

MIDWESTERN EQUITY TITLE INSURANCE COMPANY (METIC)

HOME EQUITY LIEN PROTECTOR COVERAGE

SAMPLE

SECTION I B INSURING AGREEMENT

In consideration of the premium charged for this coverage, as set forth in the Declarations to the Policy, the Company will indemnify the **insured** for the **loss** sustained by the **insured** under a **loan** issued and premium paid during the policy period as a result of the risk set forth in the **Home Equity Lien Protector Coverage**, but only if such risk results in **impairment** of the **insured interest** in the **mortgage property** as of the **date of loss** during the Policy term and extended loss reporting period.

SECTION II B DEFINITIONS

As used in this policy, ACompany@, Awe@, Aus@, and Aour@ refer to **Midwestern Equity Title Insurance Company (METIC)**. AYou@ and AYour@ refer to the **insured**. Throughout this policy, certain defined terms are used, and are identified by bold face type. The meanings of these terms are as follows:

1. **AMortgage Property@** means a single family dwelling, or a multiple family dwelling of four units or less, used for non-commercial purposes. It does not include vacant land.
2. **ALoan@** means a mortgage, deed of trust, home equity loan, or home equity line of credit, executed by a **borrower** during the policy period in favor of the **insured**, secured by covered **mortgage property** of which the **borrower** holds title, and obtained for purposes other than the acquisition of **mortgage property** or the refinance of a mortgage or deed of trust obtained for acquisition of **mortgage property** and which was reported to the Company, and premium paid therefore. No **coverage** may be issued for more than **\$100,000** regardless of the principal amount of the **loan**.
3. **AInsured Interest@** means the balance owed to the **insured** by a **borrower** under the terms of a **loan**, excluding any unearned interest, payments more than one hundred twenty (120) days past due, insurance charges, late charges, penalties, attorneys= fees, collection costs, costs of **foreclosure**, title searches, taxes, or other charges.

4. **ADate of Loss@** means the earlier of the date of **foreclosure** or the **insured=s** acquisition of facts establishing the existence of the event included in the **Home Equity Lien Protector Coverage**.
5. **AImpairment@** means that the total amount recovered by or on behalf of the **insured**, whether through **foreclosure**, through guarantors, legal actions, proceeds from insurance policies other than this Coverage, or otherwise, is less than the **insured interest** at the **date of loss**.
6. **AForeclosure@** means the acquisition of complete and marketable title to **mortgage property**, whether through judicial, non-judicial, voluntary, or involuntary means, as the result of a **borrower=s** default under the payment obligations of a **loan**.
7. **AHome Equity Lien Protector Coverage@** means the existence of any unknown lien, easement, property interest, legal ownership in the collateral, or any unknown encumbrance to title to the **mortgage property** of which the **borrower** holds title which arises prior to issuance of the **loan**, subsequent to any prior mortgages, and subsequent to any deed of trust obtained for purposes of acquisition of such **mortgage property**, and which is found to have priority over the security interest in the **mortgage property** held by the **insured** pursuant to the **loan**, which reduces the amount payable to the **insured** as a result of **foreclosure**.
8. **ALoss@** means the amount of the **insured interest** as of the **date of loss**, reduced by any amounts paid or payable to the **insured** with respect to **mortgage property**, whether such payment is by virtue of **foreclosure**, sale, resale, insurance other than this Coverage, or otherwise, and further reduced by the applicable deductible.
9. **AExtended Loss Reporting Period@** means the earlier of the expiration or satisfaction of the **loan**, or one hundred **twenty (120)** months from the date of the **loan**.
10. **Aborrower@** means any individual or entity obligated to the **insured** under a **loan**, and includes any co-maker or guarantor.
11. **Aimpairment of Interest@** means that, as a result of covered **loan**, the value of the **mortgage property** at the **date of loss** is less than the **loan balance** at the **date of loss**.
12. **Ainsured@** means the entity designated as the Named Insured in the Policy Declarations, or any Additional Insured designated by Endorsement to this Policy.
13. **Aloan Balance@** means the amount owed to the **insured** by the **borrower** under a **loan**, not including unearned interest, insurance charges, collection costs, costs of **foreclosure**, late fees, taxes, amount over 120 days past due, or other charges.
14. **Aloan@** means an advance of money to or on behalf of a **borrower** by the **insured** under a written instrument that creates a security interest in **mortgage property** in favor of the **insured**.

SECTION III B CONDITIONS PRECEDENT

The Company shall not be obligated to make any payment under the **Home Equity Lien Protector Coverage** unless all the conditions of the Policy have been fulfilled, and unless each of the following has occurred:

1. There has been a default by a **borrower** in a payment obligation to the **insured** under a **loan**;
2. There has been an **impairment** of the **insured interest** in **mortgage property** as a result of an event covered by the **Home Equity Lien Protector Coverage**;
3. **Foreclosure** has been effectuated with respect to all **mortgage property** securing the **loan**;
4. Both the **date of loss** and **foreclosure** occur during the policy period or within the **extended loss reporting period**;
5. Notice of the **loss** has been given to the Company by the **insured** not later than ninety (90) days after the **date of loss**;
6. The **insured** has pursued all avenues to its right to payment with respect to its **insured interest** in **mortgage property** from all available sources, including, but not limited to, all **borrowers**, guarantors, any applicable insurance, or other source.
7. As a condition precedent to any claim, the insured lender must have required all normal customary procedures at or prior to loan origination including:
 1. Obtain a copy of the tax bill or the deed or the first mortgage.
 2. Obtain a credit bureau report within 60 days of loan origination.
 3. Owners affidavit of good and clear title to the property.
 4. Maintain complete loan files and records for covered properties for the term of coverage.

SECTION IV B EXCLUSIONS

This **Home Equity Lien Protector Coverage** does not apply to **loss** consisting of, caused by, contributed to, or arising from any of the following:

1. The intentional act or omission of the **insured** or others acting on the **insured's** behalf;

2. Any lien, easement, or other encumbrance upon **mortgage property** created by, known

to, acquiesced in, or agreed to by or on behalf of the **insured** at or before the issuance of the **loan**;

3. Any lien, easement, or other encumbrance disclosed in the credit report, **borrower=s** affidavit, original title policy, or other documents submitted to, prepared by, or obtained by the **insured** or its representative prior to the issuance of the **loan**;
4. Any lien, easement, or other encumbrance created subsequent to issuance of the **loan**;
5. Any **loan** where, at the time of issuance of such **loan**, all secured indebtedness pertaining to the **mortgage property** secured by the **loan** exceeds 100% of the commercially reasonable appraised value of the **mortgage property** at the time of such **loan**;
6. Any actual or alleged violation of consumer protection, usury, truth in lending, securities, or business licensing laws, whether state, federal, local, or otherwise;
7. Any statutory lien for services, labor, or materials arising from an improvement to or work upon **mortgage property** contracted for or commenced after issuance of the **loan**;
8. Any actual or alleged fraudulent conveyance, fraudulent transfer, preferential transfer, or equitable subordination asserted in any federal or state bankruptcy or insolvency proceeding;
9. Taxes or special assessments that become due and payable after issuance of the **loan**;
10. Any Covenants, Conditions & Restrictions, Association By-laws or Regulations, Architectural Guidelines, Aesthetic Guidelines, or equitable servitudes appearing in any public records with respect to the **mortgage property**;
11. The failure of or delay by the **insured** or its representative in the recordation or other filing of its security interest in **mortgage property**.

SECTION V B LIMIT OF LIABILITY

The liability of the Company under this Policy shall not exceed the per **loan** limit set forth in the Declarations, subject to an annual aggregate limit of \$1,000,000 for all **loans**, nor any aggregate or other limit of liability set forth therein.

The liability of the Company under this Policy shall not exceed the term limit per loan set forth in the Declarations.

SECTION VI B DEDUCTIBLE

Each event giving rise to a covered **loss** under this Policy shall be subject to a deductible in the amount set forth in the Declarations. Our payment obligation exists only to the extent that **loss** exceeds the applicable deductible.

SECTION VII B GENERAL CONDITIONS

The **insured**, subsequent to the termination of the policy, shall report to the Company on a monthly basis all **loans** for which coverage under this Endorsement is sought. Such reports shall be submitted not later than ten (10) days after the end of the calendar month, and no coverage under this Policy shall exist as to any **loan** not so reported and premium paid.

It is expressly understood and agreed that the only coverage afforded to the **insured** under this Policy is that provided under the **Home Equity Lien Protector** Policy.

Except as specifically modified by this Policy, all other provisions of the Policy remain in full force and effect.

Secretary

President

The Company has caused this Policy to be executed, but it shall not be valid unless countersigned by a duly authorized agent of the Company.

Dated: January 4, 2007

Authorized Agent

METIC HOME EQUITY LIEN PROTECTOR (*HELP*)

POLICY DECLARATIONS

These Declarations, together with the forms and Endorsements attached hereto, comprise the complete policy.

Policy Number: XXXX

Named Insured: The Anytown Bank
000 E. Main Street
P. O. Box 000
Anytown, USA

Producer: Robert Steele Agency, Inc.
11 Motif Boulevard
Brownsburg, IN 46112

POLICY INFORMATION

Policy Effective Date: XXXXXX, 2006

Policy Term: Continuous until canceled or otherwise terminated.

Premium Rate: \$00.00 per new loan, payable monthly.

HOME EQUITY LIEN PROTECTOR (*HELP*) COVERAGE

<u>Term Limit</u> <u>Per Loan</u>	<u>Per Loan</u> <u>Deductible</u>	<u>Per Loan</u> <u>Limit of Liability</u>	<u>Annual Aggregate</u> <u>Limit of Liability</u>
120 Months	\$1,000.00	\$100,000.00	\$1,000,000.00

FORMS AND ENDORSEMENTS

(By Form Number)

This policy is made and accepted subject to the foregoing provisions and any Endorsements for forms now or hereafter attached to the Policy. These Declarations are valid only if countersigned by an authorized representative of the Company

Dated: January 4, 2007

Countersignature of Authorized Agent

HOME EQUITY LIEN PROTECTOR (*HELP*)

Limited Title Insurance Policy for Equity Loans

MIDWESTERN EQUITY TITLE INSURANCE COMPANY (METIC)

(An Indiana Company Formed Specifically for Insuring Equity Loans)

**Midwestern Equity Title Insurance Company
11 Motif Boulevard
Brownsburg, IN 46112
800-678-0329
317-852-2822
Fax 317-852-6810**