
**Endorsement to Mortgage Guaranty Master Policy
(Loans with Premium Amount
Included in the Loan's Principal Amount)**

The purpose of this Endorsement is to amend terms and conditions of the Policy with respect to the payment of Loss on a Loan which is calculated under the percentage guaranty option, if an amount representing all or a portion of the premium for coverage of such Loan is included in the original principal amount of the Loan. This Endorsement will apply to a Loan if the Application submitted by the Insured identifies the amount equal to such premium which is to be included in, and paid from, the original principal amount of the Loan. To the extent of any inconsistency or conflict between the terms of the Policy and this Endorsement, this Endorsement will control. The Policy is amended by adding, deleting, or amending the following terms and conditions, as indicated:

A. Section 6.2 of the Policy is amended by adding the following new paragraph (vi) and deleting the word "and" at the end of paragraph (iv) and replacing the period at the end of paragraph (v) with "; and":

(vi) If the percentage guaranty option is payable by the Company or used to calculate the pre-Claim sale option, an amount calculated as (A) the premium paid to the Company for coverage of the Loan, to the extent such premium was included in, and paid from, the original principal amount of the Loan and was identified as so included in the Application for coverage of the Loan received by the Company, multiplied by (B) a percentage (not to exceed one hundred percent) equal to the unpaid principal balance due under the Loan determined under Section 6.2 (a), divided by the original principal amount of the Loan.

B. Section 6.3 of the Policy is amended by deleting the first sentence of the last paragraph thereof and replacing it with the following:

In addition to the sum due pursuant to the option described above which the Company selects, the Loss payable by the Company will include (i) the other amounts provided for under Sections 6.5 or 7.2 when such Sections are applicable, and (ii) if the percentage guaranty option is payable by the Company or used to calculate the pre-Claim sale option, the amount calculated under Section 6.2 (vi), if applicable, with respect to the premium paid to the Company.

All terms capitalized will have the meanings set forth in the Policy, except as otherwise defined herein. Nothing herein contained will be held to vary, alter, waive or extend any of the terms and conditions of the Policy, or any amendments thereto, except as expressly set forth above.