

TO: Title Insurance Provider

FROM: Office of Legal Affairs
Michigan State Housing Development Authority

RE: PENDING DISBURSEMENTS ENDORSEMENT TO MORTGAGE LOAN POLICY

In the event that the mortgage loan being insured is a construction loan, the pending disbursements language appearing below is to be incorporated, verbatim, into the ALTA Loan Title Insurance Commitment and Policy you are preparing for submission to this Agency:

Anything herein contained to the contrary notwithstanding, liability hereunder is assumed only to the extent of \$---, being the aggregate of amounts actually disbursed at the date hereof under the terms of the mortgage set forth in Schedule A. Any disbursements made subsequent to the date hereof shall be insured only with the written approval of the Company. Such approval shall, as of the extended Date of Policy, have the effect of insuring such disbursements as a valid lien prior to any liens or other matters evidenced of record, except such as may be included in Schedule B, Part I, and prior to any unrecorded construction liens arising from non-payment of bills covering the improvements made prior to the date of the last sworn statement submitted, which date shall be set forth in the endorsement.

This policy does not insure against construction liens for labor and materials furnished subsequent to the last extended Date of Policy, nor does this policy guarantee completion of the improvements in progress, or their compliance with plans and specifications.