

## ISSUING GUIDELINES

### ALTA Endorsement: 30-06 (Shared Appreciation Mortgage)

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#### **Explanation:**

This endorsement to a loan policy provides coverage for a "Shared Appreciation" mortgage as defined in the endorsements as "increases in the Indebtedness secured by the Insured Mortgage by reason of shared equity or appreciation in the value of the Land."

This endorsement insures against loss or damage sustained by reason of:

- (a) the invalidity or unenforceability of the lien of the Insured Mortgage as security for the Indebtedness caused by the shared appreciation provisions in the Insured Mortgage; or
- (b) loss of priority of the lien of the Insured Mortgage as security for the Indebtedness caused by the shared appreciation provisions in the Insured Mortgage.

This endorsement is subject to certain exclusions *and applies only to loan policies that insure mortgages against one-to-four family residential property.*

#### **Underwriting Requirements:**

1. Confirm that the property to be insured is a one-to-four family residential property.
2. Obtain and review a copy of the proposed insured mortgage (prior to execution) and verify that the mortgage contains provisions for shared equity or appreciation in the value of the Land.

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

ALTA 30-06 Shared Appreciation Mortgage - 2006 ALTA Loan Policy