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**ALTA 14.3 FUTURE ADVANCE—REVERSE MORTGAGE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued 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]

