

# Search Guidelines

A Reference Tool for Lawyers/Notaries

New Brunswick  
Newfoundland  
Nova Scotia  
Prince Edward Island



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

X = search not required

A. Single Family or 2 to 6 Units (Urban) Purchase transaction	Homeowner Policy	Loan Policy
Municipal compliance, zoning, work orders	X	X
Corporate status	X	X
Judgments prior to registered owner	X	X
Fire department work order	X	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
<b>Where applicable</b>		
Environmental authority*	Search required	X
Private septic search:		
▶ Work orders	X	X
▶ Permit	X	X
Water potability	Not covered	X
<b>If corporate vendor</b>		
Workers H&S clearance	X	X
Revenue Canada clearance	X	X
Dept. of Finance clearance	X	X
Bankruptcy search	X	X
Labour Standards search	X	X

B. Single Family or 2 to 6 Units Purchase transaction	Homeowner Policy	Loan Policy
Same as A, except: unregistered easement*	Vendor's declaration required	X

C. Condominium Purchase transaction	Homeowner Policy	Loan Policy
Municipal compliance, zoning, work orders	X	X
Corporate status	X	X
Fire department work order	X	X
Judgments prior to registered owner	X	X
Estoppel Certificate*	Certificate required	X
Subdivision/development compliance	X	X
Taxes*	Verbal or vendor's undertaking	Verbal or vendor's undertaking
Unregistered easements	X	X
Title search*	Full search required	Full search required
Utilities*	Verbal or vendor's undertaking	X
<b>Where applicable</b>		
Environmental authority*	Search required	X
Water potability	Not covered	X

**X = search not required**

<b>C. Condominium Purchase transaction</b>	<b>Homeowner Policy</b>	<b>Loan Policy</b>
<b>If corporate vendor</b>		
Workers H&S clearance	X	X
Revenue Canada clearance	X	X
Dept. of Finance clearance	X	X
Bankruptcy search	X	X
Labour Standards search	X	X

<b>D. Rooming House or Live/Work Units Purchase transaction</b>	<b>Homeowner Policy</b>	<b>Loan Policy</b>
Municipal compliance, zoning, work orders*	Search required	X
Corporate status	X	X
Judgments prior to registered owner	X	X
Fire department work order*	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
<b>Where applicable</b>		
Environmental authority*	Search required	X
Private septic search:		
▶ Work orders	X	X
▶ Permit	X	X
Water potability	Not covered	X
<b>If corporate vendor</b>		
Workers H&S clearance	X	X
Revenue Canada clearance	X	X
Dept. of Finance clearance	X	X
Bankruptcy search	X	X
Labour Standards search	X	X

<b>E. Rooming House or Live/Work Units (Non Urban) Purchase transaction</b>	<b>Homeowner Policy</b>	<b>Loan Policy</b>
Same as D, except: unregistered easement*	Vendor's declaration required	X

<b>F. Refinance/Non-Purchase Mortgage transaction</b>	<b>Homeowner Policy</b>	<b>Loan Policy</b>
Same as A, except: Judgments: Registry	N/A	From transferees of last arm's length transfer
Judgments: Land Titles (NS) only	N/A	Registered owner
Estoppel 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
If mortgage triggers migration to Land Titles (NS & NB)	N/A	Full search required

<b>G. Existing Homeowner Policy</b>	<b>Homeowner Policy</b>	<b>Loan Policy</b>
Title search*	X	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 (or other evidence) 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. Estoppel Certificate must be dated within 60 days of closing.

## Frequently Asked Questions

### 1) 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.

### 2) 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.

### 3) When insuring a homeowner and a lender on a condominium property, do I have to order a Estoppel Certificate?

When the property being purchased is a condominium unit, an Estoppel Certificate dated within 60 days prior to closing must be obtained and reviewed by the lawyer ordering the policy. An Estoppel Certificate is not required when only a loan policy is required for the purpose of obtaining a title insurance policy.

### 4) What if the Estoppel Certificate is dated more than 60 days before the closing date?

If the Estoppel 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 Estoppel 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.

### 5) 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 such 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 the lawyer 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.

### 6) 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.

### 7) Is water potability covered?

Potability of water from a private water source is not covered under the homeowner policy. For the lender, however, a potability endorsement is attached to every loan policy 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.

### 8) When insuring a homeowner and a lender, is coverage available for a private septic system?

The homeowner and 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.

### 9) Are there any special requirements if the land is under the jurisdiction of a conservation authority?

If you are aware that the land is under the jurisdiction of a conservation authority, you must advise us accordingly. We will require evidence from the conservation authority that the land complies with its requirements, or there will be an exception to the homeowner policy.

## Frequently Asked Questions

### 10) Is coverage available under the policy for environmental matters?

Yes, the policy provides coverage when:

- ▶ The violation or the enforcement of these matters appear on title;
- ▶ There are work orders, unless the homeowner has agreed to be responsible for them;
- ▶ 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 all applicable environmental legislation, 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.

### 11) 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. We trust that you appreciate our due diligence in order to protect you and your clients from the devastating effects of real estate title fraud.

### 12) 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.

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