

Provides coverage to a Lender for loss or damage it would sustain if additional interest under an Interest Rate Exchange Agreement does not have the same priority as the principal of the loan.

ENDORSEMENT
Attached to Policy No. SAMPLE
Issued by _____

This Policy insures against loss or damage that may be sustained by the Insured by reason of a final decree entered by a court of competent jurisdiction finding that the insured mortgage, as it secures amounts advanced by the Insured under the insured mortgage to pay sums due pursuant to that certain _____ (Agreement), dated _____ between _____ and _____;

- a. Is invalid or unenforceable, or
- b. Does not, at the Date of Policy, share the same priority in relation to any other claims or liens against the land as is afforded the principal of the loan secured by the mortgage at Date of Policy.

Nothing in this Endorsement shall be construed as insuring a final judgment by a court of competent jurisdiction of the amount due under the above-referenced Agreement, but it does insure that the amount determined by a court of competent jurisdiction pursuant to said Agreement is secured by the insured mortgage with the same priority in relation to any other claims or liens against the land as is afforded the principal of the loan secured by the mortgage at the Date of Policy.

In addition, this Endorsement does not insure against loss or damage resulting from:

- a. Advances made after a petition for relief under the Bankruptcy Code (11 U.S.C.) is filed by or against the trustor or owner of the estate or interest encumbered by the insured mortgage.
- b. Advances made after a notice of a federal tax lien is filed against the trustor or owner of the estate or interest encumbered by the insured mortgage.
- c. Taxes, bonds and assessments which become liens after Date of Policy.

In the event of loss compensable under this Endorsement, the coverage afforded by this Endorsement is in addition to and not included in the amount stated in Schedule A of this policy. The liability of the Company under this Endorsement shall not exceed the amount of _____.

Continued . . .

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy, plus the amount of insurance stated in this endorsement and costs which the Company is obligated under the conditions and stipulations thereof to pay.

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.