

**VARIABLE RATE MORTGAGE ENDORSEMENT**

**NEGATIVE AMORTIZATION**

**- NEW YORK -**

**Attached to and made part of Policy Number:**

The Policy insures the owner of the indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the Insured Mortgage resulting from: (a) provisions in the loan documents secured by the Insured Mortgage at Date of Policy which provide for changes in the rate of interest; or (b) provisions in the Insured Mortgage which provide for the addition of unpaid interest to the principal balance of the loan provided the Insured Mortgage sets forth its terms of repayment as provided in Section 291 of the Real Property Law.
2. Loss of priority of the lien of the insured mortgage as security for the principal balance of the loan, including any unpaid interest which was added to principal in accordance with the provisions of the insured mortgage, which loss of priority is caused by: (a)provisions in the loan documents secured by the Insured Mortgage at Date of Policy which provide for changes in the rate of interest; or (b) provisions in the Insured Mortgage which provide for the addition of unpaid interest to the principal balance of the loan provided the Insured Mortgage sets forth its terms of repayment as provided in Section 291 of the Real Property Law.

"Changes in the rate of Interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the loan document secured by the Insured Mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof, including, without limitation, Section 8 of the Exclusions From Coverage, as added by the Standard New York Endorsement (Loan Policy), and of any prior endorsement thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the Date of Policy and any prior endorsements, nor does it increase the Amount of Insurance.

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

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