



Title Teasers 2025

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INSTRUCTIONS

Subtitle of section divider

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NOCs and Mobile Home Parks

Big Developer contracts to purchase a 70-acre parcel that is currently operating as a mobile home park where tenants lease their lot from the underlying fee owner. The title search revealed several Notices of Commencement have been filed for work being done by different tenants. Under the terms of the purchase and sale agreement, all construction matters affecting fee title must be resolved prior to closing and the buyer is unwilling to accept any exceptions for the Notices of Commencement or resulting liens. The seller contacts your office to discuss how to handle the Notices of Commencement.

For the purposes of issuing title, how must the Notices of Commencement be resolved?

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NOCs and Mobile Home Parks

- A. The Notices of Commencement must be terminated.
- B. The Notices of Commencement do not need to be terminated because the master lease contains safe harbor language.
- C. The Notices of Commencement do not need to be terminated as any resulting liens do not affect the interest of the fee owner.

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Out of State Conservator

Casey, a famous radio host and resident of California owned a vacation condo in Florida. In 2013, Casey became incapacitated, and a conservatorship was established in California with Casey as the ward. As part of the conservatorship proceedings, the Court authorized the conservator to transfer the ward's Florida property from him individually to a trust created for the benefit of the ward and named the conservator as the trustee. In 2014, Casey passed away and the conservator recorded a deed along with certified copies of the letters of conservatorship and the order authorizing the conservator to transfer the property. The Trustee now wishes to sell the property that was a transferred to the trust and has come to you to do the closing.

For insuring purposes, was the deed by the conservator effective to transfer the condo into Casey's trust?

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Out of State Conservator

A. The deed is effective since certified copies of the California court orders were recorded with the deed.

B. The deed is ineffective without a sale to a third-party purchaser at the time of transfer to the trust.

C. The deed is ineffective since the conservatorship was never domesticated in Florida.

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Homestead

Gerald Graves died in Florida owning homestead property in Miami-Dade County. Gerald's brother Pete has been appointed by the probate court as personal representative of Gerald's estate.

According to the residuary clause of Gerald's will, the property is devised to his two adult daughters. The will grants the personal representative the power of sale. The probate attorney has no intention to file a petition to determine homestead as the creditor claims period has expired with no claims made. Pete has found a buyer for the property and the court has granted an order authorizing the sale by Pete.

For insuring purposes, can Pete, solely as personal representative, convey title?

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Homestead

- A. Pete cannot solely convey title because the property must be treated as homestead even where no order determining homestead was issued.
- B. Pete cannot solely convey title because the will only grants the personal representative a general power of sale.
- C. Pete can solely convey title because the creditor claims period has expired and there are no creditors of the estate.

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Disclaimer & Federal Tax Liens

Last year, John Ranger died an unmarried widower survived by three (3) adult children, Abby, Betty, and Carl. The children want to sell the home, but Carl has judgments against him, including a \$47,000 federal tax lien (FTL) that was recorded 4 years ago. Carl, who had recently filed for bankruptcy, decided to disclaim his interest in his dad's estate so his two sisters can have his share of the estate and avoid any of his creditors. Carl executed a disclaimer with the formalities of a deed, which was recorded in Orange County and the personal representative distributed the property to the two sisters. Abby and Betty are now selling their dad's homestead and have brought the deal to your office to close.

For insuring purposes, is the disclaimer valid so that the Fund Member can issue a policy with a deed from Abby and Betty?

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Disclaimer & Federal Tax Liens

- A. The disclaimer is valid since it was executed with the proper formalities and the property is no longer affected by Carl's outstanding FTL or judgments.
- B. The disclaimer was valid but unnecessary as the FTL and judgments would not attach since title to the property was held in John Ranger's name and not Carl's.
- C. The disclaimer is not valid and a deed from Carl should be obtained along with clearance of the judgments and FTL against him.

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Easements

Charles and Delia Deetz and their daughter, Lydia reside on a large residential lot. Tiring of their daughter's strange pursuits and ghostly shenanigans within their family home, they decide to move out. Charles and Delia obtain a lot split and build a little house for Lydia on the west side of their lot which abuts a side street along the property. The sewer service line runs under and across their backyard to the new home requiring an appurtenant utility easement as part of the lot split. After a few years living next to Lydia, Charles and Delia put the east side of the property for sale and enter into a contract that includes notice of the easement. The buyer wants to sever all ties to the little house and is questioning the validity of the easement appearing as an exception in his title commitment.

For insuring purposes, can the property be insured without an exception for the easement?

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Easements

A. The easement is valid and remains an exception to title for the property being sold.

B. The easement is valid but can be removed as an exception as Lydia can hook up to sewer service from the street abutting her little house.

C. The easement is invalid under the common law merger doctrine which prevents an owner from creating an easement over their own property and the exception can be deleted.

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Condominium Termination

Paradise Oaks Condominium was created and recorded in the public records of Lee County in 2009. The declaration does not contain language incorporating future changes to Florida's Condominium Act. In 2023, a proposed plan of optional termination was circulated among all unit owners for approval. The proposed plan was approved by 83% of the unit owners, with 7% voting against the proposed plan. The buyer is purchasing all the units and terminating the condominium regime.

For insuring purposes, is the plan of termination effective to terminate the condominium?

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Condominium Termination

- A. The plan of termination is not effective unless deeds are obtained from those who voted against termination.
- B. The plan of termination is not effective.
- C. The plan of termination is effective because a supermajority of owners voted for termination.

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Acknowledgments

You are handling the closing on a sale of platted, residential property situated in Hendry County, Florida. The seller took title in 2021 from a former business partner via quit claim deed resulting from a bad business deal. The deed shows minimum doc stamps paid, and no title insurance was written. Your title examination reveals the deed into your seller was witnessed by two witnesses and signed by the notary but the acknowledgement in the deed lacks the notary's seal and signature. Neither of the witnesses was the notary. The seller tells you that he has no way to contact his former business partner and would prefer to never speak to him again.

For insuring purposes, how should this issue with the quit claim deed be resolved?

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Acknowledgments

- A. A corrective deed must be signed because the five-year curative statute has not run yet.
- B. The quit claim deed may be re-recorded along with a proper Proof of Subscribing Witness from one of the deed's witnesses.
- C. The issue may be corrected via a recorded affidavit from the notary that the notary took the acknowledgment in the quit claim deed.

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Deeds & Off-Record Matters

Woody Esq. received a contract previously executed by his client, with a title-insurance request to insure the purchaser of a strip mall in Duval County that is occupied by multiple tenants. To clear the exception for parties in possession, Woody obtained a rent roll, tenant estoppels and reviewed the leases. He diligently drafted a specific tenant exception to be inserted in the policy and planned to attach a certified rent roll to the owner's policy as an exhibit. Seller's counsel, Buzz, pointed out that under the contract, the warranty deed will include an exhibit of permitted title exceptions along with a listing of all the tenant leases. Woody is hesitant to place the list of tenant leases on the record for fear that it will be a cloud on title for his client in subsequent transactions. Buzz will not change the contract but is agreeable provided there is no delay in closing.

For insuring purposes, must the list of tenant leases be part of the exception listed in the deed?

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Deeds & Off-Record Matters

- A. No, exceptions from the title policy, including tenant leases should not be attached as an exhibit to the insured deed.
- B. No, the title exceptions may be listed in the deed, including a general exception for lessees under unrecorded leases.
- C. Yes, all the exceptions, including a list of tenant leases must be listed in the deed.

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Fraud & Forgery

Trusty Fund Member is closing a purchase and sale of a vacant waterfront property in Palm Beach County. The property is encumbered by a mortgage and a mortgage payoff statement has already been obtained by Trusty Fund Member's staff. Two days before closing, an updated mortgage payoff statement was provided from the seller via email. Additionally, the email informs Trusty Fund Member's staff that the seller has a preferred notary and will be using their notary to complete the transaction. On the day of closing, Trusty Fund Member attempts to wire the sales proceeds to the seller's bank, but the wire bounces back. In response, the seller provides new wiring instructions and requests the proceeds to be sent to the account shown on the updated wiring instructions. At this point Trusty Fund Member realizes something may be amiss.

Which of the following events is a common indication of potential fraud for this transaction?

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Fraud & Forgery

- A. Updated mortgage payoff and updated wiring instructions.
- B. Updated mortgage payoff, updated wiring instructions, and the notary change.
- C. Updated mortgage payoff, updated wiring instructions, notary change, and the wire bouncing back.

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Out-of-State Series LLCs

Landshark Series LLC, a Delaware Series LLC, Series 1, the record title holder of Florida real property, wants your office to represent their interest in the sale. In compliance with commitment requirements, you have reviewed with Fund Underwriting Counsel all documents of formation of the Series LLC and the title holding entity including the operating agreement that establishes the series, articles of organization, etc. During this process, it was determined that Landshark Series LLC also has a Series 2 which was properly formed, legally able to hold real property and currently exist under Delaware law. Buyer's counsel thinks that this is all smoke and mirrors and is demanding that all three entities referenced in the operating agreement convey because Florida does not have a series LLC statute.

For insuring purposes, who are the proper parties to sign the deed?

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Out-of-State Series LLCs

- A. Landshark Series, LLC and Landshark Series LLC, Series 1
- B. All three entities.
- C. Landshark Series LLC, Series 1.

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Mortgage Satisfaction

In 2020, Donald and Daisy purchased a piece of property in Florida as a married couple. In 2022, the couple moved to Arizona and sold the property to Goofy secured by a seller financed note and mortgage which once recorded, was promptly placed in their Arizona safety deposit box for safe keeping. The self-prepared note and mortgage does not recite tenants by the entirety or a married couple nor does it contain governing law or venue provisions. In 2024, Donald succumbed to a terminal illness and passed away. Goofy is now selling the property and has reached out to Daisy for a payoff of the mortgage.

For insuring purposes, can Daisy, as Donald's surviving spouse, satisfy the mortgage by herself or does Donald's estate need to be probated?

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Mortgage Satisfaction

A. Since the mortgage is now held by both Daisy and the heirs of Donald's estate, a probate is necessary.

B. Daisy alone can satisfy the mortgage as she and Donald were a married couple which can be established by an affidavit of continuous marriage.

C. Let sleeping ducks lie, Goofy does not have to pay off the loan since one of the mortgagors has passed away.

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Trusts

Johnny Rose, a resident of New York, is the settlor of the Rose Family Trust. Last year, Johnny, as trustee of the Rose Family Trust, purchased property in Florida as a vacation home for himself and his family. Unfortunately, Johnny recently died and his spouse, Moira, wants to sell the property in Florida to fund a new independent film that she plans to star in. The terms of the trust provide that, after Johnny's death, Moira is the successor trustee, and that the Florida property goes to Moira free of trust. So, Moira reached out to Fund Member David to assist with the sale. David reviewed the trust, and he discovered that the trust was not executed in the presence of any witnesses.

For insuring purposes, can David rely on the testamentary provisions of the trust?

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Trusts

- A. David may not rely on the testamentary aspects of a trust because the trust must be executed with the formality of a will.
- B. David may rely on the testamentary aspects of the trust because the Florida property is titled in the name of the trust.
- C. David may rely on the testamentary aspects because the trust was executed with the formalities required in New York.

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Notaries

Monica and her husband, Chandler, are buying a new house in the suburbs to raise their children. Unfortunately, because of an outbreak of measles in the family they cannot come to the office of their Trust Fund Attorney for the closing. Monica tells Trusty not to worry; her brother is a notary, and he can notarize all the closing documents for their purchase.

Can the notary acknowledgment by Monica's brother be relied upon for the purposes of insuring title?

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Notaries

- A. Monica's brother can act as their notary because he is not a party to the transaction.
- B. Monica's brother cannot act as their notary since they are related.
- C. Monica's brother has a valid notary commission but can only notarize Monica's husband's signature.

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NOCs & Payment Bonds

In 2021, ABC Construction begins building a high-rise condominium and timely filed a notice of commencement (NOC) with proof of a payment bond attached when the NOC was recorded. As the project has progressed, the NOC has been amended to extend its expiration multiple times. In 2023, Unit 104 was sold to Daredevil, a third-party purchaser, who received a title policy without exception for the NOC. Today, Daredevil has a contract to sell his condo unit to the Punisher. Upon receipt of the title commitment, you notice three claims of lien listed on Schedule B-I for which a Notice of Bond was filed for each. The first lien is recorded by the general contractor listed on the NOC and the other two were filed by the roofing contractor and the pool contractor.

For insuring purposes, who do we need to obtain releases from to insure the current transaction?

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NOCs & Payment Bonds

- A. None of them, the payment bond handles all three liens.
- B. Only the general contractor.
- C. The general contractor, the roofing contractor, and the pool contractor

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(More) Acknowledgments

Mike Jones is in the hospital and unable to attend the closing of his South Florida home. While in the hospital and legally competent, Mike executes a properly drafted power of attorney naming his cousin Jason Williams as his attorney in fact. At the time of signing, Mike did not have his wallet or any form of identification. Jason has provided your office with a copy of the power of attorney in which the notarial certificate states that the type of identification used for Mike's acknowledgment is "two credible witness affidavits." Attached to the power of attorney is a credible witness affidavit. The affidavit includes a jurat as to each of the two credible witnesses signed by the notary public under seal.

For insuring purposes, can we rely on the POA with the use of the credible witness affidavits?

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(More) Acknowledgments

- A. The POA cannot be relied upon as POA execution requirements do not allow for the use of credible witness affidavits.
- B. The POA can be relied upon provided the credible witness affidavit is prepared in strict compliance with the applicable Florida Statute.
- C. The POA presented to you is a copy and the credible witness affidavit must be used with an original only.

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(More) Homestead

Your review of the John Dutton probate file reveals that an order determining homestead was rendered as to Yellowstone Manor by the probate court. The order determining homestead further states that John Dutton was not survived by a spouse or minor children and that title to Yellowstone Manor passes to his adult children Beth Dutton and Kayce Dutton pursuant to the terms of John Dutton's will. John Dutton's will specifically disinherits John's legally adopted son, Jamie Dutton, who has been personally served and noticed as to the probate proceedings.

For insuring purposes, who must execute a deed to the insured buyer?

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(More) Homestead

- A. The personal representative, Beth Dutton, and Kayce Dutton.
- B. Beth Dutton and Kayce Dutton only.
- C. Beth Dutton, Kayce Dutton and Jamie Dutton who are all statutorily protected heirs.

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Code Violations

Barry the Buyer is purchasing a condominium unit in Brickell on the Bay in Miami–Dade County. A notice of violation is recorded against the Brickell on the Bay Condominium Association using the common area parcel ID number in the notice details as the property affected. The commitment includes a requirement for proof of compliance to be recorded. Seller's counsel requests the requirement for proof of compliance be removed from the commitment since it is not a violation against the specific unit and is against association-controlled property.

For insuring purposes, should the notice of violation requirement be deleted from Schedule B-I of the commitment?

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Code Violations

- A. The requirement may not be deleted as it was properly included.
- B. The requirement may be deleted since it is against the Association and not the individual unit owner.
- C. The requirement may be deleted provided the buyer is made aware of the violation and that any assessment post-closing would not be covered under their policy.

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NOCs & Mixed-Use Condominiums

You are handling the closing of a \$4 million condominium unit in Miami-Dade County with a purchase money mortgage being secured by the buyer. The condominium building consists of commercial spaces on the first and second floors with a parking garage, and residential condominium units on the remaining top eight floors. The title examination reveals that in December 2024, a contractor filed a notice of commencement (NOC) which describes the work being done as a “commercial buildout” and the interest of the owner as “tenant” but uses the entire project’s underlying legal description. The work is still ongoing, and seller’s counsel has no further information as it relates to a tenant in the lower commercial units and does not affect title to the unit being sold.

For insuring purposes, what must be done with the NOC to insure the priority of the buyer’s lender?

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NOCs & Mixed-Use Condominiums

- A. No action necessary.
- B. Reach out to the contractor listed on the NOC and obtain a unit specific release.
- C. Hold an estimated amount of work to be done in escrow until you are certain that the work is completed.

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Corporate Conveyance

JCO, Inc., a Florida corporation, is selling property to a third-party purchaser for full consideration. Sunbiz shows the President of JCO, Inc. is Janice Jones. The closing is set for October 1, 2025. A title search reveals the vesting deed into JCO, Inc. is an uninsured quit claim deed executed by Tom Jones, as president and director of TCO, Inc., for which documentary stamps were paid. Upon inquiry, you are told that Janice Jones is the stepchild of Tom Jones who insists that Janice Jones never had any financial involvement in TCO, Inc.

For insuring purposes, what must be done about the apparent conflict in the JCO, Inc. vesting deed?

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Corporate Conveyance

- A. Based on Tom's assertions that Janice was never involved in TCO, Inc., no further inquiry is required.
- B. Since Janice is a stepchild related to Tom and an officer of JCO, Inc, an inquiry as to whether the transaction was fair to TCO, Inc. must be made.
- C. Since the deed indicates that documentary stamps were paid, no further inquiry is required.

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Cryptocurrency

Savvy Investor is under contract to purchase real property in Broward County, Florida which provides he will accept the sellers proceeds from the Buyer via a meme coin called Wild Goat Coin. When you ask why, Savvy exclaims Wild Goat Coin value has gone to the moon (increased) over the last four weeks. The parties are using the most recent FAR/BAR contract and added sufficient language to Section 20 regarding the Seller's agreement to accept seller's proceeds via Wild Goat Coin. Savvy Investor also indicates he will provide the deposit and any other closing costs in US Dollars so that the title agent does not have to accept or handle any of the cryptocurrency as part of the closing.

For insuring purposes, can the transaction be completed using the proposed cryptocurrency for seller's proceeds?

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Cryptocurrency

- A. The transaction can be completed in part using cryptocurrency because the contract provided no prohibition against the use of cryptocurrency.
- B. The transaction cannot be completed unless all funds are converted to US dollars and tendered to the settlement agent.
- C. The transaction can be completed provided a line item on the closing statement indicates the cryptocurrency funds are being delivered directly to the seller.

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Thanks for playing