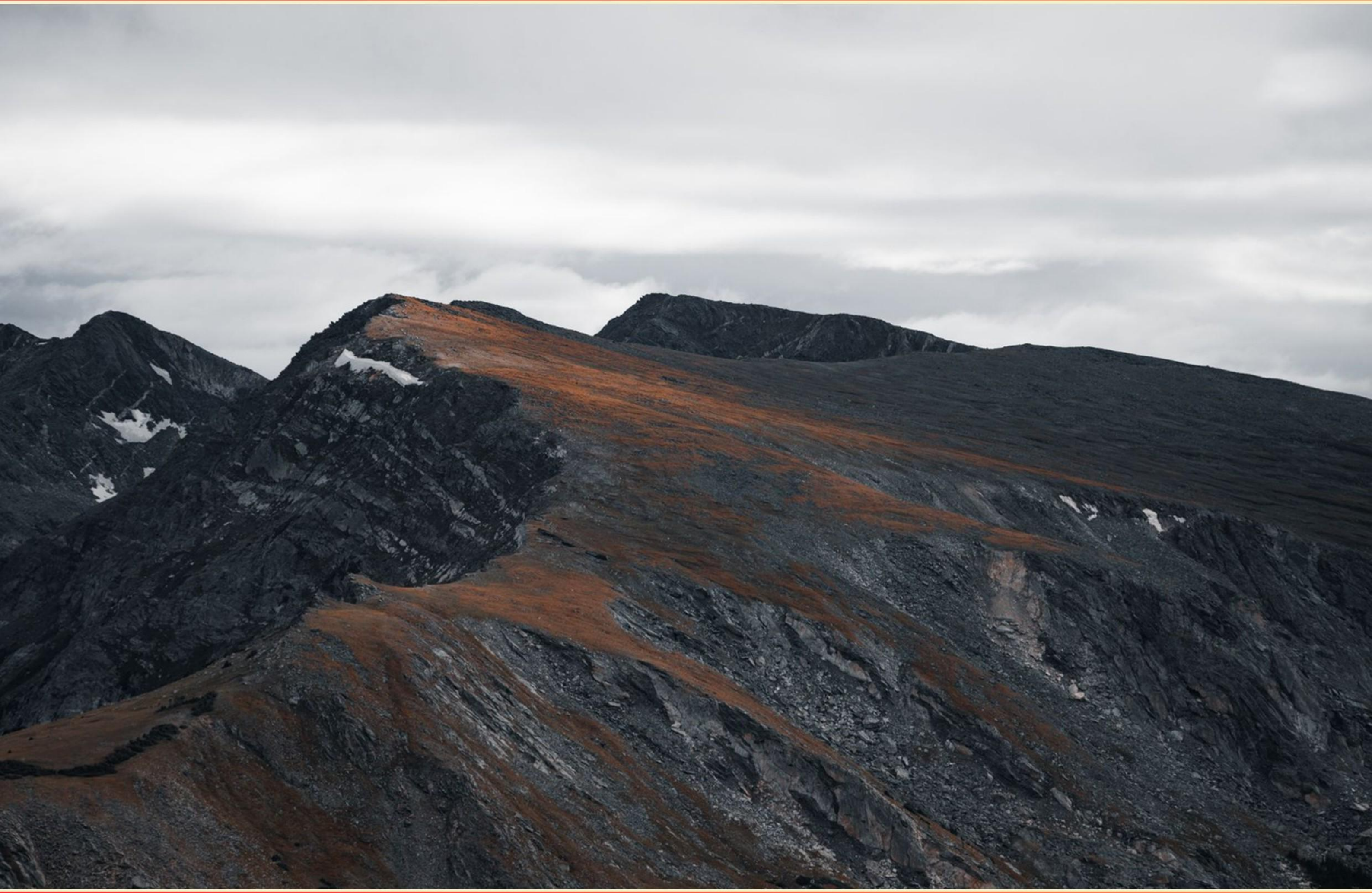
LTGC COLORADO TITLE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

https://ltgccoloradotitle.examzify.com

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

Table of Contents

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. Which action would require notification to the Division within 30 days due to fiduciary funds?

A. Title agent fails to reconcile escrow account every 45 days

B. Escrow account balances

C. Title search

D. Title agent commingled fiduciary funds

2. An evidence of title that ensures the foundation of a building on land is within the land's boundaries is most appropriately contained in:

A. Endorsement to a Policy

B. Deed

C. Guaranty

D. Binder

3. In affiliated business arrangements, payments to the referring party must be disclosed on the closing statements.

A. A PAYMENT MUST RECITE ON THE CLOSING STATEMENTS

B. A PAYMENT NEED NOT BE DISCLOSED

C. CLOSING STATEMENTS ARE NOT USED FOR DISCLOSURES

D. DISCLOSURE IS OPTIONAL

4. Which statement about agency authority in title insurance is true?

A. The license has nothing to do with defining or limiting the scope of the agent's authority.

B. The title insurance company is absolved from all liability for unauthorized acts of the agent.

C. The title insurance company is bound by all acts of the agent within the scope of the agent's apparent authority.

D. The scope of the agent's authority is limited by the terms and conditions set forth in the license.

5. Which of the following correctly describes a lot and a portion of a lot?

A. All of the above

B. The N1/2 of Lots 3 and 4

C. Lot 4 and the N1/2 of Lot 3

D. The North half of Lot 3 and all of Lot 4

6. A title search and examination must involve which two elements?

A. Reasonable examination of title and determination of insurability

B. Exhaustive examination of title and market value

C. Quick review and insurance premium estimate

D. Complete guarantee of title

7. What is the typical result of divorce on joint tenancy?

A. It Terminates Joint Tenancy

B. It Converts to Tenancy in Common

C. It Becomes Community Property

D. It Remains Unchanged

8. In a scenario where an unmarried record owner executed a deed to San Francisco and later a quit claim deed to the same property is recorded in Douglas County, which statement is true?

A. The quit claim deed is paramount

B. The deed executed Feb 1, 1977 would convey the real property to a new purchaser

C. The quit claim deed would prevail if the record owner was in fact in San Francisco at the time of the execution of the deed

D. A new deed needs to be executed

9. Which item is NOT required to be disclosed to the Insurance Commissioner regarding affiliated business arrangements?

A. Physical Location of Affiliated Businesses

B. Company's Officers

C. Settlement Producer Associated

D. Underwriter of the Title Insurance Business

10. The Colorado Title Insurance Rating Bureau serves as a _____ _____ agency to the Insurance Commissioner concerning title insurance matters.

A. State Advisory

B. Public Regulatory

C. Federal Advisory

D. Private Administrative

Answers

1. A
2. A
3. A
4. C
5. D
6. A
7. B
8. B
9. B
10. A

Explanations

1. Which action would require notification to the Division within 30 days due to fiduciary funds?

A. Title agent fails to reconcile escrow account every 45 days

B. Escrow account balances

C. Title search

D. Title agent commingled fiduciary funds

The key idea is how fiduciary funds (escrow money held for others) must be watched and reported. Reconciliation is the process of comparing the escrow ledger with bank statements to ensure every deposit, withdrawal, and disbursement is correctly recorded. There's a required timing for this check, and failing to perform the reconciliation within that window signals a governance lapse in handling fiduciary funds. When a title agent does not reconcile the escrow account at the mandated interval (for example, every month), it creates a risk that errors or misappropriation could go unnoticed. Because this represents a lapse in safeguarding fiduciary funds, it triggers a 30-day notification to the Division so regulators can respond and ensure corrective action. Escrow balances by themselves aren't inherently problematic, title searches deal with records rather than money, and while commingling fiduciary funds is a serious violation, the scenario described is specifically about the failure to reconcile within the required timeframe, which is the condition that requires reporting within 30 days.

2. An evidence of title that ensures the foundation of a building on land is within the land's boundaries is most appropriately contained in:

A. Endorsement to a Policy

B. Deed

C. Guaranty

D. Binder

The main idea is that protecting against boundary and encroachment issues is done through a title policy endorsement, not by the deed or other instruments. A deed shows who owns the land but doesn't insure that the improvements sit inside the true property lines. A guaranty is unrelated to title protection, and a binder is only a temporary commitment before the policy is issued. By adding an endorsement to the title policy—often a survey or boundary endorsement—the policy can specifically insure that the foundation (and other improvements) lie within the land's boundaries. That makes the endorsement the appropriate document for this situation.

3. In affiliated business arrangements, payments to the referring party must be disclosed on the closing statements.

A. A PAYMENT MUST RECITE ON THE CLOSING STATEMENTS

B. A PAYMENT NEED NOT BE DISCLOSED

C. CLOSING STATEMENTS ARE NOT USED FOR DISCLOSURES

D. DISCLOSURE IS OPTIONAL

Payments tied to an affiliated business arrangement must be disclosed on the closing statement to ensure transparency and protect the borrower from hidden incentives. The closing statement is the document that reveals all charges and credits, including any payments that come from referrals to an affiliated party, so the borrower can see the relationship and assess costs fairly. This requirement prevents undisclosed financial relationships from influencing the loan process. Statements suggesting disclosures aren't required or are optional don't align with this transparency rule, and claims that closing statements aren't used for disclosures are incorrect.

4. Which statement about agency authority in title insurance is true?

A. The license has nothing to do with defining or limiting the scope of the agent's authority.

B. The title insurance company is absolved from all liability for unauthorized acts of the agent.

C. The title insurance company is bound by all acts of the agent within the scope of the agent's apparent authority.

D. The scope of the agent's authority is limited by the terms and conditions set forth in the license.

The key idea is how agency authority works in title insurance. A title insurer uses agents to handle policies, so the insurer is vicariously bound by what its agents do within the authority that third parties reasonably believe the agent has. This is known as apparent authority. If an agent acts within that apparent scope, the insurer must honor those acts and be liable for them. The license the agent holds is important for qualification, but it does not by itself set or limit the scope of the agent's actual or apparent authority. The insurer isn't automatically absolved of liability for authorized acts, and the authority isn't strictly confined to what the license says. If an agent acts beyond what is apparent or actual authority, the insurer may not be bound unless there's later ratification. This is why the statement that the title company is bound by all acts of the agent within the scope of the agent's apparent authority is the correct one.

5. Which of the following correctly describes a lot and a portion of a lot?

A. All of the above

B. The N1/2 of Lots 3 and 4

C. Lot 4 and the N1/2 of Lot 3

D. The North half of Lot 3 and all of Lot 4

Describing a lot and a portion of a lot means naming one entire parcel and a defined part of another parcel. The clear way to do this is to state the portion first and then the whole, such as: The north half of Lot 3 and all of Lot 4. This shows one partial piece (the north half of Lot 3) alongside one complete parcel (Lot 4), which is the standard way to convey a lot plus a portion of another lot. If you describe two partials (for example, the north half of Lot 3 and the north half of Lot 4), you're detailing parts of two different lots rather than a whole plus a part. While stating Lot 4 and the north half of Lot 3 covers the same pieces, the conventional order places the portion first, which is why this phrasing is preferred.

6. A title search and examination must involve which two elements?

A. Reasonable examination of title and determination of insurability

B. Exhaustive examination of title and market value

C. Quick review and insurance premium estimate

D. Complete guarantee of title

A title search and examination focuses on identifying defects and encumbrances that could affect ownership and then deciding whether the title is insurable. The standard used is a reasonable examination of title, not an exhaustive audit, because the goal is to assess risk and determine insurability for a title insurance policy. The underwriter evaluates whether the title can be insured against covered risks and issues a commitment if it is insurable. Options that mention market value, quick reviews, premium estimates, or a guaranteed title don't fit this purpose: market value isn't part of the title search, premium estimates aren't determined during the title examination, a quick review may miss defects, and a title cannot be guaranteed as perfect. So the two elements are a reasonable examination of title and determination of insurability.

7. What is the typical result of divorce on joint tenancy?

A. It Terminates Joint Tenancy

B. It Converts to Tenancy in Common

C. It Becomes Community Property

D. It Remains Unchanged

Joint tenancy is built on the right of survivorship, so when a marriage ends, the four unities that create that form of ownership are typically severed by the divorce. Once severed, the property is held as a tenancy in common, usually with equal shares unless the divorce decree or agreement assigns different interests. As tenants in common, there is no right of survivorship—each ex-spouse's interest passes to their heirs or estate at death rather than to the other former spouse. This is why the typical result of divorce on joint tenancy is conversion to tenancy in common.

8. In a scenario where an unmarried record owner executed a deed to San Francisco and later a quit claim deed to the same property is recorded in Douglas County, which statement is true?

A. The quit claim deed is paramount

B. The deed executed Feb 1, 1977 would convey the real property to a new purchaser

C. The quit claim deed would prevail if the record owner was in fact in San Francisco at the time of the execution of the deed

D. A new deed needs to be executed

Recording priority is about which instrument is filed first. In Colorado, the first deed that is recorded generally takes precedence over later transfers, even if the later instrument is a quit claim. So if the deed to the person or entity named San Francisco was recorded before the quit claim was filed, that earlier recorded deed would control the transfer of title. The later quit claim simply conveys whatever interest the grantor had, but it cannot override a prior recorded deed. Therefore, the February 1, 1977 deed would convey the real property to the new purchaser, since it was recorded first. The other options don't fit the principle that recording order governs priority, and a new deed isn't required to establish a valid transfer beyond the existing recorded priority.

9. Which item is NOT required to be disclosed to the Insurance Commissioner regarding affiliated business arrangements?

A. Physical Location of Affiliated Businesses

B. Company's Officers

C. Settlement Producer Associated

D. Underwriter of the Title Insurance Business

Disclosures about affiliated business arrangements focus on who is involved, where they operate, and who backs the title insurance, so regulators can monitor for conflicts of interest and ensure proper supervision of referrals and fees. The Insurance Commissioner expects to see the physical location of each affiliated business, the settlement producer associated with the arrangement, and the underwriter of the title insurance. These items help confirm the structure and conduct of the arrangement. The officers of the company aren't part of the information the commissioner needs to evaluate the ABA's regulatory compliance, so they aren't required to be disclosed.

10. The Colorado Title Insurance Rating Bureau serves as a _____ _____ agency to the Insurance Commissioner concerning title insurance matters.

A. State Advisory

B. Public Regulatory

C. Federal Advisory

D. Private Administrative

The key idea is recognizing the Colorado Title Insurance Rating Bureau as a state-level advisory body to the Insurance Commissioner on title insurance matters. It exists to provide information, analysis, and recommendations to assist the Commissioner in decisions about title insurance ratings and practices, not to enforce rules or regulate the market itself. That role is handled by the state regulator. So the best description is that it is a state advisory agency. It isn't a federal body, a private administrative entity, or a public regulatory agency with its own enforcement power, which is why the other options don't fit as well.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://ltgccoloradotitle.examzify.com

We wish you the very best on your exam journey. You've got this!