



## GREEN ACRES

### LOCAL GOVERNMENT UNIT AND NONPROFIT GUIDE

#### Title Commitment Report and Title Insurance Policy Checklist

**Green Acres can only fund the acquisition of land that have insurable, marketable title.** To determine ownership and identify any conditions and restrictions affecting the use of the parcel being acquired, Green Acres requires that the local government unit or nonprofit obtain a title commitment report prior to purchase and a title insurance policy following purchase of a property. If a local government unit or nonprofit will be requesting payment *in advance of closing*, a title commitment must be submitted, to be followed by a title insurance policy after closing, within 60 days of recording the deed. (See N.J.A.C. 7:36-9.4(c)1 for local government units or N.J.A.C. 7:36-20.4(c)1 for nonprofits). If payment will be a reimbursement *after closing*, the title insurance policy must be submitted as part of a payment request (See N.J.A.C. 7:36-9.4(c)2 for local government units or N.J.A.C. 7:36-20.4(c)2 for nonprofits.).

**\*\*Please note that the title commitment report should be obtained and provided to the surveyor prior to preparation of the property survey.\*\***

The local government unit or nonprofit should review the following checklist items prior to ordering the title commitment report and insurance policy and verify that all requirements have been met prior to submitting them to Green Acres:

#### **Title Commitment Report Items**

- \_\_\_ 1) The commitment includes a photocopy of the latest recorded deed in its entirety.
- \_\_\_ 2) The commitment includes photocopies of the entire recorded deed of any easements, rights-of-way, restrictions or conditions of record that appear in Schedule B, Section II of the commitment.
- \_\_\_ 3) Schedule A of the title commitment references a description of the parcel to be insured and indicates the correct municipal tax block and lot numbers. If the parcel has a record description that refers to a filed map, block and lot number, the Title Company must supply a copy of the filed map title block, recording information and the portion of the filed map that shows the subject parcel
- \_\_\_ 4) The local government unit or nonprofit must advise the Title Company that the parcel will be surveyed and the surveyor's metes and bounds description will be used in the deed of conveyance. (A survey exception will appear in the Schedule B, Section II Exceptions until after the survey is read by the Title Company and an endorsement is added to the policy.)
- \_\_\_ 5) The local government unit or nonprofit must advise the Title Company that the parcel is being acquired with funding through the Green Acres Program. Once acquired, the land will become encumbered, subject to Green Acres restrictions, and the local government unit or nonprofit will agree to accept these lands subject to the Green Acres restrictions against the disposal or diversion to a use for other than recreation and conservation purposes. (N.J.A.C. 7:36-1 et seq.)

#### **Title Insurance Policy Items**

- \_\_\_ 1) The title insurance policy amount (in Schedule A) is at least equal to the purchase price.

- \_\_\_2) All exceptions regarding outstanding interests, liens, encumbrances and taxes listed in Schedule B, Section II of the title commitment report have been removed. Recorded easements, restrictions, grants, or covenants which do not pertain to the land actually being acquired must be removed from the policy. **The policy must show that the local government unit or nonprofit has clear title to the property.**
- \_\_\_3) The survey exception in Schedule B, Section II of the title commitment report has been replaced by a survey endorsement that insures title to the area within the deed description.
- \_\_\_4) The description of the insured premises is the surveyor's metes and bounds description prepared as part of the survey package, and is the same as used in the recorded deed of conveyance or Declaration of Taking, if condemnation is instituted.
- \_\_\_5) The policy names the State as an additional insured. (Please notify your Green Acres project manager if the title company will not comply with this request.)

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