

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

The following is a list of items that may appear on the CLS 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; and ss 626.841-626.8473 F.S.; 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). Summaries of said cases can also be found in Chapter 10 of the supplement.

- I. Documents and Related Matters.
 - A. Requirements of a valid deed.
 - B. Various types of Deeds and their differences.
 - C. Effects of Acknowledgments.
 - D. Mortgages
 - E. Various types of Mortgages and their differences.
 - F. Explain what constitutes a default in a Mortgage.
 - G. Define documents relating to Mortgages, i.e. Assignments, Mortgage Modifications, Collateral Assignments, etc.
 - H. Tax Certificates and Tax Deeds and their effects.
 - I. Powers of Attorney's: their components and uses.
 - J. Types of restrictions and reverters.
 - K. Explain various types of Easements.
 - L. Murphy Act Deeds.
 - M. Judgments: their time limits and foreign judgments treatment.

- II Estate Matters
 - A. Decedent's estates and how they are created.
 - B. Testate vs. Intestate Estates.
 - C. Explain the various types of Probate Court files and administration.
 - D. Guardianships and their requirements.
 - E. Homestead Property and Probate Implications.

- III Construction (Mechanics) Lien Law
 - A. Basic Components
 - B. Notices of Commencement and its effects.
 - C. Claim of Liens and applications.

- IV Civil and Court Proceedings
 - A. Know the effect of divorce on title.
 - B. Bankruptcy and its Effect.
 - C. Mortgage Foreclosure.
 - D. Ramifications of Cooperman and McPhee Rulings

- V Entities
 - A. Explain the different ways Trustees may hold title and requirements that should be made in dealing with same.
 - B. Types of Corporations - foreign, domestic, profit, dissolved, and alien.
 - C. Partnership Act, various types of partnerships and joint ventures.
 - D. Explain the various types of churches.
 - E. Explain the various types of tenancies.

- VI Title Products

- A. Abstract of Title:
 1. What is an abstract.
 2. Explain the uses of an abstract.
 3. List parts of an abstract and types of title sources shown in an abstract.
 4. Various types of instruments shown in an abstract.

- B. Chain of Title:
 1. Define a Chain of Title
 2. Explain how an abstractor should handle specific situations that may appear in the chain of title.

- C. Title Insurance:
 1. Define title insurance and name types of policies used in Florida and their functions.
 2. Discuss standard exceptions.
 3. The gap
 4. Reissue
 5. "Simultaneous Issue"
 6. Explain Florida Marketable Title Act (MRTA).
 7. Know who regulates the title insurance industry.

VII Condominiums

- A. Condominium Act and when it was enacted
- B. Various Forms of Condominiums
- C. Define Common Elements.
- D. Define Limited Common Elements.
- E. Types of Easements.

VIII Legal Descriptions

- A. Know the requirements of a valid plat filing.
- B. Know the various ways that land may be described.
- C. Discuss metes and bounds.
- D. Know the Government Survey System (Prime Meridian, etc.).
- E. Detail acreage breakdowns.
- F. Be prepared (with scale, compass, and protractor) to draw out a legal description to scale and be prepared to write a legal description from a survey.
- G. Be familiar with water rights, terminology.

IX Exam Procedures and Tools

- A. Constructive Notice and Actual Notice.
- B. Define Abstractor/Searcher and a Title Examiner and explain the duties.
- C. Various physical tools used by the Searcher/Examiner.
- D. Various types of Judgments and Liens and how they are handled by an Abstractor and/or Examiner.
- E. Definitions of various Latin Terminology used in or by profession.
- F. Difference between the public records in a given county and the Federal District Court records and how each may affect the examiner/searcher.

X. 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.

On Test Day –

BRING –ONLY your knowledge of everything title! Seriously...all testing materials will be provided for you. These items will include pens, pencils, lined paper for essay questions, scale ruler (for CLS applicants) and a surprise or two to make the experience a little more tolerable.

Do NOT bring – ALL cell phone brought into the testing site will be held by Administrator. Please do not bring bags, back packs or satchels into the testing site.

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

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