
Endorsement to Mortgage Guaranty Master Policy (Deferred Initial Premium)

The purpose of this Endorsement is to amend the Policy to provide the terms for the insurance of Loans for which payment of the initial premium is deferred. 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 new Section 2.5 c. is added to the Policy, as follows:

- c. If the Loan is insured under a premium plan whereby payment of the initial premium is deferred and is not a condition to coverage being extended to the Loan, all of the following provisions shall apply to such Loan, notwithstanding any contrary provisions in this Section 2.5 of this Policy:
 - i) Payment of the initial premium shall be deferred to a date after which coverage has been extended to the Loan, as specified by the Company.
 - ii) Coverage shall become effective upon satisfaction of conditions prescribed by the Company, but payment of the initial premium shall not be a condition precedent to coverage being extended to such Loan.
 - iii) Except as provided below, if the initial premium is not paid within the time period required by the Company, coverage of such Loan will be terminated, retroactively to the Certificate Effective Date.
 - iv) If a Default on the Loan occurs after the Certificate Effective Date, but within the time period for payment of the initial premium, the Insured shall not be required to pay the initial premium when it becomes due, and coverage of such Default will continue, while such Default exists; and future payment of the initial premium and renewal premiums shall be governed by the following terms:
 - (1) If such Default is cured, the initial premium not paid during the period of Default shall be payable (unless previously paid by the Insured) within the time prescribed by the Company after notice from the Company in order to continue coverage, and renewal premiums on such Loan shall also be payable, as provided in Section 2.6 (a) of this Policy.
 - (2) If such Default is not cured and results in a Claim, the unpaid initial premium which was due shall be deducted from the payment of Loss due under Section 6.3.
 - v) Without changing how Section 2.6 (b) applies to renewal premiums, Section 2.6 (b) shall also apply to termination of coverage for non-payment of the initial premium, except that references in Section 2.6 (b) to "renewal premiums" shall instead be to "initial premium"; and references to "grace period" shall instead be to the "period for payment of the initial premium in Section 2.5".
 - vi) To the extent any other provisions of this Policy are in conflict or inconsistent with the terms of this paragraph (c), such provisions shall be waived or modified to make them consistent.

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.

Authorized Agent (if required)