



## Title Insurance for Lending Professionals

Stewart Title offers residential and commercial loan policies to insure that, as of the closing date, the mortgagee has a valid and enforceable interest in the insured property and that the mortgage has the expected priority.

Our loan policies protect against losses arising from defects in title, unmarketability of the title, and title to the property not being vested in the borrower. Depending on the nature and amount of the policy (and where applicable, the due diligence performed), losses due to certain off-title matters such as zoning, work orders, and taxes are also covered.

In many circumstances, the protection afforded under a title insurance policy surpasses that of a standard legal opinion on title. Our custom underwriting can insure over unusual property-specific title or off-title problems, reducing the possibility of facing a delayed closing.

### **Overview of Policy and Coverage**

#### *Priority*

By obtaining title insurance, a lender is indemnified against losses if the priority of the insured mortgage is not as insured.

#### *Fraud Coverage*

Lenders are protected against losses on both residential and commercial transactions in the event that the validity or enforceability of the insured mortgage is challenged due to borrower fraud. Residential loan policies also protect lenders in the event that the insured mortgage is fraudulently discharged, assigned, released, transferred or modified after closing.

#### *Survey Coverage*

Provided for all residential properties of up to six units. Survey coverage is also available in all commercial loan policies, regardless of the policy amount.

#### *Gap Coverage*

When registration cannot be completed on the date of closing due to delays in provincial land registration systems or because of unexpected events, gap coverage can protect both lenders and purchasers against intervening registrations between the date of closing and the date of registration (providing all underwriting criteria are met). This allows the transaction to close on time, with funds being released to the respective parties.

#### *Septic Coverage*

For residential properties of up to six units, Stewart Title provides comprehensive coverage with respect to the legal status of the septic system without the need to conduct a written septic inquiry with the local governing authority.

### *Securitization of Mortgage Portfolios*

For lenders looking to trade or securitize their residential and commercial mortgage portfolios on the world market, title insurance can provide standardized protection and is recognized worldwide.

### *Defence of Title*

Our post-closing obligations include paying the costs, legal fees and expenses incurred in defending the lender's interest in title to the extent that a title challenge is based on a covered risk in the policy. This duty continues until such time as the claim is resolved.

### *No-Fault Claims Process*

In the event of a claim, it is not necessary to pursue the lawyer/notary acting on the transaction and establish negligence. Claims are handled without having to commence proceedings against third parties in order to recover losses.

### **Lawyer's/Notary's Opinion on Title**

Lawyers/notaries play an important role in each transaction as their legal opinions are greatly relied upon when issuing our policies. Working as the conduit between borrower, lender and title insurer, legal professionals continue to provide valuable independent legal advice. They are also responsible for preparing and registering the mortgage, while coordinating other elements of the transaction such as title searches, document preparation and advising on legal issues.

### **Making a Claim**

Stewart Title is experienced in handling claims, focusing on each claim within a professional, resolution-oriented framework, while ensuring a timely, simplified and proactive approach to title related problems.

### **An Experienced, Reliable Leader**

A leading global title insurer, Stewart Title has over a century of experience in protecting lenders and property owners against inherent title risks. With a history of working with lenders, legal professionals and property owners/buyers, Stewart Title has the expertise and know-how needed to handle both your residential and commercial real estate transactions.

**Contact us for more information.**

#### **Canadian Head Office (Toronto)**

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#### **Québec**

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