**INSTRUCTIONS FOR ALTA ENDORSEMENT FORM 6**

**VARIABLE RATE MORTGAGE**

**PURPOSE OF ENDORSEMENT**

The ALTA 6 Variable Rate Endorsement, among other things, affords insured lenders with protection against loss by reason of the invalidity, loss of priority or unenforceability of the lien of the Insured Mortgage resulting from the provisions in the mortgage that provide for changes in the rate of interest (variable rate, convertible, renegotiable rate, or adjustable rate mortgages).

**UNDERWRITING REQUIREMENTS**

This endorsement may be issued provided that the mortgage to be insured discloses that the loan has a variable or adjustable interest rate based upon a formula that can be ascertained by referring to either the mortgage or the note referred to in the mortgage.

This endorsement may be incorporated into a Standard Loan Policy by checking the appropriate box at the bottom of the policy's Schedule B.

***Please contact a member of CATIC's underwriting staff if there are questions about the issuance of this endorsement.***

ALTA 6 VARIABLE RATE MORTGAGE ENDORSEMENT

This endorsement is issued as part of Policy Number

issued by CATIC

1. As used in this endorsement, “Changes in the Rate of Interest” mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.

2. 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 resulting from Changes in the Rate of Interest.

b. the loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, which loss of priority results from Changes in the Rate of Interest.

3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, based upon usury law or Consumer Protection Law.

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.

CATIC



JAMES M. CZAPIGA, PRESIDENT