

Search Guidelines

A Reference Tool for Lawyers/Notaries



Use this as a reference when working on one of the following residential real estate transactions:

X = search not required

A. Single Family Purchase transaction	Homeowner Policy	Loan Policy
Zoning	X	X
Building compliance, work orders	Search not required as there is no coverage	X
Corporate profile**	Case-by-case	Case-by-case
Corporate status	X	X
Executions prior to registered owner	X	X
Fire department work order*	Search not required as there is no coverage	X
Subdivision/development compliance	X	X
Taxes	Verbal or vendor's undertaking	Verbal or vendor's undertaking
Title search*	Full search required	Full search required
Unregistered easements	X	X
Utilities	Verbal or vendor's undertaking	X
Where applicable		
Conservation authority*	Search not required as there is no coverage	X
Private septic search:		
▶ Work orders	Search not required as there is no coverage	X
▶ Permit	Search not required as there is no coverage	X
Water potability	Not covered	X

B. Condominium Purchase transaction	Homeowner Policy	Loan Policy
Building compliance, zoning, work orders	X	X
Corporate profile**	Case-by-case	Case-by-case
Corporate status	X	X
Executions prior to registered owner	X	X
Fire department work order	X	X
Status certificate*	Search required	X
Subdivision/development compliance	X	X
Taxes	Verbal or vendor's undertaking	Verbal or vendor's undertaking
Title search*	Full search required	Full search required
Unregistered easements	X	X
Utilities	Verbal or vendor's undertaking	X
Where applicable		
Conservation authority*	Search required	X
Private septic search:		
▶ Work orders	X	X
▶ Permit	X	X
Water potability	Not covered	X

X = search not required

C. 2 to 6 Units or Rooming House or Live/Work Units Purchase transaction	Homeowner Policy	Loan Policy
Zoning	Search required	X
Building compliance, work orders	Search not required as there is no coverage	X
Corporate profile**	Case-by-case	Case-by-case
Corporate status	X	X
Executions prior to registered owner	X	X
Fire department work order	Search not required as there is no coverage	X
Subdivision/development compliance	X	X
Taxes	Verbal or vendor's undertaking	Verbal or vendor's undertaking
Title search*	Full search required	Full search required
Unregistered easements	X	X
Utilities	Verbal or vendor's undertaking	X
Where applicable		
Conservation authority*	Search not required as there is no coverage	X
Private septic search:		
▶ Work orders	Search not required as there is no coverage	X
▶ Permit	Search not required as there is no coverage	X
Water potability	Not covered	X

D. Refinance/Non-Purchase Mortgage Transactions	Homeowner Policy	Loan Policy
Same as A, except: executions: Land Titles only	N/A	Registered owner
Executions: Registry	N/A	From transferees of last arm's length transfer
Status certificate	N/A	X
Taxes	N/A	Verbal or other evidence of payment
Title search*	N/A	Sub search to last arm's length transfer

E. Existing Homeowner Policy	Homeowner Policy	Loan Policy
Title search*	Sub search to last arm's length transfer	N/A

X = search not required

These searches are not required for the purpose of issuing a title insurance policy. There may be instances where the Lender may still require you to perform some or all of these searches or instances where it is prudent to conduct some or all of the customary searches. You must advise us of any adverse matters that are revealed up to the closing date.

* Where searches are required, you must advise us of any adverse matters revealed by the search, or advise us if the search will not be completed and coverage may be limited accordingly. If evidence of compliance is available without completing the search, underwriting may choose to waive the search requirement upon review of such evidence. Status certificates must be dated within 60 days of closing.

**In the event that you do not know your client, you may be requested to perform a corporate profile search.

Frequently Asked Questions

1) Do I have to update my title search prior to closing?

FCT requires that a title search is completed no more than 60 days prior the closing date, provided that you conduct a last registered instrument search prior to registration and confirm that the last instrument number from your search is the same. FCT requires updated title searches if:

- your previous search was completed outside of **60 days** prior to closing; or
- the last registered instrument search on the day of closing reveals that the last instrument number is not the same.

2) Do I have to update my execution search prior to closing?

FCT requires an updated execution search only if your previous search was executed outside of 14 days (or 10 business days) prior to closing.

3) When is a property considered urban?

A property is considered urban if it is connected to a municipal sewer and/or water system. If the property does not meet one of these criteria and the lawyer has additional information that confirms the property is urban, the file may be underwritten on a case-by-case basis.

4) Under what circumstances would a lender and a homeowner receive automatic survey coverage?

Lenders automatically receive survey coverage regardless of property type. Homeowners automatically receive survey coverage, unless a part of the property is bound by water (waterfront lots). Waterfront lots may be underwritten for survey coverage provided all satisfactory information regarding lot size, location of any improvements made to the property, and duration of vendor's ownership is supplied.

5) When insuring a homeowner and a lender on a condominium property, do I have to order a status certificate?

When the property being purchased is a condominium unit, a status certificate dated within 60 days prior to closing must be obtained and reviewed by the lawyer ordering the policy. A status certificate is not required when only a loan policy is being purchased.

6) What if the status certificate is dated more than 60 days before the closing date?

If the status certificate was issued more than 60 days before closing, we will accept the condominium corporation's verbal confirmation that there have been no material changes to the information contained in the status certificate since the date it was issued. If such verbal confirmation is unavailable, please call our underwriting department before ordering a new certificate — as we may be able to waive this 60-day requirement.

7) When insuring a homeowner or a lender in a purchase transaction, do I have to obtain a verbal or written confirmation of the tax and utility account payment status?

For a new home purchased from a builder, the standard vendor's undertaking is acceptable, and we do not require verbal or written confirmation. For a resale home purchase, we ask that you attempt to obtain verbal confirmation, but we do not require written confirmation. If you are unable to obtain verbal confirmation, we will accept the vendor's standard undertaking to pay all outstanding taxes and utility accounts to the date of closing. We would suggest that you still provide the various municipal/utility offices with a notice of change of ownership.

When insuring the lender only, we do not require verbal or written confirmation, provided the vendor's standard undertaking will be obtained on closing. With respect to a refinance/non-purchase mortgage transaction, we require confirmation that the realty taxes are in good standing and evidence of payment or a declaration provided by the borrower is sufficient.

8) Are utility arrears and unpaid final bills covered?

The homeowner and loan policies provide coverage for utility arrears and unpaid final bills provided they form a lien against the property.

9) When insuring a home owner and a lender, is coverage available for a private septic system?

The loan policies provide coverage for loss resulting from work orders that existed as of the policy date, if the septic system was built without a permit and/or if it encroaches onto adjoining lands or an easement. The homeowner is protected against loss if the septic system encroaches onto adjoining lands or an easement.

Frequently Asked Questions

10) Does the policy cover water potability?

Potability of water from a private water source is not covered under the policy for the home owner. For the lender however, a potability endorsement is attached to every loan policy throughout Canada, when we are advised that the water is supplied from a private water source. This endorsement provides the lender with additional coverage should it suffer a loss because the water was not potable as of the Policy Date.

11) Is coverage available for environmental matters?

Yes, both policies provide coverage when:

- ▶ The violation or the enforcement of these matters appear on title;
- ▶ The land is unmarketable because it violates an existing zoning by-law; and/or
- ▶ The homeowner is forced to remove or remedy the existing structure or cannot use it for single-family residential purposes because it violates an existing zoning by-law.

If you know that the land is subject to an environmental matter, you must disclose this information to us, as it will form an exception to the homeowner policy. If additional information is available, the file may be underwritten on a case-by-case basis.

If you are aware that the land is zoned “environmentally protected,” you must also advise us accordingly. We will require evidence that the land complies with the legislated Environmental Protection Act, or there will be an exception to the homeowner policy. The loan policy will not receive an automatic exception, but the matter will be reviewed and may be underwritten on a case-by-case basis.

12) How is FCT responding to the increase in real estate title fraud cases?

FCT has implemented a number of additional underwriting measures designed to prevent fraud before it takes place. As a result, certain files may be forwarded to underwriting for further review and we may contact you for additional information. This extra due diligence is a necessary step to protect you and your clients from the devastating effects of real estate title fraud.

13) My clients purchased their home several years ago and are now purchasing an Existing Homeowner Policy. How is the policy amount determined?

We will accept an estimated value as the policy amount, however, in the event of a claim, we have the right to obtain a retroactive appraisal of the property. In the event we do exercise this right, the policy amount will be deemed the lesser of the policy amount shown in Schedule A of the policy, or the value of the land as shown in the retroactive appraisal.

14) Do I have to search for unregistered hydro easements?

We do not require that you conduct a search for unregistered hydro easements, which are covered under the terms of the policy. However, if you have reason to believe, for example by the presence of transmission towers or a notation on a survey, that the land might be subject to an unregistered hydro easement, you must advise us accordingly, and we may add an exception for this.

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