

Engaging with Endorsements

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Endorsements - General

Under Rule 69O-186.005(7), endorsements and affirmative coverages are placed into three categories:

- permitted endorsements and/or affirmative coverages
- prohibited endorsements and/or affirmative coverages
- endorsements and/or affirmative type coverages that are allowed without specific department approval, where no increased risk results to the insurer by the issuance of such endorsement or affirmative type coverages

According to Rule 69O-186.005(7)(b), no other endorsements or affirmative coverages may be issued other than the endorsements listed in Rule 69O-186.005(6) and Rule 69O-186.005(8).

The permitted endorsements and the associated premiums are provided in Endorsement Premium Chart.

Rule Interpretations - Endorsements - General

Do copies of each type of endorsement issued need to be submitted to The Fund with the policy?

No. Endorsements other than endorsement Form E, Contiguity, Survey, Assignment of Mortgage, and Construction Loan Updates can be marked either on the Loan Policy Schedule A, the Policy Calculation Worksheet, or worksheets printed from E-Closing DT, DoubleTime, ATIDS and submitted to The Fund.

If the lender requires that copies of the preprinted endorsements be submitted with the commitment, does The Fund also need copies of the endorsements?

All preprinted endorsements to be issued with the policy should be listed on Schedule B of the commitment. Copies of the forms can be attached to the lender's copy of the commitment, but should be marked "pro forma" or "sample." *Do not send copies of the commitments or the proposed endorsements to The Fund.*

Rule Calculations - Endorsements - General

What is the premium for an ALTA 9-06 when more than one loan policy is being issued?

Refer to C. Simultaneous Issue Rate - Rule 69O-186.003(5).

How is the premium calculated for an ALTA 9-06 and ALTA 9.3-06 in the case of loan modifications?

Fund Members are advised to charge the minimum rate for all endorsements based upon a stated minimum. All other costs should be allocated as "closing services."

Refer to the chart below.

Mortgage Modification Type	ALTA 9-06 & ALTA 9.3-06	ALTA 9-06 & ALTA 9.3-06
Modification resulting in change to terms, conditions, priority, or security.	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to current unpaid principal balance
Modifications insuring a future advance.	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to total amount of insurance

Mortgage Modification Type	ALTA 9-06 & ALTA 9.3-06	ALTA 9-06 & ALTA 9.3-06
Modifications for a spreader agreement	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to total amount of insurance
Modifications not resulting in a change.	No charge	Original rate or reissue rate applied to current unpaid principal balance
Modification to Revolving Line of Credit, Construction Mortgage or Reverse Mortgage	Mortgage Modification Endorsement Worksheet, which requires substitution loan rate on entire policy amount	Original rate or reissue rate applied to entire policy amount

If an ALTA 9-06 or ALTA 9.3-06 was issued with the original policy and the premium for the extended coverage for the modification (and/or future advance and/or spreader agreement for a construction loan secured by a revolving note and mortgage) is paid, then it is not necessary to attach an additional ALTA 9-06 or ALTA 9.3-06 to the policy.

If an ALTA 9-06 or ALTA 9.3-06 was issued with the original policy and the premium for the extended coverage for the modification (and/or future advance and/or spreader agreement for a construction loan secured by a revolving note and mortgage) is **not paid**, then the endorsement should contain the following statement:

The coverage provided by the ALTA 9-06 or ALTA 9.3-06 endorsement attached to this policy is not extended to the mortgage modification (and/or future advance and/or spreader agreement) recorded in Official Records Book _____, Page _____, and insured by this endorsement.

How is the premium calculated for a Navigational Servitude Endorsement (NSE) in the case of mortgage modifications?

Refer to the chart below.

Mortgage Modification Type	NSE issued with original	NSE not issued with original
Modification resulting in change to terms, conditions, priority, or security.	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to current unpaid principal balance
Modifications insuring a future advance.	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to total amount of insurance
Modifications not resulting in a change.	Mortgage Modification Endorsement Worksheet	Original rate or reissue rate applied to total amount of insurance
Modifications not resulting in a change.	No charge	Original rate or reissue rate applied to current unpaid principal balance
Modification to Revolving Line of Credit, Construction Mortgage or Reverse Mortgage	No charge	Original rate or reissue rate applied to entire policy amount

If a Navigational Servitude Endorsement (NSE) was issued with the original policy and the premium for the extended NSE coverage for the modification (and/or future advance and/or spreader agreement for a

construction loan secured by a revolving note and mortgage) is paid, then it is not necessary to attach an additional NSE to the policy.

If an NSE was issued with the original policy and the premium for the extended NSE coverage for the modification (and/or future advance and/or spreader agreement for a construction loan secured by a revolving note and mortgage) is **not paid**, then the endorsement should contain the following statement:

Navigational Servitude Endorsement coverage is not extended to the mortgage modification (and/or future advance and/or spreader agreement) recorded in Official Records Book _____, Page _____, and insured by this endorsement.

Navigational Servitude Endorsement (NSE) forms are issued in a simultaneous transaction to an owner's policy and to the loan policy. What is the premium?

Example: OF6 \$75,000.00; MF6 \$75,000.00; NSE Owner's, NSE Loan.

The premium for the Navigational Servitude Endorsement to the owner's policy is a minimum of ten percent (10%) of the premium for the owner's policy. The premium for the Navigational Servitude Endorsement to the loan policy is a minimum of ten percent (10%) of the premium of the combined owner's and loan policies.

Policy	Amount of Insurance	Rate per Thousand	Premium
OF6	\$75,000.00	\$5.75 x 75 =	\$431.25
MF6	\$75,000.00		\$25.00
Premium (OF6 + MF6)	\$456.25	undefined	undefined
Calculate NSE (Owner's)	\$431.25 x 10% =	\$43.13	undefined
Calculate NSE (Loan)	\$456.25 x 10% =	\$45.63	undefined
Total NSE Premium	\$43.13 + \$45.63 =	\$88.76	undefined
Total Premium	\$456.25 + \$88.76 =	\$545.01	undefined

Note: Other than the situation in this example, the Navigational Servitude Endorsement is rated the same as the ALTA 9-06.

List of Endorsements

- **Condominium - Current Assessments (ALTA 4.1)** - The Condominium Endorsement (ALTA 4.1) is often given with owner's and loan policies when the insured property consists of a condominium unit. It provides the Insured with various affirmative coverages peculiar to condominiums, such as the valid creation of the condominium.
- **Planned Unit Development Endorsement (PUD) (ALTA 5.1-06)** - The PUD Endorsement (ALTA 5.1-06) is given most often with loan policies, and is used when the property is located in a residential development that is subject to recorded covenants, conditions, or restrictions.
- **Variable Rate Mortgage (ALTA 6.0)** - The Variable Rate Mortgage Endorsement (ALTA 6) assures the lender that their priority will be maintained even when certain changes are made in the interest rate.
- **Variable Rate Mortgage - Negative Amortization (ALTA 6.2)** - The Variable Rate Mortgage Endorsement (ALTA 6.2) assures the lender that the occurrence of negative amortization/deferral of interest will not impair their lien priority.
- **Manufactured Housing Unit Endorsement (ALTA 7-06)** - The Manufactured Housing Unit Endorsement (ALTA 7-06) insures that a specifically described mobile home constitutes part of the Insured property.
- **Manufactured Housing - Conversion - Loan (ALTA 7.1)** - The Manufactured Housing - Conversion - Loan Policy Endorsement (ALTA 7.1) is used only with loan policies and assures a lender that a specifically described mobile home located on the Land is covered by the terms of the policy, that the lien of the mortgage attaches to the mobile home, and the lien of the mortgage can be foreclosed against the land and the mobile home.
- **Manufactured Housing - Conversion - Owner's (ALTA 7.2)** - The Manufactured Housing - Conversion - Owner's Policy Endorsement (ALTA 7.2) is used only with owner's policies and insures that title to a specifically described mobile home constitutes part of the Insured property, is covered by the policy, and that there are no personal property liens against the mobile home.
- **Environmental Protection Lien (ALTA 8.1)** - The Environmental Protection Lien Endorsement (ALTA 8.1) provides for affirmative coverage against loss or damage by reason of a lack of priority of the Insured Mortgage over any environmental protection lien recorded at the Date of Policy.
- **Restrictions, Encroachments, Minerals Endorsement Loan Policy (ALTA 9-06)** - This endorsement (ALTA 9-06) is used only with loan policies. It provides the Insured with several commonly requested affirmative coverages, most of which concern violations of restrictions and encroachments.
- **Restrictions, Encroachments, Minerals, Owner's Policy - Unimproved Land Endorsement (ALTA 9.1-06)** - The ALTA 9.1-06 endorsement is used with owner's policies when the Land is unimproved land. It provides the Insured with several commonly requested affirmative coverages, such as those dealing with encroachments, easements, and mineral rights.
- **Restrictions, Encroachments, Minerals, Owner's Policy - Improved Land (ALTA 9.2-06)** - This endorsement (ALTA 9.2-06) is used with owner's policies when improvements are located on the Land. It provides the Insured with several commonly requested affirmative coverages, in particular those dealing with encroachments and restrictions.
- **Restrictions, Encroachments, Minerals, Endorsement Loan Policy (ALTA 9.3-06)** - This endorsement (ALTA 9.3-06) is used only with loan policies. Similar to the ALTA 9-06, it provides the Insured with several commonly requested affirmative coverages, most of which concern violations of restrictions and encroachments.
- **Assignment (ALTA 10)** - The Assignment of Mortgage Endorsement (ALTA 10) is used when the note and the mortgage are assigned by the holder to someone else. It is most used when an institutional mortgagee assigns a mortgage in the secondary market.
- **Assignment and Date Down (ALTA 10.1)** - The Assignment and Date Down Endorsement (ALTA 10.1) is used when the note and the mortgage are assigned by the holder to someone else and provides coverage over certain matters occurring after the date of the policy. The endorsement does not extend the date of the policy or endorsements that are part of the policy other than as stated in the ALTA 10.1 endorsement.
- **Mortgage Modification (ALTA 11)** - The Mortgage Modification Endorsement (ALTA 11) is issued only to insure modifications to mortgages previously insured by Old Republic with an ALTA loan policy in circumstances in which the modification does not cause loss of priority or require the payment of a substitution loan rate premium. This endorsement does not advance the Date of Policy.
- **Mortgage Modification with Subordination (ALTA 11.1)** - The Mortgage Modification with Subordination Endorsement (ALTA 11.1) is issued only to insure modifications to mortgages previously insured by Old Republic with an ALTA loan policy in circumstances in which the modification does not

cause loss of priority or require the payment of a substitution loan rate premium. This endorsement does not advance the Date of Policy and lists subordinate matters that a lender would expect to find in Schedule B,

- Part II of a loan policy.

Mortgage Modification with Additional Insurance (ALTA 11.2) - The Mortgage Modification with Additional Amounts of Insurance Endorsement (ALTA 11.2) is available for loan policies only. It is used to insure modifications to mortgages previously insured by Old Republic with an ALTA loan policy in circumstances in which the lender modifies a mortgage to increase the indebtedness and requests additional insurance under an existing policy. This endorsement does not advance the Date of Policy and can only be used where the modification does not cause loss of priority or require the payment of a substitution loan rate premium.

- **Leasehold - Owner's Endorsement (ALTA 13-06)** - The Leasehold - Owner's Endorsement (ALTA 13-06) defines the coverages provided to a tenant under a policy insuring a leasehold interest. The form describes the coverages more completely than the Owner's - Leasehold policy form it replaces. The endorsement must be issued in conjunction with an owner's policy (OF21).

- **Leasehold - Loan Endorsement (ALTA 13.1-06)** - The Leasehold - Loan Endorsement (ALTA 13.1-06) defines the coverages provided to a lender under a policy insuring a leasehold interest. The form describes the coverages more completely than the Mortgagee - Leasehold policy it replaces. The endorsement must be issued in conjunction with a loan policy (MF21).

- **Future Advance - Priority Endorsement (ALTA 14)** - The Future Advance - Priority Endorsement (ALTA 14) insures the validity, priority, and/or enforceability of future advances other than advances pursuant to construction loans. The endorsement must be issued in conjunction with a loan policy (M21).

- **Future Advance - Letter of Credit Endorsement (ALTA 14.2)** - The Future Advance - Letter of Credit Endorsement (ALTA 14.2) insures the validity, priority and enforceability of future advances other than advances pursuant to construction loans in mortgages securing letters of credit, surety agreements, and reimbursement agreements. The endorsement must be issued in conjunction with a loan policy (M21).

- **Future Advance - Reverse Mortgage Endorsement (ALTA 14.3)** - The Future Advance Reverse Mortgage Endorsement (ALTA 14.3) assures the lender that changes in the rate of interest or the occurrence of negative amortization will not impair the lender's lien position. The endorsement also provides that future advances are also included within the coverage of the policy. The ALTA 14.3 and the Reverse Mortgage Endorsement (RME) may be used interchangeably with loan policies.

- **Additional Interest Endorsement (AIE)** - The Additional Interest Endorsement, is used with loan policies only, provides the Insured under a loan policy with affirmative coverage related to additional interest provisions in the mortgage.

- **Balloon Mortgage Endorsement (BME)** - The Balloon Mortgage Endorsement, is used with loan policies only, assures the lender that its mortgage will not be invalid or unenforceable because it contains a conditional right for the borrower to refinance. It also assures that the mortgage will not lose its priority if the borrower exercises the conditional right to refinance.

- **Change of Partners, Members or Shareholders Endorsement (CPE)** - The Change of Partners (Fairways) Endorsement is used in connection with owner's policies under which the Insured is a corporation, partnership, limited partnership, limited liability company or business trust. It provides that insurance coverage will continue even if new partners, members, shareholders, beneficiaries, or certificate holders are added or old partners, members, shareholders, or certificate holders withdraw.

- **Construction Loan Update Endorsement (CLU)** - The Construction Loan Endorsement is used to update a loan policy as construction loan disbursements are made.

- **Contiguity Endorsement (CE)** - The Contiguity Endorsement provides affirmative coverage that a parcel of land consisting of more than one legal description constitutes one contiguous parcel of land.

- **Foreign Currency Endorsement (FCE)** - The Foreign Currency Endorsement is used in connection with loan policies that contain provisions for the re-evaluation of the Indebtedness based upon changes in the conversion rate between U.S. dollars and a stated foreign currency.

- **Form E Endorsement (E)** - Endorsement Form E is used to correct or amend either a commitment or policy that has been issued (for example, to correct an error in the spelling of a name or in conjunction with a mortgage modification agreement). The exclusive method for changing the Date of Policy or effective date on a loan policy is through the use of the Form E endorsement.

- **Navigational Servitude Endorsement (NSE)** - The Navigational Servitude Endorsement provides affirmative coverage as to losses arising by reason of forced removal of improvements based upon the exercise of governmental rights with respect to control over navigable waters or lands that formerly constituted navigable waters.

Option Endorsement (OE) - The Option Endorsement insures a person or entity who has the right to

- purchase the subject property under a recorded option.

Revolving Credit Endorsement (RCE) - The Revolving Credit Endorsement is used with loan policies in instances under which the principal fluctuates from time to time as the borrower draws against a line of credit.

Shared Appreciation Endorsement (SAE) - The Shared Appreciation Endorsement insures the lender against loss or damage by reason of the invalidity or unenforceability of the mortgage resulting from shared appreciation interest provisions contained therein. It also provides coverage as to loss or damage by reason of loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance, the stated interest, and the shared appreciation interest, which loss of priority results from provisions in the mortgage for payment of shared appreciation interest.

Survey Endorsement (SE) - The Survey Endorsement, given with either an owner's or a loan policy, assures that the lands described in Schedule A of the policy are same lands described in a specific survey.

Privacy Policy Notice (PPN) - In all instances where a notice is required, ORNTIC requires its agents to include a copy of the notice (shown in this section) as part of the issued commitment and policy.

Continuation Sheet (CS) - The Continuation Sheet provides additional space for continuing Schedule A or B in a commitment or policy to show such matters as a lengthy legal description of the property or additional exceptions.

Notice to Purchaser - Mortgagor (NPM) - The Notice to Purchaser - Mortgagor gives notice to the owner that a loan title policy is being issued without an owner's policy to protect the owner's title interests. It is required to be signed by the owner when no owner's policy is being issued with the loan policy being issued.

Policy Approval Checklist (PAC) - The checklist will help identify common problem areas in issuing policies and examining title. If you encounter such an issue in the examination of title, you must resolve the matter before issuing the policy.

Condominium Current Assessments (ALTA 4.1)

To fill out this form, refer to the *Example of Condominium Endorsement (ALTA 4.1)*.

Purpose

The ALTA 4.1 endorsement is often given with owner's and loan policies when the insured property consists of a condominium unit. It provides the Insured with various affirmative coverages particular to condominiums, such as the valid creation of the condominium.

Note: This endorsement may not be issued on an automatic basis.

How to Prepare the ALTA Condominium Endorsement (ALTA 4.1)

When applicable, type or print the following information (the numbered paragraphs correspond to the elements of coverage):

Endorsement No.: Type the endorsement number.

To Policy No.: Type the letters and numbers of the policy to which this is an endorsement.

- 1 - 2. If the recorded documentation was either approved by Underwriting counsel or by the issuing title agent, then elements of coverage numbers 1 and 2 present no problem.
3. If present violations of any restrictive covenants exist that cannot be reasonably ignored because of limitations or perhaps laches, then element of coverage number 3 must be deleted. Furthermore, an exception should appear under Schedule B of any policy for the violations.
4. This endorsement may be issued if there are no charges or assessments provided for in the condominium documents and Sec. 718.116, F.S., that are due and unpaid. Evidence should be obtained at or before closing that payment of any such charges or assessments are current.
5. As allowed by Florida's Condominium Act, element of coverage number 5 may be provided.
6. This element of coverage creates no underwriting problem. It may be provided.

7. If the current sale is the first sale of the unit, then element of coverage number 7 may be ignored. If a resale is involved, then the matter can be disregarded when the association's written consent has been obtained approving the transfer, and the consent has been recorded. Refer to TN 08.02.01.

When an element of coverage is to be deleted from this endorsement form, the following special language must be inserted under Schedule B of the policy to be issued: Element of coverage Number(s) ____ is/are hereby deleted from the Condominium Endorsement ALTA 4.1 in its/their entirety.

- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No:** Type the Agent number.
Agent's Signature: The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged .

Related Documents

No Related Documents Found

Planned Unit Development Endorsement (PUD) (ALTA 5.1-06)

To fill out this form, refer to the *Example of Planned Unit Development Endorsement (PUD) (ALTA 5.1-06)*.

Purpose

The ALTA 5.1-06 endorsement is given most often with loan policies, and is used when the Land is located in a residential development that is subject to recorded covenants, conditions, or restrictions.

Note: This endorsement may not be issued on an automatic basis.

How to Prepare the ALTA Planned Unit Development (PUD) Endorsement (ALTA 5.1-06)

When applicable, type or print the following information (the numbered paragraphs correspond to the elements of coverage):

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
1. A determination should be made that the restrictive covenants are not violated and do not contain a forfeiture or reversionary clause. Such determination will result from the examination of a current survey or a personal inspection of the Land and a reading of the recorded instrument.
 2. Evidence must be obtained at or before closing that any charges or assessments in favor of any homeowner's association are current. (**Read the Homeowner's Association documents carefully.**)
 3. Should any encroachments be revealed by a current survey, they should be shown as exceptions, subject, however, to considerations of age and the extent of the encroachment. The latter matter should be presented to Underwriting counsel.
 4. Written evidence that the right of first refusal has been waived should be obtained at or before closing.

When an element of coverage is to be deleted from this endorsement form, type below element of coverage number 4 the following words: This endorsement is amended in that element(s) of coverage _____ is (are) deleted.

- **Name of Agent:** Type the name of the title agent (the attorney or firm).

- **Agent No:** Type the Agent number.

Agent's Signature: The title agent signs on this line. The signature must be visible. Under the title agent's

- signature, type the signer's name.

Distribution

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Premium

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Related Documents

No Related Documents Found

Variable Rate Mortgage (ALTA 6.0)

To fill out this form, refer to the *Example of Variable Rate Mortgage Endorsement (ALTA 6)*.

Purpose

The ALTA 6 endorsement assures the lender that their priority will be maintained despite the fact that certain changes in the loan terms, may occur (for example, the interest rate).

Note: This endorsement may not be issued on an automatic basis.

Requirements for Issuance

The requirements for the issuance of the Variable Rate Mortgage Endorsement (ALTA 6) are as follows:

- The mortgage placed of record must give notice to third parties that it is a special type of mortgage securing a note that contains provisions for changes in the rate of interest.
- The note or the loan documents secured by the insured mortgage, which may or may not be made a part of the recorded mortgage, must at a minimum be specifically identified in the mortgage and must contain all of the provisions controlling the changes in the rate of interest.
- The Insured Mortgage may not provide for negative amortization.

How to Prepare the ALTA Variable Rate Mortgage Endorsement (ALTA 6)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Variable Rate Mortgage Negative Amortization (ALTA 6.2)

To fill out this form, refer to the *Example of Variable Rate Mortgage Endorsement Negative Amortization (ALTA 6.2)*.

Purpose

The ALTA 6.2 endorsement assures the lender that their priority will be maintained despite the fact that certain changes in the interest rate occur. It also assures the lender that the occurrence of negative amortization/deferral of interest will not impair their lien priority.

Note: This endorsement may not be issued on an automatic basis.

Requirements for Issuance

The requirements for the issuance of the variable rate mortgage endorsement negative amortization (ALTA 6.2) are as follows:

- The mortgage placed of record must give notice to third parties that it is a special type of mortgage securing a note that contains provisions for changes in the rate of interest, including negative amortization.
- The note or the loan documents secured by the insured mortgage, which may or may not be made a part of the recorded mortgage, must at a minimum be specifically identified in the mortgage and must contain all of the provisions controlling the changes in the rate of interest, including negative amortization.

How to Prepare the ALTA Variable Rate Mortgage Endorsement Negative Amortization (ALTA 6.2)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent Type:** the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Manufactured Housing Unit Endorsement (ALTA 7-06)

To fill out this form, refer to the *Example of Manufactured Housing Unit Endorsement (ALTA 7-06)*.

Purpose

The ALTA 7-06 endorsement insures that a specifically described mobile home constitutes part of the insured Land.

Requirements for Issuance

Once the requirements of *TN 25.02.06* are met, this endorsement may be made a part of an owner's or loan policy when the property has been improved with a mobile home.

When the manufactured housing unit endorsement is issued, the Vehicle Identification Number (VIN) must be included in the legal description of the commitment and policy: Schedule A, Number 4 of the commitment; in Schedule A, Number 5 of the loan policy; and/or in Schedule A, Number 4 of the owner's policy.

How to Prepare the ALTA Manufactured Housing Unit Endorsement (ALTA 7-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Manufactured Housing Conversion Loan (ALTA 7.1)

To fill out this form, refer to the *Example of Manufactured Housing - Conversion - Loan Policy Endorsement (ALTA 7.1)*.

Purpose

The ALTA 7.1 is used only with loan policies and assures a lender that unless excepted in Schedule B of the policy: 1) the owner of the land owns the mobile home, 2) the mobile home is on the land, 3) the mobile home is covered by the terms of the policy as real property, 4) there are no personal property liens against the mobile home, 5) the lien of the mortgage attaches to the mobile home, and 6) the lien of the mortgage can be foreclosed against the land and the mobile home.

Requirements for Issuance

Title to the mobile home must be retired or have already been retired to issue this endorsement. Once the requirements of *TN 25.02.06(a)* are met, this endorsement may be made a part of a loan policy when the property has been improved with a mobile home.

When the manufactured housing - conversion - loan endorsement is issued, the Vehicle Identification Number (VIN) must be included in the legal description of the commitment and policy: Schedule A, Number 5 of the commitment; and in Schedule A, Number 5 of the loan policy.

If the title to the mobile home is being retired as a part of the current transaction, a review the title certificate

and DMV records for liens or encumbrances is required and releases must be obtained in order to retire title.

How to Prepare the ALTA Manufactured Housing - Conversion - Loan Policy Endorsement (ALTA 7.1)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent Type:** the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Manufactured Housing Conversion Owner's (ALTA 7.2)

To fill out this form, refer to the *Example of Manufactured Housing - Conversion - Owner's Policy Endorsement (ALTA 7.2)*.

Purpose

The ALTA 7.2 is used only with owner's policies and insures that unless excepted in Schedule B of the policy: 1) the owner of the land owns the mobile home, 2) the mobile home is on the land, 3) the mobile home is covered by the terms of the policy as real property, and 4) there are no personal property liens against the mobile home.

Requirements for Issuance

Title to the mobile home must be retired or have already been retired to issue this endorsement. Once the requirements of *TN 25.02.06(a)* are met, this endorsement may be made a part of an owner's policy when the property has been improved with a mobile home.

When the manufactured housing - conversion - owner's policy endorsement is issued, the Vehicle Identification Number (VIN) must be included in the legal description of the commitment and policy: Schedule A, Number 5 of the commitment; and in Schedule A, Number 4 of the owner's policy.

If the title to the mobile home is being retired as a part of the current transaction, a review the title certificate and DMV records for liens or encumbrances is required and releases must be obtained in order to retire title.

How to Prepare the ALTA Manufactured Housing- Conversion - Owner's Policy Endorsement (ALTA 7.2)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

- **Name of Agent Type:** the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Environmental Protection Lien (ALTA 8.1)

To fill out this form, refer to the *Example of Environmental Protection Lien Endorsement (ALTA 8.1)*.

Purpose

The ALTA 8.1 endorsement provides for affirmative coverage against loss or damage by reason of a lack of priority of the Insured Mortgage over any environmental protection lien that is recorded at the Date of Policy.

Requirements for Issuance

The ALTA 8.1 endorsement may be issued with a loan policy in Florida. It is only necessary to determine that there is no record notice of, 1) an environmental protection lien or, 2) an environmental protection lien for cleanup and removal. If the title examination reveals such a lien, it would be shown as an exception under Schedule B, and the endorsement cannot be issued. If the title examination does not reveal such a lien, then issue the endorsement. This endorsement is a requirement of the secondary mortgage market.

How to Prepare the ALTA Environmental Protection Lien Endorsement (ALTA 8.1)

When applicable, type or print the following information (paragraphs (a) and (b) below correspond to the elements of coverage in paragraphs 1(a) and 1(b) of the endorsement):

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

1(a). Paragraph 1(a) of the endorsement reflects that there are no liens filed in the records of the clerk of the United States District Court for the district in which the Land is located.

A check of federal district court records is not necessary because federal law provides for the creation of a lien by such recording in a limited situation. Specifically, it is provided "if the state has not by law designated one office for the receipt of such notices of liens, the notice shall be filed in the office of the clerk of the United States District Court for the district in which the real property is located." 42 U.S.C., Sec. 9607(1)(3).

Existing Florida law does designate one office for the receipt of notice of liens for hazardous waste cleanup and that this office is the clerk of the circuit court for the county in which the property is located. See Sec. 28.22, F.S. As a result, no check of the federal district court records is necessary to issue the ALTA 8.1 endorsement in Florida.

1(b). The ALTA 8.1 endorsement at paragraph 1(b), contains space for the insertion of state statutes that may create a "super lien" to be given priority over earlier recorded interests. Since there are presently no such

statutes in Florida, type "NONE" on the endorsement. If Florida at some point in the future adopts legislation that would provide for a "super lien," then this information will be given to you for inclusion in the endorsement.

- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Restrictions, Encroachments, Minerals Endorsement Loan Policy (ALTA 9-06)

To fill out this form, refer to the *Example of Restrictions, Encroachments, Minerals Endorsement Loan Policy (ALTA 9-06)*.

Purpose

The ALTA 9-06 endorsement is used only with loan policies. It provides the Insured with several commonly requested affirmative coverages, most of which concern violations of restrictions and encroachments. The coverage is identical to the previous Florida Form 9 (FF9) endorsement. The ALTA 9-06 may be used with the MF6/M21 loan policy pursuant to underwriting guidelines set forth below.

Note: This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

Numbered paragraphs in this section refer to elements of coverage:

1(a) Element of coverage 1(a) assures that there are no covenants, conditions, or restrictions under which the lien of the Insured Mortgage could be divested, subordinated, or extinguished, or its validity, priority, or enforcement impaired. This element of coverage may be given once the title agent determines that the assurance is correct. (Although not expressly stated in the endorsement, the reference to covenants, conditions, or restrictions should be considered those of Public Record or of which the examiner has actual knowledge.)

1(b) This element of coverage requires that certain matters be expressly excepted in Schedule B. All of the other elements of coverage of this endorsement, in effect, provide affirmative coverage as to such matters.

1(b)(1) The first portion of element of coverage 1(b)(1) concerns the absence of existing violations of any covenants, conditions, or restrictions. Any existing violations must be listed as exceptions in Schedule B. Normally, evidence that no violations exist will consist, at the very least, an affidavit from the owner. A survey might also be needed.

Of course, the exact nature of the proof required to establish the nonexistence of violations will depend upon the terms of the covenants, conditions, and restrictions and the particular facts and circumstances involved. Particular caution must be exercised when a violation could occur without physical evidence such as violation of a restriction against serving alcohol beverages on the premises. The second portion of

element of coverage number 1(b)(1) concerns the absence of violations of plat setback requirements. Exception must be made in Schedule B for any violations of plat setback requirements. Such violations should be revealed by the current survey.

1(b)(2) As to element of coverage 1(b)(2), the issuing title agent must examine any instruments listed in Schedule B that contain covenants, conditions, or restrictions, in order to determine whether any such instrument includes any of the items enumerated in subparagraphs (i) through (iv). That is, any instruments listed in Schedule B that contain covenants, conditions, or restrictions must be reviewed to determine whether they contain easements, liens for liquidated damages, private charges or assessments, or provide for options to purchase, rights of first refusal, or prior approval of a future purchaser or occupant. Any such item must be expressly excepted in Schedule B.

Example: If subdivision restrictions impose a maintenance assessment upon the lot owner, such assessment should be specifically listed as an exception in Schedule B.

Rather than expressly and in detail listing the items enumerated in this element of coverage, it is sufficient to use generic language, provided that it meets the lender's approval.

Example: In the paragraph of Schedule B that describes a Declaration of Condominium, the following language might be added: "Such Declaration of Condominium establishes and provides for easements, liens, charges, assessments, an option to purchase, a right of first refusal, and the prior approval of a future purchaser or occupant."

Please note that, by virtue of element of coverage number 1(a), the endorsement affirmatively insures that those provisions will not have the effect of divesting, subordinating, or extinguishing the Mortgage, or impairing its validity, priority, or enforceability.

1(b)(3) Element of coverage 1(b)(3) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land onto adjoining land, nor any encroachment onto the Land of existing improvements located on adjoining land. Any such encroachments (which would be shown on the survey) must be listed as Schedule B exceptions.

Example: If there is a slight fence encroachment from the subject Land onto the neighboring land, a Schedule B exception would be inserted as follows: "Encroachment of wood fence along the southerly boundary of Land, as revealed by the survey prepared by XYZ Surveying Company dated May 2, 1991, bearing job number 1234."

Please note that element of coverage number 4 of this endorsement has the effect of providing affirmative coverage as to loss or damage sustained by reason of a final court order or judgment requiring the removal of an encroachment onto adjoining land.

1(b)(4) Element of coverage 1(b)(4) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B. Appropriate Schedule B exceptions must be made for improvements located within easement areas. The survey must show all easements excepted in Schedule B, in order to determine whether any such encroachment exists.

If the Land is a condominium unit, the survey exception is often waived without obtaining a current survey. The requirements are set forth in *TN 08.05.06B*. The ALTA 9-06 may still be provided, unless there is evidence of encroachments occurring subsequent to the original survey that was attached to the Declaration of Condominium.

1(b)(5) Element of coverage 1(b)(5) assures that there are no notices of violations of covenants, conditions, and restrictions related to environmental protection recorded in the Public Records. If any such notices are recorded, this coverage cannot be given, and the notices must be listed as Schedule B exceptions.

2. Element of coverage number 2 insures against loss or damage sustained by reason of future violations of existing covenants, conditions, or restrictions, if the violation results in either the impairment or loss of the lien of the Insured Mortgage or loss of Title to the Land if the Insured acquires Title in satisfaction of the secured debt. This element of coverage may be provided if the issuing title agent has carefully reviewed the covenants, conditions, or restrictions, and determined that any future violation of any existing covenants, conditions, or restrictions will not affect the lien of the Insured Mortgage or cause a reversion of the Title. The vast majority of covenants, conditions, and restrictions will not have any such effect.

3. Element of coverage number 3 contains two parts, both of which provide coverage as to loss or damage sustained by reason of damage to existing improvements. The first part, contained in subparagraph 3(a), concerns improvements located within easement areas and damage resulting from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved. The second part, contained in subparagraph 3(b), concerns damage resulting from the future exercise of rights of entry for the extraction or development of minerals.

3(a) If there are no improvements located upon the portion of the Land that is subject to an easement, the first part of element of coverage number 3 poses no problem. In general, this coverage may still be provided where encroachments of improvements onto typical utility or drainage easements exist, so long as the improvement is removable (e.g., a fence or driveway) and it is relatively minor. Preferably, there should be at least ten percent (10%) equity cushion (e.g., mortgage amount of \$90,000.00 and fair market value of \$100,000.00). Facts falling outside these general guidelines should be discussed with Old Republic Titleunderwriting counsel.

3(b) The second portion of element of coverage 3 may always be provided if Schedule B contains no exceptions for mineral interests and the legal description of the subject Land does not except any mineral interests. If mineral interests exist, this element of coverage may not be given unless: (i) the holders of the mineral interests have released rights of entry (by a duly executed and recorded instrument); or (ii) the mineral interests have been released by operation of law. Refer to *TN 27.01.02* and *TN 27.04.01C*.

4. Element of coverage number 4, which provides coverage as to loss or damage arising from a final judgment requiring the removal of any encroachment from the Land onto neighboring land, may always be provided when no encroachments onto adjoining Land are excepted in Schedule B.

If such encroachments do exist, the issuing title agent, possibly in consultation with Old Republic Title Underwriting Counsel, must assess the degree of risk of the entry of a court order or judgment requiring the removal of the encroachment and what impact that could have (i.e., loss or damage) on the insured lender. If there is any indication of a boundary dispute, this element of coverage may not be given.

Many such encroachments will be insignificant, and easily removable, such as a fence being a few inches over the property line or part of a concrete pad extending onto adjoining land. If the minor encroachments have existed for a long time without objection, the risk is diminished even further. If the court-ordered removal of the encroachment would affect the lender's security, or if the amount of the mortgage exceeds ninety percent (90%) of the fair market value of the Land, this element of coverage should not be given without first securing approval from Old Republic Title Underwriting Counsel. When the building itself encroaches onto adjoining land, this coverage will not be available except in unusual circumstances.

5. Similar determinations must be made in connection with element of coverage number 5, when there are violations of covenants, conditions, or restrictions or platted setback requirements. This element of coverage provides insurance as to loss or damage arising from a final judgment denying the right to maintain any existing improvement because of a violation of covenants, conditions, or restrictions or platted setback lines.

When setback violations are an issue, the guidelines are as follows:

The instrument that imposes the setback requirement must not contain a reverter clause.

The structure or improvement that violates the setback requirement must be completed.

The violation should not be more than ten percent (10%) of the total setback requirement. (For example, if the setback requirement is 25 feet, the maximum violation allowable would be 2.5 feet).

There must be no proceeding pending, and so far as the title agent knows or can determine by inquiry, no current objection to the violation and no indication of any future proceeding in connection with the violation.

In element of coverage number 5, affirmative coverage is provided against loss or damage sustained by reason of "[a]ny final court order or judgment denying the right to maintain any existing improvement on the land because of any violation of... building setback lines shown on a [recorded] plat..." Coverage is not provided as to loss or damage resulting from violations of law, but is limited to violations of platted setback Requirements.

Exclusion from coverage number 1 (in the loan policy) expressly excludes from coverage "[a]ny law

ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement now or hereafter erected on the land.... or the effect of any violation of any such law, ordinance or governmental regulation." If, there is a violation of local law, we strongly recommend this be disclosed to the Insured, notwithstanding the lack of coverage in either the policy or the endorsement. No policy exception is required absent recorded notice of violation or intent to enforce.

If there are violations of covenants, conditions, or restrictions, or platted setback requirements falling outside the guidelines set forth above, this element of coverage may not be given without prior approval by Old Republic Title Underwriting Counsel.

Schedule B - Exceptions

In the event that any element of coverage provided within this endorsement is not given in a particular transaction, there must be an appropriate notation in the paragraph of Schedule B containing the exception.

Example: If a building encroaches 30 feet onto adjoining land, this would be listed as a Schedule B exception (per element of coverage 1(b)(3), and the following language would be added: "Element of coverage No. 4 of the ALTA 9.06 endorsement (Restrictions, Encroachments, Minerals) shall not apply with respect to the aforesaid encroachment.

Generally speaking, the ALTA 9-06 endorsement may not be issued unless a current survey has been obtained. Some lenders do not require current surveys in connection with certain types of loans.

The ALTA 9-06 may still be given in such situations, but must be modified by way of the following special language inserted under Schedule B:

The ALTA 9-06 endorsement (Restrictions, Encroachments, Minerals) is attached to this policy as Endorsement No. _____ Element of coverage 1(b)(1) thereof is hereby modified to read as follows: 'There are no present violations on the Land of any enforceable covenants, conditions, or restrictions.' Elements of coverage 1(b)(3), 1(b)(4), 3, 4, and 5 are hereby deleted from the endorsement in their entirety. Of course, before giving the elements of coverage remaining in the endorsement after it has been so modified, the applicable instructions set forth above must be followed. Also, if the covenants, conditions, or restrictions are such that a survey would be necessary to determine whether there is an existing violation, the endorsement should not be given without obtaining and reviewing a current survey.

Issuance with Commitment

Lenders occasionally request that various endorsements be issued with the title insurance commitment, as well as with the final loan policy. Technically, it is improper to give the ALTA 9-06 endorsement (or any other endorsement) with a commitment, since there is not yet any "Indebtedness secured by the Insured Mortgage." Furthermore, the survey and other necessary documentation are rarely available at the time the commitment is issued.

One way to satisfy a lender in this situation is to indicate, under Part II of Schedule B of the commitment, the following:

The ALTA 9-06 endorsement shall be issued together with the ALTA loan policy to be based upon this commitment, provided that all underwriting requirements pertaining to the issuance thereof are satisfied. If desired, a sample of the ALTA 9-06 endorsement may be attached as an exhibit to the commitment. Rather than using the intentionally broad "all underwriting requirements" language, the title agent may of course specifically delineate the requirements for the issuance of the ALTA 9-06 endorsement. Also, in the rare instance where the survey and other necessary documentation are available at the time the commitment is issued, a "pro forma" ALTA 9-06 endorsement may be attached to the commitment, with appropriate corresponding Schedule B exceptions.

Checklist for ALTA 9.06 Endorsement

This checklist should help the title agent to determine whether the affirmative coverage provided by the ALTA 9-06 endorsement can be given.

Element of Coverage (1)

1(a) Are there any covenants, conditions, or restrictions under which the lien of the insured mortgage could be divested, subordinated, or extinguished, or its validity, priority, or enforcement impaired? If not, this element of coverage may be given.

1(b)(1) The following must be listed as Schedule B Exceptions: Any existing violations of covenants, conditions, or restrictions, or any violations of plat setback requirements.

1(b)(2) Examine instruments listed in Schedule B containing covenants, conditions, or restrictions, and note in Schedule B any easements, liens for liquidated damages, private charges or assessments, options to purchase, rights of first refusal, or prior approval of a future purchaser of occupant. Alternatively, generic language may be used (refer to the instructions).

1(b)(3) Note as Schedule B exceptions any encroachments of improvements from the Land onto adjoining land and any encroachments onto the subject Land of improvements located on adjoining land.

1(b)(4) Make Schedule B exceptions for improvements located within easement areas.

1(b)(5) Make Schedule B exceptions for notices of violations of covenants, conditions and restrictions related to environmental protection recorded in the Public Records.

Element of Coverage (2)

Review covenants, conditions, or restrictions to determine that any future violation will not affect the lien of the Insured Mortgage or cause a reversion of Title.

Element of Coverage (3)

3(a) Coverage may be given only where there are no improvements located upon the portion of the Land that are subject to an easement or where any such encroachments are removable and relatively minor.

3(b) Coverage may be given if: there are no mineral interests; when the holders of any mineral interests have released rights of entry (by a duly executed and recorded instrument); or the mineral interests are released by operation of law. Refer to *TN 27.01.02* and *TN 27.04.01C*.

Element of Coverage (4)

Coverage may be given when there are no encroachments onto adjoining land. If such encroachments exist, the title agent must assess the degree of risk of the entry of a court order or judgment requiring removal, and what effect that might have on the Insured Mortgage. Consult with Underwriting counsel if necessary.

Element of Coverage (5)

As to setback violations, coverage may be given when all of the following conditions are met:

- Instrument imposing setback requirement contains no reverter clause;
- The structure or improvement violating the setback requirement is completed;
- The violation is not more than ten percent (10%) of the total setback requirement; and
- There is no proceeding pending, and the title agent has no knowledge of current objections.

If there are violations of covenants, conditions, or restrictions that fall outside of the guidelines set forth above, the title agent should consult with Underwriting counsel.

How to Prepare the ALTA Restrictions, Encroachments, Minerals Endorsement - Loan Policy (ALTA 9-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
 - **Name of Agent:** Type the name of the title agent (the attorney or firm).
 - **Agent No.:** Type the Agent number.
- Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of ten percent (10%) of the sum of the premium(s) of the underlying policy or policies must be charged.

Related Documents

No Related Documents Found

Restrictions, Encroachments, Minerals, Owner's Policy Unimproved Land Endorsement (ALTA 9.1-06)

To fill out this form, refer to the *Example of Restrictions, Encroachments, Minerals Owner's Policy (ALTA 9.1-06)*.

Purpose

The ALTA 9.1-06 endorsement is used with an owner's policy insuring unimproved land. It provides the Insured with several affirmative coverages, most of which concern violations of restrictions and encroachments. It provides some of the same coverages as the ALTA endorsement 9-06.

Note: This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

Numbered paragraphs in this section refer to elements of coverage:

1(a) Element of coverage 1(a) assures that there are no present violations of any enforceable covenants, conditions or restrictions unless the violation is set forth as an exception on Schedule B. Evidence that no violations exist will consist, at the very least, of an affidavit of the owner. A survey may also be needed if the covenants, conditions or restrictions include such matters as set-back restrictions. (Although not expressly stated in the endorsement, the reference to covenants, conditions, or restrictions should be considered those of Public Record or of which the examiner has actual knowledge.) Of course, the exact nature of the proof required to establish the nonexistence of violations will depend upon the terms of the covenants, conditions, and restrictions and the particular facts and circumstances involved. Particular caution must be exercised when a violation could occur without physical evidence such as a violation of a restriction against serving alcoholic beverages on the premises.

1(b) As to the element of coverage 1(b), the issuing title agent must examine any instruments listed in Schedule B that contain covenants, conditions, or restrictions, in order to determine whether any such instrument includes any of the items enumerated in subparagraphs (i) through (iii). That is, any instruments listed in Schedule B that contain covenants, conditions, or restrictions must be reviewed to determine whether they contain easements, provide for options to purchase, rights of first refusal, prior approval of a future purchaser or occupant, right of reentry or possibility of reverter or right of forfeiture.

Example: If subdivision restrictions impose an easement upon the lot, such easement should be specifically listed as an exception in Schedule B.

Rather than expressly and in detail listing the items enumerated in this element of coverage, it is sufficient to use generic language.

Example: In the paragraph of Schedule B that describes a Declaration of Condominium, the following language might be added:

Such Declaration of Condominium establishes and provides for easements, liens, charges, assessments, an option to purchase, a right of first refusal, prior approval of a future purchaser or occupant, right of reentry or possibility of reverter or right of forfeiture.

1(c) Element of coverage 1(c) assures that, unless listed in Schedule B, there is no encroachment onto the Land of existing improvements located on adjoining land. Any such encroachments (which should be shown on the survey) must be listed as Schedule B exceptions.

Example: If there is a slight fence encroachment onto the Land from the neighboring land, a Schedule B exception would be inserted as follows:

Encroachment of wood fence along the southerly boundary of the Land, as revealed by the survey prepared by XYZ Surveying Company dated May 2, 2002, bearing job number 1234.

1(d) Element of coverage 1(d) assures that there are no notices of violations of covenants, conditions, and restrictions related to environmental protection recorded in the Public Records. If any such notices are recorded, this coverage cannot be given, and the notices must be listed as Schedule B exceptions.

2. Element of coverage number 2 provides coverage as to loss or damage sustained by reason of damage to future improvements due to the exercise of rights of entry for the extraction or development of minerals. This element of coverage may always be provided if Schedule B contains no exceptions for mineral interests and the legal description of the Land does not except any mineral interests. If mineral interests exist, this element of coverage may not be given unless: (i) the holders of the mineral interests have released rights of entry (by a duly executed and recorded instrument); or (ii) the mineral interests have been released by operation of law. Refer to *TN 27.01.02* and *TN 27.04.01C*.

How to Prepare the ALTA 9.1-06 - Owner's Policy - Unimproved Land (ALTA 9.1-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of ten percent (10%) of the sum of the premium (s) of the underlying policy or policies must be charged.

Related Documents

No Related Documents Found

Restrictions, Encroachments, Minerals, Owner's Policy Improved Land (ALTA 9.2-06)

To fill out this form, refer to the *Example Restrictions, Encroachments, Minerals, Owner's Policy - Improved Land (ALTA 9.2-06)*.

Purpose

The ALTA 9.2-06 endorsement is used only with an owner's policy insuring improved land. It provides the Insured with several affirmative coverages, most of which concern violations of restrictions and encroachments. The ALTA 9.2-06 may be used with owner's policies insuring improved land pursuant to the underwriting guidelines set forth below.

Note: This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

Numbered paragraphs in this section refer to elements of coverage:

1. This element of coverage requires that certain matters be expressly excepted in Schedule B. All of the other elements of coverage of this endorsement, in effect, provide affirmative coverage as to such matters.

1. (a) The first portion of element of coverage 1(a) concerns the absence of existing violations of any covenants, conditions, or restrictions. Any existing violations must be listed as exceptions in Schedule B. Normally, evidence that no violations exist will consist, at the very least, of an affidavit of the owner. A survey might also be needed.

Of course the exact nature of the proof required to establish the nonexistence of violations will depend upon the terms of the covenants, conditions, and restrictions and the particular facts and circumstances involved. Particular caution must be exercised when a violation could occur without physical evidence such as a violation of a restriction against serving alcoholic beverages on the premises.

The second portion of element of coverage number 1(a) concerns the absence of violations of plat setback requirements. Exception must be made in Schedule B for any violations of plat setback requirements. Such violations should be revealed by the current survey.

1. (b) As to element of coverage 1(b), the issuing title agent must examine any instruments listed in Schedule B that contains covenants, conditions, or restrictions, in order to determine whether any such instrument includes any of the items enumerated in subparagraphs (i) through (iii). That is, any instruments listed in Schedule B that contain covenants, conditions, or restrictions must be reviewed to determine whether they contain easements, or provide for options to purchase, rights of first refusal, prior approval of a purchaser or occupant, right of reentry or possibility of reverter or right of forfeiture. Any such item must be expressly excepted in Schedule B.

Example: If subdivision restrictions impose an easement upon the lot, such easement should be specifically listed as an exception in Schedule B.

Rather than expressly and in detail listing the items enumerated in this element of coverage, it is sufficient to use generic language.

Example: In the paragraph of Schedule B that describes a declaration of condominium, the following language might be added: "Such Declaration of Condominium establishes and provides for easements, an option to purchase, a right of first refusal, the prior approval of a future purchaser or occupant and a right of reentry, possibility of reverter, or right of forfeiture

1. (c) Element of coverage 1(c) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land and onto adjoining land, nor any encroachment onto the Land of existing improvements located on adjoining land. Any such encroachments (which should be shown on the survey) must be listed as Schedule B exceptions.

Example: If there is a slight fence encroachment onto the Land from the neighboring land, a Schedule B exception would be inserted as follows: "Encroachment of wood fence along the southerly boundary of the Land, as revealed by the survey prepared by XYZ Surveying Company dated May 2, 2002, bearing job number 1234.

Please note that element of coverage number 3 of this endorsement has the effect of providing affirmative coverage as to loss or damage sustained by reason of a final court order or judgment requiring the removal of an encroachment onto adjoining land.

1. (d) Element of coverage 1(d) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B. Appropriate Schedule B exceptions must be made for improvements located within easement areas. The survey must show all easements excepted in Schedule B, in order to determine whether any such encroachments exist. Element of coverage number 2(a) of this endorsement provides affirmative coverage against damage to existing improvements due to an exercise of an easement excepted on Schedule B. If the Land is a condominium unit, the survey exception is often waived without obtaining a current survey. As set forth in *TN 08.05.06B2*, title agents are authorized to determine in any reasonable manner, satisfactory to them, whether there has been any construction subsequent to the declaration of condominium on the condominium parcel or on adjoining land. Such determination may take the form of a statement from the condominium association or other knowledgeable party. The ALTA 9.2-06 may still be provided, unless there is evidence of encroachments occurring subsequent to the original survey that was attached to the declaration of condominium.

1. (e) Element of coverage 1(e) assures that there are no notices of violations of covenants, conditions, and restrictions related to environmental protection recorded in the Public Records. If any such notices are recorded, this coverage cannot be given, and the notices must be listed as Schedule B exceptions.

2. Element of coverage 2 contains two parts, both of which provide coverage as to loss or damage sustained by reason of damage to existing buildings. The first part, contained in subparagraph 2(a), concerns buildings located within easement areas and damage resulting from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved. The second part, contained in subparagraph 2(b) concerns damage resulting from the future exercise of rights of entry for the extraction or development or minerals.

1. (a) If there are no buildings located upon the portion of the Land that is subject to an easement, the first part of element coverage number 2, poses no problem. If a building is located upon the portion of the Land that is subject to an easement, this coverage may not be given unless approved by Old Republic Title Underwriting Counsel.

1. (b) The second portion of element of coverage 2 may always be provided if Schedule B contains no exceptions for mineral interests and the legal description of the Land does not except any mineral interest.

If mineral interests exist, this element of coverage may not be given unless: (i) the holders of the mineral interest have released rights of entry (by a duly executed and recorded instrument); or (ii) the right of entry has been released by operation of law. Refer to *TN 27.01.02* and *TN 27.04.01C*.

1. Element of coverage 3, which provides coverage as to loss or damage arising from a final judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping or driveways, may always be provided where no encroachments onto adjoining land are excepted in Schedule B.

If such encroachments do exist, the issuing title agent, possibly in consultation with Underwriting counsel, must assess the degree of risk of the entry of a court order or judgment requiring the removal of the encroachment and what impact that could have (i.e., loss or damage). If there is any indication of a boundary dispute, this element of coverage may not be given.

1. Similar determinations must be made in connection with element of coverage 4, when there are violations of covenants, conditions or restrictions, or platted setback requirements. This element of coverage provides insurance as to loss or damage arising from a final judgment denying the right to maintain any existing improvement because of a violation of covenants, conditions, or restrictions, or platted setback lines. When setback violations are at issue, the guidelines are as follows:

1. The instrument that imposes the setback requirement must not contain a reverter clause.
2. The structure of improvement that violates the setback requirement must be completed.
3. The violation, should not be more than ten percent (10%) of the total setback requirement. (For example, if the setback requirement is 25 feet, the maximum violation allowable would be 2.5 feet); and
4. There must be no proceeding pending, and so far as the title agent knows or can determine by inquiry, no current objection to the violation and no indication of any future proceeding in connection with the violation.

5.

In element of coverage 4, affirmative coverage is provided against loss or damage sustained by reason of "[a]ny final court order or judgment of denying the right to maintain any existing improvement on the land because of any violation of... building setback lines shown on a [recorded] plat...." Coverage is not provided as to loss or damage resulting from violations of zoning law, but is limited to violations of platted setback requirements.

Exclusion from coverage 1 (in the owner's policy jacket) expressly excludes from coverage [a]ny law, coverage, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations.

If there is a violation of local law, we strongly recommend this be brought to the attention of the Insured, notwithstanding the lack of coverage in either the policy or the endorsement. No policy exception is required absent a recorded notice of violation or intent to enforce.

If there are violations of covenants, conditions, or restrictions, or platted setback requirements falling outside the guidelines set forth above, this element of coverage may not be given without prior approval by Old Republic Title Underwriting Counsel.

Schedule B - Exceptions

In the event that any element of coverage provided within the endorsement is not given in a particular transaction, there must be an appropriate notation in the paragraph of Schedule B containing the exception.

Example: If an out-building encroaches 30 feet onto adjoining land, this would be listed as Schedule B exception per element of coverage 1(c), and the following language would be added: Element of coverage No.3 of the ALTA 9.2-06 Restrictions, Encroachments, Minerals shall not apply with respect to the aforesaid encroachment.

Generally speaking, the ALTA 9.2-06 may not be issued unless a current survey has been obtained. If a survey is not provided the ALTA 9.2-06 may still be given in such situations, but must be modified by way of the following special language inserted under Schedule B:

The ALTA 9.2-06 endorsement (Restrictions, Encroachments, Minerals) is attached to this policy as Endorsement No. _____, Element of coverage 1(a) thereof is hereby modified to read as follows: 'There are no present violations on the Land of any enforceable covenants, conditions or restrictions.' Elements of coverage 1(c), (d), 2(a), 3, 4, are hereby deleted from the endorsement in their entirety.

Of course, before giving the elements of coverage remaining in the endorsement after it has been so modified, the applicable instructions stated above must be followed. Also, if the covenants, conditions, or restrictions are such that a survey would be necessary to determine whether there is an existing violation, the endorsement should not be given without obtaining and reviewing a current survey.

How to Prepare the ALTA Restrictions, Encroachments, Minerals Endorsement - Owner's Policy - Improved Land (ALTA 9.2-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type the Agent number.

- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of ten percent of the sum of the premium(s) of the underlying policy or policies must be charged.

Related Documents

TN 8.05.06 Waiver of Survey Exception and Coverage Under the ALTA 9-06, ALTA 9.2-06, and ALTA 9.3-06 Endorsements

Restrictions, Encroachments, Minerals, Endorsement Loan Policy (ALTA 9.3-06)

To fill out this form, refer to the *Example of Restrictions, Encroachments, Minerals Loan Policy (ALTA 9.3-06)*.

Purpose

The ALTA 9.3-06 endorsement is used only with the loan policy. It provides the Insured with several commonly requested affirmative coverages found in the ALTA 9-06, most of which concern violations of restrictions and encroachments. The Florida version of the ALTA 9.3-06 has been modified from the official ALTA 9.3-06 version. In Florida, the affirmative coverage in paragraph 4 of the ALTA 9.3-06 was limited to cover damages to improvements existing at Date of Policy. As a result of the Florida modifications, the ALTA 9.3-06 and the ALTA 9-06 may be used interchangeably with the MF6 loan policy with the same underwriting guidelines.

Note: This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

Numbered paragraphs in this section refer to elements of coverage:

1. (a) Element of coverage 1(a) assures that there are no covenants, conditions, or restrictions under which the lien of the Insured Mortgage could be divested, subordinated, or extinguished, or its validity, priority, or enforcement impaired.

This element of coverage may be given once the title agent determines that the assurance is correct. (Although not expressly stated in the endorsement, the reference to covenants, conditions, or restrictions should be considered those of Public Record or of which the examiner has actual knowledge.)

1. (b) This element of coverage requires that certain matters be expressly excepted in Schedule B. All of the other elements of coverage of this endorsement, in effect, provide affirmative coverage as to such matters.

1. (b)(i). The first portion of element of coverage 1(b)(i) concerns the absence of existing violations of any covenants, conditions, or restrictions. Any existing violations must be listed as exceptions in Schedule B. Normally, evidence that no violations exist will consist, at the very least, of an affidavit from the owner. A survey might also be needed.

Of course, the exact nature of the proof required to establish the nonexistence of violations will depend upon the terms of the covenants, conditions, and restrictions and the particular facts and circumstances involved. Particular caution must be exercised when a violation could occur without physical evidence such as a violation of a restriction against serving alcoholic beverages on the premises.

The second portion of element of coverage number 1(b)(i) concerns the absence of violations of plat setback requirements. Exception must be made in Schedule B for any violations of plat setback requirements. Such violations should be revealed by the current survey.

Under the ALTA 9.3-06, element of coverage number 1(b)(i), does not include covenants, conditions, or restrictions which relate to obligations to perform maintenance, repair, or remediation on the Land or which pertains to environmental protection, unless the violation is recorded in the Public Records and is not

excepted in Schedule B.

1. (b)(ii). As to element of coverage 1(b)(ii), the issuing title agent must examine any instruments listed in Schedule B that contains covenants, conditions, or restrictions, in order to determine whether any such instrument includes any of the items enumerated in subparagraphs (A) through (D). That is, any instruments listed in Schedule B that contain covenants, conditions, or restrictions must be reviewed to determine whether they contain items such as easements, liens for liquidated damages, private charges or assessments, or provide for options to purchase, rights of first refusal, or prior approval of a future purchaser or occupant. Any such item must be expressly excepted in Schedule B along with the exception for the declaration or for the covenants and conditions.

Example 1: If a subdivision's covenants, conditions and restrictions impose a maintenance assessment upon the lot owner, such an assessment must be specifically listed as an exception in Schedule B as follows: Such Covenants, Conditions and Restrictions establish and provide for a maintenance assessment upon the lot owner.

Example 2: If a declaration of condominium impose these items enumerated in subparagraphs (A) through (D), the following language must be added to Schedule B: Such Declaration of Condominium establishes and provides for easements, liens, charges, assessments, an option to purchase, a right of first refusal, and the prior approval of a future purchaser or occupant.

Please note that, by virtue of element of coverage number 1(a), the endorsement affirmatively insures that those provisions will not have the effect of divesting, subordinating, or extinguishing the Mortgage, or impairing its validity, priority, or enforceability.

1. (b)(iii). Element of coverage 1(b)(iii) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land onto adjoining land, nor any encroachment onto the Land of existing improvements located on adjoining land. Any such encroachments (which should be shown on the survey) must be listed as Schedule B exceptions.

Example: If there is a slight fence encroachment from the Land onto the neighboring land, a Schedule B exception would be inserted as follows: Encroachment of wood fence along the southerly boundary of the Land, as revealed by the survey prepared by XYZ Surveying Company dated May 2, 1991, bearing job number 1234.

Please note that element of coverage 5 of this endorsement has the effect of providing affirmative coverage as to loss or damage sustained by reason of a final court order or judgment requiring the removal of an encroachment onto adjoining land.

1. (b)(iv). Element of coverage 1(b)(iv) assures that, unless listed in Schedule B, there is no encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B. Appropriate Schedule B exceptions must be for improvements located within easement areas. The survey must show all easements excepted in Schedule B, in order to determine whether any such encroachments exist.

If the Land is a condominium unit, the survey exception is often waived without obtaining a current survey. The requirements are set forth in *TN 8.05.06B*. The ALTA 9.3-06 may still be provided, unless there is evidence of encroachments occurring subsequent to the original survey that was attached to the Declaration of Condominium.

1. (b)(v). Element of coverage 1(b)(v), assures that there are no notices of violations of covenants, conditions, and restrictions related to environmental protection recorded in the Public Records. If any such notices are recorded, this coverage cannot be given, and the notices must be listed as Schedule B exceptions.

2. Element of coverage 2, insures against loss or damage sustained by reason of future violations of existing covenants, conditions, or restrictions, if the violation results in either the invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage or loss of Title to the Land if the Insured acquires Title in satisfaction of the secured debt. This element of coverage may be provided if the issuing title agent has carefully reviewed the covenants, conditions, or restrictions and determined that any future violation of any existing covenants, conditions, or restrictions will not affect the lien of the Insured Mortgage or cause a reversion of the Title. The vast majority of covenants, conditions, and restrictions will not have any such effect.

3. Element of coverage 3, provides coverage as to loss or damage sustained by reason of damage to

improvements existing at Date of Policy. The coverage concerns improvements located within easement areas and damage resulting from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.

If there are no improvements located upon the portion of the Land that is subject to an easement, element of coverage 3, poses no problem. In general, this coverage may still be provided where encroachments of improvements onto typical utility or drainage easements exist, so long as the improvement is removable (e.g., a fence or driveway) and it is relatively minor. Preferably, there should be at least a ten (10%) percent equity cushion (e.g. Mortgage amount of \$90,000.00 and fair market value of \$100,000.00). Facts falling outside these general guidelines should be discussed with Old Republic Title Underwriting Counsel.

1. Element of coverage 4 was modified in Florida to cover damage to improvements existing at Date of Policy resulting from the future exercise of rights of entry for the extraction or development of minerals. Element of coverage 4, may always be provided if Schedule B contains no exceptions for mineral interests and the legal description of the Land does not except any mineral interests. If mineral interests exist, this element of coverage may not be given unless:

- the holders of the mineral interests have released rights of entry (by a duly executed and recorded instrument); or the mineral interests
- have been released by operation of law. See *TN 27.01.02* and *TN 27.04.01C*.

1. Element of coverage 5, which provides for coverage as to loss or damage arising from a final judgment requiring the removal of any encroachment from the Land onto neighboring land, may always be provided when no encroachments onto adjoining Land are excepted in Schedule B.

If such encroachments do exist, the issuing title agent, possibly in consultation with Old Republic Title Underwriting Counsel, must assess the degree of risk of the entry of a court order or judgment requiring the removal of the encroachment and what impact that could have (i.e., loss or damage) on the insured lender. If there is any indication of a boundary dispute, this element of coverage may not be given.

Many such encroachments will be insignificant, and easily removable, such as a fence being a few inches over the property line or part of a concrete pad extending onto adjoining land. If the minor encroachments have existed for a long time without objection, the risk is diminished even further. If the court ordered removal of the encroachment would affect the lender's security, or if the amount of the Mortgage exceeds ninety (90%) percent of the fair market value of the Land, this element of coverage should not be given without first securing approval from Old Republic Title Underwriting Counsel. When the building itself encroaches onto adjoining land, this coverage will not be available except in unusual circumstances.

1. Similar determinations must be made in connection with element of coverage 6, when there are violations of covenants, conditions, or restrictions or platted setback requirements. This element of coverage provides insurance as to loss or damage arising from a final judgment denying the right to maintain any existing improvements because of a violation of covenants, conditions, or restrictions or platted setback lines.

When setback violations are an issue, the guidelines are as follows:

- The instrument that imposes the setback requirement must not contain a reverter clause;
- The structure or improvement that violates the setback requirement must be completed;
- The violation should not be more than ten (10%) percent of the total setback requirement. (For example, if the setback requirement is 25 feet, the maximum violation allowable would be 2.5 feet); and
- There must be no proceeding pending, and so far as the title agent knows or can determine by inquiry, no current objection to the violation and no indication of any future proceedings in connection with the violation.

In element of coverage 6, affirmative coverage is provided against loss or damage sustained by reason of "[a]ny final court order or judgment denying the right to maintain any existing improvement on the Land because of any violation of...building setback lines shown on a [recorded] plat...." Coverage is not provided as to loss or damage resulting from violations of law, but is limited to violations of platted setback requirements. Under the ALTA 9.3-06 element of coverage 6, does not include covenants, conditions, or restrictions which relate to obligations to perform maintenance, repair, or remediation on the Land or which pertains to environmental protection, unless the violation is recorded in the Public Records and is not excepted in Schedule B.

Exclusion from coverage 1, in the loan policy expressly excludes from coverage "[a]ny law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulation, prohibiting, or relating to (i) the occupancy, use or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement now or hereafter erected on the land... or the effect of any violation of any such law, ordinance or governmental regulation." If, there is a violation of local law, we strongly recommend this be disclosed to the Insured, notwithstanding the lack of coverage in either the policy or the endorsement. No policy exception is required absent a recorded notice of violation or intent to enforce.

If there are violations of covenants, conditions, or restrictions, or platted setback requirements falling outside the guidelines set forth above, element of coverage 6 may not be given without prior approval by Old Republic Title Underwriting Counsel.

Schedule B - Exceptions

In the event that any element of coverage provided within this endorsement is not given in a particular transaction, there must be an appropriate notation in the paragraph of Schedule B containing the exception.

Example: If a building encroaches 30 feet onto adjoining land, this would be listed as a Schedule B exception (per element of coverage 1 (b) (iii)), and the following language would be added: Element of coverage No.1 (b) (iii) of the ALTA 9.3-06 Restrictions, Encroachments, Minerals shall not apply with respect to the aforesaid encroachment.

Generally speaking, the ALTA 9.3-06 endorsement may not be issued unless a current survey has been obtained. Some lenders do not require current surveys in connection with certain types of loans. The ALTA 9.3-06 may still be given in such situations, but must be modified by way of the following special language inserted under Schedule B:

The ALTA 9.3-06 Restrictions, Easements, Minerals-Loan Policy is attached to this policy as Endorsement No. Element of coverage 1 (b)(i) thereof is hereby modified to read as follows: There are no present violations on the Land of any enforceable covenants, conditions or restrictions. Elements of coverage 1(b)(i), 1 b(iii-iv) 3,4,5,and 6 are hereby deleted from the endorsement in their entirety. Of course, before giving the elements of coverage remaining in the endorsement after it has been so modified, the applicable instructions set forth above must be followed. Also, if the covenants, conditions, or restrictions are such that a survey would be necessary to determine whether there is an existing violation, the endorsement should not be given without obtaining and reviewing a current survey.

Issuance with Commitment

Lenders occasionally request that various endorsements be issued with the title insurance commitment, as well as with the final loan policy. Technically, it is improper to give the ALTA 9.3-06 (or any other endorsement) with a commitment, since there is not yet any "Indebtedness secured by the Insured Mortgage." Furthermore, the survey and other necessary documentation are rarely available at the time the commitment is issued.

One way to satisfy a lender in this situation, is to indicate, under Part II of Schedule B of the commitment, the following:

The ALTA 9.3-06 endorsement shall be issued together with the 2006 ALTA loan policy to be based upon this Commitment, provided that all underwriting requirements pertaining to the issuance thereof are satisfied.

If desired, a sample of the ALTA 9.3-06 may be attached as an exhibit to the commitment. Rather than using the intentionally broad "all underwriting requirements" language, the title agent may of course specifically delineate the requirements for the issuance of the ALTA 9.3-06. Also, in the rare instance where the survey and other necessary documentation are available at the time the commitment is issued, a "pro forma" ALTA 9.3-06 may be attached to the commitment, with appropriate corresponding Schedule B exceptions.

Note: See the Checklist for ALTA 9.06 Endorsement to determine whether the affirmative coverages provided by this endorsement can be given.

How to Prepare the ALTA Restrictions, Encroachments, Minerals Endorsement - Loan Policy - Improved Land (ALTA 9.3-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
 - **Name of Agent:** Type the name of the title agent (the attorney or firm).
 - **Agent No.:** Type Old Republic Title Agent number.
- Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's
- signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of ten percent of the sum of the premium (s) of the underlying policy or policies must be charged.

Related Documents

No Related Documents Found

Assignment (ALTA 10)

To fill out this form, refer to the *Example of Assignment Endorsement (ALTA 10)*.

Purpose

The ALTA 10 is used when the note and the mortgage are assigned by the holder to someone else. It is most often used when an institutional mortgagee assigns a Mortgage on the secondary market.

Requirements for Issuance

This endorsement is only effective if the note secured by the Insured Mortgage is "properly endorsed and delivered to the Insured at the Date of Endorsement." This endorsement does not change the Date of Policy, although title must be searched and examined through the date the assignment of mortgage is recorded. The purpose of this search and examination is to ascertain that the Mortgage has been validly assigned, with no intervening matters appearing that could affect the validity of the assignment (for example, an intervening code enforcement board lien with super priority). Intervening title matters not affecting the validity of the assignment need not be reflected on the endorsement. Additionally, a tax lien search as to the assignor(s) must be performed. Refer to "Tax Lien Search Needed when Insuring Mortgage Assignment," *Fund Concept* (Feb 1987) and *TN 30.02.08*. An assignment of mortgage may also be endorsed with a Form E Endorsement (E) if additional premium is charged and/or the Amount of Insurance is increased. The issuance of a Form E endorsement is necessary to change the Date of Policy of a policy, or effective date of an earlier ALTA form policy. For instructions on changing the Date of Policy, refer to instructions for preparing the *Form E Endorsement (E)*.

How to Prepare the ALTA Assignment Endorsement (ALTA 10)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- The Name of the Insured:**

1. Name of the insured at the date of endorsement: Type the name of the assignee. **2(a). Date of Assignment and Recording Information.** Type the date of the assignment, the date it was recorded, and the book number, page number, and county where recorded. The Title must be searched and examined through the recording date of the assignment. **2(b). Exceptions.** Using consecutively numbered paragraphs, type all intervening matters such as easements, restrictions, leases, encumbrances, defects, etc. If none, type "none."

after the colon.

- **Date of Endorsement:** Type the date through which title was searched.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

One-to-four family residential: A minimum of \$25 and a maximum of \$100 must be charged.

Commercial or greater than one-to-four family residential: A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Assignment and Date Down (ALTA 10.1)

To fill out this form, refer to the *Example of Assignment and Date Down Endorsement (ALTA 10.1)*.

Purpose

The ALTA10.1 is used when the note and the mortgage are assigned by the holder to someone else. It is most often used when an institutional mortgagee assigns a Mortgage on the secondary market. This endorsement may be used in lieu of the ALTA 10 where the lender requires further disclosure and assurance relating to intervening matters.

Requirements for Issuance

The instructions and requirements for the issuance of the ALTA 10.1 are explained in this section and, to a certain extent, in *TN 22.01.02*. This endorsement does not change the Date of Policy, although title must be searched and examined through the date the assignment of mortgage is recorded. The purpose of this search and examination is to ascertain that the Mortgage has been validly assigned, with no intervening matters appearing that could affect the validity of the assignment (for example, an intervening code enforcement board lien with super priority). Intervening title matters not affecting the validity of the assignment need not be reflected on the endorsement. However, the specified intervening matters that may affect priority must be disclosed, otherwise assurance is provided that the matters do not exist. Information on taxes and assessments must also be updated and where either are found to be due and payable, they must be disclosed. Additionally, a tax lien search as to the assignor(s) must be performed. Refer to "Tax Lien Search Needed when Insuring Mortgage Assignment," *Fund Concept* (Feb 1987) and *TN 30.02.08*. An assignment of mortgage may also be endorsed with a *Form E Endorsement (E)* if additional premium is charged and/or the Amount of Insurance is increased. The endorsement is only effective if the note secured by the Insured Mortgage is "properly endorsed and delivered to the Insured at the Date of Endorsement." The issuance of a Form E endorsement is necessary to change the Date of Policy/Effective Date of a Mortgagee policy. For instructions on changing the Date of Policy/Effective Date, refer to instructions for preparing the *Form E Endorsement (E)*.

How to Prepare the ALTA Assignment and Date Down Endorsement (ALTA 10.1)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

1. The Name of the Insured at the Date of Endorsement: Type the name of the assignee

2(a). Date of Assignment and Recording Information: Type the date of the assignment, the date it was recorded, and the book number, page number, and county where recorded. The Title must be searched and examined through the recording date of the assignment.

2(b). Exceptions (Taxes and Assessments): Type a description of all ad valorem tax and assessments that are presently due and payable.

2(c). Exceptions (Defects, Liens and Encumbrances): Type in all intervening defects, liens and encumbrances that may affect the priority of the mortgage. Do not add exceptions for the matters found in your search that have already been made in existing policy, endorsements issued prior to assignment or that do not affect the priority of the mortgage.

2(d). Exceptions (Federal Tax Liens/Bankruptcy): Type in all Federal Tax Liens found to be imposed against the borrower(s) as well as any evidence of ongoing bankruptcy proceedings found in the public records.

2(e). Exceptions (Modifications, Release, Satisfaction): Type in all modifications, partial or full releases, satisfactions or other recorded documentation demonstrating the lien of the mortgage has been affected by the actions of the mortgagee. It is not necessary to type in this information if it already appears in a prior existing endorsement.

- **Date of Endorsement:** Type the date through which title was searched.

Agent's Signature: The title agent signs on this line. The signature must be visible. Under the title agent's

- signature, type the signer's name.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

One-to-four family residential: A minimum of \$25 and a maximum of \$100 must be charged.

Commercial or greater than one-to-four family residential: A minimum of \$100 must be charged

Related Documents

No Related Documents Found

Mortgage Modification (ALTA 11)

To fill out this form, refer to the *Example of Mortgage Modification Endorsement (ALTA 11)*.

Purpose

The ALTA 11 insures that a modification of a mortgage does not result in a loss of priority, invalidity, or unenforceability of the Insured Mortgage. This form may only be issued for a mortgage modification that does not trigger a loss of priority and does not require a premium under Florida Administrative Rule 69O-186.005 (13) F.A.C.

The ALTA 11 does not extend or bring forward the Date of Policy. It excludes creditors' rights issues which might arise from the modification.

Requirements for Issuance

Since the ALTA 11 does not extend the Date of Policy, a *Form E Endorsement (E)* should be used when the

agent is requested to advance the Date of Policy. For instructions on changing the Date of Policy, refer to instructions for preparing the *Form E Endorsement (E)*. Title must be searched and examined through the date of the mortgage modification to ascertain that there are no intervening matters appearing that could affect the validity or priority of the Mortgage.

A *Form E Endorsement (E)* or a new loan policy must be issued when a mortgage modification agreement requires a premium and would cause a loss of priority.

In order to issue an ALTA 11, title must be examined to confirm that the subject mortgage modification has been recorded and does not cause a loss of priority.

How to Prepare the ALTA Mortgage Modification Endorsement (ALTA 11)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

1(a). Date of Mortgage Modification and Recording Information. Type the date of the mortgage modification, the date it was recorded, and the book number, page number, and county where recorded. Title must be searched and examined through the recording date of the mortgage modification.

1(b). Exceptions. When the mortgage modification causes a loss of priority, type all intervening matters that attain priority. If there are none, type "none." after the colon.

- **Date of Endorsement:** Type the date through which title was searched.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

There is no premium charged for an ALTA 11 Mortgage Modification endorsement itself. However, if the policy is being endorsed to include a future advance or to insure a modification that requires a premium, you must submit the *Form E Endorsement (E)* and a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

For more information, refer to *Rating and Submitting the Forms*.

Related Documents

- Mortgage Modification (ALTA 11) - Example
- Mortgage Modification (ALTA 11) - Fillable

Mortgage Modification with Subordination (ALTA 11.1)

To fill out this form, refer to the *Example of Mortgage Modification Endorsement (ALTA 11.1)*.

Purpose

The ALTA 11.1 insures that a modification of a mortgage does not result in a loss of priority, invalidity, or unenforceability of the Insured Mortgage. This form may only be issued for a mortgage modification that does not trigger a loss of priority and does not require a premium under Florida Administrative Rule

69O-186.005 (13) F.A.C. This endorsement differs from the ALTA 11 endorsement in that it contemplates that the insurer specifically list intervening matters that are subordinate to the mortgage and continue to be subordinate upon recordation of the modification.

The ALTA 11.1 does not extend or bring forward the Date of Policy. It excludes creditors' rights issues which might arise from the modification.

Requirements for Issuance

Title must be searched and examined through the date of the mortgage modification to ascertain that there are no intervening matters appearing that could affect the validity or priority of the Mortgage.

Since the ALTA 11.1 does not extend the Date of Policy, a *Form E Endorsement (E)* should be used when the agent is requested to advance the Date of Policy. For instructions on changing the Date of Policy, refer to instructions for preparing the *Form E Endorsement (E)*.

A *Form E Endorsement (E)* or a new loan policy must be issued when a mortgage modification agreement requires a premium and would cause a loss of priority.

In order to issue an ALTA 11.1 endorsement, the modification must be examined to determine that it does not cause a loss of priority. Also, title must be examined to confirm that the subject mortgage modification has been recorded and to determine what matters affect title and may take priority over the mortgage as modified.

How to Prepare the ALTA Mortgage Modification with Subordination Endorsement (ALTA 11.1)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

1(a). Date of Mortgage Modification and Recording Information: Type the date of the mortgage modification, the date it was recorded, and the book number, page number, and county where recorded. Title must be searched and examined through the recording date of the mortgage modification.

1(b). Exceptions: When the mortgage modification causes a loss of priority, type all intervening matters that attain priority. If liens, interests or encumbrances, have been found that have a super priority, those must also be shown as well as any liens, interests or encumbrances to which the mortgagee has subordinated its rights to. If there are none, type "none." after the colon.

1(c). Subordinate Exceptions: Any intervening exceptions that are found that are not shown in the original policy or an existing endorsement that are considered subordinate should be typed here.

- **Date of Endorsement:** Type the date through which title was searched.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
Agent's Signature: The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

There is no premium charged for an ALTA 11.1 Mortgage Modification endorsement itself. However, if the policy is being endorsed to include a future advance or to insure a modification that requires a premium, you must submit the *Form E Endorsement (E)* and a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

For more information, refer to *Rating and Submitting the Forms*.

Related Documents

- Mortgage Modification with Subordination (ALTA 11.1) - Example
- Mortgage Modification with Subordination (ALTA 11.1) - Fillable

Mortgage Modification with Additional Insurance (ALTA 11.2)

To fill out this form, refer to the *Example of Mortgage Modification Endorsement (ALTA 11.2)*.

Purpose

The ALTA 11.2 insures that a modification of a mortgage does not result in a loss of priority, invalidity, or unenforceability of the Insured Mortgage. This form may only be issued for a mortgage modification that does not trigger a loss of priority and does not require a premium under Florida Administrative Rule 69O-186.005 (13) F.A.C. This endorsement differs from the ALTA 11 endorsement in that it contemplates that the insurer specifically list intervening matters that are subordinate to the mortgage and continue to be subordinate upon recordation of the modification. The endorsement differs from the ALTA 11.1 endorsement in that it contemplates increasing coverage due to a future advance within a sufficient future advance clause appearing in the existing mortgage.

The ALTA 11.2 does **not** extend or bring forward the Date of Policy. It excludes creditors' rights issues which might arise from the modification.

Requirements for Issuance

Title must be searched and examined through the date of the mortgage modification to ascertain that there are no intervening matters appearing that could affect the validity or priority of the Mortgage.

Since the ALTA 11.2 does not extend the Date of Policy, a *Form E Endorsement (E)* should be used when the agent is requested to advance the Date of Policy. For instructions on changing the Date of Policy, refer to instructions for preparing the *Form E Endorsement (E)*.

If the mortgage modification agreement requires premium to be charged on the outstanding principal balance or would otherwise cause a loss of priority, *Form E Endorsement (E)* or a new loan policy must be issued. This includes where the existing mortgage contains no future advance clause or one that is insufficient support the advance.

In order to issue an ALTA 11.2, title must be examined to confirm that the subject mortgage modification has been recorded and does not cause a loss of priority.

How to Prepare the ALTA Mortgage Modification with Additional Amount of Insurance Endorsement (ALTA 11.2)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.

1(a). Identity of Parties, Date of Mortgage Modification and Recording Information: Type the names of the parties to the mortgage modification, the date of the mortgage modification, the date it was recorded, and the recording information which may be the instrument number for some counties or book number, page number, and county where recorded. Title must be searched and examined through the recording date of the mortgage modification.

1(b). Date of Endorsement: Type the date of the endorsement which will be the date it is issued on or after the date of recording of the modification.

2. The Amount of Insurance Increased: Type in the new insured amount. This should equal sum of the

amount the loan has been paid down to PLUS the new future advance.

3(b). Exceptions: When the mortgage modification causes a loss of priority, type all intervening matters that attain priority. If liens, interests or encumbrances, have been found that have a super priority, those must also be shown as well as any liens, interests or encumbrances to which the mortgagee has subordinated its rights to. If there are none, type "none." after the colon.

3(c). Subordinate Exceptions: Any intervening exceptions that are found that are not shown in the original policy or an existing endorsement that are considered subordinate should be typed here.

- **Date of Endorsement:** Type the date through which title was searched.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

The premium charged for an ALTA 11.2 Mortgage Modification endorsement is based upon original rates (unless a lower rate applies (for instance, reissue rates)) for the amount of the future advance. If the mortgage is being modified in a way that triggers priority concerns or otherwise triggers premium at substitution loan rates on the outstanding principal balance (this includes situations where there is no future advance clause or the clause is insufficient to contemplate the future advance proposed), the ALTA 11.2 should not be issued. Instead, a Form E should be issued. Instead, you must issue and submit the *Form E Endorsement (E)* and a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

For more information, refer to *Rating and Submitting the Forms*.

Related Documents

No Related Documents Found

Leasehold Owner's Endorsement (ALTA 13-06)

To fill out this form, refer to the *Example of Leasehold - Owner's Endorsement (ALTA 13-06)*.

Purpose

The ALTA 13-06 endorsement defines the coverages provided to a tenant under a policy insuring a leasehold interest. The endorsement must be issued in conjunction with an owner's policy (O21).

Requirements for Issuance

The requirements for issuance of the ALTA 13-06 are as follows:

Schedule A, paragraph 2 of the owner's policy (O21) must identify the estate or interest in the Land being insured as a leasehold estate. The requirements of *TN 19.03.05* regarding insuring a lease must be complied with

How to Prepare the ALTA Leasehold - Owner's Endorsement (ALTA 13-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.

- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

There is no additional premium for this endorsement.

Related Documents

No Related Documents Found

Leasehold Loan Endorsement (ALTA 13.1-06)

To fill out this form, refer to the *Example of Leasehold - Loan Endorsement (ALTA 13.1-06)*.

Purpose

The ALTA 13.1-06 endorsement defines the coverages provided to a lender under a policy insuring a leasehold interest. This endorsement must be issued in conjunction with a loan policy.

Requirements for Issuance

The requirements for issuance of the ALTA 13.1-06 endorsement are as follows:

Schedule A, paragraph 2 of the loan policy (MF21) must identify the estate or interest in the Land encumbered by the Insured Mortgage as a leasehold estate. Old Republic Title Agents shall comply with all the requirements of *TN 19.03.05* regarding insuring a lease and of *TN 19.01.01* regarding insuring a Mortgage of a leasehold interest.

How to Prepare the ALTA Leasehold - Loan Endorsement (ALTA 13.1-06)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

There is no additional premium for this endorsement.

Related Documents

No Related Documents Found

Future Advance Priority Endorsement (ALTA 14)

To fill out this form, refer to the *Example of Future Advance - Priority Endorsement (ALTA 14)*.

Purpose

The ALTA 14 is not to be used for construction loan advances. This is because, the ALTA loan policy covers the priority of the Insured Mortgage and advances of construction loan proceeds over construction claims of liens (only up to the Amount of Insurance). See *Loan Policy (M21)* instructions for further explanation. To insure future advances in excess of the Amount of Insurance, it is necessary to increase the Amount of Insurance through the use of a *Form E Endorsement (E)*. The loan policy's coverage is limited to disbursements or future advances that are used to pay for improvements or work which was contracted for on or before the Date of Policy or when the construction is financed in whole or in part by the Insured Mortgage. The loan policy alone does not insure the validity, priority, and enforceability of the future advances for other purposes.

To insure validity, priority, and enforceability of future advances, other than those advances related to construction, the lender will request a ALTA Future Advance Endorsement (14, 14.2, or 14.3). These endorsements are similar to the Revolving Credit Endorsement and may be issued when the loan policy is issued.

WARNING: The ALTA 14 is designed to be issued when the original Amount of Insurance includes the maximum amount of advances under the loan, and the loan is not a construction loan. If the Amount of Insurance reflects a lesser amount, then a Schedule B exception must be added capping the amount of advances that can be insured by this endorsement at such lesser amount.

The ALTA 14 endorsement provides that future advances are included within the coverage of the ALTA loan policy (up to the Amount of Insurance in Schedule A). It is used with the ALTA loan policies in instances in which the principal fluctuates from time to time as the borrower draws on a line of credit (for example, a Revolving Note Mortgage). A revolving note mortgage is a form of mortgage securing future advances in which the outstanding principal Indebtedness may increase or decrease during the term of the mortgage but at no time will it exceed a stated maximum. This type of mortgage has been used in farm loans, financing inventory or operating costs, and to establish a line of credit for homeowners based on the equity in their home.

This endorsement insures the lender against:

- 3a.** The invalidity or unenforceability of the Insured Mortgage as security for each advance;
- 3b.** The lack of priority of the Insured Mortgage as security for each advance;
- 3c.** The invalidity, unenforceability, or loss of priority of the Insured Mortgage as security which results from re-advances or repayments, lack of outstanding indebtedness before the Advance, or the failure of the Insured Mortgage to comply with state law regarding future advances;
- 4a.** The invalidity or unenforceability of the Insured Mortgage resulting from any terms of the Agreement that provide for interest on interest, changes in the rate of interest, or the addition of unpaid interest to the Indebtedness; and
- 4b.** Loss of priority of the Insured Mortgage as security caused by changes in the rate of interest, interest on interest, or the increase in the Indebtedness from additional unpaid interest.

The ALTA 14-06 endorsement excludes the following:

- 5a.** Advances made after bankruptcy;
- 5b.** Advances made subsequent to 20 years after the date of the Insured mortgage or after a notice has been recorded in the Public Records, limiting the maximum principal amount that may be secured to the extent the advance causes the outstanding principal balance to exceed the amount stated in the notice;
- 5c.** Real property taxes and assessments;

5d. Federal tax lien filed more than 45 days before the advance;

5e. Federal or state environmental protection lien; and

5f. Usury or consumer protection law.

Note: The ALTA 14 endorsement should not be issued to insure a mortgage which insures a construction loan. This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

The requirements for issuance of the ALTA 14 endorsement are as follows:

Notice and Term. The Insured Mortgage must comply with the notice requirement of Sec. 697.04, F.S. The recorded mortgage must state that it secures not only the existing indebtedness, but also future advances. The mortgage must provide that advances are made within twenty years of the date of the mortgage.

Maximum Amount. The Insured Mortgage must also specify the maximum principal amount to be secured. The outstanding principal may decrease or increase from time to time as long as at any one particular time the principal does not exceed the maximum amount stated in the Mortgage or a notice limiting the maximum principal amount. Under Sec. 697.04, F.S., the mortgagor may limit the maximum principal amount by sending a notice to the mortgagee and filing of record such notice, thereby, lowering the ceiling on the future advance provision or line of credit in the mortgage.

Changes in interest. The mortgage placed of record must give notice to third parties that it is a special type of Mortgage securing a note that contains provisions for changes in the rate of interest. The note, which may or may not be made a part of the recorded Mortgage, must, at a minimum, be specifically identified in the Mortgage and must contain all of the provisions controlling the changes in the rate of interest.

Amount of Insurance/Premium Charged. There are two options available for determining the Amount of Insurance and the applicable premium for a future advance.

1. The Amount of Insurance in Schedule A of the ALTA loan policy would reflect the maximum amount that is secured by the Mortgage. The appropriate premium is charged based upon the maximum Amount of Insurance. Later, for each future advance, a *Form E Endorsement (E)*² may be issued bringing the Date of Policy forward through the date of recording the future advance; or
3. The Amount of Insurance in Schedule A of the ALTA loan policy would reflect the amount of the initial obligation, which is less than the maximum amount secured by the Mortgage. The appropriate premium is charged based upon this lesser Amount of Insurance. Later, for each future advance, a *Form E Endorsement (E)*⁴ would be issued to increase the Amount of Insurance and the appropriate premium charged using the Rating Worksheet. If the Amount of Insurance reflects a lesser amount, then a Schedule B exception must be added capping the amount of advances that can be insured by this endorsement at such lesser amount.

The following exception must be added to Schedule B of the loan policy whenever this endorsement is issued:

Advances in excess of the amount of insurance stated in Schedule A are not insured by the ALTA 14 endorsement attached to this policy.

Such amounts can only be insured by express endorsement increasing the Amount of Insurance and by payment of the appropriate premium.

How to Prepare the ALTA Future Advance - Priority Endorsement (ALTA 14)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).

- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25.00 must be charged for the Future Advance - Priority endorsement. If the policy is later endorsed to include a future advance for an additional amount not included in the original Amount of Insurance for the ALTA loan policy and requires a premium to be charged, you must submit the *Form E Endorsement (E)* showing the change in the Amount of Insurance, along with a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

Related Documents

No Related Documents Found

Future Advance Letter of Credit Endorsement (ALTA 14.2)

To fill out this form, refer to the *Example of Future Advance - Letter of Credit (ALTA 14.2)*.

Purpose

The ALTA loan policy covers the priority of the Insured Mortgage and advances of construction loan proceeds (only up to the Amount of Insurance). To insure future advances in excess of the Amount of Insurance, it is necessary to increase the Amount of Insurance through the use of a *Form E Endorsement (E)*. The loan policy's coverage is limited to disbursements or future advances that are used to pay for improvements or work which was contracted for on or before the Date of Policy or when the construction is financed in whole or in part by the Insured Mortgage. The loan policy alone does not insure the validity, priority, and enforceability of future advances for other purposes.

To insure the validity, priority, and enforceability of future advances other than those advances related to construction, the lender will request a ALTA Future Advance Endorsement (14, 14.2, or 14.3). These endorsements are similar to the Revolving Credit Endorsement and may be issued when the loan policy is issued.

WARNING: The 14.2 is designed to be issued when the original Amount of Insurance includes the maximum amount of advances under the loan and the loan is not a construction loan. If the Amount of Insurance reflects a lesser amount, then a Schedule B exception must be added capping the amount of advances that can be insured by this endorsement at such lesser amount.

The ALTA 14.2 endorsement is used with the ALTA loan policy in instances under which the principal fluctuates from time to time as the borrower draws on a line of credit (for example, a Revolving Note Mortgage). The endorsement provides that future advances are included within the coverage of the policy (up to the Amount of Insurance in Schedule A). A revolving note mortgage is a form of mortgage securing future advances in which the principal Indebtedness may increase or decrease during the term of the mortgage but at no time will it exceed a stated maximum. This type of mortgage has been used in farm loans, some construction loans, financing inventory or operating costs, and to establish a line of credit for homeowners based on the equity in their home.

This endorsement (as shown in this section) insures the lender against the following:

- 3a.** The invalidity or unenforceability of the Insured Mortgage as security for each Advance;
- 3b.** The lack of priority of the Insured Mortgage as security for each advance; and
- 3c.** The invalidity, unenforceability, or loss of priority of the Insured Mortgage as security which results

from re-advances or repayments, lack of outstanding Indebtedness before the Advance, or the failure of the insured mortgage to comply with state law regarding future advances.

Unlike the ALTA 14, the ALTA 14.2 provides no coverage for a change in the rate of interest.

The ALTA 14.2 endorsement excludes coverage for the following:

2a. Advances made subsequent to 20 years after the date of the Insured Mortgage.

4a. Real property taxes and assessments; and

4b. Federal or state environmental protection lien.

4c. limitations imposed by Bankruptcy.

Note: The ALTA 14.2 should not be issued to insure a mortgage which secures a construction loan. This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

The requirements for the issuance of an ALTA 14.2 endorsement are as follows:

Agreement. Verify that the Mortgage secures the repayment of advances as evidenced in a letter of credit, surety agreement, or reimbursement agreement.

Notice and Term. The Insured Mortgage must comply with the notice of requirements of Sec. 697.04, F.S. The recorded Mortgage must state that it secures not only the existing Indebtedness, but also future advances. The mortgage must provide that these Advances must be made within twenty years of the date of the Mortgage.

Maximum Amount. The Insured Mortgage must also specify the maximum principal amount to be secured. The outstanding principal may decrease or increase from time to time as long as at any particular time the principal does not exceed the maximum amount stated in the Mortgage or a notice limiting the maximum principal amount. Under Sec. 697.04, F.S., the mortgagor may limit the maximum principal amount by sending such a notice to the mortgagee and filing of record the notice thereby lowering the ceiling on the future advance provision or line of credit.

Amount of Insurance/Premium charged. There are two options available for determining the Amount of Insurance and the applicable premium for the future advance.

1. The Amount of Insurance in Schedule A of the ALTA loan policy would reflect the maximum amount that is secured by the Mortgage. The appropriate premium is charged based upon this maximum Amount of Insurance. Later, for each future advance, a *Form E Endorsement (E)*². may be issued bringing the Date of Policy forward through the date of recording the future advance; or

3. The Amount of Insurance in Schedule A of the ALTA loan policy would reflect the amount of the initial obligation, which is less than the maximum amount secured by the Mortgage. The appropriate premium is charged based upon this lesser Amount of Insurance. Later, for each future advance, a *Form E Endorsement (E)*⁴. would be issued to increase the Amount of Insurance and the appropriate premium charged using the Rating Worksheet. If the Amount of Insurance reflects a lesser amount, then a Schedule B exception must be added capping the amount of advances that can be insured by this endorsement at such lesser amount.

The following exception must be added to Schedule B of the loan policy whenever this endorsement is issued:

Advances in excess of the amount of insurance stated in Schedule A are not insured by the ALTA 14.2 endorsement attached to this policy.

Such amounts can only be insured by express endorsement increasing the Amount of Insurance and by payment of the appropriate premium.

How to Prepare the ALTA Future Advance - Letter of Credit Endorsement (ALTA 14.2)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
 - **Name of Agent:** Type the name of the title agent (the attorney or firm).
 - **Agent No.:** Type Old Republic Title Agent number.
- Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25.00 must be charged for the Future Advance - Letter of Credit Endorsement. If the policy is later endorsed to include a future advance for an additional amount not included in the original Amount of Insurance for the ALTA loan policy and requires a premium to be charged, you must submit the *Form E Endorsement (E)* showing the change in the Amount of Insurance, along with a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

Related Documents

No Related Documents Found

Future Advance Reverse Mortgage Endorsement (ALTA 14.3)

To fill out this form, refer to the *Example Future Advance Reverse Mortgage Endorsement (ALTA 14.3)*.

Purpose

The ALTA 14.3 endorsement is to be issued only with a Reverse Mortgage. The most common Reverse Mortgage is the HUD Home Equity Conversion Mortgage (HECM) in which there are two mortgages, one mortgage for the lender and a subordinate mortgage to HUD. The ALTA 14.3 and the Reverse Mortgage Endorsement (RME - dual use) may be used interchangeably with a loan policy insuring a Reverse Mortgage.

This endorsement (as shown in this section) insures the lender against:

- 3a.** The invalidity or unenforceability of the Insured Mortgage as security for each advance;
- 3b.** The lack of priority of the Insured Mortgage as security for each advance;
- 3c (i-v).** The invalidity, unenforceability, or loss of priority of the Insured Mortgage as security which results from re-advances or repayments, lack of outstanding Indebtedness before the Advance, or the failure of the Insured Mortgage to state the term or maximum amount secured by the mortgage;
- 3d.** the invalidity or unenforceability of the Insured Mortgage because a mortgagor was not at least 62 years of age at Date of Policy;
- 4a (i-iii).** The invalidity or unenforceability of the Insured Mortgage resulting from any provisions of the agreement that provide for interest on interest, changes in the rate of interest or the addition of unpaid interest to the Indebtedness; and
- 4b (i-iii).** Lack of priority of the Insured Mortgage as security which is caused by changes in the rate of interest, interest on interest, and the increase in the Indebtedness from additional unpaid interest.

Under this endorsement, interest includes "lawful interest based on appreciated value."

The ALTA 14.3 is designed to be issued only with Reverse Mortgages and when the original Amount of Insurance includes the maximum amount of advances under the loan. If the Amount of Insurance reflects a lesser amount, then a Schedule B exception must be added capping the amount of advances that can be insured by this endorsement at such lesser amount.

The ALTA 14.3 excludes the following:

- 5a.** Advances made after bankruptcy;
- 4b.** Advances made subsequent to 20 years after the date of the Insured Mortgage or after a notice has been recorded in the Public Records limiting the maximum principal amount that may be secured (to the extent the advance causes the outstanding principal balance to exceed the amount stated in the notice), if the Insured Mortgage does not qualify as a "home equity conversion mortgage" or second mortgage held by HUD under the National Housing Act;
- 5c.** Real property taxes and assessments;
- 5d.** Federal tax liens filed more than 45 days before the Advance;
- 5e.** Federal or state environmental protection lien; and
- 5f.** Usury or consumer protection laws.

This endorsement insures the lender that changes in the rate of interest or the occurrence of negative amortization will not impair the lender's lien position. This endorsement also provides that future advances are included within the coverage of the policy.

Note: The ALTA 14.3 should not be issued to insure a mortgage which secures a construction loan. This endorsement may not be issued on an automatic basis. Many determinations must be made by the title agent.

Requirements for Issuance

The requirements for issuance of Future Advance - Reverse Mortgage Endorsement are as follows:

- The Insured Mortgage must be a Reverse Mortgage that secures future advances.
The Insured Mortgage placed of record must give notice to third parties that it secures a note that contains
- provisions for changes in the rate of interest.
The note or loan agreement secured by the insured mortgage, which may or may not be made part of the recorded mortgage, must at a minimum contain all of the provisions controlling the changes in the rate of
- interest.
To comply with the notice provisions of Sec 697.04 F.S., the mortgage must state that it secures, not only the
- existing indebtedness, but also future advances.
The Mortgage must specify the maximum principal amount that may be secured by the mortgage, which is the Amount of Insurance. The appropriate premium must be charged based on this maximum Amount of
- Insurance.
- All mortgagors are at least 62 years of age at the date of execution and delivery of the reverse mortgage.

However, for Home Equity Conversion Mortgages (HECM), the Amount of Insurance will be the maximum claim amount and the following exception must be included in Schedule B of the policy:

Notwithstanding the face amount of the Mortgage insured herein, as instructed by HUD Directive 4235.1 REV-1, and closing instructions provided by [insert mortgagee name], the coverage provided under this policy is limited to the amount of money actually disbursed or accrued under the Mortgage insured herein and shall be no greater than [insert the policy Amount of Insurance].

How to Prepare the ALTA Future Advance - Reverse Mortgage Endorsement (ALTA 14.3)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.

- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25.00 must be charged for the Future Advance - Reverse Mortgage Endorsement. If the policy is later endorsed to include a future advance for an additional amount not included in the original Amount of Insurance for the ALTA loan policy and requires a premium to be charged, you must submit the *Form E Endorsement (E)* showing the change in the Amount of Insurance, along with a Mortgage Modification Endorsement Worksheet or a Policy Calculation Worksheet.

Related Documents

No Related Documents Found

Additional Interest Endorsement (AIE)

To fill out this form, refer to the *Example of Additional Interest Endorsement (AIE)*.

Purpose

The AIE is used with loan policies only and provides the Insured under a loan policy with affirmative coverage related to additional interest provisions in the Mortgage. Such provisions typically allow the lender to participate in revenues generated from the property (such as rents).

Note: This endorsement may not be issued without prior approval from Old Republic Title

Underwriting Counsel. **Requirements for Issuance**

The title agent will generally be required to furnish Old Republic Title Underwriting Counsel with copies of the Mortgage and any ancillary documents pertaining to the additional interest income.

How to Prepare the Additional Interest Endorsement (AIE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

- Send a copy to Old Republic Title.
- Send the original to the Insured.
- Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Balloon Mortgage Endorsement (BME)

To fill out this form, refer to the Example of Balloon Mortgage Endorsement (BME).

Purpose

The BME is used with loan policies only and assures the lender that its mortgage will not be invalid or unenforceable because it contains a conditional right for the borrower to refinance. It also assures that the mortgage will not lose its priority if the borrower exercises the conditional right to refinance.

Requirements for Issuance

The BME may be issued so long as the recorded Mortgage contains a mortgage rider providing for a conditional right to refinance at the maturity date of the loan (normally seven years).

Under these provisions, the borrower is permitted to either modify the mortgage and execute a new note or pay off the old loan and execute a new note and mortgage.

Note: This endorsement should not be routinely issued with all balloon mortgages. It applies only when a balloon mortgage provides the borrower with a conditional right to refinance.

How to Prepare the Balloon Mortgage Endorsement (BME)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

- Send a copy to Old Republic Title.
- Send the original to the Insured.
- Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Change of Partners, Agents or Shareholders Endorsement (CPE)

To fill out this form, refer to the *Example of Change of Partners, Agents or Shareholders Endorsement*

(CPE).

Purpose

The CPE is used in connection with an owner's policy under which the Insured is a corporation, partnership, limited partnership, limited liability company, or business trust. It provides that insurance coverage will continue even if new partners, Agents, shareholders, beneficiaries, or certificate holders are added or old partners, Agents, shareholders, or certificate holders withdraw.

Requirements for Issuance

The issuance of this endorsement requires examination of the law of the state of the owner Entity's domicile together with the owner Entity's governing documents, including but not limited to, articles of incorporation, bylaws, partnership agreement, operating agreement, or trust, and confirmation that any change in Agent, shareholder, beneficiary or certificate holder will not result in dissolution or termination of that Entity.

How to Prepare the Change of Partners, Agents, or Shareholders Endorsement (CPE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
 - **Name of Agent:** Type the name of the title agent (the attorney or firm).
 - **Agent No.:** Type Old Republic Title Agent number.
- Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's
- signature, type the signer's name.

Distribution

- Send a copy to Old Republic Title.
- Send the original to the Insured.
- Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Construction Loan Update Endorsement (CLU)

To fill out this form, refer to the *Example Construction Loan Update Endorsement (CLU)*.

Purpose

Use this endorsement to update a loan policy as construction loan disbursements are made.

Requirements for Issuance

The CLU endorsement may be issued following the guidelines as set forth in *TN 22.04.03*. Direct any questions as to whether a particular title matter is subordinate to the lien of the Insured Mortgage to Old Republic Title Underwriting Counsel.

This endorsement does not change the Date of Policy or effective date. To change the Date of Policy or

effective date, refer to instructions for preparing the *Form E Endorsement (E)*.

How to Prepare the Construction Loan Update Endorsement (CLU)

Numbered paragraphs in this section refer to the paragraph numbers on the construction loan endorsement. Type or print the following information:

- **Endorsement No.** Type the endorsement number.
- **To Policy No.** Type the letters and numbers of the policy to which this is an endorsement.

1. Type or print the following information:

- *Liability.* Type the increased amount of liability.
Requisition Number. Type the requisition number of the disbursement. If the title agent does not know the requisition number, the lender should be asked for this information.
- *Cumulative Total.* Type the total amount of disbursements made by the lender, including the current disbursement.

1. Instruments Affecting Title.

- *County Name.* Type the name of the county in which the Land is located.
Effective Date. Type the dates through which Title was last examined and insured which is the later of Date of Policy or the date of the most recent endorsement.
- *Instruments.* Type the additional instruments that have been filed, or type "None" if no additional instruments have been filed.
Exception. Type Not Applicable under the sentence "the Company insures each of the foregoing is subordinate to the lien of the Mortgage insured except."

Type or print the following information:

- **Name of Agent** Type the name of the title agent (the attorney or firm).
- **Agent No.** Type Old Republic Title Agent number.
Agent's Signature The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

- Send a copy to Old Republic Title.
- Send the original to the Insured.
- Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Contiguity Endorsement (CE)

To fill out this form, refer to the *Example of Contiguity Endorsement (CE)*.

Purpose

The CE provides affirmative coverage that a parcel of Land consisting of more than one legal description constitutes one contiguous parcel of Land.

Note: This endorsement may not be issued on an automatic basis.

Requirements for Issuance

You must obtain a survey (meeting the requirements of *TN 25.03.06*) and a certificate from the surveyor confirming that the parcels in question are in fact contiguous.

Depending upon the particular facts and circumstances, the language of this endorsement may require modification, as in the case of a three-parcel description without any gaps, gores, or hiatuses.

How to Prepare the Contiguity Endorsement (CE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
 - **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
 - **Name of Agent:** Type the name of the title agent (the attorney or firm).
 - **Agent No.:** Type Old Republic Title Agent number.
- Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Foreign Currency Endorsement (FCE)

To fill out this form, refer to the *Example of Foreign Currency Endorsement (FCE)*.

Purpose

The FCE is used in connection with a loan policy insuring a Mortgage that contains provisions for the re-evaluation of the Indebtedness based upon changes in the conversion rate between U.S. dollars and a stated foreign currency.

Note: This endorsement may not be issued without prior approval from Old Republic Title

Underwriting Counsel. **Requirements for Issuance.**

The title agent will generally be asked to submit a copy of that portion of the Mortgage concerning the re-evaluation of the secured Indebtedness based upon changes in the conversion rate between U.S. dollars and the stated foreign currency.

How to Prepare the Foreign Currency Endorsement (FCE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).

- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Form E Endorsement (E)

To fill out this form, refer to the *Example of Form E Endorsement (E)*.

Purpose

Use this form to correct or amend either a commitment or policy that has been issued. For example, use it to correct an error in the spelling of a name or in conjunction with a mortgage modification agreement.

Requirements for Issuance

Important: If a mortgage modification agreement is being insured, submit this endorsement with a Mortgage Modification Endorsement Worksheet. For more information, refer to *Rating and Submitting the Forms*.

Note: If the standard printed exceptions are deleted on the owner's policy by endorsement, copies of the affidavits, releases or liens, and surveys should be maintained in your file. Refer to *TN 25.03.07*.

How to Change the Effective Date of the Policy

The Date of Policy or effective date may only be changed for loan policies. The exclusive method for making such a change is through the use of this endorsement.

Modifications and additions to the policy necessitated by the change in Date of Policy or effective date may be accomplished as follows:

The new Date of Policy (an ALTA loan policy) or effective date (an earlier version of the ALTA loan policy) must be specified by inserting either: "The Date of Policy is hereby changed to _____." or "The effective Date of Policy is hereby changed to _____."

The Date of Policy or effective date should be a date on or after the recordation of the insured instrument(s) and through which Title has been examined, unless the insured lender requires that the Date of Policy or endorsement Date of Policy be the date of closing of the insured mortgage or insured mortgage modification.

When the Date of Policy or the effective date is changed, the title agent must re-evaluate the deletion or reassertion of the standard exceptions 2 through 5 (rights of parties in possession, unrecorded easements, survey matters, and construction liens) (Refer to *TN 25.03.07*) regardless of whether these standard exceptions were included in the existing loan policy. They must be either added as exceptions on the Form E endorsement or the title agent must obtain the necessary documentation to waive the standard exceptions as of the new Date of Policy or effective date. For example, the deletion of the survey exception requires a current survey. For requirements and alternatives to a current survey for deleting the standard survey exception, refer to *TN 25.03.06*. If the property has been improved since the date of an available survey, the survey exception can be reinstated until construction is complete. After construction is completed and a final

survey of all improvements is obtained, the survey exception may be deleted by endorsement.

The title agent must also determine that ad valorem taxes have been paid and insert an exception in the endorsement for the current year's taxes. If the Form 9 endorsement was initially given with the policy, the title agent must determine whether the affirmative coverage afforded in that endorsement may be continued as of the policy's new date. Refer to the separate instructions herein for the Form 9 endorsement.

Exceptions must be added for all matters that have been recorded subsequent to the Date of Policy or effective date of the loan policy, as reflected on the policy or its most recent endorsement. Title agents must carefully analyze whether an insured mortgage modification will cause a novation or loss of priority. For a discussion of mortgage modifications and novations, title agents should consult *TN 22.03.06* and *Insuring and Rating Mortgage Modifications, Fund Concept* (Aug 2011). Those exceptions that are subordinate to the lien of Insured Mortgage as modified may be shown as subordinate exceptions by inserting the following language immediately before the subordinate exceptions only, The company insures that the following matters are subordinate to the lien or charge of the Insured Mortgage upon said estate or interest.

A title agent issuing an endorsement to "date down" or advance the Date of Policy or effective date of a loan policy and insuring a future advance must require a written statement from the lender setting forth that the lender has no actual knowledge of any intervening matters whether recorded or off the record, that would cause a loss of priority, unenforceability, or invalidity of the future advance.

Refer to *Rating and Submitting the Forms* for guidance in rating the Form E endorsement. Title agents should consult with Old Republic Title Underwriting Counsel to address any concerns related to insuring and rating mortgage modifications.

How to Prepare the Form E Endorsement

Type or print the following information:

- **Endorsement No.:** Type the endorsement number. This is not a serial number. If a policy has more than one endorsement, this number indicates which endorsement this is.
- **To Policy No.:** Type the serial letters and numbers of the commitment or policy.
Name of Original Insured: Type the name of the original insured.
- **Original Effective Date:** Type the effective date of the commitment or policy (not the date of the endorsement).
- **Original Amount of Insurance:** Type the amount of the commitment or policy.
- **Current Amount of Insurance.:** Type the amount of the policy as of the date of the endorsement. This may reflect a modification or advance under a Mortgage.
- **Agent's File Reference:** Type your office, client, or case file number or name to which this endorsement relates.
The policy is hereby amended as follows: Type the changes, including any additional Schedule B exceptions, in this space. If more than one item is being amended, list the amendments in consecutively numbered paragraphs.

Note: The effective date of a loan policy cannot be amended unless the Title is searched and examined through the effective date. The Date of Policy of an owner's policy cannot be amended.

- **Name of Agent** Type the name of the title agent (the attorney or firm).
- **Date** Type the Date.
Agent No. Type Old Republic Title Agent number.
- **Agent's Signature** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the insured. Keep a copy for your files.

Premium

A minimum of ten percent (10%) of the sum of the premium (s) of the underlying policy or policies must be charged.

Related Documents

No Related Documents Found

Option Endorsement (OE)

To fill out this form, refer to the *Example of Option Endorsement (OE)*.

Purpose

The OE insures a person or Entity who has the right to purchase the subject property under a recorded option. It can be issued with an owner's policy insuring the fee simple owner/grantor of the option or with an owner's policy insuring a lessee who has been granted an option to purchase the insured property. The option to purchase must be executed with the same formalities required for a deed. See Sec. 689.01, F.S. If a property owner is granting an option and only the interest of the optionee will be insured, refer to *TN 09.05.02*.

Note: This endorsement may not be issued without prior approval from Old Republic Title

Underwriting Counsel. Requirements for Issuance

The Amount of Insurance shown in Schedule A of an owner's policy to which the option endorsement is attached should be the fair market value of the subject property on the Date of Policy, rather than the option price or the consideration for the option.

Schedule A must also be modified to reflect the name of the optionee (in paragraph 1). For example, if John Smith is the fee simple owner, and Jane Doe is the optionee, paragraph 1 of Schedule A would be completed as follows:

John Smith (fee simple) Jane Doe (option to purchase)

The title agent must make a determination that the option to purchase is valid and enforceable.

How to Prepare the Option Endorsement (OE)

Type or print the following information:

Endorsement No.: Type the endorsement number.

To Policy No.: Type the letters and numbers of the policy to which this is an endorsement.

Name of Agent: Type the name of the title agent (the attorney or firm).

Agent No.: Type Old Republic Title Agent number.

Agent's Signature: The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

One-to-four family residential: A minimum of \$25 and a maximum of \$100 must be charged.

Commercial or greater than one-to-four family residential: A minimum of \$100 must be charged.

No Related Documents Found

Revolving Credit Endorsement (RCE)

To fill out this form, refer to the *Example of Revolving Credit Endorsement (RCE)*.

Purpose

The RCE is used with loan policies (for example, a revolving note mortgage) in instances under which the principal fluctuates from time to time as the borrower draws on a line of credit. The endorsement provides that future advances are included within the coverage of the policy.

A revolving note mortgage is a form of mortgage securing future advances in which the outstanding principal Indebtedness may increase or decrease during the term of the mortgage but at no time will it exceed a stated maximum. This type of mortgage has been used in farm loans, some construction loans, financing inventory or operating costs, and to establish a line of credit for homeowners based on the equity in their home.

Requirements for issuance

Important: The Mortgage must comply with the notice requirements of Sec. 697.04, F.S., and all advances must be made within twenty years of the date of the Mortgage.

The first question raised by this form of mortgage instrument is whether the priority of the lien of the Mortgage is affected during the term of the Mortgage when there are increases and decreases in the Indebtedness.

To secure the continued priority of the lien of the Mortgage, notice in the recorded Mortgage must be given to third parties by compliance with Florida's future advance statute, Sec. 697.04, F.S. To comply, the Mortgage must state that it secures not only existing Indebtedness, but also future advances. These advances must be made within twenty years from the date of the Mortgage.

The Mortgage must also specify the maximum principal amount to be secured. The outstanding principal may decrease or increase from time to time as long as that at any one particular time it does not exceed the maximum amount stated in the mortgage or a notice limiting the maximum principal amount. Under Sec. 697.04, F.S., the mortgagor may limit the maximum principal amount by sending such a notice to the lender and filing of record the notice thereby lowering the ceiling on the future advance provision or line of credit.

Note: The amount of the policy would be the maximum amount that may be secured by the Mortgage at any one time.

This type of future advance mortgage could be handled as any other future advance mortgage under the requirements of *TN 22.04.06*. This would require an endorsement to be issued each time there is a future advance. Typically, when you have a line of credit, the lender does not want to be bothered with or have the expense of numerous title updates and endorsements to the policy.

How to Prepare the Revolving Credit Endorsement (RCE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

A minimum of \$25 must be charged.

Related Documents

No Related Documents Found

Shared Appreciation Endorsement (SAE)

To fill out this form, refer to the *Example of Shared Appreciation Endorsement (SAE)*.

Purpose

The SAE is used with loan policies only and insures the lender against loss or damage by reason of the invalidity or unenforceability of the mortgage resulting from shared appreciation interest provisions contained therein. Such provisions typically allow the lender to participate in any increased value of the property.

The endorsement also provides coverage as to loss or damage by reason of loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance, the stated interest, and the shared appreciation interest, which loss of priority results from provisions in the mortgage for payment of shared appreciation interest.

Note: This endorsement may not be issued without prior approval from Old Republic Title

Underwriting Counsel. Requirements for Issuance

The title agent will generally be required to furnish Old Republic Title Underwriting Counsel with copies of the Mortgage and any ancillary documents pertaining to the shared appreciation interest feature.

How to Prepare the Shared Appreciation Endorsement (SAE)

Type or print the following information:

- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
- **Agent No.:** Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
- **Commercial or greater than one-to-four family residential:** A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Survey Endorsement (SE)

To fill out this form, refer to the *Example of Survey Endorsement (SE)*.

Purpose

The SE is given with either an owner's or a loan policy and assures that the lands described in Schedule A of the policy are the same lands described in a specific survey. This endorsement is normally requested only when there is a variation in the two descriptions (in which case the variation must be appropriately explained).

Requirements for Issuance

The survey endorsement may be given so long as a survey meeting the requirements of *TN 25.03.06* has been obtained, and the legal description in the survey is the same as the legal description in Schedule A of the policy. Any variations in the legal description, other than de minimis variations, should be discussed with Old Republic Title Underwriting Counsel. In general, issuance of the endorsement will be approved when the discrepancies are minor. A surveyor's certificate may be required to establish that the descriptions in fact refer to the same property notwithstanding any variations.

How to Prepare the Survey Endorsement (SE)

Type or print the following information:

-
- **Endorsement No.:** Type the endorsement number.
- **To Policy No.:** Type the letters and numbers of the policy to which this is an endorsement.
- **Surveyor prepared by:** Type the name of the firm that did the survey.
- **Dated:** Type the date the survey was made.
- **Name of Agent:** Type the name of the title agent (the attorney or firm).
Agent No.: Type Old Republic Title Agent number.
- **Agent's Signature:** The title agent signs on this line. The signature must be visible. Under the title agent's signature, type the signer's name.

Distribution

Send a copy to Old Republic Title. Send the original to the Insured. Keep a copy for your files.

Premium

-
- **One-to-four family residential:** A minimum of \$25 and a maximum of \$100 must be charged.
Commercial or greater than one-to-four family residential: A minimum of \$100 must be charged.

Related Documents

No Related Documents Found

Privacy Policy Notice (PPN)

View an example of Old Republic Title's Privacy Policy Notice.

The Gramm-Leach-Bliley Act preserves certain privacy rights of individuals who deal with financial service institutions. The Act requires a financial institution, which has been defined to include a title insurance agent or underwriter, to give notice to its customers relative to the position of the agent and underwriter regarding the disclosure of non-public personal information.

In all instances where a notice is required, ORNTIC requires its agents to include a copy of the notice (shown in this section) as part of the issued commitment and policy.

No Related Documents Found

Continuation Sheet (CS)

Refer to the *Example Continuation Sheet*.

The Continuation Sheet provides additional space for continuing Schedule A or B in a commitment or policy to show such matters as a lengthy legal description of the property or additional exceptions.

Purpose

The continuation sheet provides additional space for continuing Schedule A or B to show such matters as a lengthy description of the property or additional exceptions.

How to Prepare the Continuation Sheet

- **Schedule** _____ **Continued** Type the letter of the Schedule from which the information is continued (Schedule A or B).
- **Commitment or Policy No.:** Type the commitment or policy number from which information is continued.

Use the rest of the sheet to type the continued information.

Related Documents

No Related Documents Found

Notice to Purchaser Mortgagor (NPM)

To fill out this form, refer to the *Example of Notice to Purchaser - Mortgagor*.

The Notice to Purchaser - Mortgagor gives notice to the owner that a loan title policy is being issued without an owner's policy to protect the owner's title interests. It is required to be signed by the owner when no owner's policy is being issued with the loan policy being issued.

Reproduced below is Florida Administrative Rule 69O-186.002 regarding the Notice to Purchaser - Mortgagor, which is required to be signed by the owner when no owner's policy is being issued with the loan policy being issued.

Statutory Disclosure; Mortgagee Policyholders

Sec. 627.798, F.S., provides "the Commission shall by rule adopt a form to be used to provide notice to a purchaser - mortgagor that the purchaser - mortgagor is not protected by the title company of the mortgagee. History. - S. 15, Ch. 2000-370.

Approved Form

Any form of written notice given by the title insurers, business trust title insurers, agents, Agents, employees thereof, or by agents, employees, officials of lending or other institutions to the purchaser - mortgagor in substantially the following language shall be deemed in compliance with Sec. 627.798, F. S.:

Notice to Purchaser - Mortgagor

Pursuant to Sec. 627.798, F.S., notice is hereby given by

(Name of Title Insurer)

to the undersigned purchaser - mortgagor that a mortgagee title insurance policy is to be issued to your mortgagee lender, and that such policy does not provide title insurance protection to you as the owner of the real estate you are purchasing.

The undersigned has read the above notice and understands that such mortgagee title insurance policy to be issued to the mortgagee lender does not provide Title insurance protection to the undersigned as owner.

Dated this _____ day of _____, 20_____.

_____ (Signature of Purchaser)

Specific Authority 624.308, F.S. Law Implemented 627.778 (1)(a), F.S. History - New 9-23-69; Repromulgated 12-24-74. Formerly 4.21.02, Amended 6-25-86, Formerly 4-21-002, amended 1-27-02.

Related Documents

No Related Documents Found

Policy Approval Checklist (PAC)

To fill out this form, refer to the *Example Policy Approval Checklist (PAC)*.

Purpose

The checklist will help identify common problem areas in issuing policies and examining title. If you encounter such an issue in the examination of title, you must resolve the matter before issuing the policy. Old Republic Title provides comprehensive seminars on these issues in addition to Title Notes, Old Republic Title Procedures Handbook.

Requirements

Type or print the following information:

- **Responsible Agent (not firm name):** Type the name of the title agent actually issuing this policy. This is to identify the responsible title agent.
- **Agent Number:** Type Old Republic Title Agent number (the number that is normally placed on Schedule A of the policy).
- **Florida Bar Number Required.** Type the Florida Bar Number of the title agent actually issuing the policy.

Coverage Issued (Including Simultaneous Policy)

- **Type of Policy:** Put a check mark in the parentheses next to the type of policy being issued. A single form can be used for simultaneous owner and mortgagee policies.
- **Policy Number:** Type the policy number for each policy type being issued.
- **Amount of Policy or Policies:** Type the Amount of Insurance for each policy type being issued.

Note: Policies over \$1,000,000 need additional approval when not based on a Old Republic Title- prepared commitment, Schedules A & B.

- **Endorsements:** Put a check mark beside each type of endorsement (s) you have been requested to issue a part of the policy.

Title Information Obtained and Reviewed

This section is designed to ensure that you have determined what types of Title information you need in order to issue the policy. The title information, in whatever form or forms you obtain, must be complete and must cover from the earliest Public Records (or Marketable Record Title Act Search) to the effective date of the policy. The information must include both a property search and a name search. There is usually additional information you will need to obtain and examine in any transaction, including surveys, plats, court files, tax information, assessment letters, and estoppel letters.

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-

Title Information Reviewed: Put a check mark beside each of the Title information reviewed.

Other Information Obtained for Review: Put a check mark beside each type of other information reviewed.

Title Matters Considered? Check if Applicable

Encumbrances on Title Identified: This list identifies most of the common encumbrances encountered affecting a title. From your examination of title, you will have determined which encumbrances apply to your Title. Refer to Old Republic Title *Title Notes* for detailed discussions of various issues involving each

- of the encumbrances listed. Check each type of encumbrance identified.

Title Issues Resolved: This list identifies the areas encountered in the Title examination process which frequently give rise to clouds or defects in Title. You should take the time to become familiar with the various Title Notes referred to in abbreviated form under these headings. Put a check mark beside each type

- of Title issue resolved.

Documents Obtained to Insure? Check if Applicable

The last section of the checklist indicates the documents that you have identified as necessary in order to close the transaction, both to transfer the interest to be insured and to remove encumbrances or to clear title issues that you have identified.

- Put a check mark beside each document type obtained to insure.

Certification Statement and Distribution

Signature of Issuing Agent The issuing title agent signs on this line to certify that the policy complies with

- underwriting guidelines.
- **Date:** Type the date.

Distribution

Keep a copy for your files.

Related Documents

No Related Documents Found

[\(L\)](#)[\[My Account \(MSolomon\) \(/MyAccount\) | LOG OUT \(/apps/login/logout\) \]](#)[Q \(/search\)](#)[Home \(/member\)](#)[Education \(/education\)](#)[Software \(/software\)](#)[FinCEN \(/resources/fincen-reporting\)](#)[Resources \(/resources\)](#)[Support \(/support\)](#)[Contact \(/contact\)](#)

Insuring and Rating Mortgage Modifications



By Melissa S. Scaletta, Fund Sr. Underwriting Counsel

Fund underwriting counsels are frequently called upon to assist Fund Members in insuring mortgage modifications with emphasis on the issues of lien priority and rating. The analyses involved in evaluating these two issues are dissimilar. The lien priority issue is controlled by common law and Florida Statutes, while the rating issue is regulated by the Florida Administrative Code. This article evaluates several variations of mortgage modifications and the consequential impact of mortgage modifications on insuring lien priority and calculating title insurance premium for insuring. The form in which mortgage modifications are insured is also addressed.

Does the Mortgage Modification Result in a Novation?

Modifications that place additional burdens on the borrower, increase the likelihood of default, and/or prejudice the rights of third parties are likely to be viewed as novations with respect to the interests recorded

after the original mortgage but prior to the subject modification. Other factors considered by the courts in determining whether a novation has occurred are whether the parties and the property involved are identical. TN 22.03.06. Some of most frequently encountered changes in terms in recent insuring requests include future advances, extension or acceleration of maturity date, spreaders, change in interest rates including interest rate floors and ceilings, consent to lifting automatic stay in bankruptcy, waiver of defenses and counterclaims, prepayment penalties, changes in release prices, consolidation or cross collateralization, and changes in borrowers, mortgagors or guarantors.

Modifications Not Effecting Priority

For those changes in terms in which there is clearly no additional burden placed upon the borrower, the mortgage modification may be insured without requiring subordination by any intervening lien or interest holders. The majority of mortgage modifications do not provide for one simple change of term, but rather several changes. The modification and all additional collateral loan documents, whether or not recorded and including but not limited to, loan agreements, replacement notes, allonges to notes and forbearance agreements, must be carefully examined for any change in terms. Examples of changed terms that standing alone are not considered novation causing for insuring include future advances given pursuant to a valid future advance clause based upon section 697.04, F.S.; extensions of maturity date and decreases in interest rates. Also, the spreader of a lien to additional collateral is not viewed for insuring as causing a loss of priority with regard to the lien priority as secured by the original collateral.

Modifications Effecting Priority

All other changes in terms of an insured mortgage, not specifically discussed above as not effecting priority, must be carefully evaluated to determine whether the totality of the modifications may be prejudicial in terms of the ability of a debtor to pay other creditors as those obligations become due. Examples of changes in terms within the modification and loan documents that will be considered a novation for insuring include a future advance that is not pursuant to a valid future advance clause in the existing mortgage; a complete, partial, conditional or future right to acceleration of the loan; increase in interest rate, including changes in interest rate index; consent to lifting automatic stay in bankruptcy; waiver of defenses and counterclaims; prepayment and other penalties; change in release prices and consolidation or cross collateralization of loan. Changes in borrowers, mortgagors and/or guarantors may result in novation and should be addressed with Fund underwriting counsel for consideration based on the specific circumstances and terms of the original mortgage on case by case basis.

Will Insuring the Mortgage Modification Generate a Premium?

The authority for calculating title insurance premium is contained in Rules 69O-186.003 and 69O-186.005 (13), F.A.C. For purposes of premium calculation, insured mortgage modifications are categorized as either non premium generating, substitution loan rate, original rate, reissue rate endorsements or some combination thereof. The mortgage modification endorsement worksheet and a substitution loan rate worksheet must be utilized for rating computations in insuring mortgage modifications and substitution loans respectively.

Non Premium Generating Endorsements

Florida law permits the endorsement of a loan policy regardless of whether the mortgage has been modified. Frequently insured lenders request date down endorsements when mortgages have not been modified. These endorsements do not result in the charge of a premium and they are “free” endorsements. In these situations the Fund Member must inquire of whether there are any unrecorded instruments related to the modification that may cause a premium to be charged. Any unrecorded loan instruments must be fully evaluated to determine whether there are any unrecorded changes in loan terms that could result in loss or priority or the charge of a substitution loan rate for insuring.

There are several circumstances in which mortgage modifications with change in terms will not result in a premium charge. Rule 69O-186.005 (13), F.A.C. provides a list of terms that may change in a mortgage without causing the charge of substitution loan rate. These terms generally include: extension of maturity date; decrease in interest rate; increase in interest rate provided that exception is made for any loss of priority occasioned by the increase; change in amortization to extend the term of the mortgage; release of a portion of the security; correction of the lien to comply with the lender’s commitment; future advances pursuant to Sec. 697.04, F.S.; and certain spreaders. For insuring a mortgage modification in which the only terms changing are among the substitution loan rate rule exceptions listed above and the mortgage was previously insured on either Attorneys’ Title Insurance Fund, Inc. or Old Republic National Title Insurance Company, no premium is due provided that the Fund Member act accordingly in updating the search and examination of title and apply Fund underwriting guidelines in the deletion of the standard exceptions for the endorsement pursuant to TNs 25.03.06 and 25.03.07. In the alternative the endorsement may add the standard exceptions to the policy.

Substitution Loan Rates

Per Rule 69O-186.003 (4), F.A.C., substitution loan rates are calculated by applying a percentage of the full original rate to the outstanding balance of the insured mortgage. The percentage applied is based upon the effective date of the loan policy and endorsements thereto.

Substitution loan rates apply in insuring mortgage modifications with changes in term, conditions or priority, which are not specifically excluded from substitution loan rates per Rule 69O- 186.005 (13), F.A.C. Substitution loan rates also apply to insuring a mortgage in which the same risk was previously insured by another underwriter . Although outside of the scope of this article, substitution loan rates apply equally to insuring a substitution loan previously insured by any underwriter. Rule 69O-186.003 (4)(c), F.A.C. limits the application of this discounted rate to substitution loans involving the same mortgagor, lender and collateral or to loans of \$250,000 or more with the same mortgagor and collateral but any lender.

Original Rates and Reissue Rates

All new risks, which were not previously insured by any underwriter, are subject to original rates or reissue rates if a qualified owner's policy insuring the mortgagor as the owner of the same property is available. New risks associated with mortgage modifications include future advances and mortgage spreaders.

Should the Mortgage Modification be Insured with an Endorsement or a New policy?

The manner in which the mortgage modification is rated will dictate whether the mortgage modification will be insured with an Old Republic National Title Insurance Company endorsement to an existing Attorneys' Title Insurance Fund, Inc. policy or a new Old Republic National Title Insurance Policy.

Insuring With New Policy

When a mortgage modification generates substitution loan rates for insuring a risk previously insured by Attorneys' Title Insurance Fund, Inc., the modification will be insured with a new Old Republic National Title Insurance Company policy, rather than an endorsement. When the mortgage modification involves some new risk, such as a future advance or a mortgage spreader, generating original rates or reissue rates on the new risk but no substitution loan rate on the remaining loan balance previously insured by Attorneys Title Insurance Fund, Inc., the new risk only will be separately insured on a new Old Republic National Title Insurance Company policy. The new policy only insuring the incremental risk of the future advance or spreader is referred to as a "stacked" or "piggy back" policy. The following exception language shall appear in Schedule B of a new stacked or piggy back policy:

This policy is issued supplementary to policy no. XXX issued by Attorneys' Title Insurance Fund, Inc., in the amount of \$999999, referred to as the "Fund Policy." Notwithstanding any provisions of this policy to the contrary, and as a condition for the issuance of this policy, it is agreed between the insured and Old Republic National Title Insurance Company that this policy is issued supplementary to the Fund Policy, and is not coinsurance or reinsurance or in replacement thereof.

Insuring With Endorsement

Non premium generating endorsements previously insured on Attorneys' Title Insurance Fund, Inc. are to be insured by Old Republic National Title Insurance Company endorsement. When insuring a recorded mortgage modification it is generally necessary bring the effective date of the policy forward through the date of recordation of the insured modification. With spreader modifications, sometimes the effective date is brought forward as to the spreader parcel only and the previous effective date is retained as to the original collateral. Bringing the effective date of a policy forward necessitates a complete update of the examination of title including underwriting the standard exceptions and Florida Form 9 affirmative coverage anew.

Conclusion

When requested to endorse existing loan policies and insure mortgage modifications, Fund Members must carefully evaluate all recorded and unrecorded loan documents together with proposed modified loan documents in order to identify all changes in terms. Fund Members requiring assistance in resolving issues of lien priority, premium rating and the recommended manner for insuring a modification should contact Fund underwriting counsel. Rating worksheets for insuring mortgage modifications and substitution loans are available on FundNet. Representatives of Fund Finance Customer Service are available to assist in preparing rating worksheets upon request.

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Mortgage Modifications: Keep it on the Record!



by Valerie Jahn Grandin, Fund Sr. Underwriting Counsel, with contributions from Patricia P. Jones, Fund Vice President, and Silvia Rojas, Fund Sr. Underwriting Counsel

The nature of the legal practice of attorney/title agents representing lenders has been dramatically altered in this time of economic turmoil. New acquisition or construction loans are but a distant memory. Instead these practitioners toil on loan workouts, forbearance agreements, amended and restated notes, and mortgage modifications.

The Fund has seen a growing number of transactions where the lender seeks to modify the terms of the underlying note or loan documents without modifying the recorded mortgage. The underwriting concern is that without proper recordation of the modifications lenders may be under the false impression that the coverage afforded under the original mortgagee policy has been endorsed to insure the priority of the

mortgage as modified off the record. Title agents issuing “date-down” endorsements may unknowingly be giving the insured lenders an expectation of title insurance coverage where none may actually exist.

“Date-downs” were common practice in the preeconomic meltdown era. However, the economic landscape has substantially changed and title agents can no longer assume that “date-down” endorsements are simple title endorsements. In addition to a record title update, the title agent should determine that there are no changes to the mortgage note, loan agreement, or other loan documents. Documentation of the lender’s representations to that effect should be obtained for the title agent’s protection as well as the underwriter’s. This article will address crucial title agent considerations in dating down a prior Fund (ATIF) or an Old Republic mortgagee policy through a current effective date.

Title Update Only. If the proposed endorsement is a “date-down,” the purpose of which is to simply is a “date-down,” the purpose of which is to simply provide the insured lender with a current status of title, and there have been no changes to the loan documents off the record, there is no underwriting concern. The endorsement is issued showing any new exceptions disclosed by the title search.

Depending on the nature of the intervening matter, it may be an additional Schedule B-I exception to the mortgage lien as insured or it may be subordinate to the mortgage lien and should be listed as a Schedule B-II, Subordinate Matter. (Of course, the standard exceptions, including the survey exception, must be waived de novo. See TN 22.03.06.)

Title Update Coupled With Off-the-Record Modifications to Loan Documents. When asked to issue a “date down” endorsement to a mortgagee policy, the title agent should always inquire whether there are off the record modifications to the loan documentation. If the lender indicates that there are changes but does not disclose the nature of those changes, the title agent should remind the insured lender that in the event of a claim, matters not disclosed to the title agent and not disclosed to the underwriter are excluded from coverage under title insurance policies, as illustrated below:

Exclusions from Coverage. The standard ALTA loan policy jacket carries a specific exclusion from coverage that would be triggered by undisclosed mortgage modification documents. The pertinent exclusion language is set forth in sections 3, (a) and (b):

3. Defects, liens, encumbrances, adverse claims or other matters

(a) created, suffered, assumed or agreed to by the Insured Claimant;

(b) not Known to the Company (Underwriter), not recorded in the public records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy.

Stated differently, underwriters who are not apprised of the existence or content of unrecorded documents and who issue date-down endorsements as requested by their insured lenders are likely to deny coverage in the event of a claim dealing with mortgage lien priority.

Insuring Requirements. The following scenarios illustrate the most common situations involving datedown endorsements that cover the time period during which off-the-record amendments or additions were made to the note and/or to any related loan documentation:

(a) The modifications with the priority-altering provisions are recorded. Provided there are no recorded intervening liens, continuing lien priority of the mortgage may be insured by date-down endorsement. If there are intervening liens, these would have to be released or subordinated by agreement. In either case, substitution loan premium rates apply.

(b) The priority-altering modifications remain off the record. The date-down endorsement may be provided, but because creditors can always attempt to assert priority as of the date of the unrecorded modification, the endorsement must contain the following language:

This policy does not insure the continuing priority of the lien of the insured mortgage with respect to unrecorded loan documents, if any, that modify the loan secured by the insured mortgage and executed prior to the effective date of this endorsement. In the event the title agent receives written assurance from the insured lender that there are no unrecorded modifications to any loan documents, the exception may be waived, based on the exclusions in the loan policy.

(c) The lender records a mortgage modification agreement evidencing a reduction in the interest rate and an extension of the maturity date. By themselves these modifications do not cause a loss of priority or trigger additional premium. However, off the record the lender extracts additional concessions from the borrower. In this case, the endorsement must carry the exception language above.

Example. National Bank, N.A. holds a note secured by a mortgage for \$3 million on a commercial office building in Lemon County, and the lien of the mortgage is insured under a loan policy. The loan is coming due and the borrower desires to obtain an extension of the maturity date and a reduction in the interest rate. If these were the only two modifications being made, neither triggers a loss of priority or a substitution loan rate premium. However, off the record, the lender extracts certain significant concessions from the borrower in consideration for the modification agreement. In this example, the lender has required the borrower to pay into a newly created reserve account the additional sum of \$5,000 monthly. Courts would likely view this modification as one that increases the likelihood of default by the borrower, thereby prejudicing the rights of intervening creditors—in other words, this modification becomes a novation, a new loan agreement with a new priority date. If the lender does not record this modification agreement but requests only a date-down endorsement, the title agent may issue the endorsement, but must add the above exception to the endorsement.

Conclusion. In short, it is simply not possible to eat one's cake and have it too. If continuing coverage for a priority-altering modification to a mortgage agreement is desired, the modifications must be recorded, and a premium is due, as mandated under the title insurance regulations. Alternatively, the exception disclaiming coverage for any off-the-record modifications must appear in the endorsement, and substitution loan rates would not be required.

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Mortgage Modifications – Insuring and Rating Revisited



By Clifford W. Rainey, Fund Sr. Underwriting Counsel

The topic of insuring mortgage modifications continues to generate many questions for Fund Members on a regular basis. Generally, the questions relate primarily to “how much do I charge for this?” and the related crucial question, “does what the borrower and lender are doing create a potential priority issue?” The Fund Member’s careful analysis of the transaction is necessary to determine how much premium to charge, as well as to determine the necessary steps, if any, to adequately deal with a potential loss of priority. This article is written to explore the methods of insuring mortgage modifications and discusses rating and priority issues.

Mortgage Modifications That Do Not Result in A Substitution Loan Rate Premium Charge

As noted in Ch. 9 of *The Fund Procedures Handbook*, “Rating and Submitting the Forms,” Rule 69O-186.005(13), F.A.C., provides guidance. This rule calls for a charge of substitution loan rates where

the modification agreement changes the terms, conditions, priority, or security other than modifications that:

1. extend the time for repayment;
2. decrease the interest rate, provided the cap on a variable rate mortgage is not more than the original cap or the cap is not more than the original fixed rate;
3. increase the interest rate, provided the endorsement contains an exception for the loss of priority resulting from the increase;
4. change the amortization schedule to extend the term;
5. release a portion of the property; or
6. make a correction to perfect the lien of the insured mortgage or to comply with the terms of the lender's original commitment.

There are two types of mortgage modification not described in Rule 69O-186.005(13), F.A.C., that require a premium but for which substitution loan rates are not applicable as to the outstanding principal balance. The modifications that do not trigger substitution loan rates are (1) future advances under a future advance clause that has not been exceeded and (2) construction loan revolving line of credit mortgages, sometimes referred to as "classic creeping construction mortgages."

In evaluating the loan documents for a mortgage modification, Fund Members must review not only the "to be recorded" modification, but must also review the other "off record" loan documents, such as loan agreements and promissory notes, and compare the proposed documentation to the original note, mortgage, and loan agreement, and any interim modifications thereto, to establish whether a material modification exists. Keeping in mind the list of modifications that do not trigger a premium, Fund Members should review the documents to determine if there exists a material modification to the mortgage that may be viewed as increasing a burden on the borrower or anyone with an inferior interest. If material modifications to the mortgage loan are observed, the need to consider a premium charge as well as a potential priority concern are triggered.

When asked to insure a mortgage modification that does not materially modify the existing mortgage and the title policy insuring the existing mortgage was insured by Old Republic, a Mortgage Modification Endorsement (ALTA 11-06) may be issued upon a proper title examination. No premium is associated with this endorsement. Fund Members should note that the ALTA 11-06 does not advance the effective date of the title policy. If a lender requires the effective date to advance, this is accomplished by issuing a Form E Endorsement (Form E). While the Form E, used for this purpose, would not trigger a premium, advancing the effective date does re-impose the standard exceptions that appear in commitments (real property taxes and assessments, rights of parties in possession, unrecorded easements, survey matters, and construction liens). If the lender wants these exceptions removed, it is necessary to undertake the ordinary steps to

eliminate these matters. TNs 25.03.06 and 25.03.07. Also see Ch. 7 of *The Fund Procedures Handbook*, "Preparing the Forms" for a discussion of the Mortgage Modification Endorsement and the Form E.

Fund Members may issue an Old Republic endorsement to endorse any Old Republic policy, whether the policy was issued through The Fund or otherwise. However, if the existing policy is not an Old Republic policy, an Old Republic endorsement may not be issued. This limitation impacts all other title insurer's policies, including those issued by Attorneys' Title Insurance Fund, Inc. If handling the modification of a mortgage that was insured by another title insurer, Fund Members may issue a new Old Republic policy to insure the mortgage as modified; however, substitution loan rates must be charged because Old Republic did not previously insure the mortgage.

An alternative available to Fund Members, when faced with modification of a mortgage insured by a title insurer other than Old Republic, is the Mortgage Priority Guarantee (FMG). The FMG is a form of a title guarantee that has limited coverage. The purpose of the FMG is to insure the continuing priority of the mortgage. The FMG is not an endorsement to the existing policy and is not intended to modify the coverages under the existing policy. The FMG may be offered only where the modification does not generate novation or priority concerns. The FMG can be issued for a premium of \$125. See Ch. 7 of *The Fund Procedures Handbook*, "Preparing the Forms" for a detailed discussion of the FMG.

Mortgage Modifications That Result in a Substitution Loan Rate Premium Charge

As noted above, the Florida Administrative Code provides some guidance as to what modifications will not trigger a substitution loan rate. If a Fund Member encounters a modification that does not fit into one of the specified modifications, the Fund Member must determine whether the modification is material in nature or potentially imposes an additional burden on the borrower or persons who hold inferior interests. Modifications that would trigger novation and application of substitution loan rates include addition of a prepayment penalty, shortening the time for repayment, or addition or expansion of a future advance clause. A requirement for payment of consideration in order to obtain the modification may also trigger a substitution loan rate premium.

When a mortgage modification triggers potential novation and the application of substitution loan rates, the ALTA 11-06 and the FMG are not available alternatives. If the existing mortgage is insured by Old Republic, Fund Members may endorse the prior policy using the Form E and substitution loan rates should be charged on the outstanding principal balance. Otherwise, Fund Members should issue a new policy which may also be issued at the applicable substitution loan rate premium. Whether insuring the mortgage as modified by endorsement or by a new policy, Fund Members should, upon title examination, consider the need to add exceptions that do not appear in the existing policy or take steps to eliminate existing exceptions or make them subordinate due to priority concerns.

Future Advances

A future advance is a type of mortgage modification that requires a premium based upon the amount advanced. This premium is generally charged at original rates. A future advance does not trigger substitution loan rates on the outstanding principal balance so long as there exists an adequate future advance clause to accommodate the size of the advance. If the mortgage contains no clause that contemplates a future advance (either as a stated dollar amount or stated as a factor of the original principal amount), or the clause is inadequate to contemplate the size of the advance in the transaction to be insured, priority concerns are triggered. Substitution loan rates are charged on the outstanding principal balance of the loan before the future advance plus original rates on the amount of the future advance.

Even where there is an adequate future advance clause in the original mortgage, it is possible that the loan documents including the future advance also contain other material modifications to the mortgage. These additional modifications may consequently trigger substitution loan rates on the outstanding principal balance. In the case of a future advance in conjunction with an inadequate or non-existent future advance clause or other material modification, Fund Members should also address priority issues by obtaining subordination agreements or releases, as warranted.

Spreaders and “Classic Creeping Construction Mortgages” - When Are Substitution Loan Rates Applicable?

A spreader is a type of modification that spreads the lien of the mortgage to additional or new property that was not previously collateral for the loan. The new “spread” property would not have been insured under the existing lender’s policy because it was not part of the original collateral. Thus, in order for the new collateral real property to be insured, there is a need to endorse the policy to add the new property to the insured collateral property. With the exception of one specialized type of transaction, an endorsement insuring this type of modification triggers substitution loan rates on the outstanding principal balance. If an advance is made in conjunction with the spreader, original rates should be charged for the advance in addition to the substitution loan rate on the outstanding principal balance. However, if an owner’s policy is being issued to cover the spread property, a portion of the premium for the endorsement to the loan policy may instead be at the simultaneous issue rate.

In issuing the endorsement for a spreader, Fund Members should remember that title must be examined for both the spread property and the existing collateral that has not been or is not intended to be released as part of the insured transaction. Interim matters of record must be addressed or shown as an exception as do the title issues relating to the new property. The standard exceptions must be addressed for both the existing property and the spread property. TNs 25.03.06 and 25.03.07.

One spreader-type mortgage modification transaction does not require a charge of a substitution loan rate. This is the construction loan revolving line of credit, often referred to as a “classic creeping construction mortgage.” Rule 69O-186.005(13)(h), F.A.C. This is a mortgage set up as a line of credit in order for a developer or builder to acquire parcels, develop or build them, then resell and acquire new parcels on a continuing basis. The loan is often set up with a small amount of collateral with a line of credit with a much higher cap. The loan policy is issued with an insured amount as the line of credit cap and premium is paid based upon the credit cap and with a Revolving Credit Endorsement (RCE). The borrower has, in effect, paid a “pre-paid premium.” In this type of transaction, which becomes a series of transactions, Fund Members must keep a record of the spreaders done and the amount advanced related to the value of each parcel. Once the aggregate amount reaches the line of credit cap amount, Fund Members must begin collecting premium again.

Conclusion

In order to properly determine the correct pricing for an endorsement or new policy, Fund Members must undertake a careful examination and analysis of unrecorded loan documentation and the modification documentation to be recorded. This analysis often requires a comparison to the prior loan documentation and recorded mortgage to determine if the modification is material in nature and creates additional burdens on the borrower or inferior interests. Fund Members should contact underwriting counsel when assistance is needed in determining whether the modification triggers priority concerns and in determining whether an endorsement may be issued, what premium should be charged, or whether a new title insurance policy should be issued. Finance customer service representatives are available to assist in rating calculations and in the preparation of rating worksheets. Fund Members can find

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Insuring Mortgage Modifications Using ALTA 11-06 and Form E Endorsements



By John E. Brown, Fund Sr. Underwriting Counsel, Commercial Services

Changing loan terms or modifying loan agreements is a common occurrence in today's financial reality. There is a constant struggle between the entrepreneur's desire to maintain flexibility over the use of their borrowed funds and a lender's need to adhere to the rigid regulations controlling their loan portfolios. To stay competitive, lenders regularly adjust the terms and conditions of their loan products to more closely match the needs of their customers. Finding the swiftest and most cost-effective way to make these changes is a goal of both lenders and borrowers. One of the most direct ways to make such changes to the loan terms is to modify the existing loan rather than replacing it. If the loan was collateralized with real property and a title policy was issued insuring the lender, endorsing the existing policy to insure the priority of the modified loan is usually the most effective solution.

The primary tools to endorse an existing loan policy to cover a mortgage modification are the Mortgage Modification Endorsement (ALTA 11-06) and the Form E Endorsement (Form E). Each carries certain advantages and limitations. This article explores the appropriate use of these forms when insuring a modification of an existing mortgage by endorsing the existing Old Republic loan policy.

Using the ALTA 11-06

The ALTA 11-06 is issued after a modification agreement is executed and recorded. The endorsement insures against loss or damage due to the invalidity or unenforceability of the lien of the insured mortgage as a result of the modification and against the lack of priority of the lien over defects or liens and encumbrances on title at the date of endorsement except as previously excepted or as expressly excluded. However, this endorsement does not advance the effective date of the original policy and excludes coverage for claims, fees, and costs by reason of the operation of federal bankruptcy, state insolvency, or similar creditor's rights laws based on theories of fraudulent or preferential transfers (except in two instances described on the form). Further, this endorsement may not be used if the terms of the modification result in a loss of priority or trigger the payment of the substitution loan rate as defined in Rule 69O-186.005(13), F.A.C. The ALTA 11-06 may be issued for no additional charge. See Ch. 9 of The Fund Procedures Handbook, "Rating and Submitting the Forms."

The ALTA 11-06 is suited to insure a mortgage modification reducing the interest rate, extending the maturity date, or releasing a portion of the secured property. However, the ALTA 11-06 may not be used if the modification increases the loan amount, increases the loan rate or maximum rate cap, changes the terms of the loan resulting in an increased burden on the borrower, or adds term(s) that may prejudice an intervening lien holder. Further, if the insured lender requires an endorsement that advances or "dates down" the effective date of the existing policy, this endorsement will not be suitable. The companion

ALTA forms that were created to address some of these limitations are the Mortgage Modification with Subordination (ALTA 11.1-06) and the Mortgage Modification with Additional Amount of Insurance (ALTA 11.2-06). These endorsements are not authorized for use in Florida.

Even with its limitations, the ALTA 11-06 offers quality coverage and protections for insuring the priority of a modification. To issue the ALTA 11-06, a title search must be performed and examined through the date of the mortgage modification to determine that there are no intervening matters appearing that could affect the validity or priority of the mortgage. The mortgage modification documentation must be examined to ascertain that no terms were added or modified in such a way that would result in a loss of priority. Provided the analysis of the search product and modification documentation successfully confirms no intervening matters or loss of priority, the completion of the form is relatively straightforward.

The basic information such as sequential endorsement number and policy number pertaining to the original policy as well as the recording information of the mortgage modification document are inserted. The inclusion of any intervening matters which the modification will take subject to is inserted in the first paragraph 2 of the form or completed with the word "None." This is the appropriate place on the endorsement to include new acceptable exceptions to the policy such as when the property has become subject to a newly created easement to which the lender has joined and consented or has become occupied by an approved tenant. Finally, the endorsement is dated and signed. See Ch. 7 of The Fund Procedures Handbook, "Preparing the Forms."

Using the Form E

In circumstances where the limitations on the use of the ALTA 11-06 are prohibitive, the Form E may be suitable. The Form E is more flexible and suited to many uses and is largely a blank form. It is commonly used for correcting errors in policies and for use in deleting or correcting exceptions. This endorsement can be used to insure a mortgage modification in lieu of an ALTA 11-06. The Form E is particularly useful when insuring a mortgage modification that increases the loan amount, adds terms that result in a loss of priority, or triggers a premium. The Form E may also be used to advance the effective date on a loan policy only.

The Form E is a very powerful tool for use in insuring mortgage modifications, but this flexibility may trigger some significant challenges for consideration. Most of these challenges are associated with advancing or "dating down" the loan policy effective date to a time through the date of recording the mortgage modification document. The primary concern is with the effect of the terms of the mortgage modification on the priority of the lien of the original mortgage and the possibility that the terms of the modification will constitute a novation which effectively creates a new agreement and mortgage lien that does not relate back to the initial mortgage.

The starting point in this analysis occurs when the title search is examined to determine if there are any intervening matters that may affect priority of the loan during this modification. If the updated search contains no new matters, there is much more leeway to modify the terms of the loan as the lender deems appropriate since the loss of priority is not a possibility. However, if the search reveals previous loan modifications, new encumbrances, judgments, tax warrants, notices of construction, or other liens filed against the property since the recording of the insured mortgage, Fund Members must carefully consider how each affects the property and its impact on the contemplated modifications. To assure the priority of the loan, Fund Members may consider paying off tax liens and other judgments as part of the closing process or addressing intervening matters by express subordinations.

The next step is to review the proposed terms of the modification documentation to determine if the changes in terms include the types that result in a loss of priority. This review includes any previous modifications and other off-record loan documents. Terms in the modification documents that place burdens on the borrower that did not originally exist, increase the likelihood of default, or prejudice the rights of intervening third parties may be deemed by a court as a novation resulting in the loss of priority. The significance of this analysis cannot be overemphasized since there is no simple litmus test that can be applied. The intent of the parties to enter into a new loan arrangement may be implied from the terms of the documents by a court even if the parties did not actually intend to effectuate a new loan. Thus, when using the Form E, intervening matters must be added as exceptions to Schedule B-I of the loan policy or eliminated if the terms of the modification are deemed a novation and result in a loss of priority.

The advancement of the effective date of the loan policy to a current date, if required in a current modification, triggers the need to again address the standard title exceptions, namely parties in possession, construction liens, and survey matters. If the lender will accept the standard exceptions, they can be re-imposed using the Form E. However, lenders generally do not accept the exceptions; thus, the same diligence undertaken at the original closing must be employed in order to eliminate these exceptions. A borrower's affidavit may be used to establish the nature of the parties in possession and the lack of potential construction liens. A review of the survey used at the original loan closing is also necessary to determine if it remains accurate and reliable for the current transaction. If the property was improved since the original loan was made, an updated survey may be required to remove this exception. See the discussion in TN 25.03.06 for requirements and alternatives to a current survey for deleting the standard survey exception. Fund Members should consult Fund Underwriting Counsel if there is evidence of active construction or the presence of a recorded notice of commencement since this may require following the process described in TN 21.03.03 to establish the continuing priority of the loan.

The Form E is completed by inserting the sequential endorsement number and policy number in the space provided. The original effective date of the policy and insured amounts are listed in the spaces provided. The substantive changes to the policy are then described in detail as appropriate to alter the specific schedules and paragraphs of the original policy. These can include the change of the effective date, additions to the description of the insured mortgage, additional exceptions, or subordinate matters added to Schedules B-I and B-II.

Rating the Form E

Whether a premium is due for a Form E is dependent upon the change in terms to the mortgage, note, and other loan documents which may or may not be recorded. Modifications that increase the amount of coverage above the original policy coverage amount (or above the current balance of the loan if the loan has been paid down) trigger new premium for the added coverage. Modifications involving changes to the loan terms, priority, or security that fall outside of the exemptions described in Rule 69O-186.005(13), F.A.C., should generally be viewed as triggering payment of the substitution loan rate on the current outstanding balance of the loan even if no new money is extended. See "Insuring and Rating Mortgage Modifications," 43 Fund Concept 76 (Aug. 2011) and TN 22.03.06.

Conclusion

The need to endorse existing loan policies to accommodate changes to mortgage loans will continue as lenders and borrowers maximize the use of their capital resources. The ALTA 11-06 and Form E are powerful tools for use in providing the lender with assurance that their loans hold their relative priority. Knowing the nature of the proposed financial changes, status of title, and physical condition of the property will aid in selecting the appropriate endorsement for efficiently and effectively insuring the continuing priority of the insured mortgage.

04/1/2018



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LII > State Regulations > Florida Administrative Code
> Department 69 - DEPARTMENT OF FINANCIAL SERVICES
> Division 690 - OIR - Insurance Regulation
> Chapter 690-186 - TITLE INSURANCE RATES
> **Fla. Admin. Code Ann. R. 690-186.005 - Premium Schedule Applicable to "Truth in Lending" and Other Endorsements**

Fla. Admin. Code Ann. R. 690-186.005 - Premium Schedule Applicable to "Truth in Lending" and Other Endorsements

State Regulations Compare

(1) An additional risk exposure for title insurers has been created by the enactment into law of the Federal "Truth in Lending Act," incorporated in Title 15, United States Code Annotated, Section 1601 et seq., effective May 29, 1968.

(2) Such additional risk exposure is specifically though not exhaustively manifest in the additional risks and expenses incident to the issuance of the "Truth in Lending Endorsement" as reflected in and confined to "Endorsement Number Two of the American Land Title Association" because of the following factors:

(a) The title insurer must determine that a lien is being made for commercial purposes, other than agricultural purposes.

(b) The title insurer must determine that the borrower falls within the category of entities as set forth in Regulation "Z" promulgated by the Federal Reserve.

(c) The title insurer must determine that the home being purchased is or will be the residence of the borrower.

(d) The title insurer must determine that the mortgage being insured by the policy to which the endorsement is being attached is a first lien on the land.

(e) The title insurer must determine that proceeds of the mortgage are disbursed to the seller.

(f) The title insurer may be legally obligated to legally refute the allegations in a foreclosure action against the mortgagor that the matters shown above were not accurately determined.

(g) The penalty for failure to make such correct determination of the above factors may make the title insurer incur liability for the payment or settlement of claims thereon which would not otherwise be incurred in the absence of such Endorsement.

(3) The foregoing factors substantially increase the increment of risk, the expense, and the labor incident to the issuance of title insurance policies brought within the purview of the Truth in Lending Act by utilization of ALTA Endorsement Number Two. Such consequences have a significant potential effect on the fiscal stability of the respective title insurers and the business trust title insurer authorized to transact the business of title insurance in the State of Florida.

(4) Any potential adverse effect of such factors on the fiscal stability of said title insurers with consequent detriment to the title insuring public would be ameliorated or negated by the promulgation of a specific premium rate schedule applicable to such Truth in Lending Endorsement which would reasonably compensate the title insurers for such additional increments of risk.

(5) In recognition of the above findings and factors applicable to Truth in Lending Endorsement Number Two of the ALTA, the following premium schedule is hereby promulgated:

TEN PERCENT (10%) OF MORTGAGEE POLICY PROMULGATED RATE WITH A MINIMUM CHARGE OF TWENTY-FIVE DOLLARS (\$25.00) AND A MAXIMUM CHARGE OF ONE HUNDRED DOLLARS (\$100.00).

(6)

(a) In recognition of the increased risk in issuing the following endorsements on a mortgage or owner's policy, as such endorsements have been approved by the

Office, the minimum premium shall be \$25.00 for each endorsement on any mortgage or owner's policy issued. The endorsements shall be itemized on the closing statement furnished to the insured.

1. ALTA 4/4.1 Condominium.
2. ALTA 5/5.1 Planned Unit Development.
3. ALTA 6 Renegotiable Rate.
4. ALTA 6.1 Variable Rate.
5. ALTA 6.2 Negative Amortization.
6. ALTA 7.0 Manufactured Housing.
7. ALTA 8.0/8.1 Environmental Protection Lien.
8. Revolving Credit Endorsement.

(b) The language of the Revolving Credit Endorsement shall conform to the following endorsement language:

1. Notwithstanding any terms or provisions in this policy to the contrary, the company hereby insures the insured that advances made subsequent to the Date of Policy, but within 20 years of the Date of Policy, pursuant to the terms of the mortgage described in Schedule A of this policy, shall be included within the coverage of this policy, even though the principal indebtedness may have been reduced from time to time preceding any such subsequent advances. The Company's liability under this policy shall be reduced hereafter by the filing for record by the mortgagor or his successors in title of a notice pursuant to Section 697.04(1), F.S., limiting the maximum principal amount that may be so secured to an amount not less than the amount actually advanced at the time of such filing.
2. The Company further assures the insured that such subsequent advances shall have the same priority over liens, encumbrances and other matters disclosed by the Public Records, as do advances secured by the insured mortgage as of the Date of Policy, except for the following matters, if any, arising subsequent to the Date of Policy:
 - a. Federal tax liens which may be recorded against the mortgagor(s) or their successor in title more than forty-five days prior to the making of any such subsequent advances.
 - b. Federal tax liens which may be recorded against the mortgagor(s) or their successor in title within forty-five days of making any such

subsequent advances, the existence of which are actually known to the insured prior to the making of any such subsequent advances.

c. Ad valorem real estate taxes and assessments and other government liens which are on a parity with ad valorem real estate taxes pursuant to F.S.

d. Bankruptcies of the mortgagor(s) or their successors in title prior to the making of any such subsequent advances.

e. Defects, liens, encumbrances or other matters, the existence of which are actually known to the insured prior to the making of any such subsequent advances.

3. The total liability of the company under the policy and any endorsements therein shall not exceed, in the aggregate, the face amount of the policy and sums which the Company is obligated under the conditions and stipulations thereof to pay.

4. This endorsement is made a part of the policy. It is subject to all the terms of the policy and prior endorsements. Except as expressly stated on this endorsement, the terms, dates and amount of the policy and prior endorsements are not changed."

(7)

(a) Both endorsements and affirmative type coverages and their applicable risk rate premium must be approved by the Office prior to their issuance in this state. Accordingly, endorsements and affirmative type coverages are categorized as follows:

1. Permitted endorsements and/or affirmative type coverages,
2. Prohibited endorsements and/or affirmative type coverages,
3. Endorsements and/or affirmative type coverages with no specific Office approval required when there is no increased risk resulting to the insurer.

(b)

1. With the exception of those endorsements listed in subsection (6) of Rule 69O-186.005, F.A.C., above, no endorsement or affirmative type coverage shall be issued except as set forth in this section.

2. If there is a change in a current adopted endorsement and the change results in a further limitation of coverage, the endorsement may be submitted to the Office for approval without an amendment to these rules.

(c) With the exception of policy forms and those endorsements listed in subsection (6) of Rule 69O-186.005, F.A.C., above, all approvals of endorsements given prior to the effective date of this rule are withdrawn. This section shall have no effect on the validity of those endorsements issued prior to the effective date of these rule amendments.

(d) All issued endorsements shall be itemized on the closing statement furnished to the insured with costs for each endorsement shown.

(e) Specific endorsements may be issued by reference to a master list of approved endorsements and have the same validity as if issued individually on each transaction so long as the language in the endorsement specifically conforms without any additions or deletions to the endorsement language as set forth in this section. Any such master list of approved endorsements shall only be issued in conjunction with a mortgage (mortgagee) title insurance policy.

(8) The following permitted endorsements and endorsement language are approved:

(a) Florida Endorsement Form 9; (Restrictions, Easements, Minerals):

1. This endorsement shall not be issued unless there has been a release of the right of entry of the mineral reservation, nor shall it be issued over any adverse matter or defect in title unless such adverse matter or defect has been removed or determined to be legally unenforceable.

2. The language of the Florida Endorsement Form 9 shall conform to the following endorsement language:

"The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. Any incorrectness in the assurance that, at date of policy:

(a) There are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.

(b) Unless expressly excepted in Schedule B:

(1) There are no present violations on the land of any enforceable covenants, conditions or restrictions nor do any existing improvements on the land violate building setback lines shown on a plat of subdivision recorded or filed in the public records.

(2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the land; (ii) provide a lien for liquidated damages; (iii) provide for a private charge or assessment; (iv) provide for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.

(3) There is no encroachment of existing improvements located on the land onto adjoining land, nor any encroachment onto the land of existing improvements located on adjoining land.

(4) There is no encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.

(5) There are no notices of violation of covenants, conditions, and restrictions relating to environmental protection recorded or filed in the public record.

2. Any future violation on the land of an existing covenant, condition or restriction occurring prior to the acquisition of title to the estate or interest in the land, provided the violation results in:

(a) Impairment or loss of the lien of the insured mortgage; or,

(b) Loss of title to the estate or interest in the land if the insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.

3. Damage to existing improvements (excluding lawns, shrubbery or trees).

(a) Which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.

(b) Which results from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.

5. Any final court order or judgment denying the right to maintain any existing improvement on the land because of any violation of

covenants, conditions or restrictions or building setback lines shown on a plat or subdivision recorded or filed in the public records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in subparagraphs (1)(b)1. and 5., the phrase, "covenants, conditions, or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(b) Navigational Servitude - The language of the Navigational Servitude Endorsement (Florida) shall conform to the following endorsement language:

1. The Company hereby insures the insured against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs and attorney's fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of forced removal pursuant to a final judgment of a court of competent jurisdiction in favor of the United States Government requiring the removal of any improvements located on the land at date of policy resulting from the exercise of the rights of the United States Government with respect to control over navigable waters, or lands which formerly constituted navigable waters, for purposes of navigation and commerce.

2. This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(c) Shared Appreciation - The Shared Appreciation Endorsement (Florida) shall conform to the following endorsement language:

1. The Company hereby insures the Insured against loss or damage by reason of:

- a. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for a shared appreciation interest.
- b. Loss of priority of the lien of the insured mortgage as security for (1) the unpaid principal balance of the loan; (2) the stated interest; and (3) the shared appreciation interest, which loss of priority is caused by the provisions in the insured mortgage for payment or allocation to the insured mortgagee of any shared appreciation interest.
- c. "Stated Interest" as used in this endorsement shall mean only the per annum interest on the unpaid principal balance of the loan provided in the insured mortgage at date of Policy.
- d. "Shared Appreciation Interest" as used in this endorsement shall mean only those amounts (calculated pursuant to the formula provided in the insured mortgage) payable or allocated to the insured mortgagee, out of the amount, if any, by which the land has appreciated in value as established pursuant to the provisions of the insured mortgage at date of Policy.
- e. This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law, or (c) bankruptcy.
- f. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any endorsements, nor does it increase the face amount thereof."

(d) Additional Interest - The language of the Additional Interest Endorsement (Florida) shall conform to the following endorsement language:

1. The Company hereby insures against loss or damage by reason of:
 - a. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for additional interest subsequent to date of Policy.
 - b. Loss of priority of the lien of the insured mortgage as security for (1) the unpaid principal balance of the loan; (2) the stated interest; (3) the

additional interest, which loss of priority is by the provisions in the insured mortgage for payment or allocation to the insured mortgagee of any additional interest.

2. "Stated Interest" as used in this endorsement shall mean only the fixed percent per annum interest on the unpaid principal balance of the loan provided in the insured mortgage at date of Policy.

3. "Additional Interest" as used in this endorsement, shall mean only those amounts calculated pursuant to the formula provided in the insured mortgage payable or allocated to the insured.

4. This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law, or (c) bankruptcy.

5. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(e) Option Endorsement - The language of the Option Endorsement (Florida) shall conform to the following endorsement language:

1. With respect to the option to purchase described in Schedule B, the option to purchase is hereby incorporated into Schedule A of the policy as an interest insured thereby, vested in the insured, and the Company insures against loss or damage sustained or incurred by the insured by reason of:

a. The unenforceability of the right to exercise the option to purchase except to the extent that such unenforceability or claim thereof is based on the failure of the insured to have fulfilled the terms and conditions of the option.

b. The priority over the option to purchase of any conveyance made of the fee simple estate in the land or of any liens or encumbrances created therein after the date of policy, excepting those liens or encumbrances created or consented to by the insured or created by statute in favor of or for the benefit of governmental bodies or public utilities (including without limitation real estate taxes, special assessments, demolition liens, drainage liens and water liens).

2. Nothing contained in this endorsement shall be construed as insuring the insured against loss or damage sustained or incurred by reason of:
 - a. Disaffirmance of the option under the provisions of the bankruptcy code or state insolvency law.
 - b. The effect of any condemnation proceeding including the failure of the optionee to receive all or part of an award entered in a condemnation proceeding unless failure to share in said award stems solely from a court order or judgment which constitutes a final determination and adjudges the option to be invalid.
 - c. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law.

3. Other than expenses necessary for a judicial determination or defense of the validity and priority of the option as described in subsections (1) and (2). above, loss under this endorsement does not include:
 - a. Expenses required to enforce the option and to obtain a transfer of title from the party or entity in whom title to any interest in the land is vested at the time of exercising the option; or
 - b. Expenses required to obtain valid conveyances or releases of any rights, interests or liens related to the land which appear of record or are known to the insured at the time of exercising the option.

4. The measure of the loss or damage sustained by the insured under this policy shall be:
 - a. The excess of the fair market value of the property at the time the insured attempts to exercise the option (or when a law suit contesting the validity of the option is filed, if filed prior to the attempted exercise of the option) above the price at which the insured could acquire the property by exercise of the option; and,
 - b. The unreimbursed portion of the consideration given by the insured to obtain the option.

5. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(f) Change of Partners - The Change of Partners (Fairways) Endorsement (Florida) shall conform to the following endorsement language:

"1. The Company agrees that in the event of an occurrence of loss insured against by this policy, the Company will not deny liability hereunder on the ground that a dissolution of the partnership has occurred or a new partnership has been formed by reason of one or more of the general partners transferring their interest to another person or entity; by reason of a withdrawal of one or more of the general partners from the partnership; or by reason of the addition of one or more persons or entities as partners.

2. Nothing contained herein shall be construed as extending the insurance hereunder as to matters attaching or created subsequent to the date hereof; or insuring the status of the insured after the transfer of the partnership interest, the withdrawal of partners, or the addition of new partners.

3. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(g) Contiguity Endorsement - The Contiguity Endorsement (Florida) shall conform to the following endorsement language:

"1. The Company insures the Insured herein against loss or damage by virtue of any inaccuracy in the following statement, to wit: Parcel ___ of the legal description and Parcel ___ of the legal description are contiguous to each other along the ___ line of Parcel ___ and ___ line of Parcel ___, and, taken as a tract, constitute one Parcel of land.

2. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(h) Survey Endorsement - The language of the Survey Endorsement (Florida) shall conform to the following endorsement language:

"The Company hereby acknowledges the lands described in Schedule A are the same lands described in the survey prepared by _____ dated _____; however, the Company does not insure the accuracy or completeness of said survey."

(i) Construction Loan Up-date - The language of the Construction Loan Up-date Endorsement shall conform to the following endorsement language:

1. The liability of the Company is increased by \$_____ to include disbursements made pursuant to requisition(s) _____ for a cumulative total to date of \$_____.
2. The Company insures there have been no instruments filed among the Public Records of ___ County, affecting title to the lands described in Schedule A from _____ through _____, other than the following:
3. The Company insures each of the foregoing is subordinate to the lien of the mortgage insured except:
4. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(j) Foreign Currency Endorsement - The language of the Foreign Currency Endorsement shall conform to the following endorsement language:

1. The Company hereby insures against loss or damage by reason of:
 - a. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for revaluation of the indebtedness secured thereby based upon changes in the conversion rate between U.S. dollars and the stated foreign currency.
 - b. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, which loss of priority is caused by such changes in the conversion rate.
2. The Company acknowledges that changes from time to time in the conversion rate between U.S. dollars and the stated foreign currency may decrease or increase the dollar amount of the indebtedness secured by the insured mortgage. The Company hereby agrees that, so long as any portion of the indebtedness secured by the insured mortgage shall remain outstanding, any such increase in the dollar amount of indebtedness shall

not be deemed by the Company to constitute additional principal indebtedness created subsequent to date of policy within the meaning of paragraph 8 of the Conditions and Stipulations of the policy; provided, however, that the total liability of the Company under the policy at any time shall not exceed, in the aggregate, the face amount of the policy and the costs which the Company is obligated to pay under the terms and provisions of the policy.

3. "Changes in the conversion rate" as used in this endorsement, shall mean only those changes in the conversion rate calculated pursuant to the formula provided in the insured mortgage at date of policy.

4. This endorsement does not insure against loss or damage based upon (a) the failure to pay any mortgage recording tax or similar charge applicable to the mortgage described in Schedule A at date of policy or as a result of increases in the amount of indebtedness resulting from changes in the conversion rate of U.S. dollars and the stated foreign currency, (b) usury, (c) any consumer credit protection or truth-in-lending law, (d) bankruptcy, or (e) any invalidity or unenforceability or loss of priority of the mortgage as to any indebtedness in amounts in U.S. dollars in excess of the amount stated in the policy.

5. This endorsement is made a part of the policy and is subject to all of the terms and conditions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to paragraph (3)(d), of the Exclusions from Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it increase the face amount thereof."

(k) Assignment of Mortgage - The language of the Assignment of Mortgage Endorsement shall conform to the following endorsement language:

"Endorsement number _____

Name of original insured:

Original effective date:

Original amount of insurance \$ _____

Agent's file reference: _____

The Company insures that the mortgage described in the above numbered and dated policy has been duly assigned to:

Assignee

Address

by an assignment dated the ____ day of ____, 19__, and recorded the ____ day of ____, 19__, in Official Records ____, Page ____, under Clerk's File Number ____, of the Public Records of __ County, Florida.

This endorsement is to be attached to and form a part of the above numbered and dated policy issued by ____"

(l) Balloon Mortgage Endorsement - The language of the Balloon Mortgage Endorsement shall conform to the following endorsement language:

1. The Company insures the insured mortgagee against loss or damage by reason of:
 - a. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for a conditional right to refinance and a change in the rate of interest as set forth in the Mortgage Rider.
 - b. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest thereon, which loss of priority is caused by the exercise of the conditional right to refinance and the extension of the loan term to the new maturity date set forth on the rider and a change in the rate of interest, provided that all the conditions set forth in paragraphs 2 and 5 of the Balloon Mortgage Rider have been met, and there are no other liens, defects, encumbrances, or other adverse matters affecting title recorded subsequent to the date of policy.
2. This endorsement does not insure against loss or damage based upon, (a) Usury or (b) any consumer credit protection or truth-in-lending law or (c) bankruptcy.
3. This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the

effective date of the policy and any prior endorsements, nor does it increase the face amount thereof."

(9) Recognizing that the endorsements listed in subsection 8 of this section and the affirmative language in a title policy imposes certain obligations and liabilities on a title insurer and agent and the issuance of endorsements and/or affirmative language in a title policy creates an additional risk and a considerable amount of work in addition to the initial search and examination of title required to write a basic policy, a minimum premium shall be charged and collected by an insurer or agent where coverage in the form of affirmative language and/or endorsements to a policy are required. Therefore, the risk rate premium for each of the endorsements listed in paragraph 8 of this section are as follows:

1-4 Family Unit Residential Risks	\$25 minimum per endorsement
	\$100 maximum per endorsement
Other Risks (commercial or greater than 1-4 family residential risk.)	\$100 Minimum per endorsement

except that the risk rate premium for the following approved endorsements shall be at minimum the percentage of the total policy premium as indicated; however, on a simultaneously issued mortgage policy, the endorsement charge shall be based on the underlying owner, and loan policy premium:

- (a) Florida Endorsement Form 9-10%.
- (b) Navigational Servitude - 10%.

(10) Additional risk premium must be charged if additional insurance is purchased.

(11) All loan policies and endorsements are subject to the 125% rule as set forth in paragraph 69O-186.003(4)(b), F.A.C., except that a policy with a Shared Appreciation, or Additional Interest Endorsements may be issued for an amount up to 150% in excess of the principal debt.

(12) The applicable rate to be charged and collected for a loan policy after a mortgage balloons and is subsequently refinanced by the same lender, and borrower on the

same land shall be the rates as described in paragraph (5) of Rule 69O-186.003, F.A.C., substitution loan rates.

(13) The Substitution Loan Rate provided in subsection 69O-186.003(5), F.A.C., shall apply to any endorsement which insures a modification of a mortgage which was insured by an outstanding policy where the modification agreement effects any change in the terms, conditions, priority, or security, other than:

- (a) An extension of the time for payment of the secured obligation;
- (b) Any decrease in the interest rate of the insured mortgage, provided the "cap" on a variable rate mortgage is not greater than the original "cap" and/or the "cap" is not greater than the original fixed rate;
- (c) Any increase in the interest rate of the insured mortgage, provided the endorsement contains an exception for the loss of priority occasioned by the increase;
- (d) Changes in an amortization schedule to extend the term of the insured mortgage;
- (e) A release of a portion of the secured property;
- (f) A correction to either perfect the lien of the insured mortgage or comply with the terms of the lender's original commitment;
- (g) Future advances made pursuant to Section 697.04, F.S.; or
- (h) Encumbrances of additional parcels under a revolving construction loan agreement contained in the original mortgage and contemplated by subsection 69O-186.003(10), F.A.C.

(14) The retention rate for an insurer shall be the same as set forth in subsection 69O-186.003(11), F.A.C.

(15)

(a) The following are prohibited endorsements and affirmative coverages that shall not be issued in this state:

1. Doing Business Endorsement.
2. Non Imputation Endorsement (Imputation of knowledge).
3. Access.
4. Location.
5. Expanded Insured Endorsement.

6. Street Assessment Endorsement.

7. Zoning Endorsement.

8. Usury.

(b) The extension of special affirmative coverage by indirect means is prohibited.

(16) The following endorsements can be issued or affirmative language is permitted with no specific approval required from the Office:

(a) Endorsements correcting mistakes.

(b) Future Insurance (continuing liability under existing policies).

(c) Endorsements deleting exceptions which no longer affect title to the land.

(d) Endorsements insuring future advances.

(e) Changes in effective dates (loan policies only).

(f) Gap coverage endorsement.

(g) Insurance against the attempted enforcement of known claims for ascertainable sums of money in reliance on security commensurate with such risk.

(h) Deletion of General Exceptions.

(i) Endorsements modifying the standard owner's and mortgagee policy to convert to a leasehold policy previously approved by the Office.

(j) Tie-in Spreader (Intra Florida properties only).


Notes

Fla. Admin. Code Ann. R. 69O-186.005

Rulemaking Authority 624.308, 627.777, 627.782 FS. Law Implemented 624.307(1), 627.777, 627.782, 697.04(1) FS.

New 9-17-71, Repromulgated 12-24-74, Formerly 4-21.05, Amended 6-25-86, 2-26-90, 2-27-91, Formerly 4-21.005, Amended 2-13-95, Formerly 4-186.005, Amended 11-3-05.

New 9-17-71, Repromulgated 12-24-74, Formerly 4-21.05, Amended 6-25-86, 2-26-90, 2-27-91, Formerly 4-21.005, Amended 2-13-95, Formerly 4-186.005, Amended 11-3-05.

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ALTA 4.1 CONDOMINIUM – CURRENT ASSESSMENTS ENDORSEMENT
(With Florida Modifications)

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction:
 - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
 - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. Any charges or assessments provided for in the State condominium statutes and condominium documents due and unpaid at the Date of Policy.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA ENDORSEMENT 5.1-06 PLANNED UNIT DEVELOPMENT

(With Florida Modifications)

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words "restrictive covenants" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. Any charges or assessments in favor of any association of homeowners, that are provided for in any document referred to in Schedule B, due and unpaid at Date of Policy.
3. The enforced removal of any structure existing at Date of Policy on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 6 VARIABLE RATE MORTGAGE ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. As used in this endorsement, "Changes in the Rate of Interest" mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. the invalidity or unenforceability of the lien of the Insured Mortgage resulting from Changes in the Rate of Interest.
 - b. the loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, which loss of priority results from Changes in the Rate of Interest.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, based upon usury law or Consumer Protection Law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 6.2 VARIABLE RATE MORTGAGE – NEGATIVE AMORTIZATION ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. As used in this endorsement, “Changes in the Rate of Interest” mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. the invalidity or unenforceability of the lien of the Insured Mortgage resulting from:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. the addition of unpaid interest to the principal balance of the loan.
 - b. the loss of priority of the lien of the Insured Mortgage as security for the principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, interest on interest, or any unpaid interest which was added to the principal balance in accordance with the provisions of the Insured Mortgage, which loss of priority results from:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. the addition of unpaid interest to the principal balance of the loan.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, based upon usury law or Consumer Protection Law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 7.1 MANUFACTURED HOUSING – CONVERSION – LOAN POLICY ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.
2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
 - a. A manufactured housing unit is not located on the land described in Schedule A.
 - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
 - c. The owner of the land described in Schedule A is not the owner of the manufactured housing unit.
 - d. Any lien is attached to the manufactured housing unit as personal property, including:
 - i. a federal, State, or other governmental tax lien;
 - ii. UCC security interest;
 - iii. a motor vehicular lien; or
 - iv. other personal property lien.
 - e. The lien of the Insured Mortgage is not enforceable against the Title.
 - f. The lien of the Insured Mortgage is not enforceable in a single foreclosure procedure.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 7.2 MANUFACTURED HOUSING – CONVERSION – OWNER’S POLICY ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.
2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
 - a. A manufactured housing unit is not located on the land described in Schedule A.
 - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
 - c. The Insured is not the owner of the manufactured housing unit.
 - d. Any lien is attached to the manufactured housing unit as personal property, including:
 - i. a federal, State, or other governmental tax lien;
 - ii. UCC security interest;
 - iii. a motor vehicular lien; or
 - iv. other personal property lien.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

**ALTA 8.1 ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT
(With Florida Modifications)**

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. The Company insures against loss or damage sustained by the Insured by reason of lack of priority of the lien of the Insured Mortgage over:
- a. any environmental protection lien that, at the Date of Policy, is recorded in those records established under State statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge, or is filed in the records of the clerk of the United States district court for the district in which the Land is located, except as set forth in Schedule B; or
 - b. any environmental protection lien provided by any State statute in effect at the Date of Policy, except environmental protection liens provided by the following State statutes:

None.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By **Carolyn Monroe**
President

(With Florida Modifications)

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

The insurance provided by this endorsement is subject to the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

The company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. Any incorrectness in the assurance that, at Date of Policy:
 - (a) There are no covenants, conditions or restrictions under which the lien of the Mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
 - (b) Unless expressly excepted in Schedule B:
 - (1) There are no present violations on the Land of any enforceable covenants, conditions or restrictions, nor do any existing improvements on the land violate building setback lines shown on a plat of subdivision recorded or filed in the Public records.
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the Land; (ii) provide a lien for liquidated damages; (iii) provide for a private charge or assessment; (iv) provide for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
 - (3) There is no encroachment of existing improvements located on the Land onto adjoining land, nor any encroachment onto the Land of existing improvements located on adjoining land.
 - (4) There is no encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - (5) There are no notices of violation of covenants, conditions and restrictions relating to environmental protection recorded in the Public Records.
2. Any future violation on the Land of an existing covenant, condition or restriction occurring prior to the acquisition of title to the estate or interest in the Land, provided the violation results in:
 - (a) invalidity, loss of priority or unenforceability of the lien of the Insured Mortgage; or
 - (b) loss of Title to the estate or interest in the Land if the Insured shall acquire Title in satisfaction of the Indebtedness secured by the Insured Mortgage.
3. Damage to existing improvements (excluding lawns, shrubbery or trees):
 - (a) which are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - (b) which results from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvement on the Land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraph 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

The failure to expressly except any matter delineated in paragraphs 1(b)(1), 1(b)(2) or 1(b)(5) of this endorsement constitutes the Company's agreement to indemnify against loss or damage resulting from any matters delineated in paragraphs 1(b)(1), 1(b)(2) or 1(b)(5) only and provides no coverage for any other matters set forth in the covenants, conditions and restrictions.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA ENDORSEMENT FORM 9.1-06
RESTRICTIONS, ENCROACHMENTS, MINERALS - OWNER'S POLICY - UNIMPROVED LAND
(With Florida Modifications)

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

The insurance provided by this endorsement is subject to the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

The Company insures the insured against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B.
 - (a) Present violations on the land of any enforceable covenants, conditions or restrictions.
 - (b) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter or right of forfeiture because of violations on the land of any enforceable covenants, conditions or restrictions.
 - (c) Any encroachment onto the land of existing improvements located on adjoining land.
 - (d) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Damage to buildings constructed on the land after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraph 1(a) the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or limitations relating to environmental protection.

The failure to expressly except any matter delineated in paragraphs 1(a), (b) or (d) of this endorsement constitutes the Company's agreement to indemnify against loss or damage resulting from any matters delineated in paragraphs 1(a), (b) or (d) only and provides no coverage for any other matters set forth in the covenants, conditions and restrictions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By **Carolyn Monroe**
President

ALTA ENDORSEMENT 9.2-06 RESTRICTIONS, ENCROACHMENTS, MINERALS
OWNER'S POLICY - IMPROVED LAND
(With Florida Modifications)

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

The insurance provided by this endorsement is subject to the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

The Company insures the Insured against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
 - (a) Present violations on the Land of any enforceable covenants, conditions, or restrictions, or any existing improvements on the Land which violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - (b) Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land which, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of re-entry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
 - (c) Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
 - (d) Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - (e) Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to existing buildings at Date of Policy:
 - (a) Which are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
 - (b) Resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
3. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping, or driveways, excepted in Schedule B.
4. Any final court order or judgment denying the right to maintain any existing building on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records at Date of Policy.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1(a) and 4, the words "covenants, conditions, or restrictions" shall not be deemed to refer to or include any covenants, conditions or limitations relating to environmental protection.

The failure to expressly except any matter delineated in paragraphs 1(a), (b) or (e) of this endorsement constitutes the Company's agreement to indemnify against actual monetary loss or damage resulting from any matters delineated in paragraphs 1(a), (b) or (e) only and provides no coverage for any other matters set forth in the covenants, conditions and restrictions.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe

ALTA ENDORSEMENT 9.3-06 RESTRICTIONS, ENCROACHMENTS, MINERALS
(With Florida Modifications)

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Attached to Policy Number _____

The insurance provided by this endorsement is subject to the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

The Company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. Any incorrectness in the assurance that, at Date of Policy:
 - a. There are no covenants, conditions, or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished or its validity, priority, or enforceability impaired.
 - b. Unless expressly excepted in Schedule B,
 - i. There are no present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the Land that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land does not, in addition, (A) establish an easement on the Land, (B) provide a lien for liquidated damages, (C) provide for a private charge or assessment, (D) provide for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
 - iii. There is no encroachment of existing improvements located on the Land onto adjoining land nor any encroachment onto the Land of existing improvements located on adjoining land.
 - iv. There is no encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - v. There are no notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of Title by the Insured, provided the violation results in:
 - a. invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
 - b. loss of Title if the Insured shall acquire Title in satisfaction of the Indebtedness.
3. Damage to improvements existing at Date of Policy, excluding lawns, shrubbery, or trees, located or encroaching on that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.
4. Damage to improvements existing at Date of Policy excluding lawns, shrubbery, or trees, located on the Land resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
5. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
6. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records at Date of Policy.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they do not include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b.i. and 6, the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

The failure to expressly except any matter delineated in paragraphs 1.b.i., 1.b.ii. or 1.b.v. of this endorsement constitutes the Company's agreement to indemnify against loss or damage resulting from any matters delineated in paragraphs 1.b.i., 1.b.ii. or 1.b.v. only and provides no coverage for any other matters set forth in the covenants, conditions and restrictions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Name of Agent

Old Republic National Title Insurance Company

By: Carolyn Monroe

President

Agent's Signature

ALTA 10.1 ASSIGNMENT AND DATE DOWN ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To PolicyNo. _____

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the “Assignee” is amended to read:
2. The Company insures against loss or damage sustained by the Assignee by reason of:
 - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee:
 - b. Any liens for taxes or assessments affecting the Title that are due and payable on the Date of Endorsement, except:
 - c. Lack of priority of the lien of the Insured Mortgage over defects, liens, or encumbrances other than those shown in the policy or a prior endorsement, except:
 - d. Notices of federal tax liens or notices of pending bankruptcy proceedings affecting the Title and recorded subsequent to the Date of Policy in the Public Records and on or prior to the Date of Endorsement, except:
 - e. Any modification, partial or full reconveyance, release or discharge of the lien of the Insured Mortgage recorded on or prior to Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except:
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
 - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
 - b. If the note or notes are transferable records, the Assignee has “control” of the single authoritative copy of each “transferable record” as these terms are defined by applicable electronic transaction laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 10-06 ASSIGNMENT ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the "Assignee" is amended to read:
2. The Company insures against loss or damage sustained by the Assignee by reason of:
 - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee:
 - b. Any modification, partial or full reconveyance, release, or discharge of the lien of the Insured Mortgage recorded on or prior to the Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except:
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
 - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
 - b. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each "transferable record" as these terms are defined by applicable electronic transactions laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: _____

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 11 MORTGAGE MODIFICATION ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and
 - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: [Drafting Instruction: Specify exceptions, if any]

2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement: _____

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA 11.1 MORTGAGE MODIFICATION WITH SUBORDINATION ENDORSEMENT

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and
 - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except:
 - c. The following matters not being subordinate to the lien of the Insured Mortgage:

2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason, unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement: _____

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

**ALTA 11.2 MORTGAGE MODIFICATION WITH ADDITIONAL AMOUNT OF INSURANCE
ENDORSEMENT**

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. For purposes of this endorsement only:
 - a. "Modification": The agreement between _____ and _____ dated _____ and recorded _____ as document number _____
 - b. "Date of Endorsement": _____
2. The Amount of Insurance is increased to \$ _____
3. Subject to the exclusions in Sections 4 and 5 of this endorsement, the Exclusions from Coverage, the Exceptions contained in Schedule B, and the Conditions contained in the policy, and any exclusion or exception in any prior endorsement, the Company insures as of the Date of Endorsement against loss or damage sustained by the Insured by reason of any of the following:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title as a result of the Modification;
 - b. The lack of priority of the lien of the Insured Mortgage over defects in or liens or encumbrances on the Title, except:
 - c. The failure of the following matters to be subordinate to the lien of the Insured Mortgage:
4. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
5. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage because all applicable mortgage recording or similar intangible taxes were not paid at time of recording of the Modification.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: _____

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ALTA ENDORSEMENT 13-06 LEASEHOLD - OWNER'S POLICY

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. As used in this Endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this Policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this Policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted as a result of a matter covered by this Policy.
- g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this Endorsement:

If the Insured is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This Endorsement is issued as part of the Policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the Policy or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Policy and of any prior endorsements to it.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By **Carolyn Monroe**
President

ALTA ENDORSEMENT 13.1-06 LEASEHOLD - LOAN POLICY

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. As used in this Endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this Policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this Policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted as a result of a matter covered by this Policy.
- g. "Tenant": the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this Policy, the Insured Claimant.
- h. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this Endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this Policy and thereafter is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This Endorsement is issued as part of the Policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the Policy or a previous endorsement is inconsistent with an express provision of this Endorsement, this Endorsement controls. Otherwise, this Endorsement is subject to all of the terms and provisions of the Policy and of any prior endorsements .

Name of Agent

Agent No.

Agent's Signature

By **Old Republic National Title Insurance Company**
Carolyn Monroe

**ALTA 14 FUTURE ADVANCE – PRIORITY ENDORSEMENT
(With Florida Modifications)**

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. The insurance for Advances added by Sections 3 and 4 of this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.
2. The following terms when used in this endorsement mean:
 - a. “Advance”: Only an advance of principal made after the Date of Policy as provided in the Agreement, including expenses of foreclosure; amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title; and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
 - b. “Agreement”: The note or loan agreement, the repayment of Advances under which is secured by the Insured Mortgage.
 - c. “Changes in the Rate of Interest”: Only those changes in the rate of interest calculated pursuant to a formula provided in the Insured Mortgage or the Agreement at the Date of Policy.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
 - c. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
 - i. re-Advances and repayments of Indebtedness;
 - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage; or
 - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located to secure Advances.
4. The Company further insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage resulting from any provisions of the Agreement that provide for:
 - i. interest on interest;
 - ii. Changes in the Rate of Interest; or
 - iii. the addition of unpaid interest to the principal of the Indebtedness.
 - b. The lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, including any unpaid interest that was added to principal in accordance with any provisions of the Agreement, interest on interest, or interest as changed in accordance with the provisions of the Insured Mortgage, which lack of priority is caused by:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. increases in the principal of the Indebtedness resulting from the addition of unpaid interest.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees, or expenses) resulting from:
 - a. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for any Advance made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor;
 - b. Advance made subsequent to 20 years after the date of the Insured Mortgage or after a notice has been recorded in the Public Records limiting the maximum principal amount that may be secured to the extent causes the outstanding principal balance to exceed the amount stated in the notice.

- c. The lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
- d. The lack of priority of the lien of the Insured Mortgage as security for any Advance to a federal tax lien, which Advance is made after the earlier of:
 - i. Knowledge of the Insured that a federal tax lien was filed against the mortgagor; or
 - ii. the expiration, after notice of a federal tax lien filed against the mortgagor, of any grace period for making disbursements with priority over the federal tax lien provided in the Internal Revenue Code (26 U.S.C.);
- e. Any federal or state environmental protection lien; or
- f. Any usury law or Consumer Protection Law.

6. The Indebtedness includes Advances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By **Carolyn Monroe**
President

**ALTA 14.2 FUTURE ADVANCE – LETTER OF CREDIT ENDORSEMENT
(With Florida Modifications)**

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

1. The insurance for Advances added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.
2. The following terms when used in this endorsement mean:
 - a. “Advance”: Only an advance of principal made after the Date of Policy as provided in the Agreement, but within 20 years from the date of the Insured Mortgage, including expenses of foreclosure; amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title; and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
 - b. “Agreement”: The letter of credit and its reimbursement agreement, the repayment of Advances under which is secured by the Insured Mortgage.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
 - c. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
 - i. re-Advances and repayments of Indebtedness;
 - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage; or
 - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located to secure Advances.
4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees, or expenses) resulting from:
 - a. The lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
 - b. Any federal or state environmental protection lien; or
 - c. The limitations, if any, imposed under the Bankruptcy Code (11 U.S.C.) on the amount that may be recovered from the mortgagor's estate.
5. The Indebtedness includes Advances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

**ALTA 14.3 FUTURE ADVANCE – REVERSE MORTGAGE ENDORSEMENT
(With Florida Modifications)**

ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No.

To Policy No.

1. The insurance for Advances added by Sections 3 and 4 of this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.
2. The following terms when used in this endorsement mean:
 - a. “Advance”: Only an advance of principal made after the Date of Policy as provided in the Agreement, including expenses of foreclosure; amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title; and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
 - b. “Agreement”: The note or loan agreement, the repayment of Advances under which is secured by the Insured Mortgage.
 - c. “Changes in the Rate of Interest”: Only those changes in the rate of interest calculated pursuant to a formula provided in the Insured Mortgage or the Agreement at the Date of Policy.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
 - c. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
 - i. re-Advances and repayments of Indebtedness;
 - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage;
 - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located to secure Advances;
 - iv. failure of the Insured Mortgage to state the term for Advances; or
 - v. failure of the Insured Mortgage to state the maximum amount secured by the Insured Mortgage.
 - d. The invalidity or unenforceability of the lien of the Insured Mortgage because of the failure of the mortgagor to be at least 62 years of age at the Date of Policy.
4. The Company further insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage resulting from any provisions of the Agreement that provide for:
 - i. interest on interest;
 - ii. Changes in the Rate of Interest; or
 - iii. the addition of unpaid interest to the principal of the Indebtedness.
 - b. The lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, including any unpaid interest that was added to principal in accordance with any provisions of the Agreement, interest on interest, or interest as changed in accordance with the provisions of the Insured Mortgage, which lack of priority is caused by:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. increases in the principal of the Indebtedness resulting from the addition of unpaid interest.

As used in Section 4, “interest” includes lawful interest based on appreciated value.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees, or expenses) resulting from:
 - a. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for any Advance made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor;

- b. Advance made subsequent to 20 years after the date of the Insured Mortgage or after a notice has been recorded in the Public Records limiting the maximum principal amount that may be secured to the extent causes the outstanding principal balance to exceed the amount stated in the notice if the Insured Mortgage does not qualify as a “home equity conversion mortgage” or second mortgage held by the Secretary of Housing and Urban Development under the National Housing Act;
- c. The lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
- d. The lack of priority of the lien of the Insured Mortgage as security for any Advance to a federal tax lien, which Advance is made after the earlier of:
 - i. Knowledge of the Insured that a federal tax lien was filed against the mortgagor; or
 - ii. the expiration, after notice of a federal tax lien filed against the mortgagor, of any grace period for making disbursements with priority over the federal tax lien provided in the Internal Revenue Code (26 U.S.C.);
- e. Any federal or state environmental protection lien; or
- f. Any usury law or Consumer Protection Law.

6. The Indebtedness includes Advances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date:

Name of Agent

Agent No.

Agent’s Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

ADDITIONAL INTEREST ENDORSEMENT

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ to Policy No.: _____

The Company hereby insures against loss or damage by reason of:

- (1) The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for additional interest subsequent to date of policy.
- (2) Loss of priority of the lien of the insured mortgage as security for (i) the unpaid principal balance of the loan; (ii) the stated interest; (iii) the additional interest, which loss of priority is by the provisions in the insured mortgage for payment or allocation to the insured mortgagee of any additional interest.

“Stated Interest” as used in this endorsement shall mean only the fixed percent per annum interest on the unpaid principal balance of the loan provided in the insured mortgage at date of policy.

“Additional Interest” as used in this endorsement shall mean only those amounts calculated pursuant to the formula provided in the insured mortgage payable or allocated to the insured.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law, or (c) bankruptcy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President

BALLOON MORTGAGE ENDORSEMENT

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ To Policy No. _____

The Company hereby insures against loss or damage by reason of:

- (1) The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for a conditional right to refinance and a change in rate of interest as set forth in the Mortgage Rider.
- (2) Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest thereon, which loss of priority is caused by the exercise of the conditional right to refinance and the extension of the loan term to the new maturity date set forth on the rider and a change in the rate of interest, provided that all the conditionals set forth in paragraphs 2 and 5 of the Balloon Mortgage Rider have been met, and there are no other liens, defects, encumbrances, or other adverse matters affecting title recorded subsequent to the date of policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law, or (c) bankruptcy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, if any, nor does it extend the effective date of the policy and any prior endorsements, or increase the face amount thereof.

Name of Agent

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By **Carolyn Monroe**
President

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Endorsement No. _____ to Policy No. _____

The Company agrees that in the event of an occurrence of loss insured against by this policy, the Company will not deny liability hereunder on the ground that a dissolution or termination of the insured, whether it is a corporation, partnership, limited partnership, limited liability company or business trust, has occurred or a new entity has been formed by reason of one or more of its partners, members, shareholders, beneficiaries, or certificate holders having transferred their interest to another person or entity; by reason of withdrawal of one or more of the partners, members, shareholders or certificate holders from the insured; or by reason of the addition of one or more person or entities as a partner, member, shareholder or certificate holder.

Nothing contained herein shall be construed as extending the insurance hereunder as to matters attaching or created subsequent to the date hereof; or insuring the status of the insured after the transfer of the interest of a partner, member, shareholder or certificate holder or after the withdrawal or addition of new partners, members, shareholders or certificate holders.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy, nor does it increase the face amount thereof.

Name of Agent

Date

Agent No.

Agent's Signature

Old Republic National Title Insurance Company
By Carolyn Monroe
President