

## ISSUING GUIDELINES

### ALTA Endorsement: 13.1-06 (Leasehold)

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#### **Explanation:**

This endorsement may be used with ALTA Loan Policy 2006 that insures a loan secured by a leasehold estate. This endorsement contains provisions as to the valuation of the estate or interest insured in computing loss or damage under the policy and additional items of loss covered.

#### **Underwriting Requirements:**

1. Obtain and review a copy of the executed Lease Agreement, including all executed amendments.
2. Obtain and record either a recordable form of the Lease Agreement (and amendments) or a recordable Memorandum of Lease.
3. Add the terms, conditions and provisions of the Lease Agreement as an exception to Schedule B.
4. In order to accommodate customers obtain a current estoppel certificate from each of the Lessor and Lessee under the Lease Agreement certifying that (i) the Lease Agreement is in full force and effect, (ii) the copy attached to the estoppel is a correct and complete copy of the Lease Agreement, including all amendments, (iii) the parties are in compliance with the provisions of the Lease Agreement and (iv) there are no existing defaults under the Lease Agreement.
5. To the extent consent is required, include in the above referenced estoppel certificate from the Lessor, the Lessor's consent to the mortgage of the Leasehold Estate to the Insured.
6. Verify that all other required consents to the mortgage of the Leasehold Estate to the Insured have been obtained.
7. In the event the Lessee has obtained the Leasehold Estate by assignment, you must be satisfied that the assignment to the Lessee has been authorized and approved by the Lessor and to the extent required by others, such as a lender holding a lien on the Lessor's Land.
8. A complete examination of the fee title must be made in order to establish that the Lessor named in the Lease Agreement had fee title to the property described in the Lease Agreement at the time of the execution of the Lease Agreement.
9. All outstanding exceptions to the fee title prior to the recording of the Lease Agreement or the Memorandum of Lease must be shown as exceptions on Schedule B.

For further guidance, contact Dakota Homestead Underwriting.

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**Issuing guideline applies to the following Endorsement(s):**

ALTA 13.1-06 Leasehold - 2006 ALTA Loan Policy