NATIONAL / GENERAL WORKBOOK

Forms of Ownership, Transfer and Recording of Title Texas Real Estate Exam Study Guide and Practice Workbook

This 9-item national area has two official subtopics. Ownership, estates, rights, and interests has 5 items. Deed, title, transfer, and recording has 4. Across the area, Pearson assigns 5 knowledge, 2 application, and 2 analysis items.

9	11.3%	15	9
SCORED EXAM ITEMS	OF THE NATIONAL PORTION	ORIGINAL QUESTIONS	ACTIVE RECALL CHECKS

Study rule
Ask what interest exists before asking how it moved. Estate, lease, lien, and vertical-right questions classify the interest. Deed, alienation, notice, and title-evidence questions explain its transfer or protection.

Reviewed September 24, 2026 | Version 3.0 | Original Pass Texas study material

START HERE

How to use this workbook

1. Read the blueprint and say the study rule aloud.
2. Learn the vocabulary as distinctions, not isolated definitions.
3. Work every recall check without looking at the answer.
4. Complete the 15-question checkpoint closed-book.
5. Turn every miss into one written rule and retest it after 24 hours.

Official blueprint	**Vocabulary**
Exam traps	**Recall drills**
Practice checkpoint	**Answer workshop**
Official sources	**Next actions**

Companion lesson · Free topic practice

Original, hypothetical practice questions. National questions teach general principles; a Texas example is not a nationwide rule. Follow the jurisdiction and facts stated in each question.

OFFICIAL BLUEPRINT

What Pearson VUE tests

This 9-item national area has two official subtopics. Ownership, estates, rights, and interests has 5 items. Deed, title, transfer, and recording has 4. Across the area, Pearson assigns 5 knowledge, 2 application, and 2 analysis items.

- Ownership forms; fee simple absolute and defeasible; life estates; the bundle of rights
- Leasehold estates; gross, net, percentage, and other lease types; liens and priority; air, surface, and subsurface rights
- Valid deed elements and deed types; voluntary and involuntary alienation
- Actual and constructive notice; abstracts and chain of title; marketable title and clouds; attorney opinions, quiet-title actions, and title insurance

> **Practice target**
> Aim to explain the rule behind every answer, including correct guesses. An 80 percent practice target is Pass Texas study guidance, not an official booking requirement or a prediction of passing. This small question set is a checkpoint, not full coverage of the outline.

LANGUAGE OF THE EXAM

Essential vocabulary

TERM	EXAM-READY MEANING
Fee simple absolute	The broadest private ownership estate, potentially lasting forever.
Fee simple determinable	A defeasible estate that ends automatically when the stated condition occurs.
Life estate	A freehold estate measured by the life of a named person.
Tenancy in common	Co-ownership with undivided interests and no automatic right of survivorship.
Joint tenancy	Co-ownership that may include survivorship when validly created under applicable law.
Percentage lease	A lease in which rent includes a stated percentage of the tenant's sales.
Lien	A monetary claim against property that secures a debt or obligation.
Deed	A written instrument used to transfer an interest in real property.
Constructive notice	Notice the law imputes because a document was properly recorded or facts should have prompted inquiry.
Abstract of title	A condensed history of recorded instruments affecting a parcel.
Chain of title	The sequence of recorded transfers and claims affecting a parcel.
Marketable title	Title reasonably free from doubt that a prudent buyer would accept.
Title insurance	Insurance against covered title defects and risks existing under the policy terms.

DECISION QUALITY

Common traps and the rule that fixes each one

Trap 1
A valid deed can transfer title between the parties before it is recorded. Recording protects against later claims under recording law.

Trap 2
Tenancy in common has no automatic survivorship. A deceased owner's interest passes through the estate.

Trap 3
Consideration is not a universal deed-validity element. A deed may be a gift. Look for the grantor's execution plus delivery and acceptance.

Trap 4
Estate for years, periodic, at will, and at sufferance describe duration. Gross, net, and percentage describe rent and expense allocation.

Trap 5
A quitclaim conveys only the grantor's existing interest, if any, without title warranties.

ACTIVE RETRIEVAL

Recall drills

Cover each answer, respond in one sentence, then compare your rule with the model answer.

1. Determinable or condition subsequent: which ends automatically?

Fee simple determinable. Condition subsequent requires the grantor to act.

2. What do estate for years and percentage lease classify?

Estate for years classifies duration. Percentage lease classifies the rent formula.

3. What is the default lien-priority rule?

First in time, first in right, unless a statute, agreement, or other priority rule changes it.

4. Can surface and mineral rights be owned separately?

Yes. Air, surface, and subsurface interests can be severed.

5. Is valuable consideration always required for a valid deed?

No. A deed may be a gift. Focus on the validity checklist and delivery and acceptance.

6. What does recording usually provide?

Constructive notice and priority protection under the applicable recording act.

7. Deed, will, or foreclosure: which are voluntary?

Deed and will are voluntary alienation. Foreclosure is involuntary.

8. Chain, abstract, marketable title, or cloud?

The chain is the sequence, the abstract summarizes it, marketable title is acceptable, and a cloud creates doubt.

9. Does a quitclaim promise good title?

No. A true quitclaim transfers only the grantor's existing interest, if any.

CLOSED-BOOK CHECKPOINT

15 original exam-style questions

Directions
Choose one answer for every question. Mark uncertain answers with a star. Score certainty and correctness separately.

QUESTION 1 | OWNERSHIP & TITLE

1. An owner holds an inheritable estate of unlimited duration. The conveyance imposes no condition that could end the estate. Which estate is this?

A. Fee simple determinable
B. Fee simple absolute
C. Life estate
D. Periodic tenancy

QUESTION 2 | OWNERSHIP & TITLE

2. A grantor's deed gives Elena a life estate and, in the same deed, gives the property to her nephew after Elena's death. What future interest does the nephew hold?

A. Reversion
B. Leasehold
C. Possibility of reverter
D. Remainder

QUESTION 3 | OWNERSHIP & TITLE

3. Two owners validly create co-ownership with equal undivided interests, survivorship, and the traditional unities of time, title, interest and possession. Which form matches these facts?

A. Joint tenancy with right of survivorship
B. Tenancy in common
C. Life estate with a remainder
D. Periodic tenancy

QUESTION 4 | OWNERSHIP & TITLE

4. Two friends hold undivided 40 percent and 60 percent interests in land. Neither has a survivorship right, and each can leave their share by will. Which form of ownership fits?

A. Joint tenancy

B. Ownership in severalty

C. Tenancy in common

D. Life estate

QUESTION 5 | OWNERSHIP & TITLE

5. For an ordinary deed conveying property to a buyer, which item is NOT a general requirement for the deed's effectiveness between the parties?

A. Grantor and grantee identified

B. Adequate property description

C. Grantor's execution

D. Grantee's signature

QUESTION 6 | OWNERSHIP & TITLE

6. Which deed ordinarily gives the broadest title warranty, including covered claims arising before the grantor acquired the property?

A. Quitclaim deed

B. General warranty deed

C. Special warranty deed

D. Deed of trust

QUESTION 7 | OWNERSHIP & TITLE

7. A person actually occupies another's land openly, exclusively, continuously and under a claim hostile to the owner's rights for the required statutory period. Which doctrine could allow that person to acquire title if all applicable requirements are met?

A. Gift deed

B. Escheat

C. Adverse possession

D. Lease assignment

QUESTION 8 | OWNERSHIP & TITLE

8. A grantor intentionally delivers an otherwise valid ordinary deed as a present transfer, and the buyer accepts it. The buyer has not recorded it. Which statement is generally correct between these two parties?

A. Title can pass before recording

B. Title waits for public recording

C. The grantor retains title

D. The buyer receives only a leasehold

QUESTION 9 | OWNERSHIP & TITLE

9. A previously unknown title claim predating a home purchase causes a covered loss. Whose interest does an owner's title insurance policy protect?

A. The mortgage lender

B. The seller

C. The brokerage

D. The insured owner

QUESTION 10 | OWNERSHIP & TITLE

10. A deed eligible for recording is properly recorded in the correct county and chain of title. What is the principal notice effect, even for someone who has not actually read it?

A. Actual notice

B. Constructive notice

C. Marketable title

D. Title insurance

QUESTION 11 | OWNERSHIP & TITLE

11. An owner grants a tenant exclusive possession of a house for a valid two-year lease term but keeps ownership. Which idea does this illustrate?

A. A merger of both estates

B. A transfer of the fee

C. A separation of ownership rights

D. A conveyance of mineral rights

QUESTION 12 | OWNERSHIP & TITLE

12. A retail lease charges $3,000 per month plus 5 percent of all gross sales for that month, with no breakpoint or other rent adjustment. Which financial lease type is this?

A. Percentage lease

B. Fixed-rent lease

C. Index lease

D. Graduated-rent lease

QUESTION 13 | OWNERSHIP & TITLE

13. A person dies without a valid will, leaving solely owned land in the probate estate and surviving statutory heirs. No trust, survivorship right or transfer-on-death arrangement governs that land. What determines who inherits it?

A. Escheat

B. Intestate succession

C. A transfer-on-death deed

D. A probate sale

QUESTION 14 | OWNERSHIP & TITLE

14. Which term describes title reasonably free of material defects and substantial doubt about ownership, rather than a guarantee of absolute perfection?

A. Color of title

B. Clouded title

C. Equitable title

D. Marketable title

QUESTION 15 | OWNERSHIP & TITLE

15. A valid mortgage is properly perfected before a judgment lien attaches to the same land. No statute, subordination agreement or other exception changes their order. Which lien has priority?

A. The mortgage

B. The judgment lien

C. Both equally

D. Neither lien

ANSWER WORKSHOP

Reasoning, traps and source cues

Read the explanation even when your answer was correct. A correct guess is not yet a mastered rule.

1 B. Fee simple absolute

Fee simple absolute has no specified ending date or grantor-imposed condition that can cut it short. It can pass during life or at death. 'Absolute' does not exempt the land from taxes, public controls or valid encumbrances.

> **Common trap:** Unlimited duration does not mean unlimited freedom to use the land.

Rule: Estate doctrine; fee simple absolute

Check the source: Cornell Law: fee simple absolute; Pearson VUE: Salesperson outline, section II

2 D. Remainder

The nephew's right to possession follows the natural end of Elena's life estate under the same conveyance. That is a remainder. A reversion would be the future interest retained by the grantor rather than granted to the nephew.

> **Common trap:** The nephew can hold a future interest now without having the current right to occupy the home.

Rule: Estate doctrine; life estate, remainder and reversion

Check the source: Cornell Law: remainder and reversion

3 A. Joint tenancy with right of survivorship

These are the traditional joint-tenancy features. The surviving joint tenant takes the deceased tenant's interest if the survivorship arrangement remains effective. Creation and severance rules vary by state, so this model is not a substitute for checking local law.

> **Common trap:** Do not carry the traditional label into Texas and assume that joint ownership alone creates survivorship.

Rule: Estate doctrine; traditional joint tenancy and four unities

Check the source: California DRE: general co-ownership and priority concepts (not Texas rules)

4 C. Tenancy in common

Tenants in common can hold unequal undivided shares. Each has a right to use the whole property, subject to the other owner's equal right of possession. A deceased owner's share passes by will or applicable succession rules, not automatically to the cotenant.

> **Common trap:** A 40 percent interest does not, by itself, assign the owner a particular 40 percent of the land.

Rule: Estate doctrine; tenancy in common

Check the source: Cornell Law: tenancy in common

5 **D. Grantee's signature**

The person conveying the interest executes the deed. The grantee must accept the conveyance, but acceptance does not generally require signing the deed. The writing, conveyance language, capacity, description and delivery still matter. Separate agreements or special transactions may need additional signatures.

> **Common trap:** Do not confuse signing the purchase contract with signing the instrument that conveys the property.

Rule: Title doctrine; deed execution and acceptance

Check the source: California DRE: general deed execution, delivery and acceptance; Cornell Law: deeds and public notice

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6 **B. General warranty deed**

A general warranty is not limited to title problems arising through this grantor. A special warranty narrows the promise to claims by, through or under the grantor; a quitclaim gives no title warranty. Read the actual deed and its exceptions. A warranty is a promise about title, not a cure for every defect or a guarantee of the building's condition.

> **Common trap:** Special warranty is narrower protection, not a promise that the title is worse or the estate conveyed is smaller.

Rule: Title doctrine; general warranty, special warranty and quitclaim deeds

Check the source: Texas Supreme Court: general and special warranties, Chicago Title v. Cochran (2020); California DRE: percentage leases and deed terminology

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7 **C. Adverse possession**

Adverse possession can lead to ownership when the required possession and all jurisdiction-specific conditions are established. 'Hostile' means inconsistent with the owner's rights, not angry or threatening. A permissive use is not adverse while that permission continues.

> **Common trap:** There is no single nationwide adverse-possession deadline, and occupying land does not by itself establish a successful claim.

Rule: Title doctrine; adverse possession

Check the source: Cornell Law: adverse possession and state-specific requirements

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8 **A. Title can pass before recording**

Legal delivery and acceptance can make the deed effective between the parties before recording. Delivery requires intent to make the transfer effective, not merely handing over paper. Recording serves a different purpose: notice and protection under the applicable recording law.

> **Common trap:** Leaving a signed deed in a drawer does not automatically establish delivery.

Rule: Title doctrine; deed delivery versus recording

Check the source: California DRE: general deed execution, delivery and acceptance

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9 D. The insured owner

An owner's policy protects the owner's interest against covered title risks. A lender's title policy protects the lender's interest and is not a replacement for the owner's coverage. Neither policy should be confused with homeowners insurance for physical property damage.

> **Common trap:** A policy is not blanket protection. Its covered risks, exceptions, exclusions, conditions and limits control.

Rule: Title doctrine; owner's and lender's title insurance

Check the source: CFPB: owner's versus lender's title insurance; TDI Form T-1R: covered risks, exceptions and conditions

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10 B. Constructive notice

Constructive notice is notice attributed by law rather than actual knowledge gained by reading the deed or being told about it. Proper recording is a common source. It does not validate a forged deed or settle every priority dispute; recording requirements and priority rules still matter.

> **Common trap:** Ask separately whether the deed is valid, whether notice exists, and which claim has priority.

Rule: Recording doctrine; constructive versus actual notice

Check the source: Cornell Law: deeds and public notice; Texas Property Code 13.001 and 13.002: notice and unrecorded conveyances

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11 C. A separation of ownership rights

A lease separates the tenant's present right of possession from the landlord's retained ownership and reversion. The tenant gets the rights granted by the lease, not the power to sell the landlord's estate. This is a straightforward example of the bundle of rights.

> **Common trap:** A right to occupy is not the same interest as ownership of the fee.

Rule: Bundle of rights; leasehold estate and reversion

Check the source: California DRE: general leasehold concepts

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12 A. Percentage lease

Sales-based rent identifies a percentage lease. In this example, $40,000 of monthly gross sales produces $2,000 of percentage rent, plus the $3,000 base, for $5,000 total. Other leases can use breakpoints or different formulas. The stated agreement controls.

> **Common trap:** Percentage describes how rent is calculated; estate for years or periodic tenancy describes the term.

Rule: Estate doctrine; percentage lease and stated rent formula

Check the source: California DRE: percentage leases and deed terminology; California DRE: general leasehold concepts

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13 B. Intestate succession

Intestate succession identifies heirs when property is not disposed of by a valid will. That does not automatically send the land to the state. Escheat is the fallback when there is no person legally entitled to inherit. Valid nonprobate arrangements can direct other assets differently.

> **Common trap:** Start by identifying the asset and how it is held. 'No will' does not mean every asset follows the same route.

Rule: Title doctrine; intestate succession and escheat

Check the source: Cornell Law: intestacy; Cornell Law: escheat; Texas Estates Code 111.001 and 111.002: survivorship agreements

14 D. Marketable title

Marketable title is sufficiently free of significant defects and reasonable doubt to be acceptable in a sale. A substantial unresolved ownership claim can impair it. Whether a particular buyer must close depends on the contract and applicable law, not this label alone.

> **Common trap:** An insurer's willingness to issue a policy with exceptions is not, by itself, proof that every title objection is resolved.

Rule: Title doctrine; marketable title and clouds on title

Check the source: Cornell Law: marketable title; TDI Form T-1R: covered risks, exceptions and conditions

15 A. The mortgage

On these stated facts, the earlier mortgage is senior under the general first-in-time rule. Statutory priorities and subordination can change that result in other problems. A lien's priority is not the same question as how a particular foreclosure distributes proceeds or affects existing liens.

> **Common trap:** Voluntary and involuntary describe how liens arise; those labels do not settle their priority.

Rule: Title doctrine; lien priority and subordination

Check the source: California DRE: general co-ownership and priority concepts (not Texas rules)

BUILD RETENTION

Your miss log and next actions

QUESTION	RULE I MISSED	WHY I MISSED IT	RETEST DATE

LEARN THE CONCEPT

www.passtexasrealestate.com/study-guide/ownership-transfer-title/cheat-sheet

PRACTICE THIS TOPIC

www.passtexasrealestate.com/practice-questions/ownership-transfer-title

SOURCE REGISTER

Sources and edition notes

Edition reviewed September 24, 2026 against the exam outline and rules effective September 23, 2026. References include controlling authorities and supporting explanations. For a changing rule, form or appointment policy, check the current official source.

SOURCE	DIRECT LINK
Pearson VUE Texas Real Estate Content Outlines	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094401.pdf
Texas Property Code Chapters 5, 12, and 13	statutes.capitol.texas.gov/Docs/PR/htm/PR.5.htm
Texas Civil Practice and Remedies Code Chapter 16	statutes.capitol.texas.gov/Docs/CP/htm/CP.16.htm
Texas Department of Insurance, Title Insurance	www.tdi.texas.gov/title/index.html
Cornell Law: fee simple absolute	www.law.cornell.edu/wex/fee_simple_absolute
Cornell Law: remainder and reversion	www.law.cornell.edu/wex/remainder
California DRE: general co-ownership and priority concepts (not Texas rules)	www.dre.ca.gov/files/pdf/refbook/ref05.pdf
Cornell Law: tenancy in common	www.law.cornell.edu/wex/tenancy_in_common
California DRE: general deed execution, delivery and acceptance	www.dre.ca.gov/files/pdf/refbook/ref07.pdf
Cornell Law: deeds and public notice	www.law.cornell.edu/wex/deed
Texas Supreme Court: general and special warranties, Chicago Title v. Cochran (2020)	law.justia.com/cases/texas/supreme-court/2020/18-0676.html
Cornell Law: adverse possession and state-specific requirements	www.law.cornell.edu/wex/adverse_possession
CFPB: owner's versus lender's title insurance	www.consumerfinance.gov/ask-cfpb/what-is-owners-title-insurance-en-164/
California DRE: general leasehold concepts	www.dre.ca.gov/files/pdf/refbook/ref09.pdf
California DRE: percentage leases and deed terminology	www.dre.ca.gov/files/pdf/refbook/ref27.pdf
Cornell Law: intestacy	www.law.cornell.edu/wex/intestacy
Cornell Law: escheat	www.law.cornell.edu/wex/escheat
Cornell Law: marketable title	www.law.cornell.edu/wex/marketable_title
Texas illustration: Railroad Commission on separate surface and mineral estates	www.rrc.texas.gov/about-us/faqs/oil-gas-faq/oil-gas-exploration-and-surface-ownership/
Cornell Law: fee simple determinable	www.law.cornell.edu/wex/fee_simple_determinable

SOURCE	DIRECT LINK
Cornell Law: fee simple subject to a condition subsequent	www.law.cornell.edu/wex/fee_simple_subject_to_a_condition_subsequent
Cornell Law: tenancy for years	www.law.cornell.edu/wex/tenancy_for_years
Cornell Law: abstract of title	www.law.cornell.edu/wex/abstract_of_title
Cornell Law: chain of title	www.law.cornell.edu/wex/chain_of_title
Cornell Law: quiet title actions	www.law.cornell.edu/wex/quiet_title_action
Texas Estates Code 111.001 and 111.002: survivorship agreements	tcss.legis.texas.gov/resources/ES/htm/ES.111.htm
Texas Property Code 13.001 and 13.002: notice and unrecorded conveyances	tcss.legis.texas.gov/resources/PR/htm/PR.13.htm
Texas Supreme Court: inquiry and constructive notice, Madison v. Gordon (2001)	caselaw.findlaw.com/court/tx-supreme-court/1333228.html
Texas Property Code 5.021: written, signed and delivered conveyances	tcss.legis.texas.gov/resources/PR/htm/PR.5.htm#5.021
Texas Property Code 12.001: recording requirements	tcss.legis.texas.gov/resources/PR/htm/PR.12.htm#12.001
Texas Department of Insurance: owner's title policy and forgery	www.tdi.texas.gov/title/owners-policy.html
TDI Form T-1R: covered risks, exceptions and conditions	www.tdi.texas.gov/title/documents/form_t-01r.pdf
Pearson VUE Texas Real Estate Candidate Handbook #094400, September 2026, revision 08/2026	www.pearsonvue.com/content/dam/VUE/vue/en/documents/publications/094400.pdf
Texas Real Estate Commission rules and laws	www.trec.texas.gov/agency-information/rules-and-laws

Maintenance record

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Make your next study session count

Choose a rule you missed, explain it without notes, then try a different question. Use the free topic links in this guide, or continue in Pass Texas.

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