

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

FUTURE ADVANCE – REVERSE MORTGAGE ENDORSEMENT (ALTA 14.3-06)

1. The insurance for Advances added by Sections 2 and 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions in the Policy, except Exclusion 3(d), the provisions of the Conditions and the Exceptions contained in Schedule B.
 - a. "Agreement," as used in this endorsement, shall mean the note or loan agreement secured by the Insured Mortgage.
 - b. "Advances," as used in this endorsement, shall mean only those advances of principal indebtedness 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.
2. ATG 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 or unenforceability or loss of priority of the lien of the Insured Mortgage as security for the Indebtedness and Advances resulting from: (i) re-Advances and repayments of Indebtedness; (ii) lack of outstanding Indebtedness before an Advance; (iii) failure to comply with the requirements of state law 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 failure of the mortgagors to be at least 62 years of age at Date of Policy.
3. ATG also 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 portion of the Indebtedness.
 - b. Loss 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 loss of priority is caused by: (i) changes in the rate of interest; (ii) interest on interest; or (iii) increases in the Indebtedness resulting from the addition of unpaid interest.

"Changes in the rate of interest," as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to a formula provided in the Insured Mortgage at Date of Policy.

"Interest," as used in this endorsement, shall include lawful additional interest based on net appreciated value.

4. This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys' fees, or expenses) resulting from:
- a. Advances 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. The loss of priority of the lien of the Insured Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Policy.
 - c. The loss 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) actual knowledge of the Insured that a federal tax lien was filed against the mortgagor; or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.
 - d. The loss of priority of the lien of the Insured Mortgage as security for Advances to any federal or state environmental protection lien.
 - e. Usury, or any consumer credit protection or truth-in-lending law.
 - f. The loss of priority of an Advance to a mechanic's or materialmen's 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

Member No.

Signature of Member or Authorized Signatory