

## CERTIFIED COMMERCIAL LAND TITLE SEARCHER TEST OUTLINE OF QUESTIONS/MATERIALS

The following is a list of items that may appear on the CCLS examination. The answers to many of these questions can be found in the following resources: ***Basic Title Insurance Handbook*** and chapters 1, 2, 3, 6, 7, 10, 11, and the Glossary from ***Florida Land Titles*** by H.D. Booth (called “the supplement”) either of which may be purchased from the Florida Land Title Association, Inc. Other important sources are **Rule 690-186** of the Florida Administrative Code; and F.S. 626 and 627; It is also suggested that you review *Cooperman v. West Coast Title Co., 75So.2d 818 (1954)* and *The Florida Bar v. James A. McPhee & Protective Abstract & Title Co, 195 So.2D 522 (1967)*. NOTE: Summaries of said cases can also be found in Chapter 10 of the supplement. Additionally, you are encouraged to review your Underwriter’s Guides, as well as other materials supplied by your respective Underwriters for additional information on the topics noted below.

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### 2021 Title Insurance Policies, Endorsements & Proforma Policies

- a. Changes affecting the 2021 Policies / Policy Jackets
- b. Additional Covered Risks in 2021 Policy Jackets
- c. New Exclusions in 2021 Policy Jackets
- d. PACA-PSA
- e. Promulgated rates and calculation of premiums – F.A.C. 690-186.003
- f. Escalator/Pending Improvements clause in owner’s policy
- g. Pending Disbursements Clause in Loan Policy
- h. Co-Insurance vs. Re-insurance
- i. Proforma Policies vs. Marked-up Commitments
- j. Endorsements
  - (i) Permitted Endorsements – 2021 Policies
  - (ii) Prohibited Endorsements – 2021 Policies
  - (iii) Office that regulates Endorsements

### Easements

- a. Components of appurtenant easements
- b. Insuring appurtenant easements
- c. Merger of easement into fee title
- d. Events resulting in termination of easement
- e. Schedule B exceptions for insured easement in 2021 policies and FS 704.09 (2024)
- f. Types of easements with descriptions
- g. Easements that can and cannot be insured

### Entities

- a. Delaware Statutory Trusts (DST)
  - (i) DST vs. typical Trust
  - (ii) DST – Delaware Certificate of Trust
  - (iii) DST Affidavit requirements
  - (iv) DST and Power of Attorney
  - (v) DST – who has authority to act
  - (vi) Recordation of Certification of Trust / DST Affidavit
  - (vii) Appropriate signature block
- b. Corporations
  - (i) Authority for execution
  - (ii) Articles of Incorporation/By-Laws
  - (iii) Appropriate signature block

- c. LLC entities
  - (i) Change of name of titleholder entity
  - (ii) Recording name change
  - (iii) Authority to act – 605.0102 (37) F.S.
  - (iv) Organizational Documents or lack thereof
  - (v) Member or Manager managed – 605.04074 F.S.
  - (vi) Components of LLC Certificate
  - (vii) Appropriate signature block
  - (viii) Statement of Authority – 605.0302(1) F.S.

#### **Leases**

- a. Insuring leasehold interest
- b. Lease vs. Sublease and exceptions
- c. Witnesses on Lease per 689.01 Amended 7-1-2020
- d. Memorandums of Lease
- e. Rights of first refusal hidden in Lease
- f. Subordinations / SNDA
- g. Notice of Lien Prohibition – FS 713.10 Certificate
- h. Priority of Mortgage
- i. Tenant NOC – leasehold improvements
- j. Leasehold improvements pith of lease - Drew vs. Frenchy's, 517. So. 2d 766 (Fla. 1<sup>st</sup> DCA 1998)
- k. Schedule B exception for lease -2021 policies
- l. Describe lease – 2021 policies
- m. Leasehold valuation

#### **Legal Description Questions**

- a. Insuring square footage/acreage or not, and why
- b. Unilaterally correcting legal descriptions
- c. FS 689.041 – curative procedure questions
- d. Erroneous deed description
- e. Correcting descriptions - gaps, gores, hiatuses, overlaps & encroachments

#### **Marketable Record Title Act (MRTA)**

- a. Chapter 712, F.S.
- b. What is MRTA
- c. Root of Title per 712.01(6) F.S.
- d. Matters NOT extinguished by MRTA – 712.03 F.S.
- e. Matters that MRTA may extinguish

#### **Insuring Mortgage Instruments**

- a. Future Advance Clause – 697.04 F.S.
- b. Modification Agreement
- c. Spreader Agreement
- d. Substitution Loan Rate – F.A.C. 690-186.003 (8)
- e. Events that do not trigger Sub Loan Rate – F.A.C. 690-186.005 (13)
- f. Loss of priority of mortgage
- g. Collateral Assignment of Mortgage
- h. Cross-Collateralization provisions
- i. Cross-Default provisions
- j. Allocation
- k. Aggregation Endorsement

### **Mobile Home Parks**

- a. No HOA formed pursuant to FS 723.075-723.079
- b. FS 723.071 (1) MHP owner offering MHP for sale
- c. FS 723.071(2) MHP receives offer to purchase the MHP
- d. FS 723.072 - Affidavit
- e. Components of Affidavit of Statutory Compliance

### **Notices of Commencement (NOC) and Mechanics' Lien issues**

- a. Termination of NOC - 713 F.S.
- b. Refinance with Open NOC -
- c. NOC with payment bond attached
- d. Amended NOC
- e. Future Advances – priority over NOC
- f. Checking dated, expired NOC

### **Oil, Gas and Mineral Reservations (OGM)**

- a. Methods of creating OGM reservations
- b. Terminating fee interest of OGM rights
- c. Termination of OGM lease
- d. Right of entry and exploration
- e. Deeds from TIIF, local government / special districts
  - (i) Automatic reservations per 270.11 F.S.
  - (ii) Automatic release of right of entry - 270.11(3) F.S.
  - (iii) Releasing automatic reservations held by state/local government

### **Surveys**

- a. Reviewing Survey and adverse matters disclosed thereon.
- b. Covered Risk 2C on 2021 policies
- c. Removing Survey Exception - 627.7842 F.S.
- d. Encroachments
- e. ALTA-9 Series Endorsements

### **Taxes / Community Development Districts (CDD) – 190 F.S.**

- a. Purpose of Community Development District
- b. Requirements / Exceptions
- c. Priority of Assessments – 190.024 F.S.
- d. Reviewing property appraiser records and Tax Collector bills
- e. VAB Actions

### **Water Rights**

- a. TIIF Certificate per 92.16 F.S.
- b. TIIF Certificate and its effect on property
- c. TIIF Certificate alone not enough
- d. Does earlier QCD convey submerged lands
- e. Water exceptions
- f. Navigational Servitude Endorsement
- g. Mean high-water line
- h. Boundary of upland area at beach

## Miscellaneous

- a. Hospitals
  - (i) Hill Burton Act definition/exception
  - (ii) Priority of judgment for recovery of federal funds – Chapter 42 U.S.C. Secs. U.S.C. 238l or 291i
- b. Commercial Property Owners' Associations – good examining/underwriting practices
  - (i) Commercial property owners' association dissolved/inactive/reinstatement
  - (ii) Other assessments, fees and requirements in Declaration of Restrictions
- c. Acknowledgments and Jurats
  - (i) Describe Acknowledgment and its function – 695.03 F.S
  - (ii) Describe Jurat and its function – 695.03 F.S.
  - (iii) Notaries public - 117 F.S.
  - (iv) Curative Statute for Deeds lacking acknowledgements – 95.231 F.S.
- d. Other helpful resources for examination of title
- e. Purpose of objection letter and how to respond
- f. Mutual Indemnity Agreement
- g. GTO Targeting Order / FinCen
- h. Golf Course exception
- j. New Legislation – Conveyances to Foreign Buyers

## Ethics

- a. Primary Title services. (F.S. 627.7711)
- b. Determination of Insurability (F.S. 627.7845)
- c. Prohibition Against Unauthorized Practice of Law for Non-Attorneys (*Cooperman v. West Coast Title Co., 75So.2d 818 (1954)* and *The Florida Bar v. James A. McPhee & Protective Abstract & Title Co, 195 So.2D 522 (1967)*).
- d. What title companies can and cannot do
- e. Casualty Insurance Prohibited (F.S. 627.784)
- f. Policy Exceptions (F.S. 627.7842)
- g. Property Information Report Not Insurance (F.S. 627.7843)
- h. Unlawful Rebates (F.S. 626.9541)
- i. Favored agent or insurer; coercion of debtors. (F.S. 626.9551)