

# TitlePLUS<sup>®</sup>

## Hotsheet

### Updated TitlePLUS<sup>®1</sup> Underwriting Requirements re: Building Issues for Purchase of Resale Freehold Homes in Ontario for applications commenced on or after February 15, 2011

This Hotsheet outlines the TitlePLUS underwriting applicable to purchase applications for resale freehold homes<sup>2</sup> up to \$1 million<sup>3</sup> created on or after February 15, 2011 (on [titleplus.lawyerdonedeal.com](http://titleplus.lawyerdonedeal.com) and RealtiWeb<sup>®</sup>). Help is available in the Tips, in the Help menu and in the updated TitlePLUS Quick Facts for Residential Purchase Transactions (February 15, 2011).

#### I. Building Department Search

A Building Department search **is not required** for:

- (a) new homes;
- (b) condominiums; or
- (c) vacant land.

A Building Department search **is not required** for single family dwellings, unless one of the following applies:

1. The client is buying in one of the following circumstances (“purchase after default/forfeiture”):
  - (a) from a mortgage lender under power of sale;
  - (b) from a mortgage lender that foreclosed;
  - (c) from CMHC or another mortgage insurer, such as Genworth Financial;
  - (d) under a court sale;
  - (e) under an execution or judgment;
  - (f) from a trustee in bankruptcy or receiver;
  - (g) under a tax sale (e.g., a sale by a municipality for arrears of realty taxes); or
  - (h) from the federal or provincial government, if it obtained title by forfeiture,
- or**
2. The property is in the City of Greater Sudbury.<sup>4</sup>

A Building Department search **is required** for properties containing two to four dwelling units (“multi-unit properties”).<sup>5</sup>

For multi-unit properties and/or purchases after default/forfeiture:

- **Where a Building Department search is done**, the TitlePLUS policy will contain an exception to coverage for lack of building permits or lack of approval from a conservation or similar authority.
- **Where a Building Department search is not done**, the TitlePLUS policy will contain an exception to coverage for work orders, zoning, lack of building permits, lack of approval of work done under building permits, or lack of approval from a conservation or similar authority.

These exceptions will be automatically insured over for mortgage lenders insured under the policy.

#### Properties in London, Thunder Bay or Windsor

Where a Building Department search is required in these municipalities, additional searches must be done. Please view the Help links on [titleplus.lawyerdonedeal.com](http://titleplus.lawyerdonedeal.com) or RealtiWeb, or call the TitlePLUS Customer Service Centre for more information.

### **Properties in Unorganized Territories**

Where a Building Department search is required for properties in unorganized territories, please view the Help links on [titleplus.lawyerdonedeal.com](http://titleplus.lawyerdonedeal.com) or RealiWeb, or call the TitlePLUS Customer Service Centre for more information.

Verbal responses to the Building Department search are acceptable, provided the full name, position and phone number of the person at the municipality who provided the information are noted in your file. Where the municipality provides information on work orders and open permits online, an online response is acceptable provided that it is printed and retained in your file.

## **II. Registration and Licensing Requirements for Multi-Unit Properties**

For multi-unit properties in municipalities which require registration or a licence, you must confirm that the property is registered or licensed. For boarding, lodging or rooming houses containing up to four rooms or units in municipalities which require a licence, you must confirm that the property is licensed.

## **III. General Information re: Building Issues**

Regardless of whether a Building Department search is required, you must enter exceptions to coverage where you have knowledge of:

- work orders or open permits that will not be removed or inspected and closed before closing;
- work that was done on the property without the necessary permit (unless the necessary permit will be issued, the work inspected and the permit closed before closing); or
- matters that would adversely affect the purchaser's ability to use the property as a year-round residential dwelling, or raise other concerns about the property.

You are not, however, required to make any specific inquiries of your client or others to fulfil your obligations under this section.

If you have any questions about this underwriting, please contact your TitlePLUS Area Consultant or the TitlePLUS Customer Service Centre at 1-800-410-1013.

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

<sup>2</sup> For residential properties with five or more units, please contact us to obtain a commercial policy.

<sup>3</sup> Different search requirements apply to transactions from \$1 to \$2 million. Please call for details. The TitlePLUS program does not provide policies for transactions where the purchase price or mortgage amount exceeds \$2 million.

<sup>4</sup> A Property Search Request is required. Without this search, the transaction is ineligible for a TitlePLUS policy. Please contact the TitlePLUS Customer Service Centre for more information.

<sup>5</sup> Where multi-unit property, also confirm that: (a) there are no work orders issued by the Electrical Safety Authority or Fire Department; and (b) the property complies with electrical and fire requirements, including retrofit.

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(February 1, 2011)