

## Land Use for The Lender: Due Diligence and Problem Solving

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### Entitlements

#### Public

- Platting
- Zoning
- Traffic/Parking
- Signage
- Grandfather/Vested rights
- Development Agmts.

#### Private

- Restrictive Covenants
- Easements
- REA
- Condo
- Master Planned Communities



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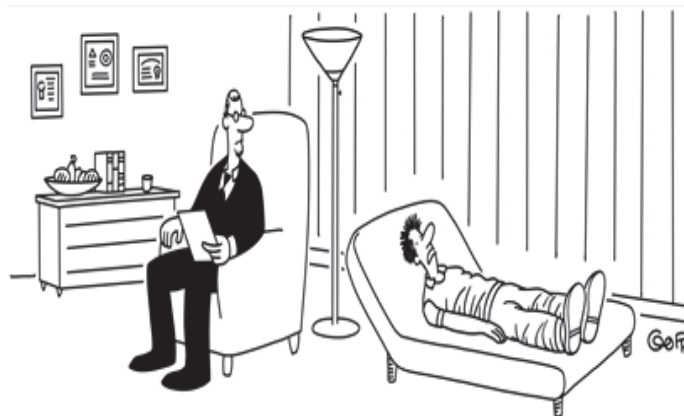
## Assumption

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

- \*Status quo
- \*Confirm assumed use, structures, density
- \*Problems
- \*Solutions



**Full Entitlement Now**

Otherwise – “ENTITLEMENT RISK”



## Alternative Strategies

1. Cure by Closing
2. Cure after Closing
  - Escrow
  - Restructure
  - Early default
3. Kill the deal
  - Loan Commitment
  - Actions of the parties
  - Be the “Deal Killer”?

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## Title search: Land Use for The Lender: Due Diligence and Problem Solving

Also available as part of the eCourse

[2021 William W. Gibson, Jr. Mortgage Lending and Servicing eConference](#)

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55<sup>th</sup> Annual William W. Gibson, Jr. Mortgage Lending and Servicing Institute session  
"Land Use Due Diligence for Lenders"