PassQueen
a.k.a dumpsqueen.com

Pennsylvania Producers Examination for Title Insurance Series 16-10

Insurance Licensing PA-Title-Insurance-Agent

Version Demo

Total Demo Questions: 7

Total Premium Questions: 77

Buy Premium PDF

Topic Break Down

Topic	No. of Questions
Topic 1, Title Insurance	58
Topic 2, Pennsylvania Laws and Regulations	19
Total	77

QUESTION NO: 1

Obtaining and recording releases of mortgages and reconveyances of trust deeds satisfied at closing is considered part of what process?

A. marketing

B. pre-closing

C. disbursement

D. post-closing

ANSWER: D

Explanation:

"

post-closing

" is correct because obtaining and recording a mortgage satisfaction, release, or deed-of-trust reconveyance is work that follows the settlement itself. At closing, the settlement agent collects payoff information, receives or disburses funds, and pays the lender whose lien is being satisfied. Once that payoff has been made, the lender or trustee must provide the document that evidences the lien has been released or reconveyed. The title or settlement operation then obtains that document when necessary and ensures it is recorded in the appropriate public land records.

This follow-up is essential to the completed transaction because public records must accurately show that the prior mortgage or trust deed no longer encumbers the property. Recording the release protects the buyer and lender by clearing the paid lien from the chain of title and helps preserve an accurate record for later title examinations and transfers. Pennsylvania's title-insurance regulations address title-agent conduct and recordkeeping within the regulatory framework for title insurance agents; see the Pennsylvania Code, Chapter 146. Recording and post-settlement document handling are also recognized title-industry closing controls under the ALTA Title Insurance and Settlement Company Best Practices.

QUESTION NO: 2

What requirements define which closing costs are allowable as charges to the borrower?

A. FHA

B. State

C. ALTA

D. RESPA

ANSWER: A

Explanation:

FHA is correct because FHA-insured mortgage transactions are governed by FHA program requirements that identify the fees and closing costs that may be charged to a borrower. In administering an FHA loan, the lender and settlement agent must follow the applicable FHA rules regarding borrower-paid expenses, including limitations on charges and the treatment of customary and reasonable fees connected with originating and closing the loan. These requirements are part of the federal mortgage-insurance program and are especially important to a title agent or settlement professional handling an FHA transaction, because the closing statement must accurately reflect charges that the program permits the borrower to pay.

HUD's FHA Single Family Housing Policy Handbook contains the controlling guidance for FHA-insured loans, including requirements concerning allowable fees and charges. The handbook directs mortgagees to comply with FHA policies when assessing charges in connection with an FHA mortgage. This makes FHA requirements the direct standard for determining borrower-allowable closing charges in the FHA loan-closing context. See HUD's FHA Single Family Housing Policy Handbook 4000.1 and HUD's FHA loan information.

QUESTION NO: 3

A title examination reveals that a deed in the chain of title was purportedly executed by a prior owner. Reliable evidence establishes that the prior owner's signature was forged. The principal effect of the forged deed is that it

A. conveyed no title from the purported grantor.

B. conveyed title once it was accepted for recording.

C. conveyed title unless the forgery is discovered before closing.

D. created a voidable title that is valid until a court cancels the deed.

ANSWER: A

Explanation:

The correct answer is **conveyed no title from the purported grantor**. A forgery is not the act of the person whose signature was forged. Consequently, a deed bearing a forged grantor signature is void and cannot transfer that grantor's interest, even if a later purchaser relied on the recorded instrument.

Recording the forged deed does not cure the defect or create valid title in the grantee. The title agent should require satisfactory curative action or except the resulting title defect rather than treat the recorded forged deed as a valid link in the chain of title.

QUESTION NO: 4

A manufactured home can be insured if

A. it has a motor vehicle title and is located on the insured property.

B. it is on the insured property and has a permanent foundation.

C. a mortgage has been filed describing the manufactured home.

D. the motor vehicle title has been deactivated, it is affixed and assessed as real property.

ANSWER: D

Explanation:

“the motor vehicle title has been deactivated, it is affixed and assessed as real property” is correct because title insurance insures an estate or interest in land, rather than personal property. A manufactured home initially is generally treated as a titled vehicle or chattel. For it to become part of the insurable real estate, its vehicle-title status must be removed through the applicable cancellation process and the home must be permanently affixed to the land. Its treatment for real-property assessment further evidences that the home has been converted to, and is being recognized as, part of the real estate.

Pennsylvania law specifically permits cancellation of a mobile-home certificate of title when the home is permanently mounted on a foundation and affixed to real property. That statutory procedure is central to establishing that the home is no longer being handled as separately titled personal property. Once the manufactured home is legally and physically integrated with the land as real property, it can be included in the estate or interest addressed by a title insurance policy. This approach supports accurate underwriting, proper recording and lien treatment, and clear identification of the insured land interest. See 75 Pa.C.S. § 1168 and the ALTA Owner’s Policy.

QUESTION NO: 5

All of the following are subject to false advertising regulations EXCEPT

A. letters.

B. gifts.

C. statements.

D. circulars.

ANSWER: B

Explanation:

gifts. is correct because a gift is an item or benefit provided to someone, rather than an advertisement or insurance communication. Pennsylvania's Unfair Insurance Practices Act addresses false or misleading representations made through communications used to market, describe, or promote insurance. Its false-advertising provisions specifically encompass making, publishing, issuing, circulating, or causing to be made communications such as estimates, illustrations, circulars, statements, sales presentations, and advertisements that misrepresent policy terms, benefits, dividends, financial condition, or other material insurance facts. The regulatory focus is therefore on the content and distribution of representations to the public or prospective insureds.

A gift can still be regulated in an insurance transaction when it is offered as an improper inducement to purchase insurance. That concern falls under rebating, inducements, or other market-conduct requirements, rather than the false-advertising rules being tested here. Because the question asks for the item outside the category of advertising communications, gifts are the appropriate exception. See Pennsylvania's Unfair Insurance Practices Act, particularly its provisions on false or misleading advertising, and the Pennsylvania Insurance Department's producer examination information.

QUESTION NO: 6

Which of the following is NOT among the requirements for recording a document affecting title to property in Pennsylvania?

A. The executed title insurance policy must be sent to the state insurance department.

B. The stamp of the notary must be clear and legible and nothing may be written over it.

C. The addresses of grantees must be provided on a special form appended to the document.

D. The signatures on the document must be acknowledged.

ANSWER: A

Explanation:

The executed title insurance policy must be sent to the state insurance department is the correct response because issuing a title insurance policy is separate from recording an instrument in the county real-property records. A title policy is an insurance contract that identifies the insured interest and the title risks covered as of its effective date. It is delivered or made available to the insured in connection with the transaction; it is not an instrument submitted to the county recorder as a condition of placing a deed, mortgage, release, or similar title-affecting document in the public land records. Pennsylvania's Title Insurance Companies Act regulates title insurers and their conduct, while the recording process is administered through the recorder of deeds and is concerned with the recordable instrument and its statutory recording prerequisites. Pennsylvania law specifically addresses the recording of deeds and other conveyances in the appropriate county office, demonstrating that recording is a county land-records function rather than a filing of an executed owner's policy with the Insurance Department. See Pennsylvania's recording statute at 21 P.S. § 351 and the Pennsylvania Insurance Department's title insurance resources.

QUESTION NO: 7

A statement included on a title commitment such as "record warranty deed from the owner shown in Schedule A vesting title in the proposed insured" is an example of a

A. post policy event.

B. condition.

C. standard exception.

D. requirement.

ANSWER: D

Explanation:

The correct answer is **requirement.** A title commitment is the title insurer's offer to issue a title insurance policy if stated conditions are satisfied. The instruction to record a warranty deed from the current vested owner identified in Schedule A to the proposed insured identifies an action that must occur before the contemplated owner's policy can be issued with title vested in that proposed insured. Recording the deed creates the public-record evidence of the insured's ownership and completes the transfer that the policy is intended to insure. In the standard ALTA commitment format, these pre-policy items appear in Schedule B, Part I, which is expressly titled "Requirements." Requirements may include executing, delivering, and recording deeds, mortgages, releases, affidavits, or other documents necessary to establish the intended insured estate or interest. Once the stated deed has been properly recorded and the other commitment requirements have been met, the title insurer may issue the policy subject to its listed exceptions and terms. The American Land Title Association provides the standardized commitment forms and related resources at https://www.alta.org/policy-forms/. Pennsylvania's title-insurance statutory framework is available through the General Assembly at https://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/40/00.009.100.000..HTM.