

CMHC Title Insurance

BACKGROUND

- In Spring 2005, CMHC announced its intent to “enhance its mortgage insurance benefits to include homebuyer protection against title-related risks,” in other words, to include title insurance in its mortgage protection, at no additional cost.
- In June, CMHC issued a Request for Information (RFI) on coverage option/product offerings, processing approaches, timing and connectivity. The RFI was seen as a precursor to a call for a full proposal to provide title insurance on CMHC-insured mortgages.
- Federation of Law Societies and several law societies have aggressively opposed any mandatory imposition of title insurance by CMHC, assessing the proposal as a move by American-based title insurers to take over CMHC-insured mortgages and elbow lawyers out of the deal.
- CBA Real Property Section also opposes the imposition of mandatory title insurance. Best consumer protection remains having a lawyer (or Quebec notary) involved in the transaction, with proper due diligence and other sound practice standards. Any decision about the need for title insurance should be consumer driven, based on independent legal advice.

CURRENT STATUS

- In October and November 2005, CMHC scheduled meetings with interested parties, to seek clarification of their "specific perspectives as to the opportunities and challenges presented by CMHC's title protection initiative".
- CBA representatives Brian Tabor (President), Tim Kennedy (NB Real Property Section) and Ray Leclair (OBA Real Property Section) [met with CMHC](#) in October 2005.
- In October 2006, CMHC announced that it would not proceed with a specific title protection initiative. It noted that, given the myriad of land registry systems and processes across the country, the benefits of title protection vary. CBA informed members of this victory.

NEXT STEPS

- National Real Property Section will monitor any further developments.