



Hotsheet

The TitlePLUS^{®1} Program Insures Common Elements Condominiums and Parcels of Tied Land in Ontario

The *Condominium Act, 1998*,² allows the creation of “Common Elements Condominium Corporations.” Purchasers who acquire percentage interests in these corporations also obtain title to parcels of tied land (“POTLs”). The owner of a POTL cannot deal with it separately from the associated interest in the common elements condominium corporation.

Only one TitlePLUS policy is needed to insure purchases and/or mortgages of POTLs, with their accompanying interests in common elements condominium corporations. Please follow the instructions in this Hotsheet when completing these applications on titleplus.lawyerdonedeal.com.

Instructions for Applications

1. POTL

A POTL may be a freehold property, condominium, or a leasehold property.³ Our usual underwriting requirements for these types of properties apply.⁴ If the POTL is a condominium, under “Property Type,” choose “condominium.” If the POTL is a freehold property, choose “freehold,” even though the freehold parcel is tied to an interest in a common elements condominium corporation. Complete the application as you normally would for a condominium or freehold property.

2. Interest in Common Elements Condominium Corporation

In the same application as the POTL, in the “Due Diligence/Certificate of Title” section, choose “Other” from the “Action List.” A free text box will open. Enter “Purchaser/Borrower buying/mortgaging (*insert percentage*) interest in (*name of common elements condominium corporation*). TitlePLUS Underwriting Counsel review required.” Then, under “Action,” choose “Insure Over.” This will trigger a manual review of the application by TitlePLUS Underwriting Counsel, who will attach the TitlePLUS Common Elements Condominium Endorsement to the policy to be generated by the application.

3. Legal Description (on titleplus.lawyerdonedeal.com)

- (a) **For purchase applications:** In the Legal Description field, choose “Input text below.” Enter the legal description of the POTL, and add “together with a (*insert percentage*) undivided interest in (*name of common elements condominium corporation*).”
- (b) **For mortgage-only applications:** In the Legal Description field, enter the legal description of the POTL, and add “together with a (*insert percentage*) undivided interest in (*name of common elements condominium corporation*).”

4. Additional Due Diligence for Interest in Common Elements Condominium Corporation

- (a) **For purchase applications:** Obtain a Status Certificate for the interest in the common elements condominium corporation which is being purchased. Discuss any problems disclosed by the Status Certificate with a TitlePLUS Underwriting Counsel.
- (b) **For mortgage-only applications:** If the mortgage exceeds 80% of the value of the POTL and the interest in the common elements condominium corporation, either:
 - (i) obtain a copy of a Status Certificate issued within the past 2 years AND obtain verbal confirmation that there are no arrears of common expenses or special assessments pending; or
 - (ii) obtain an up-to-date Status Certificate.

Discuss any problems disclosed by the Status Certificate with a TitlePLUS Underwriting Counsel.

For mortgages for 80% or less of the value of the POTL and the interest in the common elements condominium corporation, no Status Certificate is required.

For further information, please contact the TitlePLUS Customer Service Centre.

¹ The TitlePLUS policy is underwritten by Lawyers' Professional Indemnity Company (LAWPRO®). Please refer to the policy for full details, including actual terms and conditions.

² S.O. 1998, chapter 19.

³ Where the POTL is a leasehold property, please contact a TitlePLUS Underwriting Counsel at 1-800-410-1013 or 416-598-5899. Leasehold policies cannot be done on-line.

⁴ Where the price or principal amount of the mortgage of the POTL and the interest in the common elements condominium corporation is over \$1,000,000, further searches will be required. Please contact a TitlePLUS Underwriting Counsel.

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