



EXAMPLES OF EXCEPTIONS ON TITLE POLICIES THAT MUST BE REMOVED

The examples provided are not meant to serve as an exhaustive list of clauses unacceptable to Kentucky Housing Corporation. Instead, this list merely represents the most common clauses that cause Kentucky Housing to reject a title policy. Kentucky Housing Corporation, in its sole discretion, reserves the right to reasonably reject any clause and/or policy that is deemed to provide inadequate coverage.

- Any verbiage that states, ".not shown by public record."
- Any verbiage that states, ".unrecorded easements, discrepancies or conflicts in boundary lines, shortage in area and encroachments which an accurate and complete survey would disclose."
- Any verbiage that states, ".any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records, for which a Notice of Mechanics Lien is recorded within sixty (60) days of the completion of construction."
- Any verbiage that states, ".any discrepancies or conflicts in boundary lines, any shortages in area, or any encroachment or overlapping of improvements."
- Any verbiage that states, ".any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an accurate survey of said land or by making inquiry of persons in possession thereof.."
- Any verbiage that states, ".easements, liens or encumbrances or claims thereof, which are not shown by the public record."
- Any verbiage that states, ".any lien or right to a lien, for services, labor or material imposed by law and not shown by the public records."
- FYI: Regarding Short form and Long form Title Policies. If your company chooses to list the recording information of the first mortgage on the title policy (short or long form) and the assignment is not recorded simultaneously with the first mortgage, regardless of whether you are doing short or long form title policy, the assignment recording information must also be listed on the policy.
- FYI: Any mortgage that has a PUD Rider means the title policy must include the 5.0 PUD Endorsement and the 8.1 Environmental Endorsement.
- FYI: Any mortgage that has a CONDO Rider means the title policy must include the Alta 4 Condo Endorsement and the 8.1 Environmental Endorsement.
- FYI: An 8.1 Environmental Endorsement is required on all title policies issued. No exceptions.
- FYI: Any time an affidavit of correction, mortgage of correction, affidavit of amendment, affidavit of mortgage amendment (whatever the county clerk calls it - to re-record/correct a mortgage that has mistakes/issues) if the original recording information was placed on the original title policy before the correction/s were made, your will need to get a blank endorsement to submit to Kentucky Housing that references the re-recording information.

- FYI: Any company that does not wish to remove any exception/s to title policies must insure over the exception/s or be forced to buy-back the loan.