

COMMON TEXAS RESIDENTIAL POLICY ENDORSEMENTS

Loan Policy (T-2 or T-2R)



AREA AND BOUNDARY EXCEPTION AMENDMENT (THE SURVEY DELETION)

- Provides coverage by amending the area and boundary exception to delete all except "shortages in area" for matters that might be disclosed by a survey.
- No charge for an amendment on a Loan Policy.

BALLOON MORTGAGE ENDORSEMENT (T-39)

- Provides coverage that the insured lien is not invalid or unenforceable and that there is no loss of priority due to the balloon payment provision in the loan documents.
- Applicable when the Loan Policy includes a balloon payment rider.
- If issued simultaneously with the Loan Policy, the cost is \$25.00. If issued subsequent to the Loan Policy, the cost is \$50.00.

COMPLETION OF IMPROVEMENTS (T-3)

- Brings coverage to date as to Mechanic's Lien claims. Additional coverage may be provided if a satisfactory survey is made after completion of the improvements.
- Applicable when a Loan Policy was issued insuring a construction loan and improvements are completed.
- No charge for this endorsement on a Loan Policy.

CONDOMINIUM ENDORSEMENT (T-28)

- Provides coverage that the condominium unit is part of a condominium regime that satisfies Texas laws governing the creation and maintenance of condominiums.
- Applicable when a condominium unit secures the loan.
- No charge for this endorsement on a Loan Policy.

DOWN DATE ENDORSEMENT (T-3)

- Provides coverage by amending the Loan Policy liability amount to include the total amount of construction disbursements made as of the effective date of the endorsement.
- Applicable when construction advances are made on a construction loan insured by a Loan Policy.
- \$50.00

ENVIRONMENTAL PROTECTION LIEN (T-36)

- Provides coverage in case there are any existing liens regarding environmental issues
- Required by almost all lenders
- \$25.00

EQUITY LOAN MORTGAGE ENDORSEMENT (T-42)

- Provides coverage when the home equity loan is not invalid or unenforceable due to a failure to comply with the constitution, statutes and regulations application in home equity loans.
- The cost is 10% of the Basic Rate for a single-issue policy.

EQUITY LOAN MORTGAGE (SUPPLEMENTAL COVERAGE) ENDORSEMENT (T-42.1)

- Provides coverage that the home equity lien is not invalid, unenforceable, and that there is no loss of priority due to a lack of compliance with constitutional requirements.
- Applicable when a home equity loan is being insured and the T-42 Equity Loan Mortgage endorsement is also used.
- \$15% of the Basic Rate for a single-issue policy.

FUTURE ADVANCE/REVOLVING CREDIT ENDORSEMENT (T-35)

- Provides coverage that the loan is not invalid, unenforceable and there is no loss of priority of the loan.
- Applicable when a loan secures a revolving credit indebtedness that meets the criteria for the endorsement.
- \$50.00

MINERAL AND SURFACE DAMAGE ENDORSEMENT (T-19.2)

- Provides coverage against damage to improvements (excluding lawns, shrubbery or trees) located on the land resulting from the use of the surface for extraction or development of coal, lignite, oil, gas or other minerals.
- Applicable when the policy includes a general exception regarding minerals
- No charge for this endorsement on a loan policy.

TAX AMENDMENT ENDORSEMENT (T-30)

- Amends the tax exception in the loan policy to provide coverage against rollback taxes for prior years due to a change in land use or ownership.
- Applicable when lenders require, but not available if assessed taxes for the current year are based on agriculture or open-value valuation.
- \$20.00

TAX AMENDMENT ENDORSEMENT (T-3)

- Provides coverage that taxes for the current year are not yet due and payable.
- Applicable when lenders require and available when taxes for the current year are "not yet due and payable."
- \$5.00

PLANNED UNIT DEVELOPMENT ENDORSEMENT (T-17)

- Provides additional coverage to the lender with regard to restriction covenants, homeowner's association charges and assessments, encroachments and the exercise of rights of first refusal.
- Applicable when property is located in a platted subdivision or a condominium unit. This endorsement may not be issued with a Condominium Endorsement (T-28).
- \$25 for first loan policy. If additional loan policies are issued simultaneously, there is not an additional charge of the endorsement on any other simultaneously issued loan policies.

RESTRICTIONS, ENCROACHMENTS, AND MINERAL ENDORSEMENTS (T-19)

- Provides coverage to the lender against loss due to a present or future violation of CCRs affecting the property and protects against the encroachment of improvements and damage to improvements associated with the surface entry for mineral development.
- Applicable when a request for coverage is made against loss resulting from violations of CCR's or against encroachment of a damage to improvements caused by surface entry for mineral development.
- 5% of the Basic Rate for a single issue policy on Residential property, but with a minimum of \$50.00.

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