

ISSUING GUIDELINES

ALTA Endorsement: 37-06 (Assignment of Rents or Leases)

Explanation:

This endorsement insures against:

- (a) any defect in the execution of an assignment of rents or leases document, or
- (b) any assignment of the lessor's interest in any lease or any assignment of rents affecting the Title and recorded in the Public Records at Date of Policy other than as set forth in any instrument referred to in Schedule B.

Underwriting Requirements:

1. Confirm that the assignment of rents and/or leases document is duly authorized and executed and acknowledged by the assignor (the mortgagor).
2. Confirm that the assignor (the mortgagor) is a validly existing entity in good standing.
3. Insert the title of the assignment of rents and/or leases document in section 2.a of the endorsement.
4. The assignment of rents and/or leases document must be recorded. The commitment and policy should show the assignment of rents and/or leases document in Schedule B.
5. This endorsement contains a bracketed option – Part II – of Schedule B, which is used for subordinate matters, where applicable.
6. If the assignment of rents and/or leases provision is contained solely in the Insured Mortgage, modify Section 2.a of the endorsement to refer to the Insured Mortgage shown on Schedule A.
7. Review all recorded documents for assignments of rents and/or leases. Schedule B should show as exceptions all documents that contain assignments of rents and/or leases, including mortgages or deeds of trust containing assignment of rents and/or leases provisions. It is not necessary to specifically identify the assignment of rents and/or leases aspect in the exception, nor is it necessary to create an additional, separate exception specifying the assignment of rents and/or leases aspect.

Issuing guideline applies to the following Endorsement(s):

ALTA 37-06 Assignment of Rents or Leases - 2006 ALTA Loan or Owner's Policy