

UNDERWRITING DIRECTIVE No. 17

TO: All Delaware Agents
FROM: Underwriting Department
DATE: August 06, 2014
SUBJECT: Survey Exception

Every commitment we issue contains an exception on Schedule B-II for survey matters. In order to remove this exception from a final owner's policy, it is necessary to obtain a satisfactory survey typically accompanied by a report from the surveyor running to the benefit of both you as the agent and Old Republic National Title Insurance Company as the underwriter. This requirement applies to both commercial and residential owner's policies. For residential loan policies, however, this requirement has been modified.

Generally, on residential loan policies the survey exception may be removed without obtaining a survey or a no change affidavit. On occasion, you may be faced with a parcel with a questionable description. For example, there are descriptions in the chain or in adjoining parcels that contain varying courses and distances or the description is so old and the documentation is so poor that the description cannot be plotted. In any circumstance where you have cause to doubt the accuracy of the description, it is appropriate to require a new survey prior to providing survey coverage to the lender. If you run into such a problem, please do not hesitate to contact a member of the underwriting department to discuss the situation.

Of course, the lender must be willing to also waive any survey requirement it may have. We believe that the closing process should be as efficient and inexpensive as possible for consumers. We are in a position to offer this modified requirement on residential loans because the possibility of loss is more remote than in the realm of owner's coverage. Under a loan policy there can only be a loss if the loan goes into default, the lender forecloses and the lender is unable to sell the property for an amount sufficient to pay off the loan because of the existence of a defect in title insured against.

Should you have any questions with regard to this policy, please contact an officer of the Company.

PLEASE DISTRIBUTE TO OTHER KEY PERSONNEL WITHIN YOUR ORGANIZATION

