

**ALTA Endorsement JR 2 (Revolving Credit/Variable Rate) 10/19/96**

ENDORSEMENT

Attached to Policy No. \_\_\_\_\_

Issued By

\_\_\_\_\_TITLE INSURANCE COMPANY

I. Provided that:

- A. The land is a one-to-four family residence or condominium unit; and
- B. The insured's mortgage creates a lien on the land; and
- C. The borrower named in the insured's mortgage, ("Borrower") is the owner of the land at the date an advance is made pursuant to the note or agreement secured by the insured's mortgage referred to above; and
- D. With respect to paragraph A below the insured's mortgage states that it secures repayment of future advances; and
- E. The ALTA Endorsement JR 1 has been issued,

II. The Company hereby insures against loss or damage which the insured shall sustain by reason of:

- A. The failure of the lien for future advances secured by the insured's mortgage to have the same priority over liens, encumbrances, and other matters disclosed by the public records as advances secured by the insured's mortgage at the date of its recording, except for the following matters:
  - 1. Ad Valorem taxes or assessments;
  - 2. Federal tax liens;
  - 3. Environmental protection liens;
  - 4. Liens, encumbrances, or other matters, the existence of which are actually known to the insured prior to the date of an advance; or
  - 5. Liens imposed by law for services, labor or materials.
- B. The invalidity or unenforceability of the lien of the insured's mortgage resulting from the provisions of the insured's mortgage which provide for changes in the rate of interest.
- C. Loss of priority of the lien of the insured's mortgage resulting from changes in the rate of interest

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calculated in accordance with the formula provided in the insured's mortgage at the date it is recorded in the public records.

III. This Endorsement does not insure:

- A. That the Borrower owns the land nor that the insured's mortgage creates a lien on the land, nor the validity, enforceability, or priority of the lien of the insured's mortgage, except to the extent expressly stated; nor
- B. Against loss or damage resulting from (1) usury, (2) any consumer credit protection or truth in lending law, or (3) bankruptcy or insolvency proceedings of the Borrower.

This endorsement is made a part of the Policy and is subject to all the terms and provisions thereof and of any prior endorsements. 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.

[Witness clause]

**DATE OF ENDORSEMENT:**

[Date of Endorsement is the date shown above or the date of recording of the insured's mortgage, whichever is later.]

\_\_\_\_\_ **TITLE INSURANCE COMPANY**

**BY:**