



Hotsheet

Update: Royal Bank of Canada “Approved Exceptions”

We are pleased to announce that effective immediately, several additions have been made to the list of “Approved Exceptions” for Royal Bank of Canada, Royal Trust Corporation of Canada and The Royal Trust Company (collectively “RBC”).

As a reminder, in applications for TitlePLUS[®] policies¹ where RBC is the mortgage lender, “Approved Exceptions” should be entered in the Action/Issues List with an action of “Remain Outstanding.” For these exceptions, there is no need to:

- 1 request an “insure over”;
- 2 add the words “This exception does not apply to Royal Bank of Canada”; or
- 3 contact RBC to request approval of the exception.

Where RBC is the lender, exceptions to coverage **other than** “Approved Exceptions” should be entered as “insure over” requests in your TitlePLUS applications.

The following is a complete list of RBC “Approved Exceptions”:

Existing

- (1) registered restrictions or covenants running with the land, provided there is no specific instance of non-compliance;
- (2) minor easements for the supply of domestic utility or telephone services to the property or adjoining properties;
- (3) easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property;
- (4) ores, mines and/or mineral rights being reserved and/or excepted from title, or the ownership of the surface of the land being separated from the underlying ores, mines and/or mineral rights;

New

- (5) terms and conditions of the leasehold estate, including the manner of using and enjoying the property, restrictions on the use of the property, rent payable under the lease, restrictions on subletting and assignment of the leasehold estate, and/or compliance with the terms and conditions of the lease regarding any option to purchase the property and/or renew the term of the leasehold estate;
- (6) vacant land, including the absence of any improvements on the property or the existing zoning;
- (7) builder’s right of re-entry to correct grading and drainage and to complete obligations under the subdivision agreement;
- (8) easements for access, mutual drives, walkways, and/or maintenance of adjoining properties;
- (9) easements, rights and reservations in favour of mining companies that occur commonly in the District of Sudbury and other areas of northern and western Ontario;
- (10) reservations in favour of the provincial or territorial government regarding the harvesting of timber, reservations restricting the use of navigable waters as may be necessary for fishery purposes, and/or reservations of a part of the property for roads;

- (11) environmental Records of Site Condition for properties in Ontario;
- (12) reciprocal, cost-sharing and shared facilities agreements between condominium corporations and/or developers of condominiums;
- (13) second mortgages on purchase transactions where both the first and second mortgages are to RBC;
- (14) for properties in Nunavut, in addition to the items set out in Approved Exception (5) above, terms and conditions of the leasehold estate as set out in the lease, including:
 - i. reservations in favour of the Commissioner of Nunavut or the Commissioner of the Northwest Territories as set out in the lease, including reservations for:
 - a. mines and minerals found on, upon or under the land;
 - b. rights of recorded holders of mineral claims and any other claims or permits affecting the property;
 - c. timber that may be on the property;
 - d. the right to enter upon, work and remove any rock outcrop required for public purposes;
 - e. rights of way and rights of entry required under regulations in force in connection with construction, maintenance and use of works for the conveyance of water for use in mining operations; and
 - f. the right to enter the property for the purpose of installing and maintaining any public utility;
 - ii. rent payable by a condominium corporation as fixed by the Commissioner of Nunavut or the Commissioner of the Northwest Territories pursuant to the lease; and
 - iii. unregistered right of re-entry in favour of the Commissioner of Nunavut or the Commissioner of the Northwest Territories, its agents and assigns for the purpose of constructing, operating, maintaining, repairing, replacing or removing public utilities;
- (15) any exception where RBC's written instructions to the lawyer indicate that RBC does not require the corresponding search or due diligence (e.g., Certificate of Approval/Use Permit/municipal or governmental approval of private septic system);
- (16) incomplete building with open building permit, where RBC is financing construction on the property; and
- (17) existing tenancies, including any illegality or unenforceability of rent, where RBC's written instructions to the lawyer indicate that RBC is financing the property on the basis that the property is to be rented.

The above instructions are also included in the Confirmed Lenders Chart.²

Manual Reviews

Applications containing one or more of exceptions (5) through (17) will continue to be the subject of manual reviews until we implement these changes electronically. However, when a manual review is triggered **only** because of one or more of these exceptions in the application, we will approve the application without contacting you about the manual review.

If you have any questions, please contact the TitlePLUS Customer Service Centre at 1-800-410-1013 or 416-598-5899.

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 See the latest version of the TitlePLUS Confirmed Lenders Chart on titleplus.ca to determine what exceptions are "Approved Exceptions" for other lenders.

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