

ISSUING GUIDELINES

ALTA Endorsement: 33-06 (Disbursement)

Explanation:

The ALTA 33-06 (Disbursement) is designed to be issued only in conjunction with the ALTA Construction Loan Endorsements 32-06, 32.1-06 and 32.2-06 and in connection with a construction loan disbursement during a construction project.

The ALTA Endorsement 33-06 (Disbursement) extends the Date of Coverage as defined in the ALTA 32, 32.1-06 and 32.2-06 Construction Endorsements, but does not change the effective Date of the Policy.

Underwriting Requirements:

1. ***Prior approval from Dakota Homestead is required prior to the issuance of ALTA 32-06, 32.1-06, 32.2-06, or 33-06.***
2. This endorsement should be used only for a loan policy during construction.
3. If the loan policy contains an ALTA Construction Loan Endorsement 32-06, 32.1-06, or 32.2-06, you should use only ALTA 33-06 Disbursement Endorsement to change the Date of Coverage. You should not use any other form of date down endorsement in connection with the issuance of ALTA 32-06, 32.1-06, or 32.2-06.
4. The issuance of an ALTA 33-06 is conditioned upon the lack of any filed or recorded mechanic's liens or notices of mechanic's liens, which have not been resolved to the satisfaction of Dakota Homestead (e.g. paid, bonded, etc.). Prior to the issuance of ALTA 33-06, an updated title search must be performed, which must not disclose any filed or recorded mechanic's liens or notices of mechanic's liens. You may not issue an ALTA 33-06 if your updated title search discloses any outstanding mechanic's liens or notices of liens which have not been resolved to the satisfaction of Dakota Homestead.
5. The issuance of ALTA 33-06 is subject to the following additional requirements at the time of each disbursement of proceeds of the construction loan:
 - A. an updated title search is made by the Company that reveals no liens, objections or any adverse changes in the title,
 - B. the contractor and owner furnish the Company satisfactory paid invoices, liens waivers, estoppel certificates and other evidence that all items from which a lien might arise, have been paid or otherwise satisfied, and
 - C. the Owner and Contractor furnish the Company satisfactory updated Affidavit and Indemnity Agreement(s) as to the matters referred to in B above.

6. The ALTA 33-06 contains several blanks and optional [bracketed] sections, which may be completed as follows:
 - A. **Date of Coverage:** The Date of Coverage will be determined as instructed by Dakota Homestead. The Date of Coverage will be dependent upon the specific aspects of the transaction and timely compliance with the requirements of issuance. The Date of Coverage may be amended from time to time to be the date of the current disbursement, the date of the prior disbursement, the date for which satisfactory proof of payment or lien waivers have been received, all as approved by Dakota Homestead.
 - B. **Current Disbursement / Aggregate Amount:** The Current Disbursement and Aggregate Amount will be determined as instructed by Dakota Homestead. These amounts can be inserted upon receipt by the Company of satisfactory proof of payment, pursuant to the applicable form of ALTA Construction Loan Endorsement, and if requested by the insured.
 - C. **Part I: Additional Schedule B, Part I Exceptions:** Insert all additional exceptions, if any, disclosed by your updated title search, using the following text: "Schedule B is hereby amended to add the following exceptions: ".
 - D. **Part II: Additional Schedule B, Part II Exceptions:** You may use this section to add additional subordinate matters, if any, disclosed by the updated title search, using the following text: "Schedule B-II is hereby amended to add the following exceptions: "

Issuing guideline applies to the following Endorsement(s):

ALTA 33-06 Disbursement - 2006 ALTA Loan Policy