

REAL PROPERTY INSPECTION REPORT MANUAL

Most lenders require survey coverage. Unlike many title insurance companies, ITG does not require an ALTA/NSPS Land Title Survey to provide lender survey coverage on residential properties in most cases. See “When is a survey required?” section below for a very limited list of conditions that require a formal survey. While a survey is rarely required, there are a few circumstances that require a “real property inspection report” (“RPIR”) due to increased risk.

What is an “RPIR”?

Real Property Inspection Report (RPIR): A visual depiction of the guaranteed Land prepared by a licensed surveyor or engineer showing the boundary lines, the location of any improvements relative to the property lines, easements, building setback lines, property dimensions and any encroachments.

See Sample RPIR attached hereto as **Exhibit A**. In this sample, concrete improvements encroaching into the setbacks are depicted in yellow.

When is an RPIR required?

A recent RPIR is always required in the following circumstances*:

1. The **combined** lender coverage amount is **greater than \$750,000** (e.g., the lender first coverage amount alone is greater than \$750,000 or the sum of the lender first and junior coverage amounts are greater than \$750,000).
2. The total acreage of the guaranteed Land is **more than 40 acres**.

*In refinance transactions, ITG may accept an **Affidavit of No New Improvements** in lieu of an RPIR. See next section for further details.

ITG *may* require an RPIR in the following circumstances:

1. A known boundary dispute exists.
2. A visible encroachment exists.
3. The parties failed to obtain the required, completed and properly acknowledged Composite Mortgage Affidavits (“CMA”) from all titleholders and spouses, as well as all proposed titleholders (buyers in a purchase).
4. As ITG otherwise deems necessary.

In the event neither an RPIR nor an Affidavit of No New Improvements (as applicable) is obtained in the above circumstances, ITG may be willing to provide coverage, but the coverage shall not include survey or easement coverage (the certificate shall include Standard Exceptions 2 and 3), and the coverage shall also not include the Comprehensive 1 or Comprehensive 2 endorsement. For field issued certificates, the field issuer must manually add Standard Exceptions 2 and 3 to Schedule B, Part I and must also remove any comprehensive endorsement prior to issuing the final certificate.

Affidavit of No New Improvements

In lieu of a new RPIR in refinance transactions, in certain circumstances ITG may accept Affidavits of No New Improvements showing no external or structural improvements have occurred on the Land or adjacent properties since the last RPIR was completed provided that the participant obtains prior underwriting approval. ITG's analysis will be completed on a case-by-case basis. While limited exceptions may exist, ITG generally does not permit the use of the Affidavit of No New Improvements if the prior RPIR was completed more than twelve months prior to the date the transaction was first submitted to ITG underwriting. If a recent RPIR was completed and approved by ITG, ITG, in its sole and absolute discretion, may determine that receipt of all of following is acceptable in lieu of a new RPIR:

1. **Affidavit of No New Improvements (Surveyor/Engineer):** A signed and acknowledged Affidavit of No New Improvements (Surveyor/Engineer) from the surveyor that prepared the prior RPIR affirmatively stating that the surveyor has made a recent physical inspection of the Land and can confirm (i) there have been no other improvements to the Land other than those shown on the RPIR; (ii) no other structures exist on the Land; and (iii) the improvements do not encroach upon any setbacks or easements. ITG will not accept representations qualified with "to the best of my knowledge" language. The RPIR must be referenced and attached to the affidavit as an exhibit. **AND**
2. **Affidavit of No New Improvements (Owner/Seller):** A signed and acknowledged Affidavit of No New Improvements (Owner/Seller) from all current titleholder(s) affirmatively stating (i) I/We am/are the owner(s) of record described in the Commitment for title coverage; (ii) I/We have not made or caused to be made any structural improvements or structural additions to existing improvements on the premises described in the Commitment since [INSERT DATE OF LAST RPIR] except [INSERT ANY NEW IMPROVEMENTS]; (iii) No structural improvements or addition to existing improvements were made on any adjacent property, which encroach, however slight the encroachment may be, onto the premises described in the Commitment since [INSERT DATE OF LAST RPIR] , except [INSERT ANY NEW IMPROVEMENTS]; (iv) I/We further state that the Real Property Inspection Report made by [INSERT NAME OF SURVEYOR], dated [INSERT RPIR DATE] (a copy of which is attached hereto and made a part hereof), is a correct and complete representation of all improvements now located on the premises described in the Commitment and on all adjacent properties, except [INSERT ANY NEW IMPROVEMENTS]; and (v) I/We have undertaken a complete and thorough investigation as to the condition of the premises and do not claim lack of knowledge or ignorance of fact should a difference, in fact, exist between the real property inspection report/drawing and the actual condition of the premises at the time of this Affidavit. **AND**
3. **Owner/Seller CMA:** A completed, signed and notarized Composite Mortgage Affidavit ("CMA") from the sellers/titleholders, and spouses, if any. The CMA must not reflect any unrecorded easements, contracts, easements, agreements, etc. and should confirm there are no pending boundary disputes.

When should the RPIR be ordered?

ITG must be provided a recent RPIR **prior to the close of escrow**. ITG may amend the commitment to except from coverage in Schedule B, Part II of the commitment any adverse matters shown by the RPIR. Further, ITG may except from coverage in Schedule B, Part I of the final certificate(s) any adverse matters shown by the RPIR. ITG strongly recommends ordering the RPIR as soon as possible to avoid a delay in closing.

Who is responsible for ordering the RPIR?

Typically, the closer orders the RPIR but in many cases the field issuer and the closer are one and the same. The field issuer and closer should communicate and coordinate a process to ensure that the RPIR is timely completed. The field issuer must always inform the closer when/if an RPIR is required. Whoever places the order shall share a copy with the closer, field issuer and ITG for review prior to closing. If a closing protection letter (“CPL”) is issued, the CPL closer is responsible for satisfying all commitment requirements, including obtaining an RPIR as applicable. If the closer is not the examining attorney, the closer shall share the RPIR with the examining attorney for review. The field issuer is independently responsible for satisfying all commitment requirements prior to issuing the final certificate. If the field issuer is not the examining attorney, the field issuer shall share the RPIR with the examining attorney for review.

What happens if the RPIR discloses an encroachment?

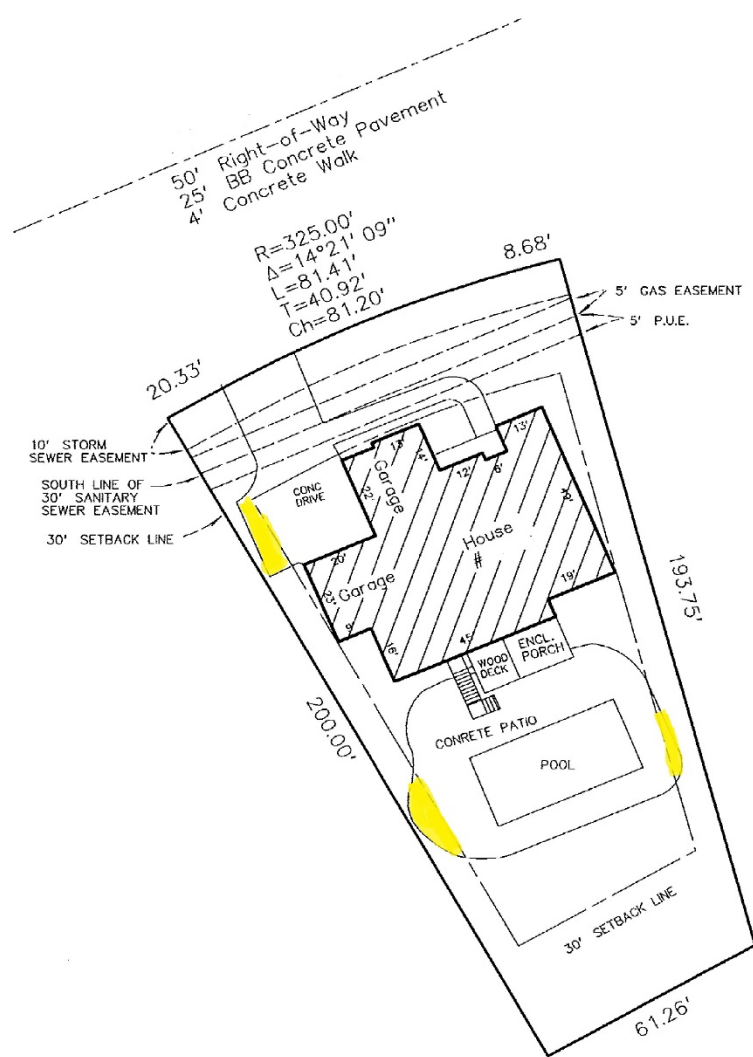
If an RPIR discloses an encroachment, the closer and/or field issuer shall consult an ITG underwriter for further guidance. Any encroachments across boundary or setback lines shall be excepted from coverage in Schedule B, Part II of the commitment and Schedule B, Part I of the certificate. In rare circumstances, an encroachment or boundary issue is so severe that ITG may be unable to provide coverage unless and until the matter is resolved of record.

When is a survey required (RPIR is insufficient)?

As mentioned above, ITG requires a survey in very limited circumstances. A list of these circumstances is below:

1. The owner is requesting survey coverage through the Standard Exception 2 Waiver Endorsement.
2. The owner is requesting easement coverage through Standard Exception 3 Waiver Endorsement.
3. The lender and/or owner is requesting the Encroachment Endorsement.
4. The lender is requesting the Encroachment-Adverse Endorsement.
5. As ITG otherwise deems necessary.

EXHIBIT A: SAMPLE RPIR

REAL PROPERTY INSPECTION REPORT			
LENDING INSTITUTION:			
ADDRESS:	CITY:	STATE: Iowa	
BUYER-REFINANCER:			
LEGAL DESCRIPTION: an Official Plat, now included in and forming a part of the City of _____ County, Iowa			
			
<p>WARNING: THIS INSPECTION REPORT AND THE DRAWINGS, LINES AND DIMENSIONS SHOWN HEREON ARE RENDERED FOR MORTGAGE PURPOSES ONLY. THIS REPORT IS INTENDED SOLELY FOR THE USE AND BENEFIT OF THE MORTGAGEE, ITS SUCCESSORS, AND ITS ASSIGNS. NO OTHER PERSON, INCLUDING THE PROPERTY OWNER IS ENTITLED TO RELY UPON THIS REPORT. THIS REPORT IS NOT INTENDED AS A LAND OR PROPERTY SURVEY. A SEPARATE PROPERTY SURVEY WILL BE NECESSARY TO ACCURATELY ESTABLISH PROPERTY LINES, EASEMENTS, SETBACK LINES, BUILDING LINES, ECT. THIS REPORT SHOULD NOT BE RECORDED FOR ANY PURPOSE. THIS DRAWING/INSPECTION VOID AFTER 90 DAYS. THIS INSPECTION FOR USE BY ABOVE LISTED LENDING INSTITUTION, FOR THIS LOAN AND LOAN ONLY.</p>			
DRAFTSMAN:	SCALE:	DATE:	PROJECT NO:
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