

Deleting The Area & Boundary Exception

Paragraph 6. A (8) in the TREC One to Four Family Residential Contract addresses whether or not a buyer will get Survey Deletion in their Owner's Title Policy. Survey Deletion is also known as "Area and Boundary Coverage" and is very important for Buyers.



Survey Deletion coverage is given in the title policy and offers buyers protection for errors or omissions that may have been made by the surveyor and accepted by the title company by changing the language in the standard exception of the title policy to read "Shortages in Area" only. Things that a title company will look at to determine if a survey will be acceptable include: that all items noted on the survey are listed in the title commitment, the survey date, the north directional arrow, legal description, platted lines and easements, and that there is a seal and signature of the engineer.

Survey Exception / Area & Boundary Exception

The language on Schedule B of the title commitment and title policy says that the title insurer is not liable for discrepancies in boundary lines, other people's structures built over property lines and other similar issues that would be shown on a survey of the property.

Survey Deletion / Amendment to Area & Boundary Exception

Schedule B of a title commitment excludes coverage for: "Any discrepancies, conflicts or shortages in area or boundary lines, and any encroachments, protrusions, or overlapping of improvements." The exception excludes coverage for surveyor errors, fence lines not following the insured property boundary lines, encroachment onto an adjoining landowner's property, encroachment onto purchased property, and a utility provider or HOA insisting on removal of improvements within an easement.

With a satisfactory survey reviewed and approved by the title company, the buyer may choose to amend the Area & Boundary Exception which adds some coverage back into the Owner's Title Policy. Typically, the price for amending the survey exception is 5% of the basic title premium on T-IR Residential Owners Title Policies.

***A buyer asks for the amendment
in section 6. A (8) of the contract.***