

Proposed Rule

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 1 DEFINITIONS AND GENERAL PROVISIONS

13.14.1.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”).
 [13.14.1.1 NMAC – Rp, 13.14.1.1 NMAC, 1/1/2021]

13.14.1.2 SCOPE: This rule applies to all title insurers, title insurance agencies, and title insurance agents conducting the business of title insurance in New Mexico.
 [13.14.1.2 NMAC – Rp, 13.14.1.2 NMAC, 1/1/2021]

13.14.1.3 STATUTORY AUTHORITY: Sections 59A-2-8, 59A-2-9, 59A-30-4, 59A-30-6, 59A-30-6.1, 59A-30-6.2 and 59A-30-8 NMSA 1978.
 [13.14.1.3 NMAC – Rp, 13.14.1.3 NMAC, 1/1/2021]

13.14.1.4 DURATION: Permanent.
 [13.14.1.4 NMAC – Rp, 13.14.1.4 NMAC, 1/1/2021]

13.14.1.5 EFFECTIVE DATE: January 1, 2021, unless a later date is cited at the end of a section.
 [13.14.1.5 NMAC – Rp, 13.14.1.5 NMAC, 1/1/2021, Am. 9/28/2023]

13.14.1.6 OBJECTIVE: The purpose of this rule is to define terms applicable throughout Title 13, Chapter 14 of the New Mexico Administrative Code.
 [13.14.1.6 NMAC – Rp, 13.14.1.6 NMAC, 1/1/2021]

13.14.1.7 DEFINITIONS: For definitions of terms contained in this rule, refer to Section 59A-30-3 NMSA 1978, unless otherwise noted below.

- A. “Abstract plant”** means title plant.
- B. “Agency”** means a business entity as defined in Subsection B of Section 59A-12-2 NMSA 1978, including a sole proprietorship that transacts title insurance business.
- C. “ALTA”** means the American Land Title Association.
- D. “Basic premium rate”** means the premiums set from time to time by the superintendent for an original owner’s policy.
- E. “Commitment”** means an NM form 6 issued to a customer.
- F. “Day or Days”** means, unless otherwise specified:
 - (1)** one to five days excludes weekends and state holidays; and
 - (2)** six days or more, includes weekends and holidays.
- G. “Down date”** means the date that a subsequent search and examination of the public records affecting title to property is completed and effective.
- H. “Escrow”** means a transaction in which funds are delivered or given to a person not otherwise having any right, title, or interest in them, to be held by that person for delivery or disbursement to another person upon the happening of a specified event or the performance of a specified condition.
- I. “Escrow account”** means an account established pursuant to Sections 58-28-4 or 59A-12-22 NMSA 1978.
- J. “Escrow funds”** means all monies the issuing title insurance agency or title insurer receives when conducting escrows, settlements, closings or tax deferred exchanges in connection with the issuance of a title insurance policy.
- K. “Escrow instructions”** means a dated, written, and signed agreement of the parties to an escrow, including a duly appointed agent or attorney-in-fact, specifying the event or condition upon which the escrowed funds shall be delivered or disbursed. This term shall include a purchase agreement, or lender’s instructions, and modifications of escrow instructions.

L. “Escrow officer” means an individual affiliated with a title insurance agency or title insurer who is directly responsible for the settlement of a real estate transaction, as evidenced by their signature on a settlement statement.

M. “Extra chain of title” means a parcel having a separate chain of title from the original chain being searched.

N. “Funds subject to immediate withdrawal” as used in Subsection F of Section 59A-30-3 means money collected and deposited in an escrow account with a financial institution held in the name of and subject to the control of a title insurance agency, a title insurer, or third party fiduciary for a real estate closing, that can be totally disbursed immediately by cash withdrawal or cashier’s checks without relying on the balance created by other deposit in the account not made as part of the real estate closing for which disbursement is being made.

(1) The following funds are subject to immediate withdrawal collected on the day of deposit:

(a) cash;

(b) received wired funds managed by the federal reserve system;

(c) a cashier’s check or certified check which is issued payable to the title insurance agency, title insurer, or third party fiduciary and has been deposited to its account at the financial institution which issued it; and guaranteed by the financial institution as collected funds for immediate disbursement;

(d) a cashier’s check which is payable to and was purchased by the title insurance agency, title insurer, or third party fiduciary, and has been deposited to its account at a financial institution and guaranteed by the financial institution for immediate disbursement.

(2) The following funds are considered available funds on the next business day after day of deposit:

(a) treasury checks, postal money orders, federal reserve bank checks and federal home loan bank checks;

(b) state of New Mexico and local government checks which have been deposited at a financial institution located in New Mexico using a special deposit slip if required by the depository institution for next day availability;

(c) cashier’s checks, certified check and teller’s checks which have been deposited at a financial institution located in New Mexico using a special deposit slip if required by the depository institution for next day availability.

(d) All other modes used for the transfer of monies will be available funds on the earliest date they are considered collected funds in accordance with Regulation CC, “Availability of Funds and Collection of Checks” established by the board of governors of the federal reserve system as amended.

(e) Any funds received under the automated clearing house (ACH) network shall not be considered “available funds” until collected.

O. “HECM” means a home equity conversion mortgage administered by the federal housing administration (FHA).

P. “HUD” means the United States Department of Housing and Urban Development.

Q. “Loan policy” means an NM form 2 issued to a customer.

R. “Mortgage” means either a mortgage or deed of trust.

S. “One to four family residential property” means any real property primarily designed and used for residential occupancy of from one to four families, including a residential unit in a condominium if such unit is designed and used primarily for occupancy by one to four families, regardless of the total number of units in the condominium complex.

T. “Owner’s policy” means an NM form 1 or NM form 34, as applicable, issued to a customer.

U. “Pro forma policy” means a sample of an owner’s or loan policy prepared prior to issuance of the policy, with completed schedules A and B and endorsements, identifying the proposed insured, the exceptions that are proposed to be placed in the final policy to be issued, and the name of the title insurer and title insurance agency, including samples of endorsements.

V. “Referrer” means any person in a position to refer business to a title insurer or title insurance agency.

W. “Simultaneous Issue” means issuing two or more policies bearing the same effective date and insuring part or all of the same land.

X. “Title plant” means a collection of real estate records meeting the requirements of Section 59A-12-13 NMSA 1978.

Y. “Title rate case” means a proceeding that results in the establishment of rates, or charges pertaining to the business of title insurance and includes, without limitation, the title rate case required by Section 59A-30-8 NMSA 1978.

Z. “Unusual complexity” means when circumstances cause an unusually long search or complicated examination as determined by a reasonable title insurance agent or title insurer.

AA. “Vestee” means the person or persons in whom title to the land is vested.
[13.14.1.7 NMAC – Rp, Sections 7 through 33 of 13.14.1 NMAC, 1/1/2021]

13.14.1.8 GENERAL PROVISIONS:

A. Every title insurer shall establish written instructions and underwriting standards consistent with these rules, including, without limitation, underwriter approval requirements and underwriting approval record retention requirements. Unless otherwise specifically required or limited by these rules, a title insurer in its discretion may determine what risks the insurer is willing to insure.

B. Unless otherwise specified, whenever these rules allow modification or deletion of provisions of a form of policy or endorsement or permit the modification of language required by these rules to be included in policies (including pro forma policies), commitments or endorsements, that change may be made by:

- (1) striking through the language of the form;
- (2) deleting the language of the form; or
- (3) attaching an endorsement to the policy that makes the change.

C. The premiums and charges authorized by these rules shall be established by order of the superintendent in a title rate case conducted pursuant to Subsection A of Section 59A-30-8 NMSA 1978, or as amended or supplemented by order issued after a hearing conducted pursuant to Subsection B of Section 59A-30-8 NMSA 1978. All references to premiums and charges shall mean the premiums and charges established by the superintendent’s order in the most recent title rate case and in effect at the time the premium or charge is incurred.

D. When a statute or rule requires a title insurer or title insurance agency to deliver a document, or otherwise provide notice, to a person, delivery or notice to an authorized agent of that person satisfies that requirement.

E. Except as expressly authorized in these rules, it shall not be permissible to insure around any adverse matter or document by intentionally omitting it from any commitment or policy.

[13.14.1.8 NMAC – N, 1/1/2021]

13.14.1.9 RULE NONCOMPLIANCE: Failure to comply with any provision of these rules is punishable under the applicable provisions of the Insurance Code.

[13.14.1.9 NMAC – N, 1/1/2021]

HISTORY OF 13.14.1 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. 13.14.1 NMAC, General Provisions, (filed 5/15/2000), was repealed and replaced by 13.14.1 NMAC, Definitions and General Provisions effective 1/1/2021.

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.1, General Provisions, effective 11/01/1996.

13 NMAC 14.1, General Provisions (filed 10/2/1996) was renumbered, reformatted, amended and replaced by as 13.14.1 NMAC, General Provisions, effective 5/15/2000.

13.14.1 NMAC, General Provisions (filed 4/28/2000), amended effective 7/31/2014.

13.14.1 NMAC, General Provisions (filed 7/31/2014), amended effective 3/1/2016.

13.14.1 NMAC, General Provisions, (filed 5/15/2000), was repealed and replaced by 13.14.1 NMAC, Definitions and General Provisions effective 1/1/2021.

Proposed Rule

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 8 ENDORSEMENTS

13.14.8.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”).
[13.14.8.1 NMAC – Rp, 13.14.8.1 NMAC, 1/1/2021]

13.14.8.2 SCOPE: This rule applies to all title insurers, all title insurance agencies, and all title insurance agents conducting title insurance business in New Mexico.
[13.14.8.2 NMAC – Rp, 13.14.8.2 NMAC, 1/1/2021]

13.14.8.3 STATUTORY AUTHORITY: Sections 59A-2-8, 59A-2-9, 59A-30-4, 59A-30-5, 59A-30-6, 59A-30-6.1, 59A-30-6.2 and 59A-30-8 NMSA 1978.
[13.14.8.3 NMAC – Rp, 13.14.8.3 NMAC, 1/1/2021]

13.14.8.4 DURATION: Permanent.
[13.14.8.4 NMAC – Rp, 13.14.8.4 NMAC, 1/1/2021]

13.14.8.5 EFFECTIVE DATE: September 28, 2023, unless a later date is cited at the end of a section.
[13.14.8.5 NMAC – Rp, 13.14.8.5 NMAC, 1/1/2021]

13.14.8.6 OBJECTIVE: The purpose of this rule is to establish requirements for endorsements to title insurance policies.
[13.14.8.6 NMAC – Rp, 13.14.8.6 NMAC, 1/1/2021]

13.14.8.7 DEFINITIONS: See 13.14.1 NMAC.
[13.14.8.7 NMAC – Rp, 13.14.8.7 NMAC, 1/1/2021]

13.14.8.8 USE OF CORRECTION/MULTIPURPOSE ENDORSEMENT: NM form 11 may be used only as follows:

- A.** to modify any promulgated form if the modification is authorized by these rules;
- B.** to insert, delete or add to a commitment, policy or endorsement, language required or authorized by any of these rules when appropriate to do so; or
- C.** to correct errors in the information inserted in the appropriate spaces of any preprinted commitment, policy or endorsement (but not to change, alter or waive the promulgated terms) in the following manner: “This endorsement amends (commitment, policy or endorsement) numbered _____, dated _____ to read as follows: [here insert language identifying the specific item being corrected and the specific correction information.”] No other amendments are made by this endorsement.”

[13.14.8.8 NMAC – Rp, 13.14.8.8 NMAC, 1/1/2021]

13.14.8.9 [RESERVED]
[13.14.8.9 NMAC - Rn, 13 NMAC 14.8.9, 5/15/2000; A, 3/1/2002; Repealed 1/1/2021]

13.14.8.10 [RESERVED]
[13.14.8.10 NMAC - Rn, 13 NMAC 14.8.11, 5/15/2000; A, 7/1/2006; A, 8/17/2009; Repealed 1/1/2021]

13.14.8.11 IDENTIFIED RISK COVERAGE ENDORSEMENT: NM form 85 may be attached to a policy only when authorized by order of the superintendent and subject to such terms, conditions and rate(s) specified by the superintendent.
[13.14.8.11 NMAC – Rp, 13.14.8.12 NMAC, 1/1/2021]

13.14.8.12 INSURING AROUND ENDORSEMENT:

- A.** NM form 43 may be attached to a policy to insure around a lien or other adverse matter excepted to in Schedule B if the title insurer has determined that the lien or other adverse matter does not pose a material risk under the policy.

B. In lieu of attaching NM form 43, the exception to the lien or other adverse matter may be omitted from the policy provided the insured requests the omission, and the request and approval are documented or otherwise memorialized in writing.

[13.14.8.12 NMAC – Rp, 13.14.8.13 NMAC, 1/1/2021]

13.14.8.13 CO-INSURANCE ENDORSEMENTS: NM form 77 or 77.1 shall be attached to a policy or policies to provide coordinated and proportionate coverage by two or more title insurers. Such coverage may be provided, either by endorsement attached to a single policy and executed by or on behalf of the co-insuring title insurers, or by the issuance of separate policies by or on behalf of each of the co-insuring title insurers.

A. If only one policy is being issued, NM form 77 shall be attached.

B. If multiple policies are issued, NM form 77.1 shall be attached.

C. In either case, the aggregate premium charged for the policy shall be the same as would be charged for the single policy, with the split of the premium between the issuing title insurers to be in accord with the percentage or proportion of loss or cost for which each title insurer is liable under the policy or policies.

[13.14.8.13 NMAC – Rp, 13.14.8.14 NMAC, 1/1/2021]

13.14.8.14 RESTRICTIONS, ENCROACHMENTS, AND MINERALS ENDORSEMENTS:

A. Upon being furnished with a satisfactory survey:

(1) NM form 50 and NM form 50.1 may be attached to a loan policy;

(2) NM form 56 and NM form 56.1 may be attached to an owner’s policy covering unimproved land;

(3) NM form 57 and NM form 57.1 may be attached to an owner’s policy covering improved land; and

(4) NM Forms 50, 50.1, 56, 56.1, 57, and 57.1 shall not be attached to policies issued on one to four family residential property.

B. Each endorsement is to be issued only in conjunction with the issuance of survey coverage pursuant to Subsection C of 13.14.5.12 NMAC.

C. Paragraph (3)(b) of NM form 50, Paragraph 4 of NM form 50.1, Paragraph (2) of NM form 56 and NM form 56.1, Paragraph (2)(b) of NM form 57, or Paragraph 3 of NM form 57.1, as appropriate, may be deleted if minerals rights have been severed and the insurer, in its discretion, deems the risk of such coverage to be acceptable.

[13.14.8.14 NMAC – Rp, 13.14.8.16 NMAC, 1/1/2021]

13.14.8.15 LAND ABUTS STREET ENDORSEMENT: NM form 51 may be attached to a policy, upon being furnished with a satisfactory survey. This endorsement may not be attached to a policy that insures one to four family residential property.

[13.14.8.15 NMAC - Rp, 13.14.8.17 NMAC, 1/1/2021]

13.14.8.16 LOCATION ENDORSEMENT: NM form 52 may be attached to a policy upon being furnished with a satisfactory survey. This endorsement may not be attached to a policy that insures one to four family residential property.

[13.14.8.16 NMAC - Rp, 13.14.8.18 NMAC, 1/1/2021]

13.14.8.17 SAME AS SURVEY AND SAME AS PORTION OF SURVEY ENDORSEMENTS: NM form 78 or 79 may be attached to a policy upon being furnished with a satisfactory survey if the policy provides survey coverage. These endorsements may not be attached to a policy that insures one to four family residential property.

[13.14.8.17 NMAC - Rp, 13.14.8.19 NMAC, 1/1/2021]

13.14.8.18 CONTIGUITY OF PARCELS ENDORSEMENTS: NM form 54 or 66 may be attached to a policy upon being furnished with a satisfactory survey. These endorsements may not be attached to a policy that insures one to four family residential property.

A. For an owner’s policy, the insured shall, have an interest (in fee, leasehold, or easement) in both parcels referred to in NM form 54, or in all parcels referred to in NM form 66.

B. For a loan policy the insured lender shall, have a lien upon an interest (in fee, leasehold, or easement) on both parcels referred to in NM form 54, or on all parcels referred to in NM form 66.

[13.14.8.18 NMAC - Rp, 13.14.8.20 NMAC, 1/1/2021]

13.14.8.19 FIRST LOSS ENDORSEMENT: NM form 58 may be attached to a loan policy. This endorsement may not be attached to a policy that insures one to four family residential property.
[13.14.8.19 NMAC - Rp, 13.14.8.21 NMAC, 1/1/2021]

13.14.8.20 AGGREGATION ENDORSEMENTS: NM form 60 or NM form 60.1 may be attached to a loan policy. These endorsements may not be attached to a policy that insures one to four family residential property.
[13.14.8.20 NMAC – N, 1/1/2021]

13.14.8.21 FOUNDATION ENDORSEMENT: NM form 61 may be attached to a loan policy upon being provided a satisfactory survey.
[13.14.8.21 NMAC - Rp, 13.14.8.24 NMAC, 1/1/2021]

13.14.8.22 ASSIGNMENT OF RENTS OR LEASES ENDORSEMENT: NM form 62 may be attached to a loan policy. This endorsement may not be attached to a policy that insures one to four family residential property.
[13.14.8.22 NMAC - Rp, 13.14.8.25 NMAC, 1/1/2021]

13.14.8.23 ZONING UNIMPROVED LAND ENDORSEMENTS: NM form 64 or NM form 64.1 may be attached to a policy. These endorsements shall not be attached to a policy that insures one to four family residential property.
[13.14.8.23 NMAC - Rp, 13.14.8.26 NMAC, 1/1/2021]

13.14.8.24 ZONING - COMPLETED STRUCTURE ENDORSEMENT, ZONING - LAND UNDER DEVELOPMENT ENDORSEMENT, AND ZONING -COMPLETED STRUCTURE - NO APPLICABLE ZONING ORDINANCES ENDORSEMENT: NM form 65, 65.1 or 65.2 may be attached to a policy upon being furnished with a satisfactory survey.

A. These endorsements shall not be attached to a policy that insures one to four family residential property.

B. The coverage provided by any part of each endorsement may not be increased, but may be deleted.
[13.14.8.24 NMAC - Rp, 13.14.8.27 NMAC, 1/1/2021]

13.14.8.25 ACCESS AND ENTRY ENDORSEMENT: NM form 67 may be attached to a policy upon being furnished a satisfactory survey. A separate endorsement shall be issued for each public street, road or highway for which the insured wants access and entry coverage, and a separate premium shall be paid for each endorsement issued.
[13.14.8.25 NMAC - Rp, 13.14.8.28 NMAC, 1/1/2021]

13.14.8.26 INDIRECT ACCESS AND ENTRY ENDORSEMENT: NM form 68 may be attached to a policy upon being furnished a satisfactory survey. A separate endorsement shall be issued for each public street, road or highway for which the insured wants access and entry coverage, and a separate premium shall be paid for each endorsement issued.
[13.14.8.26 NMAC - Rp, 13.14.8.29 NMAC, 1/1/2021]

13.14.8.27 UTILITY ACCESS ENDORSEMENT: NM form 69 may be attached to a policy upon satisfactory proof that the insured property has access to specified public utilities.
[13.14.8.27 NMAC - Rp, 13.14.8.30 NMAC, 1/1/2021]

13.14.8.28 COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT: NM form 70 may be attached to a policy. This endorsement shall not be attached to a policy that insures one to four family residential property.
[13.14.8.28 NMAC - Rp, 13.14.8.31 NMAC, 1/1/2021]

13.14.8.29 REVERSE MORTGAGE ENDORSEMENT: NM form 71 may be attached to a loan policy that insures one to four family residential property.

A. The loan policy issued on a reverse mortgage may be issued in either the total amount of advances or one hundred fifty percent of the total amount of advances as requested by the lender. Schedule B of the loan

policy issued on a reverse mortgage shall contain the following special exception: “pending disbursement of the full proceeds of the loan secured by the mortgage or deed of trust set forth under schedule A hereof, this policy insures only to the extent of the amount actually disbursed but increases as each disbursement is made, in good faith, and without knowledge of any defect in or objections to, the title, up to the full amount of the policy.”

B. The two mortgages filed on a HUD HECM reverse mortgage loan may be insured on one loan policy if the priority of the mortgages is disclosed when describing the mortgages being insured in schedule A. The bracketed language in Subsection F of Paragraph 4 of NM form 71 may be deleted from the endorsement with the approval of the title insurer if:

(1) the risk is deemed acceptable; and

(2) standard exception No. 4 from schedule B of the underlying loan policy has been deleted,

at no additional premium. Otherwise, the brackets themselves shall be removed and the language of Subsection F of Paragraph 4 of NM form 71 shall be included in the endorsement.

[13.14.8.29 NMAC - Rp, 13.14.8.32 NMAC, 1/1/2021]

13.14.8.30 SINGLE TAX PARCEL ENDORSEMENT: NM form 72 may be attached to a policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.30 NMAC - Rp, 13.14.8.33 NMAC, 1/1/2021]

13.14.8.31 MULTIPLE TAX PARCEL ENDORSEMENT: NM form 73 may be attached to a policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.31 NMAC - Rp, 13.14.8.35 NMAC, 1/1/2021]

13.14.8.32 DOING BUSINESS ENDORSEMENT: NM form 74 may be attached to a loan policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.32 NMAC - Rp, 13.14.8.35 NMAC, 1/1/2021]

13.14.8.33 SUBDIVISION ENDORSEMENT: NM form 75 may be attached to a policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.33 NMAC - Rp, 13.14.8.36 NMAC, 1/1/2021]

13.14.8.34 EASEMENT - DAMAGE OR ENFORCED REMOVAL ENDORSEMENT: NM form 76 may be attached to a policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.34 NMAC - Rp, 13.14.8.37 NMAC, 1/1/2021]

13.14.8.35 [RESERVED]

[13.14.8.35 NMAC – N, 9/15/2010; Repealed, 1/1/2021]

13.14.8.36 ENERGY PROJECT ENDORSEMENTS: NM form 88, 88.1, 88.2, 88.3, 88.4, 88.5, 88.6, 88.7, or 88.8 may be attached to a policy, as applicable. These endorsements shall not be attached to a policy that insures one to four family residential property.

[13.14.8.36 NMAC - Rp, 13.14.8.39 NMAC, 1/1/2021]

13.14.8.37 MEZZANINE FINANCING ENDORSEMENT: NM form 89 may be attached to an owner’s policy. This endorsement shall not be attached to a policy that insures one to four family residential property.

[13.14.8.37 NMAC - Rp, 13.14.8.40 NMAC, 1/1/2021]

13.14.8.38 [RESERVED]

[13.14.8.38 NMAC – N, 9/15/2010; Repealed, 1/1/2021]

13.14.8.39 [RESERVED]

[13.14.8.39 NMAC - N, 3/1/2016; Repealed, 1/1/2021]

13.14.8.40 [RESERVED]

[13.14.8.40 NMAC - N, 3/1/2016; Repealed, 1/1/2021]

13.14.8.41 [RESERVED]
[13.14.8.41 NMAC - N, 7/1/2018; Repealed, 1/1/2021]]

13.14.8.42 CONDOMINIUM ENDORSEMENTS: NM form 12 and NM form 30 may be attached to a policy, as applicable. Paragraph 3 of NM form 30 may be deleted at the option of the title insurer.
[13.14.8.42 NMAC – N, 1/1/2021]

13.14.8.43 PLANNED UNIT DEVELOPMENT ENDORSEMENTS: NM form 13 and NM form 13.1 may be attached to a policy, as applicable. Paragraph 1 of NM form 13 may be deleted at the option of the title insurer.
[13.14.8.43 NMAC - N, 1/1/2021]

13.14.8.44 [RESERVED]
[13.14.8.44 NMAC - N, 1/1/2021]

13.14.8.45 DOWN DATE ENDORSEMENT TO RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY JR 1:

- A. NM form 46 may be issued one or more times after issuance of NM form 45.
 - B. NM form 46 may not be issued more than one year after the date of policy stated in NM form 45.
 - C. Upon request of the named insured and the proper recording of all necessary documents meeting the title insurer’s underwriting standards, the amount of the loan secured by the insured’s mortgage insurance previously stated in NM form 45 may be increased by adding a Paragraph D, which shall read as follows: “D. The amount of insurance of the policy is hereby amended to be \$ _____,” subject to the payment of the applicable premium, for the additional insurance.
- [13.14.8.45 NMAC - N, 1/1/2021]

13.14.8.46 [RESERVED]
[13.14.8.46 NMAC - N, 1/1/2021]

HISTORY OF 13.14.8 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates filed 3/7/1974.
SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.
SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. 13.14.8 NMAC, Endorsements, (filed 5/15/2000), was repealed and replaced by 13.14.1 NMAC, Endorsements effective 1/1/2021.

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.8, Endorsements, effective 11/01/1996.
13 NMAC 14.8, Endorsements (filed 10/2/1996), was renumbered reformatted, amended and replaced by 13.14.8 NMAC, Endorsements, effective 5/15/2000, amended effective 7/31/2014.
NMAC Endorsements, effective 7/31/2014, amended effective 3/1/2016.
NMAC Endorsements, effective 3/1/2016, amended effective 7/1/2018.

Proposed Rule

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 18 FORMS

13.14.18.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”).
[13.14.18.1 NMAC – Rp, 13.14.18.1 NMAC, 1/1/2021]

13.14.18.2 SCOPE: This rule applies to all title insurers, title agencies, and title insurance agents conducting title insurance business in New Mexico.
[13.14.18.2 NMAC – Rp, 13.14.18.2 NMAC, 1/1/2021]

13.14.18.3 STATUTORY AUTHORITY: Sections 59A-2-8, 59A-2-9, 59A-30-4, 59A-30-5, 59A-30-6, 59A-30-6.1, 59A-30-6.2 and 59A-30-8 NMSA 1978.
[13.14.18.3 NMAC – Rp, 13.14.18.3 NMAC, 1/1/2021]

13.14.18.4 DURATION: Permanent.
[13.14.18.4 NMAC – Rp, 13.14.18.4 NMAC, 1/1/2021]

13.14.18.5 EFFECTIVE DATE: January 1, 2021, unless a later date is cited at the end of a section.
[13.14.18.5 NMAC – Rp, 13.14.18.5 NMAC, 1/1/2021]

13.14.18.6 OBJECTIVE: The purpose of this rule is to provide conditions and restrictions regarding the use of promulgated forms.
[13.14.18.6 NMAC – Rp, 13.14.18.6 NMAC, 1/1/2021]

13.14.18.7 DEFINITIONS: See 13.14.1 NMAC.
[13.14.18.7 NMAC – Rp, 13.14.18.7 NMAC, 1/1/2021]

13.14.18.8 PROMULGATED FORMS: For purposes of Section 59A-30-5 NMSA 1978, the superintendent shall promulgate title insurance forms by order after conducting a hearing pursuant to 13.1.5 NMAC or 13.1.6 NMAC, as the circumstances require. On ~~their~~ ~~his~~ own motion, or at the request of an interested person, the superintendent may, at any time, conduct a hearing to consider whether to promulgate a new form, to revoke a previously promulgated form, or to modify a previously promulgated form. The forms compiled and filed with the New Mexico State Rules Center and Archives as the New Mexico Title Insurance Forms shall be the promulgated forms, and those forms are incorporated into this rule by reference.

- A.** A title insurer or title insurance agency shall not use any new promulgated form unless:
- (1)** the superintendent promulgates a rate for the form, if the order promulgating the form states that a rate is required to issue the form;
 - (2)** the superintendent has promulgated a rule for the form, if the order promulgating the form states that use of the form is contingent on promulgating a rule; and
 - (3)** the title insurer has provided to its title insurance agencies underwriting guidelines, compliant with these rules, to govern the use of the form.
- B.** A title insurer or title insurance agency shall not use any modified or replacement form unless:
- (1)** the superintendent determines that the existing rate and rule, if applicable, for the form applies to the modified or replacement form, or the superintendent has promulgated a new rate and rule, if applicable, for the modified or replacement form; and
 - (2)** the title insurer has provided to its title insurance agencies underwriting guidelines, compliant with these rules, to govern the use of the form.
 - (3)** A title insurer shall only issue forms that match in all substantive respects the promulgated forms authorized by these rules.

[13.14.18.8 NMAC – Rp, 13.14.18.8 NMAC, 1/1/2021, Am. 9/28/2022]

13.14.18.9 ALTERATION OF FORMS PROHIBITED; EXCEPTIONS; AND LETTERS OF INTERPRETATION OR WAIVER THAT CHANGE THE TERMS, PROHIBITED:

A. No person, firm or organization may alter or otherwise change any title insurance form promulgated by the superintendent, or use any non-promulgated endorsement, whether by deletion or omission of terms, except:

(1) upon a determination by the superintendent following a hearing pursuant to 13.1.5 or 13.1.6 NMAC, as applicable, that the same be proper; or

(2) in a manner specifically authorized by these regulations.

B. Factual information required to identify and describe the risk being undertaken may be inserted in an authorized form. This includes, but is not limited to, information necessary to identify the insured, the insured's estate or interest of record, the property description, all matters of record affecting the insured's interest which are exceptions to the policy, all matters, facts and circumstances, whether or not shown by the public records, constituting a lien, claim, encumbrance, impairment or limitation upon the estate to be insured, whether arising by operation of law or by reason of no recorded information establishing the insured matters, the amount of liability of the policy and, in case of a commitment, any matter constituting a requirement prior to issuance of a policy, may be inserted in the proper places in the various forms, provided that other information necessary to complete each form is inserted in the form prior to its issuance.

C. Additions to language in the promulgated form, if required to correctly identify and describe the risk being undertaken may be inserted in an authorized form. Any such modification must be approved by:

(1) Legal counsel for the insured; or

(2) An authorized representative of the insured in a transaction that does not involve one to four family residential property.

D. Nothing in this rule shall prevent a title insurer from:

(1) adding blanks, spaces, labels or brief instructions to the promulgated forms; or

(2) from typesetting a promulgated form utilizing type styles, margins or paginations different from the promulgated forms; provided, however, that all language contained in each promulgated form must appear verbatim in each form, and further provided that nothing may be added to a promulgated title insurance form which changes any of the terms of such form except as specifically provided by these rules.

E. Nothing in these rules prohibits use of translated language other than English, provided, however, that any translated form shall contain the following language in bold-face type on the first page of the form in English and in the translated language: "This translation is provided as a convenience only. The English language version of this form shall control and shall be the operative document for all legal purposes."

F. The following language shall be added at the top of schedule A of all commitments and policies in a font not less than the font size of the remaining print of schedule A and be in bold italicized print "Pursuant to the New Mexico title insurance law Section 59A-30-4 NMSA 1978, and title insurance rule 13.14.18.9 NMAC, no part of any title insurance commitment, policy or endorsement form promulgated by the New Mexico superintendent of insurance may be added to, altered, inserted in or typed upon, deleted or otherwise changed from the title insurance form promulgated by the New Mexico superintendent of insurance, nor issued by a person or company not licensed with regard to the business of title insurance by the New Mexico superintendent of insurance, nor issued by a person or company who does not own, operate or control an approved title abstract plant as defined by New Mexico law and regulations for the county wherein the property is located, except as authorized by law."

G. No title insurer or title insurance agency shall issue, publish or circulate a letter, memorandum or other writing which directly or indirectly modifies or waives the terms or any part of the terms of any promulgated form, nor shall any such person agree to directly or indirectly do or not do anything, the effect of which is or would be to offer insurance coverages other than those in the promulgated title insurance forms, whether the same be more, less, substitute, alternative, negative or affirmative coverages or risks, except as specifically authorized by these rules; except that a title insurer shall waive, at no cost or charge to the insured, either by endorsement or language added to schedule B of the policy, the right to demand arbitration pursuant to the conditions and stipulations of title insurance policies issued in New Mexico. The endorsement or the language added to schedule B of the policy shall read: "The company hereby waives its right to demand arbitration pursuant to the title insurance arbitration rules of the American Land Title Association. Nothing herein prohibits the arbitration of all arbitrable matters when agreed to by both the company and the insured."

[13.14.18.9 NMAC – Rp, 13.14.18.9 NMAC, 1/1/2021]

13.14.18.10 ADDITIONAL AFFIRMATIVE COVERAGES: In a commitment issued for a loan policy, but not with respect to any other type of commitment or policy:

A. The following language may be added to each covenant, deed, or other recorded restriction exception: “Violations of this restriction (or these restrictions), if any, and any future violation thereof shall not cause a forfeiture or reversion of title and will not affect the validity or priority of the lien of the mortgage herein insured. This assurance does not extend to restriction(s) relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not referenced in Schedule B. However, this policy insures that any violation of this restriction (or these restrictions) relating to environmental protection shall not cause a forfeiture or reversion of title and will not affect the validity or priority of the lien of the mortgage insured herein.”

B. When protrusions, encroachments or overlaps into or upon easements, rights-of-way, adjacent property, the property to be insured, or building set-back lines (as described in restrictive covenants or plats filed of record) are revealed by a survey, the following paragraph may be added as a separate specific exception: “Encroachment (protrusion or overlap) of the improvements over (on, onto, in, into or upon) the (here describe the easement, right-of-way, adjacent property, the land to be insured, or building set-back line) as shown on a survey prepared by _____ dated _____. This policy insures against loss or damage as defined in this policy by reason of the entry of any final decree entered in a court of competent jurisdiction and of last resort ordering the removal of said improvements presently situate on the land which constitute the (protrusion, overlap or encroachment).” This affirmative coverage language may also be inserted into the NM form 61. [13.14.18.10 NMAC – Rp, 13.14.18.10 NMAC, 1/1/2021]

13.14.18.11 PRINTING OF FORMS: Each title insurance form shall contain the headings and form designations included on the promulgated form. [13.14.18.11 NMAC – Rp, 13.14.18.12 NMAC, 1/1/2021]

13.14.18.12 [RESERVED]
[13.14.18.12 NMAC – Rp, 13.14.18.12 NMAC, 3/1/2016; Repealed 1/1/2021]

13.14.18.13 [RESERVED]
[13.14.18.13 NMAC - Rp, 13.14.18.13 NMAC, 3/1/2016; A, 7/1/2018; Repealed 1/1/2021]

HISTORY OF 13.14.18 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.
SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.
SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material.

13.14.18 NMAC, Forms, filed 5/9/1986 - Repealed effective 3/1/2016 and replaced with 13.14.18 NMAC, Forms, effective 3/1/2016.

Other History.

Re-promulgated portions of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986), was renumbered, reformatted, amended and replaced as 13 NMAC 14.2, Forms Provisions; 13 NMAC 14.2.A, Miscellaneous Forms; 13 NMAC 14.6.A, NM Form 1, Owner’s Policy; 13 NMAC 14.6.B, NM Form 4, Leasehold Owner’s Policy; 13 NMAC 14.6.C, NM Form 7, US Policy, ALTA 1963; 13 NMAC 14.6.D, NM Form 34, US Policy, ALTA 1991; 13 NMAC 14.7.A, NM Form 2, Loan Policy; 13 NMAC 14.7.B, NM Form 3, Construction Loan Policy; 13 NMAC 14.7.C, NM Form 5, Leasehold Loan Policy; 13 NMAC 14.7.D, NM Form 36, Limited Title Search Policy; 13 NMAC 14.7.E, NM Form 41, Foreclosure Guarantee Policy; 13 NMAC 14.7.F, NM Form 45, Residential Limited Coverage Junior Loan Policy; 13 NMAC 14.8.A, Endorsement Forms; effective 11/01/1996. 13 NMAC 14.2, Forms Provisions (filed 10/2/1996); 13 NMAC 14.2.A, Miscellaneous Forms (filed 10/2/1996); 13 NMAC 14.6.A, NM Form 1, Owner’s Policy (filed 10/2/1996); 13 NMAC 14.6.B, NM Form 4, Leasehold Owner’s Policy (filed 10/2/1996); 13 NMAC 14.6.C, NM Form 7, US Policy, ALTA 1963 (filed 10/2/1996); 13 NMAC 14.6.D, NM Form 34, US Policy, ALTA 1991 (filed 10/2/1996); 13 NMAC 14.7.A, NM Form 2, Loan Policy (filed 10/2/1996); 13 NMAC 14.7.B, NM Form 3, Construction Loan Policy (filed 10/2/1996); 13 NMAC 14.7.C, NM Form 5, Leasehold Loan Policy (filed 10/2/1996); 13 NMAC 14.7.D, NM Form 36, Limited Title Search Policy (filed 10/2/1996); 13 NMAC 14.7.E, NM Form 41, Foreclosure Guarantee Policy (filed 10/2/1996); 13 NMAC 14.7.F, NM Form 45, Residential Limited Coverage Junior Loan Policy (filed 10/2/1996); and 13 NMAC 14.8.A,

Endorsement Forms (filed 10/2/1996) were all renumbered, reformatted, amended and replaced by 13.14.18 NMAC, Forms, effective 5/15/2000, amended effective 7/31/2014.
13.14.18 NMAC, Forms, filed 3/1/2016, was repealed and replaced by 13.14.18 NMAC, Forms, effective 1/1/2021.

**NM FORM 13: PLANNED UNIT DEVELOPMENT—ASSESSMENTS PRIORITY
ENDORSEMENT**

**Planned Unit Development—Assessments Priority Endorsement
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. The priority of any lien for charges and assessments in favor of any association of owners that are provided for in any document at Date of Policy and referred to in Schedule B over the lien of any Insured Mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

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.

[Witness clause optional]

[DATE]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

NEW MEXICO TITLE INSURANCE FORMS

NM FORM 1: OWNER'S POLICY OF TITLE INSURANCE
issued by
[BLANK] TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 8 and 9, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.

-
- 6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.

 - 7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.

 - 8. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:
 - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the Uniform Voidable Transactions Act; or
 - b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
 - i. to timely record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured; or
 - ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

 - 9. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 8 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 8 or 9); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 8.b.
5. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
6. Any discrepancy in the quantity of the area, square footage of any improvement to the Land.

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:

Issuing Agent:
Issuing Office:
Issuing Office's ALTA Registry ID, if applicable:
Issuing Office File Number:
Property Address:]

SCHEDULE A

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$]

Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. The estate or interest in the Land insured by this policy is:
3. The Title is vested in:
4. The Land is described as follows:
- [5. This policy incorporates by reference the endorsements designated below, adopted by the [American Land Title Association][] as of the Date of Policy:]

SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the following matters:

(Insert Schedule B exceptions here)

CONDITIONS

1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.d. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. "Date of Policy": The Date of Policy stated in Schedule A.
- d. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
 - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation; or
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power.
- f. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- g. "Insured":
 - i.
 - (a). The Insured named in Item 1 of Schedule A;
 - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - (1). an Affiliate;
 - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - (3). a spouse who receives the Title because of a dissolution of marriage;
 - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - (5). another Insured named in Item 1 of Schedule A.
 - ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- h. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- i. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- j. "Land": The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- k. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- m.
- n. "Public Records": The recording or filing system established under State statutes in effect at the Date

of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.

- o. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- p. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- q. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or a lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:

- a. retains an estate or interest in the Land;
- b. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
- c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance*
To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.
- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
 - i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and

are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
 - i. the Amount of Insurance; or
 - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
- b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
 - i. the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
 - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 - ii. cures the lack of a right of access to and from the Land; or
 - iii. cures the claim of Unmarketable Title,all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company is not liable for the content of the Transaction Identification Data, if any.

10. REDUCTION OR TERMINATION OF INSURANCE

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance will be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after the Date of Policy and which is a charge or lien on the Title, and the amount so paid will be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by

law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

- b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights.

14. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement,
 - ii. extend the Date of Policy,
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. increase the Amount of Insurance.

15. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

16. CHOICE OF LAW AND CHOICE OF FORUM

- a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.
- b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

17. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: _____ (fill in) _____.

NOTE: Bracketed [] material optional

NM FORM 2 - LOAN POLICY OF TITLE INSURANCE
issued by
[BLANK] TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 10, 12, and 13, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.

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5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
 6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
 7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.
 8. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. Covered Risk 8 includes, but is not limited to, insurance against loss caused by:
 - a. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - b. the failure of a person or Entity to have authorized a transfer or conveyance;
 - c. the Insured Mortgage not being properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - d. a failure to perform those acts necessary to create an Insured Mortgage by electronic means authorized by law;
 - e. a document having been executed under a falsified, expired, or otherwise invalid power of attorney;
 - f. the Insured Mortgage not having been properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - g. a defective judicial or administrative proceeding; or
 - h. invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an electronic signature by a person that executed the Insured Mortgage because the electronic signature on the Insured Mortgage was not valid under applicable electronic transactions law.
 9. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance on the Title as security for the following components of the Indebtedness:
 - a. the amount of the principal disbursed as of the Date of Policy;
 - b. the interest on the obligation secured by the Insured Mortgage;
 - c. the reasonable expense of foreclosure;
 - d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest in the Title; and
 - e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title to protect the priority of the lien of the Insured Mortgage:
 - i. real estate taxes and assessments imposed by a governmental taxing authority; and
 - ii. regular, periodic assessments by a property owners' association.
 10. The lack of priority of the lien of the Insured Mortgage upon the Title:
 - a. as security for each advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for service, labor, material, or equipment arising from construction of an improvement or work related to the Land when the improvement or work is:
 - i. contracted for or commenced on or before the Date of Policy; or
 - ii. contracted for, commenced, or continued after the Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on the Date of Policy to advance; and
 - b. over the lien of any assessments for street improvements under construction or completed at the Date of Policy.

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11. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.

 12. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, or the effect of a court order providing an alternative remedy:
 - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the Uniform Voidable Transactions Act; or
 - b. because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
 - i. to timely record the Insured Mortgage in the Public Records after execution and delivery of the Insured Mortgage to the Insured; or
 - ii. of the recording of the Insured Mortgage in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

 13. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 12 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

EXCLUSIONS FROM COVERAGE

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 10, 12, or 13); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 13.b.
7. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 2.b. or 10.b.
9. Any discrepancy in the quantity of the area, square footage of any improvement to the Land.

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent:
Issuing Office:
Issuing Office's ALTA® Registry ID, if applicable
Loan ID Number:
Issuing Office File Number:
Property Address:]

SCHEDULE A

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$]
Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. The estate or interest in the Land encumbered by the Insured Mortgage is:
3. The Title encumbered by the Insured Mortgage is vested in:
4. The Insured Mortgage and its assignments, if any, are described as follows:
5. The Land is described as follows:
- [6. This policy incorporates by reference the endorsements designated below, adopted by the [American Land Title Association][_____] as of the Date of Policy:]

SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the following matters:

(Insert Schedule B exceptions here)]

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the following matters:

PART I

(Insert Schedule B exceptions here)

PART II

Covered Risk 9 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:]

CONDITIONS

1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.c.; decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in Schedule A.
- e. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- f. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
 - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation; or
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power.
- g. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- h. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- i. "Indebtedness": Any obligation secured by the Insured Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
 - i. the sum of:
 - (a). principal disbursed as of the Date of Policy;
 - (b). principal disbursed subsequent to the Date of Policy;
 - (c). the construction loan advances made subsequent to the Date of Policy for the purpose of financing, in whole or in part, the construction of an improvement to the Land or related to the Land that the Insured was and continues to be obligated to advance at the Date of Policy and at the date of the advance;
 - (d). interest on the loan;
 - (e). prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
 - (f). expenses of foreclosure and any other costs of enforcement;
 - (g). advances for insurance premiums;
 - (h). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
 - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
 - (2). regular, periodic assessments by a property owners' association; and
 - (i). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
 - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.

- j. "Insured":
- i. (a). The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
 - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
 - (2). owns the Title after acquiring the Indebtedness;
 - (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
 - (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage; or
 - (g). any Government Mortgage Agency or Instrumentality.
 - ii. With regard to Conditions 1.j.i.(a). and 1.j.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
 - iii. With regard to Conditions 1.j.i.(c)., 1.j.i.(d)., 1.j.i.(e)., and 1.j.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- k. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- l. "Insured Mortgage": The Mortgage described in Item 4 of Schedule A.
- m. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- n. "Land": The land described in Item 5 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- o. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- p. "Obligor": A person or entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- q. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.
- r. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- s. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- t. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title, a lender on the Title, or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured:

- a. after the Insured's acquisition of the Title, so long as the Insured retains an estate or interest in the Land; and

- b. after the Insured's conveyance of the Title, so long as the Insured:
 - i. retains an estate or interest in the Land;
 - ii. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
 - iii. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title or the lien of the Insured Mortgage as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*
 - i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
 - ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
 - i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:

- i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
- i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:
- i. the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
- d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
- i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 - ii. cures the lack of a right of access to and from the Land;
 - iii. cures the claim of Unmarketable Title; or
 - iv. establishes the lien of the Insured Mortgage,
- all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title or to the lien of the Insured Mortgage.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Amount of Insurance afforded under this policy, except to the extent that the payment reduces the Indebtedness.
- b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Amount of Insurance.
- c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company, except as provided in Condition 2.

11. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. *Company's Right to Recover*
 - i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
 - ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- b. *Company's Subrogation Rights against Obligors*

The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.
- c. *Insured's Rights and Limitations*
 - i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Insured Mortgage.
 - ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

13. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement,
 - ii. extend the Date of Policy,
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. increase the Amount of Insurance.

14. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

15. CHOICE OF LAW AND CHOICE OF FORUM

- a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Insured Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

16. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: _____ (*fill in*).

NOTE: Bracketed [] material optional

NM FORM 6 - COMMITMENT FOR TITLE INSURANCE
issued by
[BLANK TITLE] INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, [Blank Title Insurance Company], a [Blank] (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six (6) months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

COMMITMENT CONDITIONS

1. DEFINITIONS

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- e. "Policy": Each contract of title insurance, in a form adopted by the New Mexico Superintendent of Insurance, issued or to be issued by the Company pursuant to this Commitment.

-
- f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
- g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.
- i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
3. The Company's liability and obligation is limited by and this Commitment is not valid without:
- the Notice;
 - the Commitment to Issue Policy;
 - the Commitment Conditions;
 - Schedule A;
 - Schedule B, Part I—Requirements;[and]
 - Schedule B, Part II—Exceptions; and
 - a counter-signature by the Company or its issuing agent that may be in electronic form].
4. COMPANY'S RIGHT TO AMEND
The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.
5. LIMITATIONS OF LIABILITY
- The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - comply with the Schedule B, Part I—Requirements;
 - eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - acquire the Title or create the Mortgage covered by this Commitment.
 - The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
 - The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
 - The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
 - The Company is not liable for the content of the Transaction Identification Data, if any.
 - The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
 - The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.
6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM
- Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.

- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
 - c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
 - d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
 - e. Any amendment or endorsement to this Commitment must be in writing[and authenticated by a person authorized by the Company].
 - f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.
7. **IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT**
The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.
8. **PRO-FORMA POLICY**
The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.
9. **CLAIMS PROCEDURES**
This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.

[Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent:
Issuing Office:
Issuing Office's ALTA® Registry ID, if applicable:
Loan ID Number:
Commitment Number:
Issuing Office File Number:
Property Address:]
[Revision Number:]

SCHEDULE A

1. Commitment Date:
2. Policy to be issued:
 - a. [NM FORM 1 - Owner's Policy][NM FORM 2 - Loan Policy][____ NM _____ Policy]
Proposed Insured: _____
Proposed Amount of Insurance: \$ _____
The estate or interest to be insured: _____
 - b. [NM FORM 1 - Owner's Policy][NM FORM 2 - Loan Policy][____ NM _____ Policy]
Proposed Insured: _____
Proposed Amount of Insurance: \$ _____
The estate or interest to be insured: _____]
 - c. [NM FORM 1 - Owner's Policy][NM FORM 2 - Loan Policy][____ NM _____ Policy]
Proposed Insured: _____
Proposed Amount of Insurance: \$ _____
The estate or interest to be insured: _____]
3. The estate or interest in the Land at the Commitment Date is: *(Identify each estate or interest covered, i.e., fee, leasehold, etc.)*
4. The Title is, at the Commitment Date, vested in[:] *(Identify vesting for each estate or interest identified in Item 3 above)* and, as disclosed in the Public Records, has been since *(Date)*
5. The Land is described as follows:

Commented [MMO1]: What would the 3rd item in brackets be?

Commented [MMO2R1]: DONE

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

SCHEDULE B, PART I—Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
(Documents to be listed here)

(Additional Requirements may be listed here by number)

SCHEDULE B, PART II—Exceptions

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

- [1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.]

(Additional Exceptions may be listed here by number)

NM FORM 12 - CONDOMINIUM—ASSESSMENTS PRIORITY ENDORSEMENT

**This endorsement is issued as part of
Policy Number _____
issued by
[BLANK] TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction:
 - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
 - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. The priority of any lien for charges and assessments provided for in the State condominium statutes and condominium documents at the Date of Policy over the lien of any Insured Mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 12 - CONDOMINIUM—ASSESSMENTS PRIORITY ENDORSEMENT

**This endorsement is issued as part of
Policy Number _____
issued by
[BLANK] TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words "restrictive covenants" do not refer to or include any covenant, condition, or restriction:
 - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
 - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. The priority of any lien for charges and assessments provided for in the State condominium statutes and condominium documents at the Date of Policy over the lien of any Insured Mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 45 - RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY
issued by
BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN THE SCHEDULE, AND THE CONDITIONS, and provided that the Land is improved with an existing one-to-four family residence or residential condominium unit, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Grantee not being the named grantee on the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
2. The description of the Land in the Schedule not being the same as that contained in the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
3. A Monetary Lien recorded in the Public Records as of the Date of Policy.
4. Any ad valorem taxes or assessments of any governmental taxing authority that constitute a lien on the Title and that, as of the Date of Policy, appear in the official ad valorem tax records where the Land is located.

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

EXCLUSIONS FROM COVERAGE

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

1. Any invalidity, unenforceability, or ineffectiveness of the Identified Mortgage.
2. Any lien on the Title for real estate taxes or assessments imposed or collected by governmental authority that becomes due and payable after the Date of Policy. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 4.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - a. created, suffered, assumed or agreed to by the Insured Claimant;
 - b. Known to the Insured Claimant, whether or not disclosed in the Public Records;
 - c. resulting in no loss or damage to the Insured Claimant; or
 - d. recorded or filed in the Public Records subsequent to the Date of Policy.

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Loan ID Number:

Issuing Office File Number:

Property Address:]

SCHEDULE

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$]

Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. Grantee:
3. The Land referred to in this policy is described as follows:

EXCEPTIONS

Some historical land records contain discriminatory covenants that are illegal and unenforceable by law. If a document identified as an Exception or otherwise referred to in this policy contains a provision that, under applicable law, illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, then that illegal provision is repudiated and not published or republished.

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) resulting from the following matters:

[1. Insert tax exception(s)]

[Insert signature block for issuing office]

CONDITIONS

1. DEFINITIONS OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in the Schedule, as may be decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in the Schedule.
- e. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- f. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- g. "Grantee": The Grantee identified in the Schedule.
- h. "Indebtedness": Any obligation secured by the Identified Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
 - i. the sum of:
 - (a). principal disbursed as of the Date of Policy;
 - (b). provided that an NM FORM 47 - Endorsement to this Policy is issued, principal disbursed subsequent to the Date of Policy, but only to the extent of the coverage in the NM FORM 47 - Endorsement;
 - (c). interest on the loan;
 - (d). expenses of foreclosure and any other costs of enforcement;
 - (e). advances for insurance premiums;
 - (f). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Identified Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
 - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
 - (2). regular, periodic assessments by a property owners' association; and
 - (g). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
 - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- i. "Insured":
 - (a). The Insured named in Item 1 of the Schedule or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
 - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
 - (2). owns the Title after acquiring the Indebtedness;
 - (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;

- (f). an Affiliate that acquires the Title through foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.i.i.(a). and 1.i.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.i.i.(c)., 1.i.i.(d)., 1.i.i.(e)., and 1.i.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- j. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- k. "Identified Mortgage": The Mortgage identified in the NM FORM 46 - Endorsement to this policy.
- l. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- m. "Land": The land described in Item 3 of the Schedule and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in the Schedule, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway.
- n. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- o. "Monetary Lien": Any Mortgage, deed of trust, judgment lien or other lien affecting the Title securing the obligation to pay money, but not including any lien created in any easement, covenant, condition, restriction, or declaration of condominium or planned unit development, except to the extent that a separate notice of enforcement of a specific delinquent charge or assessment affecting the Title has been recorded in the Public Records.
- p. "Obligor": A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Identified Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- q. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.
- r. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- s. "Title": The estate or interest in the Land purported to be vested in the Grantee.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured after the Insured's acquisition of the Title either through foreclosure or deed in lieu of foreclosure of the lien of the Identified Mortgage. Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is not the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of any litigation or other matter for which the Company may be liable under this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the lien of the Identified Mortgage, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*
- i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
 - ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.
If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Identified Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
- i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
- i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Identified Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Identified Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
- i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
 - ii. the date the lien of the Identified Mortgage is finally determined to be subject to a matter insured against by this policy.
- c. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company removes the alleged matter insured against by a Covered Risk in this policy. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the lien of the Identified Mortgage resulting from a matter insured against by this policy.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.
- b. The voluntary satisfaction or release of the Identified Mortgage terminates all liability of the Company, except as provided in Condition 2.

11. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. *Company's Right to Recover*
 - i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Identified Mortgage and all other rights and remedies of the Insured Claimant in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
 - ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- b. *Company's Subrogation Rights against Obligors*

The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.
- c. *Insured's Rights and Limitations*
 - i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Identified Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Identified Mortgage.
 - ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any matter insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

13. POLICY ENTIRE CONTRACT

-
- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
 - b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement,
 - ii. extend the Date of Policy,
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. increase the Amount of Insurance.

14. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

15. CHOICE OF LAW AND CHOICE OF FORUM

a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims adverse to the lien of the Identified Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

16. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: _____ (*fill in*).

NOTE: Bracketed [] material optional

NM FORM 60 - AGGREGATION—STATE LIMITS—LOAN POLICY ENDORSEMENT

This endorsement is issued as part of
Policy Number _____
issued by
[BLANK] TITLE INSURANCE COMPANY

1. The following policies are issued in conjunction with one another:

<u>POLICY NUMBER:</u>	<u>STATE:</u>	<u>AMOUNT OF INSURANCE:</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

2. The amount of insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.

3. Subject to the limits in Section 4 of this endorsement, the Aggregate Amount of Insurance under this policy is either:

- a. \$ _____; or
b. If the Land is located in one of the states identified in this subsection, then the Aggregate Amount of Insurance is restricted to the amount shown below:

<u>STATE:</u>	<u>AGGREGATE AMOUNT OF INSURANCE:</u>
_____	\$ _____
_____	\$ _____

4. Condition 7.a. is restated in its entirety to read:

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of up to the Aggregate Amount of Insurance or to Purchase the Indebtedness*

- i. To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

- ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

5. Condition 8 is restated in its entirety to read:
8. **CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.
- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Aggregate Amount of Insurance for the State where the Land is located;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
 - b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
 - c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
 - d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.
6. Condition 10 is restated in its entirety to read:
10. **REDUCTION OR TERMINATION OF INSURANCE**
- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the applicable Aggregate Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Aggregate Amount of Insurance afforded under this endorsement, except to the extent that the payment reduces the Indebtedness.
 - b. If this policy insures the Title to Land located in a state identified in Section 3.b. of this endorsement:
 - i. all payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Aggregate Amount of Insurance by the amount of the payment; but
 - ii. a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state does not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement

- until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b.
- c. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Aggregate Amount of Insurance.
 - d. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company under this policy, except as provided in Condition 2, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 60.1 - AGGREGATION—STATE LIMITS—LOAN POLICY ENDORSEMENT

This endorsement is issued as part of
Policy Number _____
issued by
[BLANK] TITLE INSURANCE COMPANY

1. The following policies are issued in conjunction with one another:

<u>POLICY NUMBER:</u>	<u>STATE:</u>	<u>AMOUNT OF INSURANCE:</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

2. The amount of insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.

3. Subject to the limits in Section 4 of this endorsement, the Aggregate Amount of Insurance under this policy is either:

- a. \$ _____; or
b. If the Land is located in one of the states identified in this subsection, then the Aggregate Amount of Insurance is restricted to the amount shown below:

<u>STATE:</u>	<u>AGGREGATE AMOUNT OF INSURANCE:</u>
_____	\$ _____
_____	\$ _____

4. Condition 7.a. is restated in its entirety to read:

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of up to the Aggregate Amount of Insurance or to Purchase the Indebtedness*

- i. To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

5. Condition 8 is restated in its entirety to read:
- 8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.
- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Aggregate Amount of Insurance for the State where the Land is located;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
 - b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
 - c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
 - d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.
6. Condition 10 is restated in its entirety to read:
- 10. REDUCTION OR TERMINATION OF INSURANCE**
- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the applicable Aggregate Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Aggregate Amount of Insurance afforded under this endorsement, except to the extent that the payment reduces the Indebtedness.
 - b. If this policy insures the Title to Land located in a state identified in Section 3.b. of this endorsement:
 - i. all payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Aggregate Amount of Insurance by the amount of the payment; but
 - ii. a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state does not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b.

- c. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Aggregate Amount of Insurance.
- d. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company under this policy, except as provided in Condition 2, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 63 - SHORT FORM RESIDENTIAL LOAN POLICY—CURRENT ASSESSMENTS
ONE-TO-FOUR FAMILY
 issued by
[BLANK] TITLE INSURANCE COMPANY

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent:
 Issuing Office:
 Issuing Office's ALTA Registry ID, if applicable:
 Loan ID Number:
 Issuing Office File Number:
 Property Address:]

SCHEDULE A

Name and Address of Title Insurance Company:
 Policy Number:
 Amount of Insurance: \$ [Premium: \$]
 Mortgage Amount: \$ Mortgage Date:
 Date of Policy:
 Property Address:

1. Name of Insured:
2. Name of Borrower(s):
3. The estate or interest in the Land identified in this Schedule A and which is encumbered by the Insured Mortgage is fee simple and is, at the Date of Policy, vested in the Borrower(s) identified in the Insured Mortgage and named above.
4. The Land referred to in this policy is described as set forth in the Insured Mortgage.
5. This policy consists of [one] page(s), [including its reverse side,] unless an addendum is attached and indicated below:
 Addendum attached
6. This policy incorporates by reference the endorsements selected below, if any, adopted by the [American Land Title Association][] as of the Date of Policy:
 NM FORM 30 - Condominium—Current Assessments endorsement, if the Land or estate or interest is referred to in the Insured Mortgage as a condominium
 NM FORM 13.1 - Planned Unit Development—Current Assessments endorsement
 NM FORM 14 - Variable Rate Mortgage endorsement, if the Insured Mortgage contains provisions which provide for an adjustable interest rate
 NM FORM 15 - Variable Rate Mortgage—Negative Amortization endorsement, if the Insured Mortgage contains provisions which provide for both an adjustable interest rate and negative amortization
 NM FORM 16 - Manufactured Housing Unit endorsement, if a manufactured housing unit is located on the Land at the Date of Policy
 NM FORM 16.1 - Manufactured Housing—Conversion—Loan Policy endorsement
 NM FORM 29 - Environmental Protection Lien endorsement—Paragraph b refers to the following State statute(s):
 NM FORM 71 - Future Advance—Reverse Mortgage endorsement.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

NOTE: Bracketed [] material optional

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, [BLANK TITLE INSURANCE COMPANY], A [BLANK] CORPORATION, (THE "COMPANY"), HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS, AND CONDITIONS SET FORTH IN THE NEW MEXICO (NM) LOAN POLICY, ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B REFER TO SCHEDULES A AND B OF THIS POLICY.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

Except to the extent set forth below, this policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses arising by reason of:

1. Those taxes and assessments that become due or payable subsequent to the Date of Policy. Exception 1 does not modify or limit the coverage provided in Covered Risk 11.b.
2. Covenants, conditions, restrictions, or limitations, if any, appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - a. the violation of those covenants, conditions, restrictions, or limitations on or prior to the Date of Policy;
 - b. a forfeiture or reversion of Title from a violation at the Date of Policy of those covenants, conditions, restrictions, or limitations, including those relating to environmental protection; and
 - c. the invalidation, subordination, or other impairment of the lien of the Insured Mortgage because of a violation at the Date of Policy of any provisions in those covenants, conditions, restrictions, or limitations, including those relating to environmental protection.

As used in Exception 2.a., the words "covenants, conditions, restrictions, or limitations" do not refer to or include any covenant, condition, restriction, or limitation (i) relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or (ii) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that an Enforcement Notice as of the Date of Policy identifies a violation or alleged violation affecting the Land and is not referenced in an Addendum attached to this policy.

3. Any easements or servitudes appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - a. the encroachment, at the Date of Policy, of the improvements on any easement; and
 - b. any interference with or damage to existing improvements, including lawns, shrubbery, and trees, resulting from the use of the easements for the purposes granted or reserved.
4. Any lease, grant, exception, or reservation of minerals or mineral rights or other subsurface substances appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - a. any effect on or impairment of the use of the Land for one-to-four family residential purposes by reason of such lease, grant, exception, or reservation of minerals or mineral rights or other subsurface substances; and
 - b. any damage to existing improvements, including lawns, shrubbery, and trees, resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights or other subsurface substances so leased, granted, excepted, or reserved.

Nothing herein insures against loss or damage resulting from contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

5. Water rights, claims or title to water.

NOTICES, WHERE SENT: Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: _____ (*fill in*).

**ADDENDUM
NM SHORT FORM RESIDENTIAL LOAN POLICY—CURRENT ASSESSMENTS
ONE-TO-FOUR FAMILY**

Policy Number:

**SCHEDULE B
(Continued)**

In addition to the matters set forth in Schedule B of the policy to which this Addendum is attached, this policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of the following:

NM FORM 80: MORTGAGE MODIFICATION ENDORSEMENT

Mortgage Modification Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

- 1. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and
 - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: *[Drafting Instruction: Specify exceptions, if any]*

- 2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

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 of Endorsement:

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

NM FORM 81.1 - CLOSING PROTECTION LETTER - SINGLE TRANSACTION
issued by
[BLANK] TITLE INSURANCE COMPANY

“Addressee”:

“Date”:

“Issuing Agent” or “Approved Attorney”:

【Issuing Office:

Issuing Office’s ALTA® Registry ID, if applicable:】

“Real Estate Transaction”:

【Seller:

Buyer:

Property Address:

Loan Number:】

Re: Closing Protection Letter

Dear

In consideration of Your acceptance of this letter, *[Blank Title Insurance Company]* (the “Company”), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent or Approved Attorney on or after the Date of this letter, subject to the Requirements and Conditions and Exclusions set forth below:

REQUIREMENTS

1. The Company issues or is contractually obligated to issue a Policy for Your protection in connection with the Real Estate Transaction;
2. You are to be a:
 - a. lender secured by the Insured Mortgage on the Title to the Land; or
 - b. purchaser or lessee of the Title to the Land;
3. The aggregate of all Funds You transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction does not exceed \$_____; and
4. Your loss is solely caused by:
 - a. a failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions that relate to:
 - i. (a). the disbursement of Funds necessary to establish the status of the Title to the Land; or
 - (b). the validity, enforceability, or priority of the lien of the Insured Mortgage; or
 - ii. obtaining any document, specifically required by You, but only to the extent that the failure to obtain the document adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land; or
- b. fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that

the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.

CONDITIONS AND EXCLUSIONS

1. Your transmittal of Funds or documents to the Issuing Agent or Approved Attorney for the Real Estate Transaction constitutes Your acceptance of this letter.
2. For purposes of this letter:
 - a. "Commitment" means the Company's written contractual agreement to issue the Policy.
 - b. "Funds" means the money received by the Issuing Agent or Approved Attorney for the Real Estate Transaction.
 - c. "Policy" means the contract or contracts of title insurance, each in a form adopted by the New Mexico Office of Superintendent of Insurance, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.
 - d. "You" or "Your" means:
 - i. the Addressee of this letter;
 - ii. the borrower, if the Land is improved solely by a one-to-four family residence; and
 - iii. subject to all rights and defenses relating to a claim under this letter that the Company would have against the Addressee,
 - (a) the assignee of the Insured Mortgage, provided such assignment was for value and the assignee was, at the time of the assignment, without Knowledge of facts that reveal a claim under this letter; and
 - (b) the warehouse lender in connection with the Insured Mortgage.
 - e. "Indebtedness," "Insured Mortgage," "Knowledge" or "Known," "Land," and "Title" have the same meaning given them in the New Mexico Office of Superintendent of Insurance Loan Policy.
3. The Company is not liable under this letter for any loss arising from any:
 - a. failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions that require title insurance protection in connection with the Real Estate Transaction inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the Issuing Agent or Approved Attorney after issuing the Commitment that require the removal, where allowed by state law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment will not be deemed to require inconsistent title insurance protection;
 - b. loss or impairment of Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions to deposit Your Funds in a bank that You designated by name;
 - c. constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. Condition and Exclusion 3.c. does not modify or limit Your coverage, if any, as to any lien for services, labor, materials, or equipment in the Policy;
 - d. defect, lien, encumbrance, adverse claim, or other matter in connection with the Real Estate Transaction. Condition and Exclusion 3.d. does not modify or limit Your coverage in the Policy;
 - e. fraud, theft, dishonesty, misappropriation, or negligence by You or by Your employee, agent, attorney, or broker;
 - f. fraud, theft, dishonesty, or misappropriation by anyone other than the Company, Issuing Agent, or Approved Attorney;
 - g. settlement or release of any claim by You without the Company's written consent;

- h. matters created, suffered, assumed, agreed to, or Known by You;
 - i. failure of the Issuing Agent or Approved Attorney to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. Condition and Exclusion 3.i. does not modify or limit Your coverage in the Policy;
 - j. Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
 - k. federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
 - l. periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land;
 - m. Issuing Agent or Approved Attorney acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code; or
 - n. wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer, network, email, or document production system, business email compromise, identity theft, or diversion of Funds to a person or account not entitled to receive the Funds. Condition and Exclusion 3.n. does not modify or limit:
 - i. Your coverage in the Policy; or
 - ii. indemnification in this letter for Your loss solely caused by fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.
4. If the closing is to be conducted by an Approved Attorney, a Commitment in connection with the Real Estate Transaction must have been received by You prior to the transmittal of Your final closing instructions to the Approved Attorney.
5. When the Company indemnifies You pursuant to this letter, it is subrogated to all rights and remedies You have against any person, entity, or property had You not been indemnified. The Company's liability for indemnification is reduced to the extent that You have impaired the value of this subrogation right.
6. The Company's liability for loss under this letter does not exceed the least of:
- a. the amount of Your Funds;
 - b. the Company's liability under the Policy at the time written notice of a claim is made under this letter;
 - c. the value of the lien of the Insured Mortgage;
 - d. the value of the Title to the Land insured or to be insured under the Policy at the time written notice of a claim is made under this letter; or
 - e. the amount stated in Requirement 3.
7. The Company is liable only to the owner of the Indebtedness at the time that payment is made. Condition and Exclusion 7 does not apply to a purchaser, borrower, or lessee.
8. Payment to You or to the owner of the Indebtedness under either the Policy or from any other source reduces liability under this letter by the same amount. Payment in accordance with the terms of this letter constitutes a payment pursuant to the Conditions of the Policy.

-
9. The Issuing Agent is the Company's agent only for the limited purpose of issuing policies. Neither the Issuing Agent nor the Approved Attorney is the Company's agent for the purpose of providing closing or settlement services. The Company's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. The Company is not liable for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.
10. The Company is not liable for a loss if the written notice of a claim is not received by the Company within one year from the date of the transmittal of Funds. The condition that the Company must be provided with written notice under Condition and Exclusion 10 will not be excused by lack of prejudice to the Company.
11. You must promptly send written notice of a claim under this letter to the Company at its principal office at _____. If the Company is prejudiced by Your failure to provide prompt notice, the Company's liability to You under this letter is reduced to the extent of the prejudice.
12. When requested by the Company, You, at the Company's expense, must:
- give the Company all reasonable aid in:
 - securing evidence, obtaining witnesses, prosecuting or defending any action or proceeding, or effecting any settlement; and
 - any other lawful act that in the opinion of the Company may be necessary or desirable to enable the Company's investigation and determination of its liability under this letter;
 - deliver to the Company all records, in whatever medium maintained, that pertain to the Real Estate Transaction or any claim under this letter; and
 - submit to examination under oath by any authorized representative of the Company with respect to any such records, the Real Estate Transaction, any claim under this letter or any other matter reasonably deemed relevant by the Company.
13. The Company is not liable under this letter if:
- the Real Estate Transaction has not closed within one year from the Date of this letter; or
 - at any time after the Date of this letter, but before the Real Estate Transaction closes, the Company provides written notice of termination of this letter to the Addressee at the address set forth above.
14. The protection of this letter extends only to real estate in New Mexico, and any court or arbitrator must apply the law of that state to interpret and enforce the terms of this letter. The court or arbitrator must not apply conflicts of law principles to determine the applicable law. Any litigation or other proceeding under this letter must be filed only in a state or federal court within the United States of America or its territories having jurisdiction.

This letter supersedes and cancels any previous letter or similar agreement for closing protection that applies to the Real Estate Transaction and may not be modified by the Issuing Agent or Approved Attorney.

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

(The name of a particular issuing agent or approved attorney may be inserted in lieu of reference to Issuing Agent or Approved Attorney contained in this letter and the words "Underwritten Title Company" may be inserted in lieu of Issuing Agent.)

NM FORM 90 - RESIDENTIAL LIMITED COVERAGE MORTGAGE MODIFICATION POLICY
issued by
[BLANK] TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE AND THE CONDITIONS, and provided that the Land is improved with an existing one-to-four family residence or residential condominium unit, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured solely by reason of the Modification resulting in either:

1. The invalidity or unenforceability of the lien of the Identified Mortgage upon the Title at the Date of Policy.
2. The loss of priority of the lien of the Identified Mortgage, at the Date of Policy, over any lien or encumbrance on the Title that has been created, attached, filed or recorded in the Public Records subsequent to the date the Identified Mortgage was recorded in the Public Records.

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

EXCLUSIONS FROM COVERAGE

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

1. Any invalidity, unenforceability, or lack of priority of the Identified Mortgage or the Modification. Exclusion 1 does not modify or limit the coverage provided under the Covered Risks.
2. The status or ownership of the Title.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. Known to the Insured Claimant whether or not disclosed in the Public Records;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. not recorded or filed in the Public Records at the Date of Policy; or
 - e. attaching or created subsequent to the Date of Policy.
4. Any usury or Consumer Protection Law.
5. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the Modification is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer.

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.f.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID, if applicable:

Loan ID Number:

Issuing Office File Number:

Property Address:]

SCHEDULE

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$

[Premium: \$ _____]

Date of Policy:

[at _____ a.m./p.m.]

1. The Insured is:
2. The Identified Mortgage is described as follows:
3. The Modification is described as follows:

CONDITIONS

1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in the Schedule, as may be decreased by Condition 10.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in the Schedule.
- e. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- f. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- g. "Identified Mortgage": The Mortgage described in Item 2 of the Schedule.
- h. "Indebtedness": Any obligation secured by the Identified Mortgage as modified by the Modification, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
 - i. the sum of:
 - (a). principal disbursed as of the Date of Policy;
 - (b). interest on the loan;
 - (c). expenses of foreclosure and any other costs of enforcement;
 - (d). advances for insurance premiums;
 - (e). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Identified Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
 - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
 - (2). regular, periodic assessments by a property owners' association; and
 - (f). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
 - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- i. "Insured":
 - (a). The Insured named in Item 1 of the Schedule or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
 - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
 - (2). owns the Title after acquiring the Indebtedness;
 - (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;

- (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Identified Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.i.i.(a). and 1.i.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.i.i.(c)., 1.i.i.(d)., 1.i.i.(e)., and 1.i.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- j. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- k. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- l. "Land": The land described in the Identified Mortgage and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in the Identified Mortgage, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway.
- m. "Modification": The Modification described in Item 3 of the Schedule.
- n. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- o. "Obligor": A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Identified Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- p. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- q. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- r. "Title": The estate or interest in the Land purported to be encumbered by the Identified Mortgage.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured after the Insured's acquisition of the Title through either foreclosure or deed in lieu of foreclosure of the Identified Mortgage. Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is not the Insured and acquires the Title or an obligation secured by a purchase money mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of any litigation or other matter for which the Company may be liable under this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured, and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the lien of the Identified Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.
When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:
 - i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
 - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the lien of the Identified Mortgage, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*

- i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.
If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Identified Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*

- i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Identified Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Identified Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
 - ii. the date the lien of the Identified Mortgage is finally determined, as set forth in Condition 9.b., to have been rendered invalid, unenforceable, or to have lost priority by reason of the Modification.
- c. In addition to the extent of liability for loss or damage under Condition 8.a., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
 - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter; or
 - ii. establishes the lien of the Identified Mortgage,all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the lien of the Identified Mortgage, as insured.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company is not liable under this policy for any indirect, special, or consequential damages.
- e. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- f. The Company is not liable for the content of the Transaction Identification Data, if any.

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.
- b. The voluntary satisfaction or release of the Identified Mortgage terminates all liability of the Company, except as provided in Condition 2.

11. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. *Company's Right to Recover*
 - i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Identified Mortgage and all other rights and remedies of the Insured Claimant in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
 - ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- b. *Company's Subrogation Rights against Obligors*

The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.
- c. *Insured's Rights and Limitations*
 - i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Identified Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Identified Mortgage.

- ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim adverse to the Title or the lien of the Identified Mortgage insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

13. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement;
 - ii. extend the Date of Policy;
 - iii. insure against loss or damage exceeding the Amount of Insurance; or
 - iv. increase the Amount of Insurance.

14. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

15. CHOICE OF LAW AND CHOICE OF FORUM

- a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Identified Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.
- b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

16. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: _____ (fill in) _____.

NOTE: Bracketed [] material optional

NEW MEXICO TITLE INSURANCE ENDORSEMENTS

**NM FORM 13: PLANNED UNIT DEVELOPMENT—ASSESSMENTS PRIORITY
ENDORSEMENT**

**Planned Unit Development—Assessments Priority Endorsement
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. The priority of any lien for charges and assessments in favor of any association of owners that are provided for in any document at Date of Policy and referred to in Schedule B over the lien of any Insured Mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

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.

[Witness clause optional]

[DATE]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

**NM FORM 13.1: PLANNED UNIT DEVELOPMENT – CURRENT ASSESSMENTS
ENDORSEMENT**

Planned Unit Development--Current Assessments Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. Any charges or assessments in favor of any association of owners, that are provided for in any document referred to in Schedule B, due and unpaid at Date of Policy.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

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.

[Witness clause optional]

[DATE]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

NM FORM 14: VARIABLE RATE MORTGAGE ENDORSEMENT

Variable Rate Mortgage Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. As used in this endorsement, "Changes in the Rate of Interest" mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company 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 Changes in the Rate of Interest.
 - b. the loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, which loss of priority results from Changes in the Rate of Interest.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, based upon usury law or Consumer Protection Law.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

**NM FORM 15: VARIABLE RATE MORTGAGE--NEGATIVE AMORTIZATION
ENDORSEMENT**

Variable Rate Mortgage--Negative Amortization Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. As used in this endorsement, "Changes in the Rate of Interest" mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.

2. The Company 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:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. the addition of unpaid interest to the principal balance of the loan.

 - b. the loss of priority of the lien of the Insured Mortgage as security for the principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, interest on interest, or any unpaid interest which was added to the principal balance in accordance with the provisions of the Insured Mortgage, which loss of priority results from:
 - i. Changes in the Rate of Interest;
 - ii. interest on interest; or
 - iii. the addition of unpaid interest to the principal balance of the loan.

3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, based upon usury law or Consumer Protection Law.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

**NM 16.1: MANUFACTURED HOUSING—CONVERSION—LOAN POLICY
ENDORSEMENT**

Manufactured Housing—Conversion—Loan Policy Endorsement

Attached to Policy No. _____

Issued by

BLANK TITLE INSURANCE COMPANY

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.
2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
 - a. A manufactured housing unit is not located on the land described in Schedule A.
 - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
 - c. The owner of the land described in Schedule A is not the owner of the manufactured housing unit.
 - d. Any lien is attached to the manufactured housing unit as personal property, including:
 - i. a federal, State, or other governmental tax lien;
 - ii. UCC security interest;
 - iii. a motor vehicular lien; or
 - iv. other personal property lien.
 - e. The lien of the Insured Mortgage is not enforceable against the Title.
 - f. The lien of the Insured Mortgage is not enforceable in a single foreclosure procedure.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

**NM FORM 16.2: MANUFACTURED HOUSING—CONVERSION--OWNER’S
POLICY ENDORSEMENT**

Manufactured Housing—Conversion—Owner’s Policy Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.

2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
 - a. A manufactured housing unit is not located on the land described in Schedule A.
 - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
 - c. The Insured is not the owner of the manufactured housing unit.
 - d. Any lien is attached to the manufactured housing unit as personal property, including:
 - i. a federal, State, or other governmental tax lien;
 - ii. UCC security interest;
 - iii. a motor vehicular lien; or
 - iv. other personal property 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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

NM FORM 20: LEASEHOLD - OWNER'S

Leasehold - Owner's

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. "Lease": the lease described in Schedule A.
- c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted.
- g. "Tenant Leasehold Improvements": Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Insured, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(ii) of the Conditions:

- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
 - b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
 - c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
 - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
 - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
 - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
 - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.
4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____

Authorized Signatory

NM FORM 21: LEASEHOLD LOAN ENDORSEMENT

Leasehold Loan Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. "Lease": the lease described in Schedule A.
- c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Tenant has been Evicted.
- g. "Tenant": the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
- h. "Tenant Leasehold Improvements": Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Tenant's expense or in which the Tenant has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Tenant, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(iii) of the Conditions:

- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
 - b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
 - c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
 - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
 - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
 - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
 - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.
4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
 Authorized Signatory

NM FORM 24: ASSIGNMENT ENDORSEMENT

Assignment Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the “Assignee” is amended to read: _____.
2. The Company insures against loss or damage sustained by the Assignee by reason of:
 - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee: _____;
 - b. Any modification, partial or full reconveyance, release, or discharge of the lien of the Insured Mortgage recorded on or prior to the Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except: _____.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
 - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
 - b. if the note or notes are transferable records, the Assignee has “control” of the single authoritative copy of each “transferable record” as these terms are defined by applicable electronic transactions laws.

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 of Endorsement:

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM Form 24.1: ASSIGNMENT AND DATE DOWN

Assignment and Date Down

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the “Assignee” is amended to read: _____.
2. The Company insures against loss or damage sustained by the Assignee by reason of:
 - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee: _____;
 - b. Any liens for taxes or assessments affecting the Title that are due and payable on the Date of Endorsement, except: _____;
 - c. Lack of priority of the lien of the Insured Mortgage over defects, liens, or encumbrances other than those shown in the policy or a prior endorsement, except: _____;
 - d. Notices of federal tax liens or notices of pending bankruptcy proceedings affecting the Title and recorded subsequent to the Date of Policy in the Public Records and on or prior to the Date of Endorsement, except: _____;
 - e. Any modification, partial or full reconveyance, release or discharge of the lien of the Insured Mortgage recorded on or prior to Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except: _____.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
 - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
 - b. if the note or notes are transferable records, the Assignee has “control” of the single authoritative copy of each “transferable record” as these terms are defined by applicable electronic transaction laws.

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 of Endorsement:

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 29: ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT

Environmental Protection Lien Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The insurance afforded by this endorsement is only effective if the Land is used or is to be used primarily for residential purposes.
2. The Company insures against loss or damage sustained by the Insured by reason of lack of priority of the lien of the Insured Mortgage over:
 - a. any environmental protection lien that, at the Date of Policy, is recorded in those records established under State statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge, or is filed in the records of the clerk of the United States district court for the district in which the Land is located, except as set forth in Schedule B; or
 - b. any environmental protection lien provided by any State statute in effect at the Date of Policy, except environmental protection liens provided by the following State statutes:

[Drafting Instruction: List the relevant State statutes, if any; if none, specify "none".]

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

NM FORM 30: CONDOMINIUM—CURRENT ASSESSMENTS ENDORSEMENT

Condominium—Current Assessments Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction:
 - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
 - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. Any charges or assessments provided for in the State condominium statutes and condominium documents due and unpaid at the Date of Policy.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 46: JR 1 ENDORSEMENT

JR 1 Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

- 1. This endorsement is subject to the Exclusions from Coverage, the Exceptions contained in Schedule A and the Conditions in the policy.
- 2. Date of Endorsement: _____ [or the date of recording of the Insured's Mortgage, whichever is more recent].
- 3. The Insured's Mortgage means: *(describe the Insured's Mortgage)*.
- 4. The Company insures against loss or damage sustained by the Insured by reason of:

Any document purporting to vest the Title recorded in the Public Records subsequent to Date of Policy and on or prior to Date of Endorsement, except:

- [i.
- ii.
- iii.]

b. Any Monetary Lien other than the Insured's Mortgage, recorded in the Public Records subsequent to Date of Policy and on or prior to Date of Endorsement except:

- [i.
- ii.
- iii.]

- 5. 5. If the box is checked, this policy incorporates the NM Form 47 JR 2 Endorsement:

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.

[Witness clause optional]

TITLE INSURANCE COMPANY:

By: _____

Authorized Signatory

NM FORM 47: JR 2 ENDORSEMENT

JR 2 Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. This endorsement is subject to the Exclusions from Coverage, the Exceptions contained in the Schedule and the Conditions in the policy.
2. This endorsement applies if:
 - a. The Identified Mortgage creates a valid and enforceable lien on the Title;
 - b. The borrower named in the Identified Mortgage ("Borrower") is the owner of the Title at the date an advance is made pursuant to the note or agreement secured by the Identified Mortgage;
 - c. The Identified Mortgage secures repayment of future advances; and
 - d. The policy has been endorsed with an NM Form 46, JR 1.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A future advance secured by the Identified Mortgage not having the same priority over a Monetary Lien as the Identified Mortgage, except for the following matters:
 - i. Ad valorem taxes or assessments;
 - ii. Federal tax liens;
 - iii. Environmental protection liens;
 - iv. Monetary Liens or claims of lien Known to the Insured prior to the date of an advance; or
 - v. Monetary Liens or claims of lien for services, labor, materials or equipment.
 - b. The invalidity or unenforceability of the lien of the Identified Mortgage resulting from the provisions of the Identified Mortgage which provide for changes in the rate of interest.
 - c. Loss of priority of the lien of the Identified Mortgage resulting from changes in the rate of interest calculated in accordance with the formula provided in the Identified Mortgage at the date it is recorded in the Public Records.
4. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, resulting from:
 - a. The failure of:
 - i. the Borrower to own the Title;
 - ii. the Identified Mortgage to create a valid and enforceable lien on the Title;
 - iii. the Identified Mortgage to have priority, except to the extent expressly provided in Section 3 of this endorsement; or
 - b. The application of:
 - i. usury law,
 - ii. Consumer Protection Law, or
 - iii. federal bankruptcy, state insolvency, or similar creditors' rights law.

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.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 58: FIRST LOSS—MULTIPLE PARCEL TRANSACTION ENDORSEMENT

First Loss—Multiple Parcel Transaction Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

This endorsement is effective only if the Collateral includes at least two parcels of real property.

1. For the purposes of this endorsement:
 - a. “Collateral” means all property, including the Land, given as security for the Indebtedness.
 - b. “Material Impairment Amount” means the amount by which any matter covered by the policy for which a claim is made diminishes the value of the Collateral below the Indebtedness.
2. In the event of a claim resulting from a matter insured against by the policy, the Company agrees to pay that portion of the Material Impairment Amount that does not exceed the extent of liability imposed by Section 8 of the Conditions without requiring:
 - a. maturity of the Indebtedness by acceleration or otherwise,
 - b. pursuit by the Insured of its remedies against the Collateral, or
 - c. pursuit by the Insured of its remedies under any guaranty, bond or other insurance policy.
3. Nothing in this endorsement shall impair the Company’s right of subrogation. However, the Company agrees that its right of subrogation shall be subordinate to the rights and remedies of the Insured. The Company’s right of subrogation shall include the right to recover the amount paid to the Insured pursuant to Section 2 of this endorsement from any debtor or guarantor of the Indebtedness, after payment or other satisfaction of the remainder of the Indebtedness and other obligations secured by the lien of the Insured Mortgage. The Company shall have the right to recoup from the Insured Claimant any amount received by it in excess of the Indebtedness up to the amount of the payment under Section 2.

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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____

Authorized Signatory

NM FORM 64: ZONING ENDORSEMENT

Zoning Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. For purposes of this endorsement, "Zoning Ordinance" means a zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.

2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
 - a. According to the Zoning Ordinance, the Land is not classified Zone _____;
 - b. The following use or uses are not allowed under that classification: _____.

3. There is no liability under this endorsement based on:
 - a. The lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 3.a. does not modify or limit the coverage provided in Covered Risk 5.
 - b. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
 - c. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 65: ZONING--COMPLETED STRUCTURE ENDORSEMENT

Zoning--Completed Structure Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. For purposes of this endorsement, "Zoning Ordinance" means a zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.

2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
 - a. According to the Zoning Ordinance, the Land is not classified Zone _____;
 - b. The following use or uses are not allowed under that classification: _____;
 - c. There is no liability under Section 2.b. if the use or uses are not allowed as the result of any lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 2.c. does not modify or limit the coverage provided in Covered Risk 5.

3. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a State or federal court having jurisdiction either prohibiting the use of the Land, with any existing structure, as specified in Section 2.b. or requiring the removal or alteration of the structure because, at the Date of Policy, the Zoning Ordinance has been violated with respect to any of the following matters:
 - a. The area, width, or depth of the Land as a building site for the structure;
 - b. The floor space area of the structure;
 - c. A setback of the structure from the property lines of the Land;
 - d. The height of the structure; or
 - e. The number of parking spaces.

4. There is no liability under this endorsement based on:
 - a. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
 - b. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 65.1: ZONING—LAND UNDER DEVELOPMENT ENDORSEMENT

Zoning—Land Under Development Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. For purposes of this endorsement:
 - a. “Improvement”: A building, structure, road, walkway, driveway, curb, subsurface utility, or water well existing at the Date of Policy or to be built or constructed according to the Plans that is or will be located on the Land, but excluding crops, landscaping, lawns, shrubbery, or trees.
 - b. “Plans”: Those site and elevation plans made by [*name of architect or engineer*] dated ____, last revised _____, designated as [*name of project*] consisting of ___ sheets.
 - c. “Zoning Ordinance”: A zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.

2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
 - a. According to the Zoning Ordinance, the Land is not classified Zone _____;
 - b. The following use or uses are not allowed under that classification: _____;
 - c. There is no liability under Section 2.b. if the use or uses are not allowed as the result of any lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 2.c. does not modify or limit the coverage provided in Covered Risk 5.

3. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a State or federal court having jurisdiction either prohibiting the use of the Land, with any Improvement, as specified in Section 2.b. or requiring the removal or alteration of the Improvement because, at the Date of Policy, the Zoning Ordinance has been violated with respect to any of the following matters:
 - a. The area, width, or depth of the Land as a building site for the Improvement;
 - b. The floor space area of the Improvement;
 - c. A setback of the Improvement from the property lines of the Land;
 - d. The height of the Improvement; or
 - e. The number of parking spaces.

4. There is no liability under this endorsement based on:
 - a. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
 - b. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 71: FUTURE ADVANCE--REVERSE MORTGAGE ENDORSEMENT

Future Advance--Reverse Mortgage Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The insurance for Advances added by Sections 3 and 4 of this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.
2. The following terms when used in this endorsement mean:
 - a. "Advance": Only an advance of principal 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.
 - b. "Agreement": The note or loan agreement, the repayment of Advances under which is secured by the Insured Mortgage.
 - c. "Changes in the Rate of Interest": Only those changes in the rate of interest calculated pursuant to a formula provided in the Insured Mortgage or the Agreement at the Date of Policy.
3. The Company 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, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
 - i. re-Advances and repayments of Indebtedness;
 - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage;
 - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located 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 invalidity or unenforceability of the lien of the Insured Mortgage because of the failure of the mortgagor to be at least 62 years of age at the Date of Policy.
4. The Company further 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 of the Indebtedness.
 - b. The lack 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 lack of priority is caused by:
 - i. Changes in the Rate of Interest;

- ii. interest on interest; or
- iii. increases in the principal of the Indebtedness resulting from the addition of unpaid interest.

As used in Section 4, “interest” includes lawful interest based on appreciated value.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees, or expenses) resulting from:
- a. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for any Advance 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 lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
 - c. The lack 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. Knowledge of the Insured that a federal tax lien was filed against the mortgagor; or
 - ii. the expiration, after notice of a federal tax lien filed against the mortgagor, of any grace period for making disbursements with priority over the federal tax lien provided in the Internal Revenue Code (26 U.S.C.);
 - d. Any federal or state environmental protection lien[; or]
 - e. Any usury law or Consumer Protection Law[; or]
 - f. Any mechanic’s or materialman’s lien].
6. The Indebtedness includes Advances.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 73: MULTIPLE TAX PARCEL—EASEMENTS ENDORSEMENT

Multiple Tax Parcel--Easements Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of:

1. those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification numbers or those tax identification numbers including any additional land:

Parcel:

Tax Identification Numbers:

2. the easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes, assessments or other charges imposed on the servient estate by a governmental authority.

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.

[Witness clause optional]

[DATE]

BLANK TITLE INSURANCE COMPANY

By: _____

Authorized Signatory

NM FORM 75: SUBDIVISION ENDORSEMENT

Subdivision Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to constitute a lawfully created parcel according to the State subdivision statutes and the subdivision ordinances of the county or municipality of the State applicable to the Land.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

NM FORM 80: MORTGAGE MODIFICATION ENDORSEMENT

Mortgage Modification Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and
 - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: *[Drafting Instruction: Specify exceptions, if any]*

2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

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 of Endorsement:

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____

[Authorized Signatory]

**FORM 80.1: MORTGAGE MODIFICATION
WITH SUBORDINATION ENDORSEMENT**

Mortgage Modification With Subordination Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated _____, recorded _____ (“Modification”); and
 - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: *[Drafting Instruction: Specify exceptions, if any]*
 - c. The following matters not being subordinate to the lien of the Insured Mortgage: *[Drafting Instruction: Specify subordinate matters, if any]*

2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason, unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

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 of Endorsement:

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

**NM FORM 80.2: MORTGAGE MODIFICATION WITH ADDITIONAL AMOUNT OF
INSURANCE ENDORSEMENT**

Mortgage Modification With Additional Amount of Insurance Endorsement

This Endorsement is issued as a Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. For purposes of this endorsement only:
 - a. "Modification": The agreement between _____ and _____ dated _____ [and recorded _____ as document number _____].
 - b. "Date of Endorsement": _____.
2. The Amount of Insurance is increased to \$ _____.
3. Subject to the exclusions in Section[s] 4[and 5] of this endorsement, the Exclusions from Coverage, the Exceptions contained in Schedule B, and the Conditions contained in the policy, and any exclusion or exception in any prior endorsement, the Company insures as of the Date of Endorsement against loss or damage sustained by the Insured by reason of any of the following:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title as a result of the Modification;
 - b. The lack of priority of the lien of the Insured Mortgage over defects in or liens or encumbrances on the Title, except: *[Drafting Instruction: Specify additional exceptions, if any]*;
 - c. The failure of the following matters to be subordinate to the lien of the Insured Mortgage: *[Drafting Instruction: Specify matters to be insured as subordinate, if any]*.
4. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the Modification being a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
 - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
 - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- [5. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage because all applicable mortgage recording or similar intangible taxes were not paid at time of recording of the Modification].

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.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 83: CONSTRUCTION LOAN ENDORSEMENT

Construction Loan Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. Covered Risk 10.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
 - a. "Construction Loan Advance": An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
 - b. "Date of Coverage": _____ [Drafting Instructions: Insert a specific date], unless the Company sets a different Date of Coverage by a NM FORM 22 or NM FORM 84, as applicable, issued at the discretion of the Company.
 - c. "Mechanic's Lien": Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company 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 Construction Loan Advance made on or before the Date of Coverage;
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
 - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic's Lien, if notice of the Mechanic's Lien is not filed or recorded in the Public Records, but only to the extent that the charges for the services, labor, materials, or equipment for which the Mechanic's Lien is claimed were designated for payment in the documents supporting a Construction Loan Advance disbursed by or on behalf of the Insured on or before the Date of Coverage.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses by reason of any lien or claim of lien arising from services, labor, material, or equipment:
 - a. Furnished after the Date of Coverage; or
 - b. Not designated for payment in the documents supporting a Construction Loan Advance disbursed by or on behalf of the Insured on or before the Date of Coverage.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

NM FORM 83.1: CONSTRUCTION LOAN—DIRECT PAYMENT ENDORSEMENT

Construction Loan—Direct Payment Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. Covered Risk 10.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
 - a. “Construction Loan Advance:” An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
 - b. “Date of Coverage”: _____ [Drafting Instructions: Insert a specific date], unless the Company sets a different Date of Coverage by a NM FORM 22 or NM FORM 84, as applicable, issued at the discretion of the Company.
 - c. “Mechanic’s Lien”: Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company 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 Construction Loan Advance made on or before the Date of Coverage;
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
 - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic’s Lien, if notice of the Mechanic’s Lien is not filed or recorded in the Public Records, but only to the extent that direct payment to the Mechanic’s Lien claimant for the charges for the services, labor, materials, or equipment for which the Mechanic’s Lien is claimed has been made by the Company or by the Insured with the Company's written approval.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys’ fees, or expenses by reason of any lien or claim of lien arising from services, labor, material, or equipment:
 - a. Furnished after the Date of Coverage; or
 - b. To the extent that the Mechanic’s Lien claimant was not directly paid by the Company or by the Insured with the Company's written approval.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

**NM FORM 83.2: CONSTRUCTION LOAN—INSURED’S DIRECT PAYMENT
ENDORSEMENT**

Construction Loan—Insured’s Direct Payment Endorsement

This Endorsement is issued as Part of Policy Number _____

by

BLANK TITLE INSURANCE COMPANY

1. Covered Risk 10.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
 - a. “Construction Loan Advance”: An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
 - b. “Date of Coverage”: _____ *[Drafting Instructions: Insert Specific Date]* unless the Company sets a different Date of Coverage by a NM FORM 22 or a NM FORM 84, as applicable, issued at the discretion of the Company.
 - c. “Mechanic’s Lien”: Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company 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 Construction Loan Advance made on or before the Date of Coverage;
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
 - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic’s Lien, if notice of the Mechanic’s Lien is not filed or recorded in the Public Records, but only to the extent that direct payment to the Mechanic’s Lien claimant for the charges for the services, labor, materials, or equipment for which the Mechanic’s Lien is claimed has been made by the Insured or on the Insured’s behalf on or before the Date of Coverage.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys’ fees, or expenses by reason of any lien or claim of lien arising from services, labor, materials, or equipment:
 - a. Furnished after the Date of Coverage; or
 - b. To the extent that the Mechanic’s Lien claimant was not directly paid by the Insured or on the Insured’s behalf.

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.

[Witness clause]

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]