



Fund Affiliate Assembly

Title Teasers

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Child Support Liens

Mary Sue acquired Blackacre in December of 2018 as a single woman. In January of 2019, Mary Sue and her new boyfriend Chad decided to get married and use Blackacre as their primary residence. After their wedding, Mary Sue executed a deed to Blackacre in favor of Chad and Mary Sue as husband and wife. Prior to their marriage, a child support lien was properly recorded against Chad. Chad and Mary Sue now want to sell Blackacre.

For purposes of insuring title, does the child support lien against Chad need to be released?

Child Support Liens

- A. The child support lien needs to be released as it has attached to Chad's interest in the property.
- B. The child support lien does not need to be released because homestead is a defense to a child support lien.
- C. The child support lien does not need to be released because it did not attach to the Chad's interest in the property held as tenants by the entirety.

Child Support Liens

The Correct Answer is
C

Foreign Probate

In 2011, Brunhilda peacefully passed away in her Pennsylvania residence. Brunhilda also owned a vacation home in Gilchrist County, Florida worth \$120,000.00. Brunhilda's estate was fully administered in Pennsylvania and her estate's personal representative was discharged in 2012. Under her will, Brunhilda left her property to her brother, Siegfried. Siegfried wants to sell the property for \$150,000.00 to a third party purchaser for full market value.

For insuring purposes, what actions must be taken in order for Siegfried to sell the Florida property?

Foreign Probate

- A. Petition the Florida court to admit a will from a foreign probate, and record the petition to admit the will, the will itself, and the order admitting the will to record, along with clearance of estate taxes.
- B. Petition the court by filing authenticated copies of the Pennsylvania estate administration transcript and will, along with clearance of estate taxes.
- C. Siegfried only needs to record an authenticated copy of Brunhilda's will along with clearance of estate taxes.

The Correct Answer is
A

Federal Tax Lien

Jack failed to pay income taxes for several years and a federal tax lien was properly recorded against him in November of 2019. Jack purchased a home in December of 2019 and passed away shortly thereafter. Prior to his death, Jack had deeded to himself a life estate, with a remainder interest to his fiancée, Diane, using an enhanced life estate deed. After Jack's death, Diane decided to sell the home and the title commitment required the satisfaction of the federal tax lien.

For insuring purposes, does the federal tax lien need to be released?

Federal Tax Lien

- A. Yes, the federal tax lien must be released, even though the survivorship provision of the life estate deed passed title to Diane upon the death of Jack.
- B. Yes, the federal tax lien must be released, even though Jack's estate was not probated and there were other assets for the IRS lien to attach to.
- C. No, the federal tax lien does not need be released because the IRS lien does not survive Jack's death.

Federal Tax Lien

The Correct Answer is

A

Remainder Interests

Donald, a single duck conveyed his home to his three nephews Huey, Dewey and Louie as tenants in common. Donald retained a life estate for himself. Louie was killed in a tragic theme park accident. Donald was so distraught by his nephew's death that he passed away one month later. Huey and Dewey have entered into a contract to sell Uncle Donald's home.

For insuring purposes, what deeds will be necessary?

Remainder Interests

- A. Deeds from Huey, Dewey and the heirs or beneficiaries of Louie.
- B. Deeds from Huey and Dewey only as the surviving remainderman after the death of Donald.
- C. Deeds from the heirs or beneficiaries of Donald, Huey, and Dewey.

Remainder Interests

The Correct Answer is
A

The Underlying Plat

Mia Richardson received her title insurance commitment from Fund Member Elena Warren. Upon review, Mia questioned an exception that referenced an underlying plat because the land contained within the underlying plat had been entirely re-platted. Mia requests that Elena delete the B-II exception referencing the underlying plat because it no longer applies. However, the underlying plat contains restrictions and easements that do not appear on the new replat.

Should Elena delete the B-II exception referencing the underlying plat?

The Underlying Plat

- A. The underlying plat exception should be deleted as the replat of the land effectively replaces the underlying plat.
- B. The underlying plat exception should not be deleted as the underlying plat was done in accordance with local law.
- C. The underlying plat exception should not be deleted as filing a replat does not eliminate easements and restrictions contained in a prior underlying plat.

The Underlying Plat

The Correct Answer is
C

Lien Priority

Sunnydale Condominium, a non-phased condominium, was established in 1994. In January of 2014, Bill purchased unit 801 in Sunnydale Condominiums with a mortgage from Big Bank. In 2015, Bill entered into a HELOC mortgage on the unit with Little Bank. In 2019, Bill fell behind in his monthly assessments and the condominium association recorded a claim of lien.

In a subsequent foreclosure by the Association of the lien, which of the banks are necessary parties?

Lien Priority

- A. Big Bank and Little Bank;
- B. Little Bank only.
- C. Neither Big Bank or Little Bank.

The Correct Answer is
B

Homestead Horror

After her husband, Gomez, died, Morticia Addams created a revocable trust and transferred the title of her homestead property to herself as trustee. The trust provided that, upon her death, Uncle Fester would serve as successor trustee and hold all of the assets in trust for her children, Wednesday and Pugsley. When Morticia died, Wednesday was 16 and Pugsley was 14 years old.

May Uncle Fester, as successor trustee of the Morticia Addams Trust sell the homestead property and retain the proceeds as a trust asset for the benefit of Wednesday and Pugsley?

Homestead Horror

- A. Uncle Fester, as successor trustee, may sell the homestead property upon recording of a certification of trust establishing that he is the current trustee with the power to convey the trust assets.
- B. Uncle Fester, as successor trustee, may not sell the homestead property because the trust provisions violate the constitutional restraint on homestead property.
- C. Uncle Fester, as successor trustee, may sell the homestead property because Morticia planned well by appointing a trustee to manage the interests of her minor children.

Homestead Horror

The Correct Answer is
B

Remote Online Notarization

Home from the sea and trying to adjust to land, Captain Bill has a contract to buy Turner's Surf Shop in Cocoa Beach. Turner always wanted to own a surf shop. However, he decided to sell the business because he did not want to give up his passion for surfing to manage a business.

Turner's attorney, O.C. Dettaille, examined title and noticed that the vesting deed in December of 2019 was notarized remotely by a Virginia online notary.

For insuring purposes, may O.C. Dettaille rely on the remotely notarized vesting deed?

Remote Online Notarization

- A. The deed may not be relied upon because Florida did not allow remote online notarization until January 1, 2020.
- B. The deed may be relied upon because Florida law recognizes the use of remote online notarization.
- C. The deed may not be relied upon because Florida law only recognizes remote online notarization for Florida real property by Florida online notary publics.

Remote Online Notarization

The Correct Answer is
B

RON and Recording

Chris Columbus contracts to sell his home on Lake Butler in Union County, Florida and sets sail on the *Nina*. Since the *Nina* was refitted with satellite and Wi-Fi capability, Ronnie Murphy, a Fund Member, was able to contact Chris at sea for the closing. Murphy has Chris electronically execute the closing documents with a Florida online notary public and two witnesses in Murphy's office. The notary prints a copy of the electronic documents, attests to their trueness, and takes the copy of the deed to the clerk for recording since Union County does not e-record.

Is the copy of the deed acceptable for insuring purposes?

RON and Recording

- A. The copy of the deed is not acceptable because the clerk is only required to record original deeds, bills of sale, and other instruments relating to the transfer of real property.
- B. The copy of the deed is acceptable because Florida law allows remote online notarization.
- C. The copy of the deed is acceptable because the clerk is required by law to record the true copy of the deed with e-signatures.

RON and Recording

The Correct Answer is
C

Termination of Easements

Dwight and Angela entered into a contract to sell their family beet farm to James and Pamela. A title search revealed that Dwight and Angela gave a perpetual access easement to their neighbors, the Scotts, back in the 1980s. Having forgotten about the easement, Dwight and Angela built a barn in 2015 that blocks the access. The Scotts no longer own the adjoining property and the new owners, the Bernards, have not complained because they can use a public road that was established several years prior to the barn.

James and Pamela refuse to accept title with an exception for the easement. Dwight and Angela contact Fund Member, Toby Terrific, to draft a termination of easement for them to sign and record in public records.

For insuring purposes, may Toby rely on the termination of easement, once recorded, to delete the exception for the easement?

Termination of Easements

- A. Toby may rely on the termination of easement as the servient estate holder may terminate an easement at any time.
- B. Toby may rely on the termination of easement as the easement is no longer in use.
- C. Toby may rely on the termination of easement executed by the Bernards.

Termination of Easements

The Correct Answer is
C

Lis Pendens

In January of 2019, Daring Bank filed a notice of lis pendens for foreclosure of a first mortgage against Sarry Jones on property in Lazy Rivers County. Shortly thereafter, Daring Bank's attorney performed a title update and discovered that Sarry had conveyed title to the property to her brother, Larry Jones in December of 2018. Daring Bank immediately filed an amended complaint to include Larry Jones, but recorded no other amended filings.

During the pendency of the foreclosure, Gotya Duncan properly recorded a judgment against Larry in the amount of \$500,000. Daring Bank subsequently acquired the property as the certificate of title holder and is now selling the property.

For purposes of insuring the sale, can the judgment against Larry be ignored?

Lis Pendens

- A. The judgment against Larry can be ignored because the original notice of lis pendens was recorded before the judgment.
- B. The judgment against Larry can be ignored because Daring Bank amended the complaint and named Larry in the action.
- C. The judgment against Larry cannot be ignored because Daring Bank's attorney failed to file and record an amended notice of lis pendens.

The Correct Answer is
C

Unlimited Future Advances

In 2018, Johann purchased commercial property in Shoppers County and executed a mortgage in the amount of \$35MM in favor of Beethoven Bank. Beethoven Bank has agreed to loan Johann an additional \$10MM to pay for improvements to the property. The mortgage contains a future advance clause that only provides, “This security instrument shall secure all future advances.” Beethoven Bank is now modifying the mortgage to issue a future advance of \$2MM to start improvements. The modification documents do not alter or add any other terms or conditions. There are 3 notices of commencement that were recorded after the mortgage.

For purposes of endorsing a loan policy for the future advance, can the notices of commencement be shown as subordinate items?

Unlimited Future Advances

- A. The notices of commencement recorded after the mortgage cannot be shown as subordinate matters because the mortgage has a future advance clause that does not specify the maximum principal amount secured by the mortgage.
- B. The notices of commencement recorded after the mortgage can be shown as subordinate matters upon proper completion of the restoration of priority procedure.
- C. The notices of commencement recorded after the mortgage cannot be shown as subordinate matters because the additional \$10,000,000 is not being disbursed in full.

Unlimited Future Advances

The Correct Answer is
B

Tenant Construction Liens

Wayne Enterprises, LLC owns a large commercial rental property. The terms of each tenant's recorded lease explicitly prohibits liability for construction of leasehold improvements. Selina Kyle, a tenant, enters into a contract with Roland Construction to renovate her unit. A copy of Ms. Kyle's lease was provided to Roland with the final contract.

Wayne Enterprises, LLC has entered into a contract to sell the building. A review of title indicates that Roland Construction recorded a construction lien on the unit in the amount of \$9,000.00. Roland sent a written request to Wayne Enterprises on June 9, 2020 for a verified copy of the lease and the relevant provisions prohibiting liability for tenant improvements. In response to the request, Wayne Enterprises provided a verified copy of the lease by the end of July.

For insuring purposes, does the claim of lien need to be released?

Tenant Construction Liens

- A. The lien against the tenant must be released as Wayne Enterprises failed to timely respond to the request within 30 days.
- B. The lien against the tenant does not need to be released since Ms. Kyle provided Roland Construction with a copy of the lease.
- C. The lien against the tenant does not need to be released, but the seller must escrow the amount of the lien plus attorneys' fees and cost until the lien expires.

Tenant Construction Liens

The Correct Answer is
B

JTWROS: Divorce and Probate

John and Jane, an unmarried couple, purchased a house for full consideration as joint tenants with rights of survivorship. Enjoying their co-habitation, they married a few months later, but never re-titled the property as husband and wife. Unfortunately, things didn't work out, and a few years later they divorced. The marital settlement agreement provides that they will both remain owners of the property. John subsequently relocates to a new home. Two years later, John dies intestate and is survived by his second wife and a minor child. His death certificate is recorded. Jane now wants to sell the property.

For purposes of insuring title, is a deed from Jane alone, as surviving joint tenant, sufficient to transfer title?

JTWROS: Divorce and Probate

- A. Deeds from John's surviving spouse and the guardian of John's minor child are required in addition to a deed from Jane.
- B. A deed from John's surviving spouse alone will be required in addition to a deed from Jane.
- C. A deed from Jane alone is sufficient as long as the surviving spouse has not timely filed for an elective share on this property.

JTWROS: Divorce and Probate

The Correct Answer is
C

Lack of Acknowledgment

Sit and Wait, LLC conveyed property to Noel Christmas in 2011 and the deed is immediately recorded. A Fund Member reviews the deed and notices that the notarization is simply a notary seal and signature. There is no pre-printed acknowledgment. Noel is now selling the property.

For purposes of insuring title, is a corrective deed necessary?

Lack of Acknowledgment

- A. A corrective deed is not necessary as the deed is more than 7 years old and Noel has adverse possession with no objections to title raised as to ownership.
- B. A corrective deed is not necessary as a lack of acknowledgment in a deed is cured after 5 years from recording.
- C. A corrective deed is necessary as a complete lack of acknowledgment is only cured by the MRTA.

Lack of Acknowledgment

The Correct Answer is
B

Bankruptcy

In June 2009, a certified money judgment was recorded against Landlord Larry, the owner of a commercial building. In March of 2019, Larry filed a Chapter 7 bankruptcy. The bankruptcy trustee is now seeking to convey the property pursuant to a court order authorizing the sale that did not mention any judgments or liens. As of the proposed date of closing and recording of the deed, the bankruptcy will still be open.

For insuring purposes, should the judgment lien be released?

Bankruptcy

- A. The judgment lien does not need to be released since the bankruptcy court approved the sale, which automatically strips the liens from the property.
- B. The judgment lien does not need to be released as the judgment lien expired in June 2019.
- C. The judgment lien does need to be released because the pending bankruptcy action tolled the expiration of the judgment lien.

The Correct Answer is
C

LLC Authority

Prestige Florida, LLC, a Florida limited liability company, owns waterfront property in South Pasadena, Florida. Two brothers, Brennan and Dale, each own a 50% membership interest in the LLC. The LLC does not have a written operating agreement.

Brennan, the LLC's sole manager, tragically died in a boating accident on his way to a music festival. Brennan's will bequeaths his 50% interest to his wife, Denise, who wants to now sell the property. Dale objects because he has fond memories of fishing trips with his brother when they vacationed at the property. Denise claims a right as the manager under her husband's will and proposes to sign the deed.

For insuring purposes, who must sign the deed in order to convey the South Pasadena property?

LLC Authority

- A. Denise, as manager under her husband's will.
- B. Denise, as manager under her husband's will, and Dale as the surviving member.
- C. Dale, as a newly appointed manager.

The Correct Answer is
C

Deed by Legal Guardian

Ted died, devising his non-homestead lake house, Hadden Hall, in equal shares to his minor daughters Abbey and Allie. Hadden Hall is now being sold for \$26,000.00. Abbey's Aunt Pat was appointed legal guardian for Abbey after a falling-out with her mother, Katie.

Aunt Pat and Katie execute separate deeds as natural guardians of Abbey and Allie respectively, pursuant to Sec. 744.301, F.S. Each deed includes a recitation that the grantor is a minor and the consideration paid is less than \$15,000.

For insuring purposes, may both deeds be relied upon as conveying Abbey's and Allie's interests?

Deed by Legal Guardian

- A. Both deeds may be relied upon as conveying Abbey's and Allie's interests.
- B. The deed from Aunt Pat may be relied upon, but the deed from Katie does not comply with the “natural guardians” statute.
- C. The deed from Katie may be relied upon, but the deed from Aunt Pat requires judicial authorization.

Deed by Legal Guardian

**The Correct Answer is
C**

Name That Witness

A deed to Yellow Brick Road Estates was recorded. There are two subscribing witnesses to the deed. The signature of one of the witnesses is that of Tiny Dancer. However, immediately beneath Tiny Dancer's signature is the printed name of Mr. Rocket Mann.

For insuring purposes, may the deed be relied on?

Name That Witness

- A. The deed may not be relied on as the curative period of 5 years has not run.
- B. The deed may not be relied on as the name of each witness to an instrument must be printed, typed or stamped immediately below the witness signature line.
- C. The deed may be relied on despite the fact that the printed name of the witness indicates a different person from the one who subscribed to the deed.

Name That Witness

The Correct Answer is
C

Conveyance of County Land

Thomas Gato, Esq. represents Jerry Raton in the purchase of a vacant parcel of land owned by Osceola County. While reviewing the closing documents, Thomas noticed that the deed provided by the County was signed by the Chair of the County Commissioners and attested to by the Clerk of the Circuit Court. The deed did not have any witnesses nor an acknowledgment but did contain a form approval stamp by the County Attorney. Thomas knew that if he did not close the deal for his client, Jerry Raton would lose out on a contract to bring a cheese factory to his community.

Is the deed from the County acceptable for insuring purposes?

Conveyance of County Land

- A. The deed from the County is acceptable because counties are permitted to convey their lands without either witnesses or acknowledgments.
- B. The deed from the County is not acceptable because while an acknowledgement is not necessary, witnesses are still required.
- C. The deed from the County is acceptable because the City Attorney approved the form of the deed prior to execution.

Conveyance of County Land

The Correct Answer is
A

Star-Crossed Judgment

Title to a property in Verona Isles, Florida, was conveyed to “Roman Montague and Julie Montague, his spouse, and Ben Montague.” Roman and Julie live in Italy and Ben resides in the Verona Isles property. While visiting Verona Isles, Roman got into a fight with Ty, Julie’s cousin, who also owns property in Verona Isles. Ty sued Roman and obtained a judgment against him in the amount of \$27,000.00 for damages. A certified copy of the judgment was recorded in the public records of the County where Verona Isles is located. As a result of the ongoing feud, Roman, Julie and Ben want to sell their property and have come to you to handle the closing.

For insuring purposes, does the judgment against Roman need to be satisfied?

Star-Crossed Judgment

- A. The judgment against Roman needs to be satisfied as the recording of the certified copy of the judgment created a lien against the property.
- B. The judgment against Roman does not need to be satisfied as long as Roman and Julie execute a continuous marriage affidavit.
- C. The judgment against Roman does not need to be satisfied because you are sure that the “feud” will blow over and judgments against family members are not enforceable.

The Correct Answer is
B

Errors in Legal Descriptions

Attorney Anthony Starke prepared a deed for the sale of a home in R & C Estates for his friends Steve and Margaret. The legal description in the deed referenced “Lot 1, Phase 1, R & C Estates, according to the plat thereof as recorded in Plat Book 2, Page 1.” While Anthony is reviewing the deed to prepare the owner’s policy, he discovers that the correct Plat Book should have been “1” instead of “2”. Steve and Margaret are currently in parts unknown on a “business trip” and are not readily available to re-execute the deed. Anthony is unable to wait for a corrective deed because the insured Buyers are now obtaining a new bridge loan and will lose their rate lock.

Is the deed acceptable for the purposes of insuring title?

Errors in Legal Descriptions

- A. The deed is not acceptable because the legal description must be corrected and the deed must be re-executed.
- B. The deed is acceptable because a corrective deed is not necessary.
- C. The deed is acceptable because Steve and Margaret told Anthony to do anything possible to close the deal.

Errors in Legal Descriptions

The Correct Answer is
B

Not So Fast

Carroll and her husband Ford are the owners of Le Mans Manor, which they use as their homestead property. For estate planning purposes, Carroll and Ford conveyed Le Mans Manor into an enhanced life estate for Carroll, with a remainder to their friend, Miles, since they did not have any children. Shortly thereafter, Carroll passed away while testing a new concept car. Ford, heartbroken, moved out of the house and into an assisted living facility.

Miles wants to sell Le Mans Manor. For insuring purposes, can Miles convey clear title by himself?

Not So Fast

- A. Miles can convey clear title by himself since Carroll, the life tenant, died and the property immediately passed to Miles as the remainderman.
- B. Miles can convey clear title by himself since the property is no longer Ford's homestead.
- C. Miles can convey clear title by himself if the deed creating the enhanced life estate had a waiver of the restrictions on the devise of homestead property signed by Ford.

Not So Fast

**The Correct Answer is
C**



Thank You!
for attending