

WILSON CRIBBS + GOREN
REAL ESTATE LAW

Land Use for The Lender: Due Diligence and Problem Solving

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Entitlements



Public

- Platting
- Zoning
- Traffic/Parking
- Signage
- Landscape/Trees
- Setbacks
- Grandfathering/Vested rights
- Development Agmts.

Private

- Restrictive Covenants
- Easements
- Condo
- Master Planned Communities

Assumption

Collateral may be used for desired

- Use
- Structure
- Density



Importance of Entitlements



"They strung me along... and strung me along... and strung me along. Why didn't they just tell me NO in the first place?"

Due Diligence Focus

1) Status quo
2) Confirm assumed use, structures, density
3) Problems
4) Solutions



Full Entitlement *Now*

Otherwise – "ENTITLEMENT RISK"

Due Diligence Tips/Warnings

Platting-
- Muni. Certification
- No Title Ins.

Zoning-
- Zoning Letters Unreliable
- No Title Ins.
- Check Comp. Plan

Dev. Agmt.-
- Estoppel Letters Unreliable

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Title search: Land Use Law in the Loan Process: Due Diligence and Problem Solving

Also available as part of the eCourse
Commercial and Construction Loan Processes

First appeared as part of the conference materials for the
51st Annual William W. Gibson, Jr. Mortgage Lending Institute session
"Land Use Law in the Loan Process: Issue Spotting and Resolution"