

Underwriting Bulletin: MI-2021-001

Date: January 30, 2021
To: Michigan Agents of FNTI
From: FNTI Underwriting Department
RE: **Michigan Survey Requirements**

Standard exceptions to title commitments in Michigan will include survey-related entries similar to one or more of the following:

- Any encroachment, encumbrance, violation, or adverse circumstance affecting title, including discrepancies, conflicts in boundary lines shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records.
- Any facts, rights, interests, or claims that are not shown by the public records but that could be ascertained by an inspection of the land or that may be asserted by persons in possession of the land.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.

Survey-related issues are a major source of claims, especially for residential owner's policies. Deleting any of the exceptions above may be done only in the manner specified below:

RESIDENTIAL PROPERTIES:

a. For ALTA Owner's policies:

- Obtain a new boundary survey for existing residential properties, new construction, or vacant land;
- If an existing boundary survey can be found, update it with a survey affidavit noting no changes since the original survey was obtained.
- Take exception to anything found on the survey that affects title to the property.
- Obtain written underwriter approval for any of the above.

b. For ALTA Loan policies:

- For residential, 1-4 family properties with 5 acres or less, no survey is required. This is because the minimal risk of a survey issue impairing the lien of the new mortgage.
- A boundary survey is required in all other circumstances, unless underwriter approval is obtained.

FOR COMMERCIAL PROPERTIES:

As a general rule, FNTI will require a new ALTA survey for commercial owner's or loan policies.

For properties under \$5,000,000, a lesser survey may be permitted with written underwriting approval, except for newly-constructed properties.

Existing surveys may be accepted for a property of any value, depending upon its age, so long as an appropriate survey affidavit has been signed by the property owner. Further, the title examiner should verify that there have been no changes from the old survey based on a Google Earth view of the property. If this review shows that relevant changes have occurred, a new survey will be required.

Please contact An FNTI underwriter if you have any questions about this topic.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting First National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of FNTI, its title insurance agents, and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the FNTI Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

