

Provides an Insured under an ASAP Loan Policy coverage relating to the validity, enforceability and priority of the lien of the mortgage securing a revolving credit line loan agreement.

ENDORSEMENT

Attached to Policy No. SAMPLE

Issued by _____

Provided that:

- a. There is only a one to four family residential structure or residential condominium unit with Common elements located on the land, including improvements related to the residential use of the land; and
- b. The deed of trust ("Mortgage") between the Insured and the Grantee ("Borrower") referred to at Item B of Schedule A creates a valid and enforceable lien on the fee title to the land; and
- c. The borrower is the owner of fee title to the land at the date an advance of loan proceeds is made pursuant to the note or agreement secured by the Mortgage;

The Company hereby insures the Insured against loss or damage which the Insured shall sustain in the event any of the following assurances are incorrect:

- a. That future advances of loan proceeds secured by the Mortgage shall have the same priority over liens, encumbrances and other matters disclosed by the public records as do loan proceeds secured by the Mortgage which are advanced at the date of its recording in the public records, except for the following matters:
 - i. ad valorem real property taxes and assessments;
 - ii. Federal tax-liens; or
 - iii. liens, encumbrances or other matters, the existence of which are actually known to the Insured prior to the date of an advance of loan proceeds, if such advance is made subsequent to the occurrence of any event of default under the terms of the Mortgage and the note and/or agreement secured thereby.
- b. That the provisions of the note or agreement secured by the Mortgage which provide for changes in the rate of interest will not render the lien of the Mortgage invalid or unenforceable.
- c. That changes in the rate of interest calculated in accordance with the formula provided in the note or agreement secured by the Mortgage at the date of its recording in the public records will not result in a loss of priority of the lien of the Mortgage.

This endorsement does not provide any assurance:

- a. That the Borrower owns fee title to the land;
- b. That the Mortgage creates a lien on the fee title or other interests in the land;
- c. That the lien of the Mortgage is valid or enforceable; or
- d. With respect to the priority of the lien of the Mortgage on the fee title to the land, except to the extent expressly set forth herein.

This endorsement does not insure against loss or damage based upon (I) usury, (ii) any consumer credit protection or truth in lending law or (iii) any bankruptcy or insolvency proceedings filed by or against the Borrower.

This endorsement is made a part of this 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.