

**Redline Compare of ALTA Endorsement 32.1 (2021 v 01.00 07-01-2021) against 32.1-06 (Revised 04-02-13 TC 12-01-2018)**

**ALTA 32.1 CONSTRUCTION LOAN—DIRECT PAYMENT ENDORSEMENT**

**Attached to**

**This endorsement is issued as part of**

**Policy No. Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

1. Covered Risk 11(a) of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the Policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:

~~“Date of Coverage”~~, is [ \_\_\_\_\_ ] [Date of Policy]

- a. ~~“Construction Loan Advance.” An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.~~
- b. ~~“Date of Coverage”:~~ \_\_\_\_\_ [Drafting Instructions: Insert a specific date], unless the Company sets a different Date of Coverage by an ALTA 33-06 Disbursement Endorsement issued at the discretion of the Company.

~~a. —“Construction Loan Advance,” shall mean an advance that constitutes Indebtedness made on or before Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.~~

- c. ~~“Mechanic’s Lien,” shall mean any:~~ Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage;
  - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
  - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic’s Lien, if notice of the Mechanic’s Lien is not filed or recorded in the Public Records, but only to the extent that direct payment to the Mechanic’s Lien claimant for the charges for the services, labor, materials, or equipment for which the Mechanic’s Lien is claimed- has been made by the Company or by the Insured with the Company's written approval.

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4. This policy does not insure against loss or damage ~~(and the Company will not pay costs, attorneys' fees, or expenses)~~ by reason of any ~~Mechanic's Lien~~ lien or claim of lien arising from services, labor, material, or equipment:
- a. ~~furnished~~ Furnished after ~~the~~ Date of Coverage; or
  - b. ~~to~~ To the extent that the Mechanic's Lien claimant was not directly paid by the Company or by the Insured with the Company's written approval.

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

[Witness clause ~~optional~~]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]