

**NY STG TIRSA ALTA 40-06 TAX CREDIT–OWNER’S POLICY**

**ATTACHED TO A MADE A PART OF POLICY NUMBER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

ISSUED BY

STEWART TITLE GUARANTY COMPAN**Y**

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| --- |
| **File No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. This endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

* 1. “Tax Credit Investor” means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
  2. “Tax Credit” means a tax credit in effect at Date of Policy pertaining to the Land that is available to the Tax Credit Investor under an applicable section of the Internal Revenue Code or other applicable law.

3. The Company insures against loss or damage, not exceeding the Amount of Insurance, sustained by the Tax Credit Investor by a reduction in a Tax Credit that is caused solely by a defect, lien, encumbrance, or other matter insured against by the policy, subject to the limitations in Section 8(a) of the Conditions. The Company has no liability to the Tax Credit Investor under this endorsement until:

* 1. its liability and the extent of a loss insured against by the policy have been definitely fixed in accordance with the Conditions; and
  2. the Tax Credit Investor establishes the reduction in the amount of a Tax Credit.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees, or expenses) incurred in defending or establishing:

a. the eligibility of the Tax Credit Investor or the Land for a Tax Credit;

b. that the Tax Credit Investor or the Land is entitled to a Tax Credit; or

c. the existence, ownership, or amount of a Tax Credit.

5. The calculation of loss or damage under this endorsement shall be subject to Section 11 of the Conditions. In addition, the Company shall not be liable for duplicate recoveries of loss or damage to the Insured and Tax Credit Investor.

6. The Insured:

* 1. assigns to the Tax Credit Investor the right to receive any payment or portion of a payment for loss or damage otherwise payable to the Insured under Section 12 of the Conditions, but only to the extent of the reduction in the amount of a Tax Credit; and
  2. acknowledges that any payment made by the Company to the Tax Credit Investor under this endorsement shall reduce the Amount of Insurance as provided in Section 10 of the Conditions.

This endorsement is issued as part of the policy. Except to the extent expressly stated, 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.

**Agreed and consented to:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Insured

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[Tax Credit Investor]

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| |  | | --- | | Countersigned by: | | Authorized Countersignature | | Company Name | | City, State | |  |  |