

IOWA TITLE GUARANTY MIXED-USE PROPERTY POLICY

ITG defines mixed-use property as property with a residential dwelling that is also used for agricultural or commercial activity. In Iowa, many residential homes are situated on property that is also being used for agricultural purposes, falling within the definition of mixed-use property. Therefore, ITG frequently receives the following questions:

- Does mixed-use property require residential or commercial coverage?
- Am I required to obtain an ALTA survey and pay commercial coverage premiums on my residential home because I also use the property for farming or another commercial purpose?

ITG has developed a mixed-use policy to provide clear guidance in these circumstances.

MIXED-USE POLICY

Coverage for mixed-use property in an amount at or below the Conforming Loan Limit established by the FHFA shall be issued as residential rather than commercial provided:

- (1) a residential dwelling (single family dwelling or multi-family no more than 4 units) is situated on the property AND
- (2) full abstracting is required.

The county assessor's tax classification is not a determining factor.

PLEASE BE ADVISED THAT WHILE ITG MAY PERMIT THE ISSUANCE OF RESIDENTIAL COVERAGE ON MIXED-USE PROPERTY, THE FORM 900 MAY NOT BE USED FOR MIXED-USE PROPERTY. FULL ABSTRACTING IS REQUIRED. ITG STRONGLY URGES PARTICIPANTS AND LENDERS TO ASK THE FOLLOWING QUESTIONS PRIOR TO ORDERING THE TITLE SEARCH WITH THE PARTICIPATING ABTRACTOR TO ENSURE THAT THE APPROPRIATE TYPE OF TITLE SEARCH IS OBTAINED:

1. Is there evidence of farming, agriculture, or other commercial use on the "Land"¹?
 - a. If yes, proceed to #2 below.
 - b. If no, issue residential coverage (provided all other residential requirements have been satisfied).
2. Does a residential dwelling (1-4 units) exist on the Land?
 - a. If yes, proceed to #3.
 - b. If no, refer transaction to the ITG Commercial Department.
3. Is the requested coverage amount at or below the Conforming Loan Limit?
 - a. If yes, proceed to #4.
 - b. If no, refer transaction to the ITG Commercial Department.
4. Was full abstracting updated for the entirety of the Land?
 - a. If yes, proceed with issuing residential coverage (provided all other residential requirements have been satisfied).
 - b. If no, instruct applicant to obtain full abstracting.

¹ "Land" means the land described in Schedule A, and affixed improvements that by law constitute real property.