

Land Use for The Lender: Due Diligence and Problem Solving

September 16, 2021

PRESENTED BY:

REID WILSON

COPYRIGHT ©2021

1

Entitlements

Public

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

Private

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



COPYRIGHT ©2021

2

2



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”?

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

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](#)

First appeared as part of the conference materials for the
55th Annual William W. Gibson, Jr. Mortgage Lending and Servicing Institute session
"Land Use Due Diligence for Lenders"