

IV. How to Read a Survey

Make sure to examine the survey for the following at a minimum:

Does the survey conform to the description of the property in the title deed and/or subdivision plat?

Does the survey show the same acreage as shown in the deed?

Does the survey reveal any gaps in the description?

If the survey is of more than one lot, are the lots contiguous?

Are all of the improvements within the boundary lines?

Are there encroachments onto the subject property?

Are there driveways, party walls or rights of way in common with others?

Are there violations of restrictions, setback lines or terms and conditions of the subdivision plat?

Do improvements encroach into right of way?

If a boundary or ALTA survey, does the survey show all easements benefiting or burdening the subject property, rights of way, setback lines and other matters of record?

Is there access to a public way? Does the survey show a pier or bulkhead?

Does the survey show completed improvements as opposed to proposed construction/foundation?

If a fence is shown, to whom does it belong? Is there a flood zone certification?

If a fence belongs to the subject property, is it on the property line, inside the line, or encroaching onto an adjoining property?

If the fence belongs to a neighbor, does it encroach into the subject premises?

What is the status of the title to any land lying between the fence line and the property line?

Does any part of the property lie in the bed of any road, street, alley, sidewalk or other right of way?

Does any part of the property border on or lie in the bed of any stream, river, lake or other body of water?

V. To Survey or Not to Survey

Generally, survey coverage can be provided to an insured lender based upon the review of a current survey (no more than six months old) which shows the location of the completed foundation, all decks, walkways, easements, setback lines, etc. Under certain circumstances, an underwriter may be willing to give such coverage without a survey.

If there is a survey, and if the survey shows encroachments, setback line violations, etc., contact your underwriter for direction in whether or not to take exception for those matters in the commitment and/or policy. Depending on the nature of the violation, and with the approval of your underwriter, affirmative coverage may be given to lenders only that such a violation will not cause a forfeiture or reversion of title.

VI. Survey Coverage

When providing survey coverage based upon the review of a current survey in a purchase transaction (or based upon a prior survey in a refinance transaction, a survey endorsement must be issued in order to remove the standard survey exception. Any violations, encroachments, etc. disclosed by the survey must be shown as exceptions on Schedule B of the lender's final policy. Affirmative coverage over matters may still be given when appropriate (which is deemed by your underwriter).

The survey exception should not be removed from Schedule B of the commitment or loan policy by "crossing" it out or noting it as "deleted" or "removed" or similar language. However, when requested by a lender, a Survey Endorsement or Survey Endorsement (Without a Survey) marked sample could be included with the commitment. Other times, simply stating that the survey exception will be removed from the final loan policy would be sufficient.

VI. Survey Endorsements

There are two types of survey endorsements available to lenders today. The first is the general “Survey Endorsement” and the second, newer option is the “Survey Endorsement without a survey”. The requirements for each endorsement will vary by underwriter, but the general definition is simple.

A general “Survey Endorsement” simply means that there is a survey to review. Depending on your underwriter’s requirements, you will have either a new survey (usually on a purchase) or a survey that was completed in the past, usually within ten years (usually on a refinance). In order for the survey endorsement to be issued, thus eliminating the survey exception on the lender’s policy, the survey must be reviewed for encroachments, etc. When the survey endorsement is attached to the final lender’s policy, it must be completed by inserting the required information regarding the survey on file.

The “Survey Endorsement without a survey” means that survey coverage is being given to the lender without a current survey being obtained. Usually, this involves an additional fee since the underwriter is taking on additional risk to issue this policy. You may see this more often on a refinance transaction, however, lenders don’t always require a new survey on a purchase nowadays. It might be a good idea to have the borrower(s) sign a “Waiver of Survey” form to give them the option of still obtaining a survey. Most often, this endorsement will be a quarter of the cost of obtaining a new survey.