



Ask Your Underwriter

■ Linda M. Hernandez, Florida State Underwriter

Question: Are we required to get homeowner or condo association estoppel letters on residential refinances?

Answer: No, when dealing with refinances of residential (1-4 family) properties, you are not required to obtain estoppel letters from either condominium or homeowner associations.

The reason is simple. As to condominium assessments, we take exception to any losses resulting from the provisions and limitations contained in *Florida Statute 718.116* regarding the “relation back” of liens to the date of filing the declaration of condominium. Consequently, we have no exposure.

As to homeowners associations, there are no statutes creating a “relation back” provision, so the issue of priority is clear: homeowner assessment liens must be recorded and their priority established by the date of recording. When dealing with refinances—first, junior, or equity line mortgages—we do NOT need to obtain estoppels from the homeowners association. Our only exposure is the “gap” and, generally, we have that exposure anyway.



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