

TOPICS

May 2010

Keep ALTA Surveys on Track with Appropriate Title Work

You can protect your financial investment and optimize project design by having an ALTA survey performed early in the development process. But how do you ensure timely delivery of the ALTA survey so that your project stays on schedule? Understanding the nuts and bolts of title work, and how it relates to the ALTA survey, can get your project off on the right foot.

While an ALTA survey is critical for assessing feasibility during project development, a **Title Insurance Policy** is an important related product of the land acquisition phase. A Title Insurance Policy is a written guarantee that, at the time of preparation, there are no title defects other than those stated in the policy. Having a Title Insurance Policy ensures that if an easement, encroachment, outstanding lien, or any other insured item that would affect usage of the property is overlooked, the title company – and not the landowner or developer – would be held responsible for the cost of rectifying the problem.

The path to a Title Insurance Policy involves several steps that need to happen in parallel with the survey effort. Title work is created by an attorney or a title examiner and can take the following forms:

- **Title Reports** typically summarize who owns the property, the legal description, tax and assessment information, mortgages, and possibly easements. They are created by abstractors or title insurance companies.
- **Title Opinions** are created by attorneys and include the owner, legal description, exceptions listed in the Abstract of Title, real estate information, and judgments (i.e., liens). In many states a Title Opinion must occur prior to creating a Title Commitment.
- **Title Commitments** are commitments made by a title insurance company to provide title insurance for a particular property. They include the proposed insured, current fee owner, legal description, requirements for title insurance, and any exceptions (e.g., deeds, easements, encumbrances).

The Title Commitment is incorporated into the certified ALTA survey. Once the ALTA survey is reviewed and accepted by the title company, the Title Insurance Policy is issued. Both a Title Insurance Policy and an ALTA survey are products essential to the development process. One depends upon the other, which means that the more seamlessly they proceed, the better for both your project timeline and your bottom line.

Because the steps that lead to an ALTA survey and a Title Insurance Policy are so interconnected, it is critical that close ties be maintained between surveyors, title examiners, and developers through the entire process. By actively coordinating with title examiners and surveyors who understand the complexities of the process and who collaborate to recognize and address potential problems, the development process can proceed as efficiently as possible.



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Original Published Date: November 2007