

Expanded Coverage Residential Loan Policy Endorsement

Equivalent to American Land Title Association Expanded Coverage Residential Loan Policy for a One-to-Four Family Residence



To be attached to and become a part of Old Republic National Title Insurance Company Policy No.

This endorsement when attached to the policy is made a part thereof and gives coverage equivalent to the ALTA Expanded Coverage Residential Loan Policy for a one-to-four family residence. Except to the extent it expressly modifies the policy terms and provisions, it is subject to all other policy terms and provisions (including any prior endorsements), however, the terms and provisions of this endorsement shall control over any conflicting policy terms and provisions to the extent necessary to reconcile any differences between them.

- 1) The insuring provisions on the policy cover together with the Covered Risks and the EXCLUSIONS FROM COVERAGE are modified in their entirety as follows:

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, Old Republic National Title Insurance Company, a Minnesota corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A (and, to the extent expressly stated below, after Date of Policy), against loss or damage, not exceeding one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A, sustained or incurred by the Insured by reason of any of the following Covered Risks:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of both actual pedestrian and vehicular access to and from the land based on a legal right;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Real property taxes and assessments of any governmental authority due or payable at Date of Policy have not been paid.
8. Lack of priority of the lien of the insured mortgage as to each and every advance of proceeds of the loan secured by the insured mortgage, which at Date of Policy the Insured has made or is legally obligated to make, over:
 - (a) Any defect in or lien or encumbrance on the title attaching or created before, on or after Date of Policy;
 - (b) Any defect in or lien or encumbrance on the title attaching or created subsequent to Date of Policy and prior to the recording of the insured mortgage in the public records;
 - (c) Any statutory lien for services, labor or material, arising before, on or after Date of Policy, from an improvement or work related to the land which was contracted for or commenced before, on or after Date of Policy;
 - (d) Any environmental protection lien that comes into existence before, on or after Date of Policy pursuant to any federal statute in effect at Date of Policy; and

Issued through the Office of:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By

President

Attest

Secretary

- (e) Any assessment for street improvements under construction or completed at Date of Policy.
9. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, and the failure of any assignment shown in Schedule A to vest title to the insured mortgage in the named assignee free and clear of all liens;
 10. The failure of the land to have the street address shown in Schedule A;
 11. The failure of the land to be improved with a one-to-four family residential structure or, if stated in the description of the land covered by this policy, a residential condominium unit;
 12. The failure of the land to be zoned to permit a one-to-four family residential structure or, if stated in the description of the land covered by this policy, a residential condominium unit;
 13. The forced removal, modification or replacement of any existing one-to-four family residential structure or residential condominium unit located on the land resulting from the violation of any of the following requirements of any applicable zoning ordinance: Area or dimensions of the land as a building site; floor space area of the structure; height of the structure; or distance of the structure from the boundary lines of the land;
 14. The failure of the land to be a lawfully created one-to-four family residential parcel according to state statutes governing subdivision of land and local ordinances adopted pursuant thereto;
 15. The assessment or taxation of the land by governmental authority as part of a larger parcel.
 16. The failure of the existing one-to-four family residential structure or residential condominium unit or any portion thereof or a future modification or replacement thereof to have been constructed with a valid building permit from the appropriate local government issuing office or agency;
 17. Any violation, variation, or adverse circumstance affecting the title that would have been disclosed by an accurate survey, not otherwise covered by the terms of this policy.
 18. The inability to use the existing one-to-four family residential structure or residential condominium unit or any portion thereof or a future modification or replacement thereof for one-to-four family residential purposes because that use violates a restriction shown in Schedule B;
 19. The encroachment onto the land of an improvement constructed after Date of Policy;
 20. Encroachment of improvements constructed on the land after Date of Policy onto adjoining property or over any easement or building setback line on the land.
 21. Damage to improvements, lawns, shrubbery or trees constructed or planted on the land before, on or after Date of Policy resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals, water or any other substance;
 22. Forgery after Date of Policy of
 - (a) any instrument purporting to subordinate, assign, release or reconvey the insured mortgage; and
 - (b) any instrument purporting to convey or encumber the title to the estate or interest acquired by the insured;
 23. The invalidity, unenforceability or lack of priority of the lien of the insured mortgage as to advances made or changes in the rate of interest charged subsequent to any modification of the terms of the insured mortgage made after Date of Policy which are, by the terms of the insured mortgage as modified, secured thereby. Section 8(d) of the Conditions and Stipulations shall not limit this coverage;
 24. Damage to improvements, lawns, shrubbery or trees constructed or planted on the land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.
 25. Interference with the use for one-to-four family residential purposes of the improvements constructed on the land before, on or after Date of Policy occasioned by the exercise of the right to use or maintain any easement referred to in Schedule B.
 26. Supplemental real estate taxes, including those caused by construction or a change of ownership or use that occurred before Date of Policy, not previously assessed against the land for any period before Date of Policy.
 27. The invalidity or unenforceability of the lien of the insured mortgage upon the title based upon a violation of the usury laws of the state where the land is located if no other mortgage is shown as an exception in Schedule B.
 28. The failure of the map, if any, attached to this policy to show the correct location and dimensions of the land according to the public records.
- Unless stated to the contrary in Schedule B, the Company incorporates the following American Land Title Association endorsements into this policy by this reference as if these endorsements had been attached hereto:
- (a) ALTA Form 4 (Condominium), if a condominium unit is referred to in the description of the land in Schedule A;
 - (b) ALTA Form 5 (Planned Unit Development);
 - (c) ALTA Form 6 (Variable Rate Mortgage);
 - (d) ALTA Form 6.2 (Variable Rate Mortgage - Negative Amortization); and
 - (e) ALTA Form 8.1 (Environmental Protection Lien) subject to the statutes, if any, shown in Schedule B specifically for this endorsement.
 - (f) ALTA Form 9 (Restrictions, Encroachments, Minerals).
- The Company will also pay the costs, attorneys' fees and expenses incurred in the defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) 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;
 - (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or
 - (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the public records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the public records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
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, 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;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8 (e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the insured mortgage as to advances or modifications made after the insured has knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the insured mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the insured mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the public records at Date of Policy.
- 2)** The term "Amount of Insurance", as it appears in the policy CONDITIONS AND STIPULATIONS, is modified to read, consistently with the insuring provisions, as follows: one hundred twenty-five percent (125%) of the Amount of Insurance stated in Schedule A.

Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26);
or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.