

STUDY OUTLINE AND GUIDE FOR C.L.C. EXAMINATION

The following is a list of items that may appear on the CLC examination. The answers to many of these questions can be found in the **Basic Title Insurance Handbook** and chapters 1, 2, 3, 6, 7, 10, 11 & 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; RESPA, (primarily Section 8); IRS Section 1445.

- I. Governmental Regulations: Case Law
 - A. Cooperman and McPhee
 - B. Promulgated Rules/Administrative Code
 - C. IRS 1099 Reporting
 - D. Department of Revenue Transfer of Interest
 - E. FIRPTA (IRS Code Section 1445)
 - F. Being a Notary Public
 - 1. Taking Acknowledgements
 - 2. Responsibilities and Duties
 - 3. Acceptable Identification

- II Title Insurance:
 - A. Commitment/Binder - Abstracts
 - 1. Definition
 - 2. Purpose
 - B. Handling Objections to Commitments prior to or at Closing
 - C. Requirements of Insurability
 - D. Types of Title Insurance Policies-
 - 1. Owner's Title Insurance Policies
 - 2. Loan Title Insurance Policies
 - 3. Other types of Title Insurance Policies
 - E. Types of Endorsements
 - F. Deletions of Title Exceptions (Schedule B-2) -
 - 1. On Title Insurance Commitments
 - 2. On Title Insurance Policies
 - G. Construction Loan Policies-
 - 1. Pending Disbursement Clause
 - 2. Notice of Commencement
 - 3. Mechanic's Lien Law

- III Types of Liens:
 - A. Tax Liens
 - B. Judgments
 - 1. Certification
 - 2. Address
 - C. Bankruptcy
 - D. Property Settlement Agreements
 - E. Mechanic's or Materialman's Liens
 - F. Welfare Liens
 - G. Child Support Liens

- IV Types of Ownership:
 - A. Fee Simple
 - B. Leasehold
 - C. Equitable

- V Contacts and Addendums:

- A. Effectiveness
- B. Proper Ways of Amending or Changing a Contract
- C. Significance of Terms and Conditions
- D. A Valid Contract
- E. An Escrow

VI Documents of Instruction:

- A. Contracts
- B. Lender's Closing Instructions/Packages
 - 1. Preparing
 - 2. Explaining
 - 3. Truth-in-lending/Regulation Z Disclosure
 - 4. Real Estate Settlement Procedures Act (RESPA)

VII Types of Closings:

- A. FHA Loan
- B. VA Loan
- C. Conventional Loan
- D. Commercial Loan
- E. Assumption of all types of Loans (including FHA/VA Loans)
- F. Construction Loan

VIII Types of Real Property:

- A. Commercial
- B. Residential - Homestead
- C. Condominiums
- D. Planned Unit Developments (PUDs)
- E. Mobile Homes/Manufactured Housing
- F. Income/Rental Property

IX Preparing for Closings:

- A. Document Preparation
 - 1. Deeds-
 - a. Various Types of Deeds - Warranties
 - b. Requirements of a Valid Deed
 - c. Agreement for Deed
 - 2. Affidavit of No Liens
 - 3. Mortgages and Notes -
 - a. Wrap Around Mortgages
 - b. Balloon Mortgages
 - c. FHA/VA Mortgages
 - 4. Conventional Mortgages-
 - a. Fixed Rate
 - b. Adjustable Rate/Negative Amortization Mortgages
 - 5. Purchase Money Mortgages
 - 6. Modification of Mortgages
 - a. Novation
 - b. Future Advances
 - 7. HUD Closing Statements - RESPA
 - 8. Termite Inspections
 - 9. Surveys -
 - a. Closer's Responsibilities - Review and Comment

- b. Flood Certifications/Elevation Certificates
 - c. Legal Descriptions
 - d. Encroachments, Overlaps, and Boundary Line Disputes
 - e. Proper Certification
 - 10. All Types of Prorations
 - 11. Vocabulary/Terminology Used in a Closing
 - 12. Estoppel Letters -
 - a. Payoff Letters
 - b. Assumption Statements
- B. Conduct of a Closer/Escrow Officer
 - 1. Responsibilities of a Closer
 - 2. Limitations of a Closer
 - 3. Handling Disagreements at a Closing

X Disbursements:

- A. Responsibilities and Duties upon receipt of Funds
- B. Various Types of Funds/Checks we can receive
- C. Canceled Transactions - Disbursement of Escrowed Funds
- D. Establishing Escrow Account for Lenders or Customers
- E. Reconciliation of the Closing/Settlement Statement

XI. Ethics

- A. License or Appointment of Title Agent
 - 1. What are grounds for denial, suspension, revocation or refusal to renew license/appointment? 626.8437, F.S.
 - 2. What are grounds for discretionary refusal, suspension, or revocation of license/appointment? 626.844, F.S.
 - 3. What is effect of suspension or revocation upon other licensees, appointees? 626.8447, F.S.
- B. Escrow; trust fund
 - 1. When can a Title Agent hold escrow funds and what are the requirements and procedures for holding them? F.S. 626.8473
 - 2. When can a Title Agent disburse escrow funds and what are the requirements for preparing settlement statement. 69B-186-008 F.A.C.
- C. Unfair or Deceptive Acts or Practices
 - 1. Define unfair methods of competition and unfair or deceptive acts or practices. 626.9541 F.S.
 - 2. Be familiar with activities which constitute unlawful inducements related to title transactions. 69B-186-010 F.A.C.
 - 3. List penalties for violating unfair methods of competition and unfair or deceptive acts or practices. 626.9521, F.S.
 - 4. Define practices which would constitute "Favored Agent or insurer; coercion of debtors". 626.9551, F.S.

It will be necessary for you to prepare a HUD-1 manually, using only a calculator for your computations. It is recommended that you practice this if you have not done it recently (or ever) as it is a critical element to passing this test.

On Test Day –

BRING – lined paper (letter or legal-size tablet is recommended); #2 pencils; calculator (battery or solar is recommended)

Do NOT bring – study materials, computers, word processors, etc as you will not be able to bring them into the test location.

The outline above is only an overview of some of the items which will be covered by the CLC Examination.

Prepared By: The Governing Council of the Certified Land Title Institute of the Florida Land Title Association, Inc.