

Section 5.15 Gap Coverage Endorsement

Instructions

The Gap Coverage Endorsement may be issued with the Commitment at the request of either the lender or the buyer, or both. When the transaction closes and the Gap Coverage requirements are complied with, Gap Coverage will guarantee the time period from the Effective Date of the Commitment through the date and time the deed and/or mortgage to be guaranteed are recorded. The documents must be recorded no later than the tenth day, following the date of the Pre-Closing Search Certification, that documents can be recorded in the County Recorder's Office. If a Closing Protection Letter is issued, Gap Coverage is automatically given to the Guaranteed through a Gap Coverage Rider to the Commitment and a separate Gap Coverage Endorsement is not necessary. The original effective date of the Commitment may be extended for up to six months based upon a Pre-Closing Search Certification, (Division Form PCS), assuming no new matters are disclosed on the PCS.

Prior to the closing, the participating abstractor should prepare a last minute search (Division Form PCS) and deliver it to the closer. A copy of Division Form PCS is attached to these instructions.

If no new matters are disclosed on the Division Form PCS, the loan can be closed and the funds disbursed. If any new matters are shown on the Division Form PCS, the closer may proceed with the closing only after consulting the participating attorney who prepared the preliminary opinion and/or Commitment and upon such terms and conditions as the participating attorney may require based on the relevant law, title standards and Division rules and requirements.

After closing, the mortgage and any other appropriate documents are recorded as soon as possible, but no later than the tenth day following the date and time of the Division Form PCS.

For a field-issued Certificate, retain a copy of the completed Division Form PCS in your file. If the Certificate is to be issued by Title Guaranty, please provide a copy of the completed Division Form PCS with the Application for Title Guaranty.

For nonresidential transactions needing Gap Coverage please contact the Division commercial department for guidance.

**PRE-CLOSING SEARCH CERTIFICATION
TITLE GUARANTY DIVISION**

COMMITMENT NO.:

LOAN CLOSER:

PROPOSED GUARANTEED(S):

ABTRACTOR:

ABST. OR PENCIL NOTES NO.:

PROPERTY ADDRESS:

BRIEF LEGAL:

NAME(S) OF SELLER(S):

NAME(S) OF BUYER(S) TO BE SEARCHED:

DATE AND TIME OF PRIOR CONTINUATION:

EFFECTIVE DATE AND TIME OF THIS CERTIFICATION:

(To be completed by abstractor)

The undersigned, acting in its capacity as a Participating Abstractor for the Title Guaranty Division of the Iowa Finance Authority, certifies that the appropriate records have been searched and that no matters affecting the title to the property described above have been filed between the effective date and time of the preliminary title opinion and the date and time shown above, except for the following: (To be completed by abstractor) _____

PARTICIPATING ABTRACTOR

BY

TITLE GUARANTY MEMBER #

DIVISION FORM: PCS

FILE NO.:

REVISED: 7/2005



Gap Coverage Endorsement

Commitment Number:

Notwithstanding anything to the contrary contained herein, the Division agrees that upon receipt of a properly executed Pre-Closing Search Certification (Division Form PCS), coverage hereunder and the Effective Date hereof shall be extended up to and including the recording of the deed and/or mortgage of the Proposed Guaranteed(s) identified in Schedule A hereof, provided that the documents are recorded no later than the tenth day, following the date of the Pre-Closing Search Certification, that documents can be recorded in the County Recorder's Office.

This Endorsement is issued as part of the Certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the Certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the Certificate 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 Certificate and of any prior endorsements.