

SURVEY DELETION COVERAGE

Q & A

The TREC 1-4 Residential Contract (Resale) includes an option to amend or delete the general survey exception in the Owner's Title Policy in Paragraph 6.A. (8). See below for common questions answered regarding this part of the contract.

Q: What is Survey Coverage?

A: The Owner's Title Policy contains a standard exception to: "Any discrepancies, conflicts, or shortage in area or boundary lines, or any encroachment or protrusions, or overlapping of improvements." When the Buyer purchases Survey Coverage, the Owner's Title Policy standard exception is amended to include an exception for only "shortages in area" and any matters currently shown on the survey. It is important to note that Survey Coverage may be referred to as Survey Deletion, Survey Amendment and Survey Deletion Coverage.

Q: What is required to obtain Survey Coverage?

A: An accurate and complete survey is needed for review.

Q: Why is the phrase "Shortages in Area" not deleted from the general exception?

A: The Texas Department of Insurance prohibits title companies from insuring exact acreage.

Q: What is the benefit of purchasing Survey Coverage?

A: It protects the Buyers against errors made by the surveyor or claims by neighboring owners concerning boundaries or encroachments not shown in the survey or excepted from coverage in the title policy.

Q: How much does this Coverage cost?

A: The cost for Survey Deletion Coverage on a residential transaction is 5% of the basic premium. for example:

SALES PRICE	BASIC TITLE PREMIUM	COST FOR SURVEY COVERAGE
\$100,000	\$832.00	\$41.60
\$300,000	\$1,886.00	\$94.30
\$500,000	\$2,940.00	\$147.00
\$1,000,000	\$5,575.00	\$278.75

(Texas Title Insurance rates are promulgated by the Texas Department of Insurance.)