

Tie-In/Aggregation Endorsements

By John C. Murray

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The Tie-In Endorsement (ALTA Form 12, which is attached hereto as **Exhibit A**), also referred to as a "Cluster" or "Aggregation" Endorsement, is typically issued when the insured indebtedness is secured by multiple mortgages that are insured by multiple policies, usually involving properties in several states. In these situations the mortgage filed in each state or recording district often will be for the full amount of the loan, thereby exceeding the value of the land described in each individual policy. The Tie-In Endorsement permits the insured to "tie" the cumulative liability of all the policies together to be available to any one or more of the properties for any given loss. Thus, if a property that sustains a loss has increased in value since the policy was issued, the insured can recover based on the increased value of that particular property. This endorsement provides great flexibility to the insured when making a claim.

Any payment by the title insurer on any of the policies listed in the Tie-In Endorsement will result in a reduction in the aggregate liability of the title insurer under all of the policies.

This endorsement normally will be issued only if the mortgages are cross-collateralized. It may be provided to an owner under certain circumstances (see F.A. Form 49.1, which is attached hereto as **Exhibit B**). Not all states are permitted to offer Tie-In/Aggregation Endorsements, so care should be taken in multi-state transactions to ascertain whether this endorsement is available in all the states involved.

A special "single form" First American Tie-In /Aggregation Endorsement (F.A. Form 49.2, which is attached hereto as **Exhibit C**) is designed to be used with an ALTA Loan Policy and is similar to the ALTA Form 12, except this single form can be set up to be attached to all policies being "tied" together. The list of policies in the body of the endorsement would include all policies, including the policy to which the endorsement is attached. In the space at the top of the endorsement that states "Attached to the Policy No." should be typed: "See List Below." This allows for the same endorsement to be affixed to all tied policies, instead of creating a unique endorsement for each separate policy. Not all states are permitted to offer this single-form Tie-In/Aggregation Endorsement, so care should be taken in multi-state transactions to ascertain whether this endorsement is available in all the states involved.

EXHIBIT A

ALTA Form 12 Aggregation/Tie-In - Lender

ENDORSEMENT

Attached to Policy No. _____

Issued By

First American Title Insurance Company

The following policies are issued in conjunction with one another:

Policy Number:	County:	State:	Amount:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Notwithstanding the provisions of Section 7(a)(i) of the Conditions and Stipulations of this policy, the Amount of Insurance available to cover the Company's liability for loss or damage under this policy at the time of Payment of Loss hereunder shall be the aggregate of the Amount of Insurance under this policy and the other policies identified above. At no time shall the Amount of Insurance under this policy and the other policies identified above exceed in the aggregate \$_____. Subject to the provisions of Section 9(a) of the Conditions and Stipulations of the policies, all payments made by the Company under this policy or any of the other policies identified above, except the payments made for costs, attorney's fees and expenses, shall reduce the aggregate Amount of Insurance pro tanto.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements.

Date: _____

First American Title Insurance Company

By: _____

Authorized Signatory

[ALTA Form 12](#)

EXHIBIT B

F.A. Form 49.1 Aggregation / Tie-In - Owner

ENDORSEMENT

Attached to Policy No. _____

Issued By

First American Title Insurance Company

This policy is issued in conjunction with the following policies:

Policy Number:	County:	State:	Amount:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Notwithstanding the provisions in Paragraph 7 (a)(i) of the Conditions and Stipulations of this Policy, the insurance coverage afforded in this Policy is aggregated with the insurance coverage of the policies identified above so the effective insurance coverage is \$ _____ and said amount shall be available for any loss or losses with respect to the property covered by this Policy and the policies listed above. The total liability of the Company under this and all policies identified above shall not exceed such aggregate amount but the Company's liability under this Policy for the land described in Schedule A remains limited by the provisions of Paragraph 7 (a)(ii) of the Conditions and Stipulations of this Policy. Any payment by the Company on this or any of the Policies listed above shall reduce the aggregate liability of the Company under all of said policies.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any prior endorsements, nor does it extend the effective date of the Policy and any prior endorsements.

[Note: When this endorsement is attached to a 1970 form policy, the reference to paragraph 7(a)(i) must be changed to paragraph 6(a)(ii) and the reference to paragraph 7(a)(ii) must be changed to paragraph 6(a)(i).]

Date: _____

First American Title Insurance Company

By: _____

Authorized Signatory

F.A. Form 49.1 (Revised 11-15-95)

ALTA Owners Aggregation

EXHIBIT C

F.A. Form 49.2 Aggregation/Tie-In - Lender, Single Form

ENDORSEMENT

Attached to Policy No. _____

Issued By

First American Title Insurance Company

This Policy is issued in conjunction with, and is one of the policies listed below.

The Company acknowledges that the land described in Schedule A of this Policy is part of the security for an indebtedness in the amount of \$ _____ from _____ to the insured, which indebtedness is also secured by mortgages or deeds of trust which are insured concurrently by the other policies listed below:

Policy Number:	County:	State:	Amount:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Notwithstanding the provisions in Paragraph 7 (a)(i) of the Conditions and Stipulations of this Policy, the insurance coverage afforded in this Policy is aggregated with the insurance coverage of the other policies identified above so the effective insurance coverage is \$_____ and said amount shall be available for any loss or losses with respect to the property covered by this Policy and the other policies listed above. The total liability of the Company under this and all policies identified above shall not exceed such aggregate amount but the Company's liability under this Policy for the land described in Schedule A remains limited by the provisions of Paragraph 7 (a)(ii) and 7 (a)(iii) of the Conditions and Stipulations of this Policy. Any payment by the Company on this or any of the policies listed above shall reduce the aggregate liability of the Company under all of said policies.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any prior

endorsements, nor does it extend the effective date of the Policy and any prior endorsements.

[Note: When this endorsement is attached to a 1970 form policy, the reference to paragraph 7 (a)(i) must be changed to paragraph 6 (a)(ii), and the reference to paragraph 7 (a)(ii) must be changed to paragraph 6 (a)(iii), and the reference to paragraph 7 (a)(iii) must be changed to paragraph 6 (a)(i).]

Date: _____

First American Title Insurance Company

By: _____

Authorized Signatory

[E.A. Form 49.2](#) (11-15-95)

ALTA Lenders Aggregation

Single Form - All Policies