

FEB 9 1990

Place On Calendar

HOUSE FILE 2369
BY COMMITTEE ON SMALL
BUSINESS AND COMMERCE

(SUCCESSOR TO HF 2196)

Passed House, Date 2/17/90 (p. 454) Passed Senate, Date 3/15/90 (p. 1106)
Vote: Ayes 96 Nays 0 Vote: Ayes 44 Nays 0
Approved March 26, 1990

A BILL FOR

1 An Act relating to real property by establishing a real property
2 inspection report.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 2369

H-5181

- 1 Amend House File 2369 as follows:
- 2 1. Page 1, line 10, by striking the word "and"
- 3 and inserting the following: "or".

By HOLVECK of Polk

H-5181 FILED FEBRUARY 16, 1990

Adopted 2/17 (p. 454)

HF 2369

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1 Section 1. NEW SECTION. 114.35 EXCEPTION -- REAL
2 PROPERTY INSPECTION REPORT.

3 1. "Real property inspection report" means a report
4 stating whether, after visual examination, a parcel of real
5 property which is being collateralized is materially impaired.

6 2. A real property inspection report is not a property
7 survey or an engineering document and is exempt from the
8 provisions of this chapter and the rules adopted under this
9 chapter which apply to property surveys. A real property
10 inspection report shall not be filed and recorded with the
11 county recorder. The real property inspection report shall
12 include all of the following:

13 a. A clear and prominent statement of disclosure to the
14 buyer that the real property inspection report is not a
15 property survey or an engineering document and should not be
16 relied upon as such, and that property boundaries shown may be
17 approximate only.

18 b. A clear and prominent statement that the report is for
19 the use of the mortgage lender or its assigns and
20 determination of the actual placement of boundary lines should
21 be addressed by a property survey in accordance with the
22 provisions of this chapter.

23 c. A person who completes the real property inspection
24 report shall not represent themselves as a registered land
25 surveyor or a professional engineer for purposes of the
26 report.

27 EXPLANATION

28 This bill creates a real property inspection report for use
29 by mortgage lenders in determining whether a parcel of real
30 property which is being collateralized is materially impaired.
31 This report is exempt from the provisions of chapter 114 and
32 the rules adopted under that chapter. The report is to
33 include a clear and prominent statement to the buyer that the
34 report is not a property survey or an engineering document and
35 should not be relied upon as such, and that the report is

1 primarily for the use of the mortgage lender and should not be
2 relied upon to determine the placement of boundary lines.
3 This report is not to be filed or recorded with the county
4 recorder.

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HOUSE FILE 2369

surveyor or a professional engineer for purposes of the report.

AN ACT

RELATING TO REAL PROPERTY BY ESTABLISHING A REAL PROPERTY INSPECTION REPORT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 114.35 EXCEPTION -- REAL PROPERTY INSPECTION REPORT.

1. "Real property inspection report" means a report stating whether, after visual examination, a parcel of real property which is being collateralized is materially impaired.

2. A real property inspection report is not a property survey or an engineering document and is exempt from the provisions of this chapter and the rules adopted under this chapter which apply to property surveys. A real property inspection report shall not be filed or recorded with the county recorder. The real property inspection report shall include all of the following:

a. A clear and prominent statement of disclosure to the buyer that the real property inspection report is not a property survey or an engineering document and should not be relied upon as such, and that property boundaries shown may be approximate only.

b. A clear and prominent statement that the report is for the use of the mortgage lender or its assigns and determination of the actual placement of boundary lines should be addressed by a property survey in accordance with the provisions of this chapter.

c. A person who completes the real property inspection report shall not represent themselves as a registered land

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2369, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved March 26, 1990

TERRY E. BRANSTAD
Governor

HF 2369