

Evidence of Insurance Training Guide

Types of Policies:

- HO3 – SFR
- HO6- Condo
- Condo Master Policy
- Flood

General Requirements:

- QUOTES/Estimates will NOT be accepted
- Binders are acceptable on Purchase Transactions. Binder's must come with evidence the premium has been paid in full. Otherwise, a policy or Dec page is required.
- Policy must reflect total annual premium paid or balance due OR invoices are required (required invoice for all Refinance Transactions)
- Property address must match exactly how it is in Byte
- Loss Payee/Mortgage information must be listed on policy with no errors
- Loan # must be listed
- Policy number is required
- Borrowers only on the loan or title can be listed on the policy.
- All borrowers listed on the loan must be listed as insured.
- Can accept Manufactured Home but NOT Mobile home policy for SFR
- Loans closing in Entities – The entity name must be listed, the individual (guarantor) may also remain on the EOI
- **Investment Properties** – Require 6 months of Rent Loss Coverage. This is the amount listed on the 1007 or the rental agreement x 6 months. Amount or # of

months must be listed on policy. Ex: 1007 lists rents as 2,500 coverage would = $2,500 \times 6 = 15,000$.

- Note – **Rent loss** is labeled differently sometimes: Example: Fair Rental Market Value is one in the same as Rent Loss/Loss of Use. Any other name variation must be verified by the agent that it is the same as Rent Loss/Loss of Use

- **Paid Coverage/Effective Dated:**

- **Purchase** - Require 12 months paid coverage. Must be paid in full or paid through closing. Effective date must be within 30 days of funding
- **Refi** – Policy must be annual. Effective date must be prior to 30 days of expiration date or renewal is required
 - Renewal must be 12 month policy and must be paid through closing
 - Note: If new policy a payment must be made within the 30 days of the effective date or policy is considered expired and will need to have effective date updated
- **Refi** – require an invoice reflecting the current balance due if not reflected on the policy. Policy must show paid in full or \$0 invoice required. Outstanding premiums must be paid through closing.

HO3 Policies: Cond # 4404

- Dwelling coverage- needs to cover the loan amount or estimated cost new on the appraisal. Whichever is lower.
- **RCE**- Policy must equal what RCE replacement cost states and must be issued within 60 days of funding, but may have been created by the insurer at an earlier date.
 - Square footage must be equal to or within 3% of the subject property's square footage that shows on the appraisal. (Example: Subject property is 1000 sq ft on the appraisal we can accept a RCE with sq ft as low as 970)

- Note: RCE is not allowed in Florida. Can accept a processor cert (confirming that the amount of coverage is up to the company's replacement cost), OR an email where agent confirmed the same.
- Can use extended or guarantee replacement. A % or \$ amount must be provided
 - Note – If policy includes Extended or Guarantee Replacement, agent must confirm the total coverage amount or policy must indicate 100% Guaranteed Replacement cost
- Max Deductible = 2.5% of Dwelling Coverage but not more than \$5,000
- Should be uploaded and labeled in DV as Hazard Insurance Policy. Separate policy, RCE and invoice.

Status	Document Name	Comments
▼ Upload Date: Two Weeks Ago (2)		
Approved	Hazard Insurance Policy	Cond #4404
Approved	Hazard Insurance Policy	Cond #4404 RCE
Approved	Hazard Insurance Policy	Cond #4404 invoice





HO6 Policies: Cond # 4405

- Dwelling Coverage must be at least 20% of the reconciled appraised value
- Max Deductible = 1% of dwelling coverage but not more than \$3,000 Can accept \$1,000 deductible if this is the minimum the agent can provide
- Should be uploaded and labeled in DV as HO6 Policy

Status	Document Name	Comments
▼ Upload Date: Today (2)		
New Condit...	HO6 Policy	Cond #4405 invoice
New Condit...	HO6 Policy	Cond #4405

Condo Master Policies: Cond # 4406

- \$50,000 minimum Fidelity coverage (Employee Dishonesty/Crime) –
 - Fidelity/Crime coverage - Only needed if Walls IN **without** Ho6 policy. NOT needed on Walls Out policies
- 100% of common area is covered
- Include borrower name and address and unit #
- Reflects the correct HOA as insured
- Master Policies with Walls Out only – review policy for the following info:
 - Correct HOA name
 - Building where property is located
 - HO6 policy is required in addition to Master Policy
- Master Policies with Walls In – requires all the standard requirements above
 - If Walls in policy does not include improvements and betterments a separate HO6 policy is required cond # 4405
- Should be uploaded and labeled in DV as Condo Master Policy

 Status	Document Name	 Comments
▼ Upload Date: Monday (1)		
Approved	 Condo Master Policy	 Cond #4406

Flood Policies:

- Dwelling to cover loan amount/Estimated cost new or Maximum of \$250K
Max Deductible allowed is the lesser of 2.5% of coverage amount or \$5000

** if the Loan amount is 300,000.00, estimated Cost new is 275,000.00 we can accept a flood of 250,000. **

- Policy must be paid in full to be accepted with PIF invoice

Exceptions:

Any exception request must be sent to

Fundingexceptions@citadelservicing.com and contain the following information:

LTV: %

Specify Policy Type (*HO6/HO3/Master/Flood*):

Dwelling Coverage: \$

Estimated Cost New (*from appraisal; N/A Condo*): \$

Deductible: \$

Exception Request:

Fidelity Bond Exception requests require that CURRENT HOA financials be provided.

Are current HOA financials in DV *(YES/NO)*?