



## GENERAL INSTRUCTIONS TO LAWYER/NOTARY

Residential Mortgages

All Provinces except Quebec and New Brunswick

### NOTE: WHEN CALLING OR CORRESPONDING WITH US, ALWAYS QUOTE OUR MORTGAGE LOAN NUMBER

We are retaining you to act on behalf of the Mortgagee noted in our Specific Instructions (the “Mortgagee”, “we” or “our”). Prepare the Mortgage in accordance with these General Instructions, our Specific Instructions and any additional instructions applicable to the transaction. You are to assume sole responsibility for the accuracy and validity of all documents and the preparation and registration of the Mortgage. You are to confirm the identity of the Mortgagor(s) Guarantor(s) and any consenting spouse, investigate and search title, register the Mortgage and provide your opinion on title or obtain title insurance, as applicable. **Your account for this matter will be paid by our mutual client.**

**We will not review nor approve any draft documents. We will not review the final documents sent to us. If the documents are not prepared in accordance with our instructions or the Mortgage does not have the priority indicated in our Specific Instructions and, as a result, we suffer a loss, we will seek to recover any such loss from you. You are to take all steps that would be taken by a careful and prudent solicitor/notary on behalf of a client. This includes, without limitation, advising the Mortgagee of any material fact known to you that might affect its decision to advance the loan. If the funds will be used to purchase the property, you must verify that the purchase price in the Agreement of Purchase and Sale is the same as the price indicated in our Specific Instructions. You must also advise us if: (i) the property value significantly escalated over a short period of time; (ii) the vendor under the Agreement of Purchase and Sale (Contract of Sale) was not the registered owner at the time the Agreement of Purchase and Sale was signed; (iii) the Agreement of Purchase and Sale has been amended to provide for significant repairs to be made by the purchaser; (iv) there are any unusual credits on the statement of adjustments in favour of the Mortgagor(s), including any deposit(s) not required or referenced in the Agreement of Purchase and Sale; or (v) the property is a condominium/strata unit and the related parking/storage units have not been transferred to the Mortgagor(s) and charged to the Mortgagee.**

**To report any unusual or suspected fraudulent activity relating to the transaction or the subject property, call during regular business hours at 1-888-215-8687, with the following exceptions: in BC and the Prairie provinces call 1-866-665-0272**

**For mortgages registered electronically, you are to ensure that the registration of the mortgage is in accordance with our instructions and is properly authorized by the mortgagor (and his/her spouse, where applicable).**

**Contact** our Personal Service Centre at the telephone numbers provided in clause 18 when:

- You have any questions on the transaction; or
- You have issues to report relating to title that may affect our security or priority or which are contrary to our instructions; or
- The property is located in a provincial or national park; or
- The property is **not leasehold land** and **is located** on First Nation lands (also referred to Reserve lands).  
**Note** - If the property is leasehold land, refer to our instructions in **Section 10. Leasehold Property**

Our mortgage documents are available at our legal documents web site at [www.rbcroyalbank.com/legalforms](http://www.rbcroyalbank.com/legalforms). You are responsible for downloading the applicable document(s), completing them, arranging execution and providing copies to the Mortgagor(s). Please note that amendments are not to be made to any of our forms without our prior written approval. **Note:** For electronic mandates transmitted through Assyst Real Estate (the "Platform"), all required documents are available on the Platform. This means you should not download documents from our legal documents web site. By accepting an electronic mandate transmitted through the Platform, you are consenting (on your and your client's behalf, if appropriate) to receive the relevant documents electronically; please arrange for a copy of this confirmation to be retained for future reference.

### **ADDITIONAL INSTRUCTIONS FOR ELECTRONIC MANDATES TRANSMITTED THROUGH ASSYST REAL ESTATE:**

Unless otherwise indicated, all instructions applicable to non-electronic transactions also apply to electronic transactions. In addition:

- (i) For electronic mandates transmitted through Assyst Real Estate (the "Platform"), the mandate is deemed to have been received by you at the time of acceptance by you via the Platform.
- (ii) Unless otherwise indicated, all documents you require, including the Mortgage and related documentation, are available on the Platform and may be relied upon by you as the most current version. Do not download any documents from our legal documents web site.
- (iii) When you accept an electronic mandate you are representing to the Mortgagee that you are a lawyer in good standing with your provincial law society (or, in B.C., a notary in good standing with the Society of Notaries Public of British Columbia) and that you have been issued a valid digital signature by:
  - (a) In Ontario, Alberta, Saskatchewan, Nova Scotia, Prince Edward Island and Newfoundland and Labrador: Assyst Real Estate Certification Authority;
  - (b) In British Columbia, the Law Society of British Columbia, through Juricert ‡;
  - (c) In Manitoba, Legal Data Resources (Manitoba) Corporation, a non-profit corporation established by the Law Society of Manitoba which validates lawyer status through the Law Society of Manitoba.

Throughout these instructions, all references to a « digital signature » mean a valid digital signature issued by the above bodies/organization shown for your province.

You undertake to notify the Mortgagee and the company that owns and operates Assyst Real Estate immediately in the event you are no longer a lawyer or notary in good standing or if the digital signature issued to you is compromised or no longer in force.

- (iv) You are responsible for complying with these and any other instructions applicable to the transaction and ensuring that the Mortgage and all related documents comply with them. The Mortgage for each mandate transmitted through the Platform will have already been completed with the Mortgagor's information. Please review the contents of the Mortgage and any other documents received through the Platform to ensure they have been completed in accordance with these and any other instructions applicable to the transaction. Please ensure the information displayed in the Mortgage conforms with the information displayed in clause 1 of the Specific Instructions. Please also refer to section 3 of these General Instructions.
- (v) You must activate the Request Cost of Borrowing Disclosure tab on the Platform, at least 3 working days before the Approval of Mortgage and Cost of Borrowing Disclosure Statement is given to the Mortgagor. Once signed by the mortgagor, you must return the signed Approval of Mortgage and Cost of Borrowing Disclosure Statement to us without delay. You may do so at the same time as making the Request for Mortgage Funds (Form 3328), but in any event, no later than 30 days from the date of closing. You must also retain a copy of the signed Approval of Mortgage and Cost of Borrowing Disclosure Statement in your file.
- (vi) Complete a Request for Mortgage Funds (Form 3328), sign it by digital signature and send it via the Platform, at least 3 days before funds are required, together with a copy of the Statement of Adjustments. **In**

**submitting a Request for Mortgage Funds through the Platform, you are representing to the Mortgagee that you have searched the title to the property, that the Mortgagor(s) have, or will have, good and marketable title when the Mortgage is registered, that you have complied with these and any other instructions applicable to the transaction and are satisfied that all matters referred to in these documents, other than signature and registration of the Mortgage and forwarding of the documents, are completed.**

- (vii) If you have indicated on the Request for Mortgage Funds that a cheque be delivered to your branch, you are authorized to deposit the cheque representing the mortgage proceeds into your trust account once all pre-disbursement conditions, except for signature and registration of the Mortgage, have been met.
- (viii) Funds must not be disbursed until you are satisfied that all matters referred to in these and any other instructions applicable to the transaction have been followed, including registration of the Transfer/Deed of Land/Deed of Sale (for purchase transactions) and our first-ranking Mortgage, and you have undertaken (or, for purchase transactions in all provinces you have received a valid and enforceable undertaking from the vendor's solicitor/notary) to register a discharge of the rights of any existing Mortgagee creditor, as soon as possible;
- (ix) You must enter the registration number of the mortgage in the appropriate field on the Platform immediately once known;
- (x) Your Report on Title and Security (Form 4177), is available on the Platform and should be signed using your digital signature and returned to us via the Platform. Please note that we do not require a Report on Title and Security Update for electronic mandates completed through the Platform;
- (xi) Section 21(a) – For all provinces, do not return the requested documentation. Please retain in your file. In all provinces, you must ensure that the registration number of the mortgage is entered on the Platform;
- (xii) Sections 21(b), 21(e) and 21(f) – Please return the signed paper original to us.

## **1. IDENTIFICATION OF THE PARTIES**

We will identify the Mortgagor(s), Mortgagor's spouse and Guarantor(s) in our Specific Instructions, based on the application approval terms. RBC must be notified of and approve any changes, prior to the request for mortgage funds. When a change is approved, amended instructions will be issued. Please note that we have not confirmed who holds title to the property. If title is to be held otherwise than in the Mortgagor(s) name, please contact the Personal Service Centre at the number indicated in clause 18.

Please verify the identity each Mortgagor, Mortgagor's spouse, and each Guarantor by examining at least one piece of photo identification. You may want to contact the person in advance to advise of this requirement. Make a photocopy of the identification card or document for your file, but do not send it to us.

If the funds to be advanced pursuant to the Mortgage are to be used to purchase residential property as defined under the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c. 10, s. 235, it is your responsibility to verify through the review of appropriate identification and other relevant documentation that the purchaser(s) is/are (a) not a non-Canadian as defined in that Act for purposes of section 4(1) of that Act, or (b) is/are otherwise exempt from the application of sub-section 4(1) as a result of sub-sections 4(2) to 4(5) of that Act. We will require you to obtain on closing a statutory declaration from the purchaser(s) confirming their eligibility to purchase the property under the legislation.

## **2. SEARCH OF TITLE / TITLE INSURANCE**

### **(a) Full Search Requirement**

We require your opinion that the Mortgagor(s) has/have good and marketable title to the property or is/are the registered owner(s), as applicable in the province or territory in which the mortgaged property is located. You are

to undertake such searches as are generally conducted in connection with the delivery of a title opinion and you must show there are no rights or other claims having priority over the Mortgage (unless consented to by us). Obtain all customary certificates and keep them in your file. Do not send copies to us. Prepare a Report on Title and Security (Form 4177) available on our legal documents web site. If the mortgage funds were used to pay out an existing mortgage and the discharge of that mortgage has not been registered at the time you deliver your Report on Title and Security, you must follow up with a Report on Title and Security Update (Form 3938) available on our legal documents web site as soon as the discharge is registered. For electronic mandates transmitted through the Platform, the Report on Title and Security (Form 4177), is available on the Platform. Please note that we do not require a Report on Title and Security Update for electronic mandates completed through the Platform.

In lieu of your title opinion, you may obtain a lender's title insurance policy issued by one of: Chicago Title Insurance Company, FCT Insurance Company Ltd. (carrying on business under the name First Canadian Title), Lawyers' Professional Indemnity Company (TitlePlus), Travelers Guarantee Company of Canada or Stewart Title Guaranty Company.

**(b) Search Requirements of Leasehold Mortgages**

- (i) If this is a leasehold mortgage on First Nation land, please see our Additional Instructions to Lawyer – Leasehold Mortgages on Indian Lands (Form 4231) on our legal documents website.
- (ii) If this is a leasehold mortgage on non-First Nation land, you are required to obtain a lender's title insurance policy from a title insurer as referenced in 2(a) above.

**(c) Title Insurance – “Gap coverage” – B.C., Alberta, Manitoba, Saskatchewan**

If title insurance is used, funds may be advanced prior to the registration of the Mortgage, provided:

- (i) a policy of title insurance has been confirmed, bearing a date either prior to or the same as the date of the advance; and
- (ii) the executed Mortgage and transfer of land (if the Mortgage is in conjunction with a purchase) in registrable form have been forwarded to the Land Titles Office for registration.

**(d) Western Law Societies Conveyancing Protocol – applicable to B.C., Alberta, Manitoba and Saskatchewan**

Mortgage transactions in B.C., Alberta, Manitoba and Saskatchewan may close in accordance with the Western Law Societies Conveyancing Protocol and in B.C., in accordance with the guidelines of the Society of Notaries Public of British Columbia for the issuance of an Opinion Letter/Residential Site Survey Certificate (referred to, for each province in which the mortgaged property is situated, as the “Protocol”). For transactions to which the Protocol applies you are authorized to advance funds in accordance with terms of the Protocol, subject to the following:

- (i) We require no written opinion from you prior to requesting mortgage funds. In submitting a Request for Mortgage Funds (Form 3328), you represent to us that you have complied with the Protocol in the conduct of this transaction with respect to the real property described in the Specific Instructions.
- (ii) Please provide your opinion in the ordinary course. You will note that our final Report on Title and Security (Form 4177) includes an amended Protocol opinion for the Western Law Societies Conveyancing Protocol. For closings under the Society of Notaries Public of B.C. Protocol, please delete the wording that appears on the Report on Title (Form 4177) next to the heading “Protocol Closings” and replace with the following: “BC Notaries only (where applicable): I have complied with the guidelines of the Society of Notaries Public of British Columbia in the conduct of this transaction, and have acted and issued this opinion in accordance with your instructions (which are incorporated herein) with respect to the real property mortgage described above. It is my opinion that subject to the defect(s) noted below (of which I confirm you have previously been advised), the residential building on the real property described above is located entirely within the boundaries of the lot and does not encroach on neighbouring properties, nor does it encroach on any easements or rights of way registered against the real property described below.”

- (iii) By issuing the Protocol opinion you acknowledge and agree that if there is:
- (A) an intervening registered (or unregistered of which you are aware) encumbrance not noted therein which takes priority over the mortgage contrary to the instructions (AB, MB and SK, only); or
  - (B) a survey problem or defect not noted therein which would have been disclosed by an appropriate surveyor's certificate prepared prior to the disbursement of mortgage funds (in all Protocol provinces),

then you will be responsible to the Mortgagee for any actual losses (including the cost of repairs) that it suffers as a result.

- (iv) Note that if your title search reveals a minor encroachment or easement that does not in your opinion materially adversely affect the value of the property, please proceed to complete the transaction anyway. Include mention of any such minor encroachment or easement in your Report on Title and Security.

### 3. MORTGAGE PREPARATION

#### (a) Alberta

- (i) Download the applicable Standard Mortgage Terms (Fixed Rate or Variable Rate) and the Mortgage from our legal documents web site;
- (ii) Prepare the Mortgage using the information from our Specific Instructions.
- (iii) For the address of the Mortgagee in Box 4 of the Mortgage, insert the address of the Personal Service Centre provided in our Specific Instructions;
- (iv) If there is a Guarantor of the mortgage obligations, download from our legal documents web site and complete the Guarantee of Residential Mortgage (Form 3941), using the information contained in the Specific Instructions. Please note that if a Guarantee is taken, it must be signed at the same time as the Mortgage. As you have been retained to represent us in this transaction, please ensure the guarantor appears and acknowledges the guarantee before a lawyer who meets with the requirements of the Guarantees Acknowledgement Act (Alberta).
- (v) If the mortgage has been approved on the basis that the property is located in a national park, see our National Parks Instructions on our legal documents web site.

#### (b) British Columbia

- (i) Obtain and prepare the Form B Mortgage - Part 1 (and Form E Schedule, if required) using the information from our Specific Instructions;
- (ii) Download the applicable Standard Mortgage Terms (Fixed Rate or Variable Rate ) from our legal documents web site;
- (iii) At Item 5, please refer to the Specific Instructions to answer all questions. Note that the monthly payment amount and date must be inserted, even if the Mortgagor(s) have selected a non-monthly payment option.
- (iv) At Item 5(b), if the Interest Rate is a variable rate of interest, include the words "Prime Rate" and insert the additional percentage or the rate reduction indicated in the Specific Instructions. If insufficient space, state "See Schedule" and attach schedule in Form E, where you must state "The interest rate for this Mortgage is the Prime Rate (*insert the additional percentage or the rate reduction*

*indicated in the Specific Instructions*) % per year." For example, if the premium is 0.5%, insert "Prime rate plus 0.5% per year"; if the reduction is 0.5%, insert "Prime rate minus 0.5% per year".

- (v) At Item 7, select "Yes".
- (vi) At Item 5(j), Assignment of Rents: Select "No"
- (vii) At Item 9, select (b) Filed Standard Mortgage Terms and insert applicable D.F. Number.
- (viii) At Item 10, Additional or Modified Terms, insert whichever of the following apply:
  - This is a Convertible Mortgage.
  - This is a Closed Mortgage.
  - This is an Open Mortgage.
  - This Mortgage is repayable in instalments of interest only until the Balance Due Date.
  - This Mortgage is repayable in blended instalments of principal and interest until the Balance Due Date.
  - The cash back amount applicable to this Mortgage is \$\_\_\_\_\_ (*insert any cash back amount disclosed in the Specific Instructions*).
- (ix) At Item 11, state "N/A".
- (x) Download the Acknowledgement (Form 3962) from our legal documents web site and have it signed by the Mortgagor to acknowledge receipt of all documents.
- (xi) If there is a guarantor of the mortgage obligations, download the Guarantor's Indemnity and Acknowledgement (Form 3963) from our legal documents web site and have it signed by the Guarantor to acknowledge receipt of all documents.
- (xii) If the property is a strata lot, also register the Mortgagee's interest on a stratified parking stall by way of an inter alia Mortgage, if applicable.

**(c) Manitoba**

**(A) All Mandates**

- (i) Download the applicable Standard Charge Mortgage Terms (Fixed Rate or Variable Rate) from our legal documents web site;
- (ii) Obtain the form of mortgage that is regulated and approved by the Registrar General or District Registrar pursuant to the Real Property Act (Manitoba), as amended from time to time (the "Mortgage Form"), and complete it using the information from our Specific Instructions.
- (iii) In Box 5 of the Mortgage Form, select the Scheduled Payments option and complete using the information from our Specific Instructions. Please refer to our Standard Charge Terms, available on our legal forms website, for the land titles number and name.
- (iv) For Variable rate mortgages, insert the definition of Prime Rate found in section 1 of the Standard Charge Terms, available on our legal forms website.
- (v) Note that the monthly payment amount and date must be inserted, even if the Mortgagor(s) have selected a non-monthly payment option.
- (vi) In the Other Details field under the Scheduled Payments option in Box 5 of the Mortgage Form:
  - if this is a Fixed Rate Mortgage, state whether it is repayable in instalments of interest only, or in blended instalments of principal and interest.
- (vii) In the Additional Provisions section in Box 5 of the Mortgage Form:
  - under the Other selection (a) insert "the standard charge mortgage terms contain a revolving

feature”; and (b) indicate whether the Mortgage is made pursuant to the *National Housing Act*, Canada.

- if this is a Fixed Rate or Variable Rate Mortgage, under the Prepayment terms selection indicate if it is an Open or Closed Mortgage.

**(d) Newfoundland and Labrador**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in our Specific Instructions.
- (ii) The *Family Law Act*, Newfoundland, provides for an automatic and immediate vesting of a one-half joint interest of a spouse in a matrimonial home. Accordingly, even if the Registry of Deeds discloses that title is in the name of one spouse only, both spouses must be the Mortgagors. If there is a written agreement between the spouses stating that property rights will follow the name stated in the Registry of Deeds, the non-owning spouse must sign as guarantor not as Mortgagor.

**(e) North West Territories/Nunavut**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in our Specific Instructions.
- (ii) If there is a guarantor of the mortgage obligations, download from our legal documents web site and complete the Guarantee of Residential Mortgage (Form 3941) using the information contained in the Specific Instructions.

**(f) Nova Scotia**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in our Specific Instructions.
- (ii) Ensure that the parcel is registered and the mortgage recorded using forms and cover pages prescribed by Regulations under the *Land Registration Act*, N.S., where applicable.

**(g) Ontario**

**(A) All Mandates**

- (i) Obtain and prepare Form 2 or complete the registration of the mortgage electronically (“E-Reg mortgage”). For an E-Reg mortgage, you are authorized to complete, submit and deliver it for registration on our behalf.
- (ii) Download the applicable Standard Charge Terms (SCT) (Fixed Rate or Variable Rate) from our legal documents web site and insert the SCT Number in Form 2 or in the E-Reg mortgage.
- (iii) In Box 9 (b) of Form 2, if the Interest Rate is a variable rate of interest, include the words “Prime Rate” and insert the additional percentage or the rate reduction indicated in the Specific Instructions. If insufficient space in Box 9 (b) state “See Box 10” and in Box 10 state “The interest rate for this Charge is the Prime Rate (*insert the additional percentage or the rate reduction indicated in the Specific Instructions*) % per annum.” In an E-Reg mortgage insert in the computer field entitled “Rate” the words “Prime Rate” and insert the additional percentage or rate reduction per annum indicated in the Specific Instructions. For example, if the premium is 0.5%, insert “Prime Rate plus 0.5% per year”; if the reduction is 0.5%, insert “Prime Rate minus 0.5% per year”.
- (iv) In Box 10 Additional Provisions or in the appropriate computer field of the E-Reg mortgage, insert whichever of the following apply:
  - This is a Convertible Mortgage.

- This is a Closed Mortgage.
- This is an Open Mortgage.
- This Mortgage is repayable in instalments of interest only until the Balance Due Date.
- This Mortgage is repayable in blended instalments of principal and interest until the Balance Due Date.
- The cash back amount applicable to this Mortgage is \$\_\_\_\_\_ (*insert any cash back amount disclosed in the Specific Instructions*).
- If there is a Guarantor of the Mortgage and this is a Form 2 Charge state: "*(Insert the name of the Guarantor)* signs this Charge/ Mortgage as the Guarantor." Provide the address for service and have the Guarantor date and sign Box 10. If there is a Guarantor of the Mortgage and this is an E-Reg mortgage insert the name of Guarantor field and his/her address in the Additional provisions field and state: "*(Insert the name of the Guarantor)* is a Guarantor of this Charge and his/her address for service is (*insert the Guarantor's address*)." "

- (v) If there is a guarantor of the mortgage obligations and this is an E-Reg mortgage, download from our legal documents web site the Guarantee of Residential Mortgage (Form 3940) and complete it using the information contained in the Specific Instructions. Have the Guarantor(s) sign the Guarantee and return it to us. It is essential that Form 3940 be completed and signed in paper form because, as you know, Part III of the Land Registration Reform Act does not contain any provisions dealing with electronically signed and registered guarantees. Accordingly, the law remains that the guarantee must be in writing and signed by the guarantor and failure to obtain a paper guarantee from a person who is not a borrower could result in the guarantee and the electronically registered mortgage being unenforceable. If the Mortgage is registered using Form 2, Form 3940 is not required.
- (vi) A copy of the computer print out confirming the registration of the E-Reg mortgage should be included with your report.

**(B) Additional Instructions for Electronic Mandates Transmitted through the Platform**

- (i) Clause 3(h)(A)(vi) above does not apply. However, you must ensure that the registration number of the mortgage is immediately entered on the Platform.

**(h) Prince Edward Island**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in our Specific Instructions.

**(i) Saskatchewan**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in the Specific Instructions.
- (ii) For any mortgage being registered pursuant to the LAND System in Saskatchewan, you must insert the following client number:
- for Royal Bank of Canada – **100008739**;
  - for Royal Trust Corporation of Canada – **102219061**; and
  - for The Royal Trust Company - **102219140**.
- (iii) For mortgages registered using the LAND System, a copy of the executed mortgage must be scanned into your computer system and attached to the Application for Interest Registration.
- (iv) Ascertain through discussions with the Mortgagor whether the Home Quarter protection provisions of the *Saskatchewan Farm Security Act* could apply. If so, obtain the necessary exclusion order.
- (v) If there is a guarantor of the mortgage obligations, download from our legal documents web site and complete the Guarantee of Residential Mortgage (Form 3941) using the information contained in the Specific Instructions.



**(j) Yukon**

- (i) Download the applicable Mortgage (Fixed Rate or Variable Rate) from our legal documents web site and complete it using the information in our Specific Instructions.

**4. SURVEY / WORKING ORDERS****(a) Survey**

Obtain a current Plan of Survey/Surveyor's Certificate/Real Property Report/Location Certificate (the "survey") prepared by a qualified land surveyor showing the location of the existing building(s) and showing that these buildings are contained entirely within the limits of the land and that there are no encroachments on the land from adjoining properties. If an up-to-date survey is not available, we will accept the existing survey provided that the Mortgagor signs a statutory declaration stating that there have been no additions or improvements to the property since the date of the survey. A copy of the survey is not required by the Mortgagee. Alternatively, a title insurance policy will be accepted in lieu of a survey. A survey is not required for condominium properties or for Protocol transactions.

**(b) Work Orders**

Obtain a letter from the appropriate municipal officer stating the property is not subject to outstanding work orders. Where the municipality does not provide this type of letter, a statutory declaration from the owner stating that the property is not subject to outstanding work orders is required. A copy of this document is not required by the Mortgagee. If a title insurance policy is obtained, a letter or statutory declaration is not required. This letter need not be obtained for Protocol transactions.

**(c) Special Instructions on Subdivision of Land or Land-Use Planning**

If applicable, obtain confirmation from the Mortgagor that the Mortgage is given in compliance with any statute or regulation relating to the subdivision of land or land use planning.

**5. INSURANCE**

Obtain evidence of insurance. For all insurance policies ensure that the policy contains the Insurance Bureau of Canada standard mortgage clause with the Mortgagee being first loss payee. For strata properties in B.C. the Mortgagee need not be added as a first loss payee. If the property is held "in trust", ensure that the policy lists the registered and beneficial owners of the property as co-insured's. Do not provide a copy of the policy to the Mortgagee. If the property is held "in trust", ensure that the policy lists the registered and beneficial owners of the property as co-insured's.

- (a) For Homeowner insurance: Ensure there is a Broad Form or Comprehensive Form Package for at least the amount of the Mortgage or the replacement cost of the buildings, whichever is the lesser, with loss payable to the Mortgagee.
- (b) For Condominium/Strata Corporation insurance: Ensure there is a Broad Form or Comprehensive Form Condominium/Strata Corporation Master Insurance Policy providing for the full replacement cost of the Condominium/Strata Corporation buildings, structures and all common elements.

For Condominium/Strata Unit insurance: Ensure there is a Broad Form or Comprehensive Form Condominium Unit Owner Package Policy covering the full replacement cost of improvements and betterments made to the unit by the owner of the unit. If the unit will be used for rental purposes, a Basic Form Condominium Unit Owner policy covering the full replacement cost of improvements and betterments to the unit by the owner of the unit is acceptable.

**6. WATER POTABILITY AND SEPTIC SYSTEMS**

If the subject property is not connected to municipal services, you must obtain confirmation from the appropriate authority that the water is safe for human consumption. RBC will not review this confirmation. In lieu of confirmation from the appropriate authority, a title insurance policy that covers loss arising from water potability issues may be obtained.

Applicable only to properties not serviced by municipal sewage systems: If the funds will be used to construct a dwelling or to purchase a newly constructed dwelling, obtain a certificate or letter from a municipality or other regulatory authority regarding the installation and/or use of a septic system in accordance with relevant standards. If the funds will be secured by a mortgage on a previously occupied dwelling, we require either such a certificate or letter, or confirmation from the Mortgagor(s) that to the best of their knowledge the septic system is operating satisfactorily. The confirmation from the Mortgagor(s) may be given by way of statutory declaration or other evidence satisfactory to you. For refinancing transactions, we require a certificate, a statutory declaration, or a septic system endorsement from a title insurer approved by us. The certificates and confirmations are to be retained in your file.

## 7. CONDOMINIUM/STRATA UNITS

If the property is a condominium/strata unit, obtain an estoppel/status/information/disclosure certificate. Advise of any unsatisfactory information disclosed by the certificate. Retain the certificate in your file.

## 8. PREDISBURSEMENT CONDITIONS FOR ADVANCES

Funds should not be disbursed until:

- (a) A copy of the Approval of Mortgage and Cost of Borrowing Disclosure Statement has been signed by the Mortgagor(s), and by the Guarantor(s) (if applicable).
- (b) You are satisfied that the matters referred to in the Specific Instructions, these instructions and any applicable additional instructions are completed.
- (c) No liens, construction liens or other encumbrances are registered at the time of the advance unless you have undertaken (or, in a purchase transaction, the vendor's lawyer has undertaken) to ensure a discharge of a prior financial institution mortgage.
- (d) If this is a purchase transaction, you have confirmed that the purchase price is the same as indicated in the Specific Instructions;
- (e) If this is a purchase transaction and the property is a newly constructed home, you have obtained the following certificate (The certificate is to be retained in your file. We do not require a copy of the certificate.):
  - (i) in Alberta - a certificate of possession, and warranty certificate or other document which provides evidence of the warranty under the New Home Buyer Protection Act, Alberta;
  - (ii) in B.C. - a completion certificate from a third party new home warranty provider complying with the Homeowner Protection Act, B.C.;
  - (iii) in Manitoba - a possession certificate and a new home warranty certificate provided in accordance with The New Home Warranty Act, Manitoba;;
  - (iv) in Ontario - a Tarion Warranty Corporation certificate of completion and possession;
  - (v) in Newfoundland & Labrador, Nova Scotia and Prince Edward Island - a certificate of completion and possession from one of the following third party new home warranty providers: Atlantic Home Warranty Program; Lux Residential Warranty Program; Progressive New Home Warranty Program (Echelon General Insurance Company);

- (vi) in Saskatchewan - a certificate of completion and possession from one of the following third party new home warranty providers: Progressive New Home Warranty Program (Echelon General Insurance Company); National Home Warranty Program Ltd.; New Home Warranty Program of Saskatchewan; Blanket Home Warranty Ltd.;
  - (vii) in Northwest Territories, Yukon and Nunavut - an inspection by an appraiser confirming the construction is 100% complete.
- (f) A Request for Mortgage Funds (Form 3328) should be delivered or faxed to the Personal Service Centre at least three days before the funds are required. If funds are required in less than 3 days contact the Personal Service Centre at the phone number indicated in section 18, or complete the Request for Mortgage Funds (Form 3328) by selecting "Issue a cheque for courier pick-up at your branch located at [ ]".
- (g) For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

## 9. DISBURSEMENT OF FUNDS

- (a) Advance in the form of credit to your trust account - You are to download from our legal documents web site a Request for Mortgage Funds (Form 3328), prepare and fax it to the Personal Service Centre at least 3 days before the funds are required. When you submit a Request for Mortgage Funds you are representing to the Mortgagee that you have complied with the Specific Instructions, these and any additional instructions applicable to the transaction and you are satisfied that all matters referred to herein and therein (other than forwarding final documents) are completed. For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

We will advise you by fax when we have arranged for the mortgage funds to be credited to your trust account. Please verify that the information contained in this fax is correct. The amount deposited bears interest from the day of the deposit. The amount will be credited to your trust account on the express condition that it not be disbursed except in accordance with the Specific Instructions; these and any additional instructions applicable to the transaction and you are satisfied that all matters referred to herein and therein (other than forwarding final documents) are completed.

- (b) Advance in the form of Cheque – If you have indicated on the Request for Mortgage Funds (Form 3328) that you will pick up a cheque at your branch: one cheque constitutes the proceeds of the loan and the second, if applicable, represents an incentive amount as disclosed in the Approval of Mortgage and Cost of Borrowing Disclosure Statement. Prior to depositing the cheque(s) into your trust account, you must comply with all instructions in this document relating to pre-disbursement conditions, as well as with our Specific Instructions and any additional instructions applicable to the transaction. **The cheque(s) must not be deposited into your trust account until all pre-disbursement conditions have been met. NOTE: Our mutual client(s) have agreed that none of the funds advanced by the Mortgagee may be used to pay a mortgage broker fee. You are not to disburse any portion of the funds advanced by the Mortgagee to pay the commission of a mortgage broker, even if the person is not considered a "mortgage broker" under applicable provincial legislation. If a client instructs you to pay any portion of the mortgage advance to a mortgage broker, you are to advise us immediately.**

When you negotiate the cheque(s), we will consider the funds to have been advanced in accordance with the Specific Instructions, these and any additional instructions applicable to the transaction. Interest will accrue from the time the cheque is deposited. You should therefore obtain our mutual client's consent before depositing funds in advance of the closing date. **You may not negotiate any cheque(s) in excess of 5 business days after the commitment expiry date and the cheque(s) must be returned to the Personal Service Centre or delivered to the nearest RBC Royal Bank branch immediately, unless you receive instructions to the contrary from the Mortgagee.** We will advise you by fax when we have received your Request for Funds and entered the information in our direct deposit system. The amount deposited bears interest from the day of the deposit. The amount will be credited to your trust account on the express condition that it not be disbursed except in accordance with the Specific Instructions, these and any additional instructions applicable to the transaction.

- (c) Change in closing date - If the closing date is extended beyond the commitment expiry date noted in the

Approval of Mortgage and Cost of Borrowing Disclosure Statement, you must advise the Mortgagor(s) to contact the Personal Banker or Mortgage Specialist immediately. If the closing date cannot be met at the last minute, please note that **the Mortgagee will honour the rate commitment for up to 5 business days from the commitment expiry date**. If the closing date changes or if at any time the Mortgagor (s) indicate(s) that they do not intend to proceed with the transaction:

- (i) if you have already faxed the Request for Mortgage Funds (Form 3328) to us, notify the Personal Service Centre at least 24 hours prior to the original closing date; or
- (ii) if the funds have already been disbursed, the Personal Service Centre must receive a cheque refunding the funds within 5 business days, otherwise per diem interest will be payable. You may also deliver a cheque to the nearest RBC Royal Bank branch.

(d) Deductions from the Advance – Mortgage default insurance premiums. If the mortgage is insured by a mortgage default insurer, the mortgage default insurance premium and any applicable sales and service taxes will be deducted from the advance. The amount of the deduction appears in the Approval of Mortgage and Cost of Borrowing Disclosure Statement. Please see any special conditions in the Approval of Mortgage and Cost of Borrowing Disclosure Statement for any exceptions to the above.

(e) Payment of taxes and liens. Any realty taxes or other charges or levies, which may or do constitute a lien upon the property, which have or will become due and payable on or before the date of the advance and are unpaid at the date of any advance must be paid from the proceeds of the advance.

## 10. LEASEHOLD PROPERTY

If this is a leasehold mortgage on non-First Nations land, obtain a copy and review the lease to confirm that the remaining term of the lease exceeds the amortization period of the Mortgage by a minimum of five years. If this is a Collateral Mortgage or Homeline Plan, the remaining term of the lease must be 35 years or greater. You must also advise the Mortgagee of the amount of the rental payments. Obtain all necessary consents of the landlord, including signature of the Landlord Agreement in which they accept to notify the Mortgagee of any default under the lease and acknowledge that the lease is in good standing (Form 4185). Ensure that a signed copy of this document is returned to us.

If the property to be charged is a unit within a life lease development, a notice of the life lease interest must be registered on the title prior to the registration of the Mortgage. Since this is a mortgage of a leasehold interest, ensure the Mortgage indicates the leasehold interest and that it is being mortgaged by the Mortgagor(s). In lieu of your opinion regarding title and priority, you must obtain a lenders' title insurance policy with a life lease endorsement. Note – The Landlord Agreement (Form 4185) is not required when the property charged is a life lease unless we instruct you to obtain the Agreement in the special conditions section in the Specific Instructions.

If this is a leasehold mortgage on First Nation land, please see our Additional Instructions to Lawyer – Leasehold Mortgages on Indian Lands (Form 4231) on our legal documents website.

## 11. FACTORY CONSTRUCTED HOMES - (including mobile, mini, modular, manufactured, ready to move homes and prefabricated or panelized homes)

If the proceeds of the loan are to be used to finance or refinance the purchase of a factory constructed home that is or will be permanently affixed to freehold or leasehold lands, you must ensure that there are no prior interests in the factory constructed home that is located or to be located on the mortgaged property. If the property is owned by the borrowers or leased by the borrower(s) under a long term lease, prepare and register a mortgage against real property. Note if the property is a leasehold property and the lease is not registered against title, you must register a notice of lease against the title prior to the registration of the leasehold mortgage. If the borrower leases the property under a short term "site" lease, please contact us immediately for alternate instructions.

If the home is to be permanently affixed to the mortgaged property but has not yet been delivered, you must download from our legal documents web site and prepare the Security Agreement (Security Interest in Consumer Goods) (Form 944), except in B.C., the Security Agreement (Chattel Mortgage for Consumer Goods) (Form 950). Register a notice of security interest pursuant to the applicable personal property security legislation prior to the

advance. The notice of security interest registration must be registered for the period of one year.

For freehold mortgages, the Mortgagor(s) must acknowledge that the factory constructed home to be purchased with the funds advanced will be affixed to the lands described in the mortgage, as it is the intention of the Mortgagor that the factory constructed home will be a permanent fixture on the mortgaged property. This document is to be retained by you. For leasehold mortgages, ensure that the Mortgage indicates that it charges a leasehold estate. Also, see Leasehold Property provisions above.

If the factory constructed home is not or will not be permanently affixed (i.e. blocked, anchored, skirted only) to the mortgaged property, located on freehold or leasehold lands you must prepare and register a mortgage against the real property as well as the registration under the personal property legislation as applicable for your province. **The registration period must be equal to or greater than the amortization period of the mortgage for all provinces.** A notice of the security interest is not to be registered against title to the mortgaged property.

In addition, see the special conditions sections in the Specific Instructions. Where our specific instructions indicate that funds are to be advanced by way of progress/multiple advances, you must ensure prior to each advance that there are no prior interests in the home or on the mortgaged lands. Please also see our Builders/Construction Additional Instructions (Form 4176).

## 12. CORPORATION AS MORTGAGOR

If a corporation owns the property, obtain appropriate certificates confirming the existence and good standing of the corporation and confirm that it is qualified to own the property and to pledge the real property of the corporation to secure its debt. We require your opinion as to the due authorization, execution and delivery of the Mortgage and, if applicable, an opinion as to compliance of the Mortgage or guarantee, with the financial assistance provisions of the incorporating statute governing the Mortgagor. Confirm the identity of each signing officer, by obtaining at a minimum one piece of photographic identification with signature. Make a photocopy of the identification for your file.

If our specific instructions indicate the Mortgagor(s) Name(s) is a corporation, please review the corporate records to confirm all shareholders, with the exception of minors on the date of the transaction, are listed as guarantors or co-borrowers. If there are additional shareholders, contact the Mortgagee immediately at the phone number indicated in clause 18.

## 13. INVESTOR MORTGAGE

If the Mortgage is an Investor Mortgage, the Mortgagee acknowledges that the Investor Mortgage was approved with the understanding that the property is either currently rented or will be rented to a tenant. The Mortgagee consents to the use of the property for rental purposes and waives its right to treat the renting of the property to a tenant as a default under the Mortgage.

## 14. PROPERTY HELD "IN TRUST"

You will know if the property is held "in trust", by the use of those words next to the Mortgagor's name in our Specific Instructions. If the words "in trust" or "trustee for" are not used in connection with the Mortgagor's name and the property is held in trust, contact the Mortgagee immediately at the telephone number indicated in clause 18.

### For all provinces and territories:

If the trustee acts on the direction of the beneficial owner(s), the trustee and the beneficial owner(s) must execute a Trustee and Beneficial Owner Agreement (Form 3946). Pursuant to the agreement, the beneficial owner(s) will mortgage the beneficial interest in the subject property. Form 3946 is available on our legal documents web site. If the mortgaged property is owned by a true trust under which the trustees act independently, a Trustee and Beneficial Owner Agreement is not required. However, you will be required to provide your opinion as to the due authorization, execution and delivery of the Mortgage by the trustee(s).

## 15. MORTGAGE EXECUTED UNDER A POWER OF ATTORNEY OR PROPERTY BEING PURCHASED

## UNDER A POWER OF ATTORNEY

If our Specific Instructions indicate the Mortgage will be executed under a power of attorney:

- (a) Confirm the identity of the attorney, as required by applicable law or your professional body. You must obtain at a minimum one piece of photographic identification with signature. Make a photocopy of it for your file and do not include a copy with your report.
- (b) Review the power of attorney and determine if, regardless of where it is executed, the power of attorney is valid for the purpose of granting the Mortgage and the Mortgage is duly authorized under the power of attorney.
- (c) Review the power of attorney to determine if there are any restrictions or limitations that may adversely impact the validity or enforceability of the Mortgage or otherwise limit the Mortgagee's ability to recover the mortgage funds. If there are any such restrictions or limitations, please contact us immediately.
- (d) For all mortgages executed under a power of attorney, a lender's title insurance policy issued by an approved title insurer mentioned above, must be obtained.

If our Specific Instructions do not refer to the Mortgage being executed under a power of attorney and the Mortgage will be executed under a power of attorney, contact us immediately at the number indicated in clause 18 to receive further instructions.

### Ontario only:

If the proceeds of the Mortgage will be used to finance the purchase of the property and the transfer/deed will be executed under a power of attorney, you must complete the following additional due diligence:

- (e) Obtain and review the power of attorney and determine if, regardless of where it is executed, the power of attorney is valid for the purpose of transferring the property to the Mortgagor.
- (f) Obtain written confirmation from the vendor's solicitor that the power of attorney has not been revoked, the donor of the power of attorney is not deceased and that the vendor's solicitor has confirmed the identity of the attorney and the donor.
- (g) a lender's title insurance policy issued by an approved title insurer mentioned above, must be obtained.

## 16. INTEREST RATE BUYDOWN BY VENDOR OR OTHER THIRD PARTY (Excludes Builder Buydowns)

An interest rate buydown is an amount paid to the Mortgagor to "buy down" or reduce the interest rate for the term of the mortgage. If in the Special Conditions section our Specific Instructions indicate an interest rate buydown has been arranged:

- a) Obtain the Letter of Direction (Form 4942) from our legal documents website and complete same based on the information contained in the Special Conditions section.
- b) By signing the Letter of Direction the Mortgagor(s) agree that the amount of the interest rate buydown will be deducted from the mortgage proceeds which will impact the funds the Mortgagor(s) must provide for closing.
- c) The signed Letter of Direction must be delivered to us either prior to or with the request for mortgage funds.

## 17. FAMILY LAW PROVISIONS

You are to make sure that the Mortgage contains any statements required under the applicable marital property or matrimonial home legislation and that any required spousal/domestic partner consent to the Mortgage is properly given.

## 18. INQUIRIES AND CORRESPONDENCE

All inquiries relating to the mortgage, the disbursement of funds and other matters specified in these instructions, should be made by telephone to our Personal Service Centres at 1-844-418-9436.

If you need to fax documents to the Personal Service Centres, the Fax Numbers are:

Atlantic Provinces:	1-877-794-9325
B.C. and the Yukon:	1-877-731-9861
Ontario (excl. Thunder Bay):	1-877-832-3862
Prairie Provinces, N.W.T., Nunavut (excl. Iqaluit) and Thunder Bay:	1-888-359-4771
Iqaluit:	1-866-718-1577

If the Mortgagor(s) has/have any questions concerning HomeProtector® insurance, they should contact a Customer Service Representative at the Insurance Service Centre at 1-800-769-2523.

**When calling or corresponding, please quote the mortgage loan number indicated in the Specific Instructions.**

## 19. COPIES OF THE MORTGAGE DOCUMENTS

Ensure that the Mortgagor(s), and if applicable the Guarantor(s), signs the Approval of Mortgage and Cost of Borrowing Disclosure Statement before signing the Mortgage. One copy (of each document) is to be given to each of the Mortgagor(s) and the Guarantor. Please retain a signed copy (or a photocopy) in your file.

If you are in a province where standard charge/mortgage terms or optional mortgage covenants are used, the Mortgagor(s) must be given a copy of the applicable terms or covenants before executing the Mortgage, and they must acknowledge receipt of the document, where required.

## 20. NOTICE OF CONSENT

We consent to your acting on behalf of the Mortgagor(s) and/or Guarantor(s) in connection with the Mortgage. However, once you have agreed to act on our behalf, you may not advise or counsel the Mortgagor(s) to renegotiate any terms of the underlying loans or Mortgage or to investigate the availability of alternative lending arrangements. We understand that you are obliged to raise all issues, which may be of importance to us or to the Mortgagor(s) and/or Guarantor(s), and to explain the legal effect of such issues to each party that may be affected by the issue. We also understand that any information received in connection with this matter from us or from the Mortgagor(s) and/or Guarantor(s) cannot be treated as confidential so far as the other party is concerned and if a conflict of interest arises between us and the Mortgagor(s) and/or Guarantor(s) which cannot be resolved, you will thereafter be unable to act for either party regarding this matter.

## 21. FINAL REPORT AND SUPPORTING DOCUMENTS

You will forward the original Mortgage and other supporting documentation to the Personal Service Centre within six (6) weeks of the registration of the Mortgage. If you are unable to provide the final documentation within this time frame, please advise our office in writing by fax as to the delay. Should you have any questions or require clarification of these instructions, please notify our office at the numbers in clause 18 above.

For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

**The documents required are:**

- (a) Duplicate Registered Mortgage or confirmation of registration (electronic registration).
- (b) Guarantee (Form 3940 or 3941) or Guarantor's Indemnity and Acknowledgement [Form 3963] (if applicable);

- (c) Report on Title and Security (Form 4177, except including a corporate or trust opinion, if applicable). If a title insurance policy is obtained, do not complete the title opinion section of the Report. Complete Title Insurance box;
- (d) Report on Title and Security Update (Form 3938) (if applicable);
- (e) Acknowledgement of receipt of Standard Mortgage/Charge Terms (where applicable);
- (f) Landlord Agreement (Form 4185) (if applicable);
- (g) Other province/territorial specific documents.

## 22. WHERE TO OBTAIN THE FORMS

Most forms are available on our legal documents web site at [www.rbcroyalbank.com/legalforms](http://www.rbcroyalbank.com/legalforms) and are to be downloaded and completed by you. If this is an electronic mandate transmitted through Assyst Real Estate, our legal documents are provided directly to you on the Platform.

The following forms are not on our legal documents web site and must be obtained by you from the government concerned:

- (a) B.C. Form B Mortgage - Part 1 and Form E Schedule (if applicable);
- (b) Manitoba form of mortgage that is regulated and approved by the Registrar General or District Registrar pursuant to the Real Property Act (Manitoba), as amended from time to time, and Schedule Form 16 (if applicable);
- (c) Ontario Form 2.

® / ™ Trademark(s) of Royal Bank of Canada.

‡ Trademark of the Law Society of British Columbia.