensure equal housing opportunities across neighborhoods**

Incentive zoning is primarily designed to encourage developers to incorporate public amenities and benefits into their projects. When municipalities and local governments adopt incentive zoning, they offer developers certain benefits, such as increased density or height allowances, in exchange for the provision of amenities that the community values, such as parks, affordable housing, or public facilities. This collaborative approach aims to balance private development interests with the needs of the community, ultimately leading to enhanced quality of life for residents and improved public infrastructure. By incentivizing developers to contribute positively to the community, cities are able to achieve specific goals without overly restricting development. This is a practical tool for urban planning, allowing communities to grow while ensuring that essential public services and amenities are integrated into new developments.

3. What legal implication does an easement imply for a property owner?

- A. Complete ownership of the property**
- B. A right to sell the entire property**
- C. A physical restriction on how the property can be used**
- D. No impact on property rights**

An easement is a legal right that grants one party the ability to use a portion of another party's property for a specific purpose. This creates a physical restriction on how the property can be used by the owner, as the owner must allow the easement holder access to the designated area for the defined usage, which could be for utilities, a roadway, or other specified purposes. For instance, if there is an easement for a driveway on a property, the owner cannot obstruct that driveway, which directly affects their rights and how they may utilize the land. Thus, an easement imposes certain conditions and limitations on the property owner's full use of their land, which aligns with the concept of a physical restriction on property use.

4. What is the concept of "adverse possession"?

- A. The process of determining property taxes**
- B. The right to claim ownership of land after continuous use**
- C. The legal process of inheriting property**
- D. The government's right to restrict land use**

The concept of "adverse possession" refers to the right to claim ownership of land that one has continuously and openly used without the permission of the actual owner for a specified period, as defined by state law. In this context, if someone occupies a piece of land and meets certain legal criteria—such as using the land in a manner similar to that of an owner and doing so for a designated duration—they may be able to acquire legal title to that property, even if they do not hold the original title. This principle is rooted in the idea that land should be productive and not left unused. Adverse possession encourages landowners to be vigilant about their property rights and to take action if someone else unlawfully occupies their land. The laws surrounding adverse possession can vary from state to state, including Louisiana, which has specific stipulations regarding the length of possession and the nature of the use. The other options presented do not accurately reflect the definition of adverse possession. For example, the determination of property taxes is unrelated to ownership claims, while the legal process of inheriting property pertains to estate laws rather than actively taking possession. The government's right to restrict land use is also a different concept, typically related to zoning laws or easements, rather than the

5. Which of the following is NOT a way to hold title to property in Louisiana?

- A. Sole ownership**
- B. Tenancy in common**
- C. Partnership ownership**
- D. Community property**

In Louisiana, the concept of holding title to property is guided by its unique legal traditions, which include various forms of ownership recognized under the civil law system. Sole ownership allows an individual to own property outright, while tenancy in common enables two or more individuals to hold shares in the same property, each with the right to transfer their interest independently. Community property is a form of joint ownership that applies specifically to married couples, wherein both spouses share ownership of property acquired during the marriage. Partnership ownership, however, is not a distinct legal category for holding title like the others mentioned. While partnerships can own property, this ownership does not constitute a recognized form of title like sole ownership, tenancy in common, or community property. Instead, property owned by a partnership would be held under the partnership's name, and the partnership entity itself, rather than the individuals involved, would possess the title. This concept distinguishes it from the personal and joint forms of ownership typically recognized in property law. Thus, partnership ownership does not fit within the framework of title holding as recognized in Louisiana's property law.

6. What is a "deed"?

- A. A contract for rental of a property**
- B. A legal document that conveys ownership of real property**
- C. A document outlining property taxes**
- D. An agreement for loans against property**

A deed is a legal document that conveys ownership of real property from one party to another. This document serves as the official record that transfers the rights of ownership in the property, ensuring that the new owner has the legal authority to possess, use, and manage the property. The deed typically contains vital information such as the names of the grantor (the person or entity transferring the property) and the grantee (the person or entity receiving the property), a description of the property, and any relevant terms or conditions associated with the transfer. The other options address different aspects of real estate transactions but do not accurately define what a deed is. A contract for rental of a property pertains to leasing, which establishes the terms under which one party can utilize property owned by another party without transferring ownership. A document outlining property taxes relates to taxation and assessments on properties, which is separate from the legal ownership itself. An agreement for loans against property involves financing and mortgages, focusing on borrowing against the value of the property rather than the transfer of ownership rights.

7. Which of the following is a characteristic of a deed of trust?

- A. Involvement of a borrower and a lender only**
- B. Involvement of a third-party trustee holding the title**
- C. It is considered a lease agreement**
- D. It is a direct sale of the property**

A deed of trust is a legal instrument that involves three parties: the borrower, the lender, and a third-party trustee. The primary purpose of a deed of trust is to secure a loan by transferring the title of the property to the trustee, who holds it on behalf of the lender until the loan is repaid. This arrangement provides security to the lender while allowing the borrower to retain possession and use of the property. The involvement of the third-party trustee is crucial as they serve as a neutral party responsible for managing the trust and facilitating the process if the borrower defaults on the loan. This feature distinguishes a deed of trust from other agreements, such as mortgages, which typically involve only the borrower and the lender. The other options do not accurately define the nature of a deed of trust. For instance, involving only a borrower and lender overlooks the essential role of the trustee. Similarly, characterizing it as a lease agreement or a direct sale of the property misrepresents its function and purpose in securing financing for real estate transactions.

8. What defines an encroachment in real estate?

- A. Authorized alteration of property lines**
- B. Unauthorized intrusion onto another's property**
- C. Temporary lease violation**
- D. Property boundary survey**

An encroachment in real estate is defined as an unauthorized intrusion onto another's property. This occurs when a structure or object, such as a fence, building, or landscaping, extends beyond the property boundary line into a neighbor's land without their consent. Encroachments can lead to disputes between property owners regarding property rights and boundaries. Such intrusions are significant because they can affect property values and may require legal action to resolve if the affected party seeks to enforce their property rights. In contrast, the other choices highlight different real estate concepts. For example, authorized alterations of property lines pertain to legal agreements or surveys between property owners, which do not represent an encroachment. Temporary lease violations relate to rental agreements rather than permanent property boundaries. A property boundary survey is a process used to determine exact property lines and does not imply any unauthorized intrusion but rather clarifies the legal boundaries of properties. Understanding these distinctions is key when analyzing property rights and potential legal issues in real estate.

9. Which of the following can be classified as an asset?

- A. Outstanding loans**
- B. A leased commercial building**
- C. A home generating rental income**
- D. Mortgage payments**

A home generating rental income is classified as an asset because it has intrinsic value and can produce cash flow through the rental income it generates. In real estate, properties that provide income are considered valuable resources in an investment portfolio. This asset not only has market worth but also contributes to the owner's wealth through the consistent revenue it can produce, making it a prime example of an income-generating asset in real estate. Other choices do not fit the definition of a direct asset in the same way. Outstanding loans represent liabilities rather than assets, as they indicate money owed. A leased commercial building may not be an asset to the lessee since they do not own the property; instead, the asset belongs to the lessor. Mortgage payments are also liabilities, representing the money that needs to be paid back, and do not hold any value as an asset in their own right.

10. How is an easement defined in real estate?

- A. A full ownership of a property**
- B. An authorized physical restriction on a property's use**
- C. A temporary lease arrangement**
- D. A type of partnership agreement**

An easement in real estate is defined as an authorized physical restriction on a property's use. It grants a party the right to use a portion of another party's property for a specific purpose without transferring ownership. For example, a common type of easement is a right-of-way, which allows someone to pass through a property to access another location. This concept is important because it distinguishes easements from full ownership, which encompasses complete control over a property. Unlike a lease, which involves a temporary arrangement and typically conveys exclusive possession to the tenant for a set period, an easement does not grant exclusive use and is designed to be more permanent. Additionally, easements are not related to partnership agreements, which involve a collaborative business relationship among parties rather than a right to use land. Understanding this definition is crucial for anyone studying real estate, as it relates to property rights and land use scenarios.