



Ontario

Ministry of
Consumer and
Commercial
Relations

Property
Rights
Division

BULLETIN NO. 76016

DATE: July 6, 1976

TO:
ALL LAND REGISTRARS

AGREEMENTS NOT TO ENCUMBER
OR DEAL WITH PROPERTY

REGISTRATION OF INSTRUMENT
AND OF CAUTION

It has become a fairly wide-spread practice in Ontario for lending institutions to advance funds to property owners and to receive from them an executed instrument which states that the property owners admit that they are indebted to the lending institution and that in consideration of a loan that they undertake not to dispose of their property or in any manner to further encumber the said property without paying the balance of the amount due on the loan. These documents usually contain a consent to the registration of a caution should this instrument be registered under the Land Titles system.

For some time now, these instruments have been accepted for registration in the Registry system as an instrument and in the Land Titles system by way of a caution. It is the opinion of the Property Law Branch that these documents do not constitute an instrument within the meaning of section 1(c) of The Registry Act nor do they constitute an interest which is capable of protection by registration of a caution in the Land Titles system.

As of the 1st day of September, 1976, we advise all Land Registrars that these documents are not to be accepted either in the Registry system for registration or deposit, or in the Land Titles system as the basis for a caution.

Audrey Loeb Burns
Solicitor

ALB:pc