Hurricane Harvey Reference Guide
Table of Contents

Insurance Information.................................................................................................................. 2
FEMA Inspections......................................................................................................................... 3
GSE Guidelines On Loss Drafts ..................................................................................................... 4
Frequently Asked Questions ........................................................................................................ 7
Insurance Information

In the wake of Hurricane Harvey, Cenlar has been working with our third party insurance vendor, Assurant, to provide assistance to borrowers who are in a disaster zone designated by FEMA or other government agencies. Following are details of our hurricane-related response.

LPI Claims

- Claims Service team is available 24 hours a day, seven days a week to assist impacted borrowers who have a Lender Placed Insurance (LPI) policy in the filing of their claim, and they have increased staffing to adjust for anticipated high call volumes.
- Assurant has begun to run targeted ads in the hardest hit zip codes.
- CAT trailers are stationed in Houston, TX and Lafayette, LA.
- Their adjusters, through their Response Team, are working in the areas hit hardest by Harvey (including Harris, Nueces, San Patricio and Victoria counties).

Operations & Loss Draft

Programming is in place so that borrowers in the FEMA impacted zip codes will receive specific messaging when authenticated within the IVR; empathy messaging has been put in place before the IVR menu options.

- A remote site will be setup and opened September 25 and will run approximately 4-5 weeks. The remote site will be located in Houston, TX. Exact location pending.
- Call scripting has been updated to include contact information for FEMA, Texas Hurricane Center and the Red Cross.
- Staffing has been adjusted to enable faster response times.

Insurance Processing

- Policy Renewals and Cancellation for properties in the affected areas will be prioritized and monitored through a special work queue.
- Open items attempts will be prioritized by state and policy expiration dates.
- Texas Department of Insurance has asked and instructed insurers for forbearance to be implemented on the receipt of premiums.

Additional Enhancements On Cenlar’s Part

- We are in contact with GSE’s and Agencies regarding possible changes in Claim Limits
- We have initiated Loss Draft Disaster Pipeline Reporting
- We are reviewing opportunities to expedite disbursements to borrowers to reduce delays where appropriate.

Helpful Links and Numbers

- www.DisasterAssistance.gov - Website dedicated to Disaster Assistance for those affected.
- http://www.freddiemac.com/singlefamily/service/faq.pdf - Freddie Mac Disaster Relief FAQ.
- https://www.fanniemae.com/singlefamily/disaster-assistance - Fannie Mae Disaster Assistance Summary.
- Claims Department - 866-222-8118
- Disaster Recovery Team: 866-768-7354
FEMA Inspections

It may be in your best interest to order a specialized FEMA inspection through Cenlar’s approved vendors, on properties in a disaster zone designated by FEMA or other government agencies, for Individual Assistance. FEMA inspections help to better ascertain property condition, as well as possible loss, and provide additional detail as we discuss with your borrower future loss mitigation options that are available to assist. **Cenlar must be directed to order these FEMA inspections.** We will continue to order inspections on delinquent loans as per regular protocol.

**Price:** $30-$35

**General Scope of Inspection:**

- Determination of the level of damages affecting the neighborhood and surrounding area
- Determination of the level of damages affecting this property due to this disaster
- Damages are a result of: Wind, Water, Fire, Flood
- Eyeball estimate of damages, in Dollars
- Is the property habitable?
- Is there a FEMA trailer present at this property?
- Detail of damage

**Reimbursement of Fees**

- Please be advised that Cenlar has reached out to FHA/VA and USDA regarding costs of inspections and they have confirmed that the cost of FEMA inspections are at owner’s expense
- Fannie and Freddie have not indicated direction (Cenlar will continue to monitor)
- Asset Loans will be a Client Expense

To Initiate FEMA Inspections on properties please contact your client manager. Cenlar must be directed to order these FEMA Inspections.

Timeframes around the completion of the inspections may be delayed due to highly damaged or flooded areas not being accessible to inspectors or the demand for inspections may exceed inspector availability due to extent of damages. Cenlar will be working proactively with its vendors to timely complete these inspections.
GSE Guidelines On Loss Drafts

Non-Monitored (Endorse & Release)
Cenlar allows Loss Draft claims in the amount of $10,000 or less to be immediately endorsed and released to the homeowner (insured) for Fannie Mae loans, provided that the loan falls under the following guidelines:

- Loan is active.
- Loan is paid current or less than 31 days delinquent at the time we receive notification of damage.
- Cause of loss is not Asbestos, Bio-Hazard, and Clean-up, Mold, Lead, Sinkhole, Explosion, Earthquake or Landslide.

Assurant will open the claim on Black Knight (BKFS) with the subsequent release of funds.

Note: No Inspection Required

Monitored (Enhanced Endorse and Release)
Cenlar allows Loss Draft claims greater than $10,000 and less than or equal to $20,000 to be immediately endorsed and released to the homeowner (insured) for Fannie Mae loans provided that the loan falls under the following guidelines:

- Loan is active.
- Loan is paid current or less than 31 days delinquent at the time we receive notification of damage.
- 31 days or more delinquent at the time we receive notification of damage and the claim amount is less than or equal to $2,500.00.
- Cause of loss is not Asbestos, Bio-Hazard, and Clean-up, Mold, Lead, Sinkhole, Explosion, Earthquake or Landslide.

Assurant will open the claim on Black Knight (BKFS) with the subsequent release of funds after the receipt of the following documents.

- Adjuster’s Worksheet

Note: 1 final inspection is required – 100% completion

Monitored (Express Monitored)
Cenlar allows Loss Draft claims greater than $20,000 and less than $40,000 to be reviewed for an expressed monitored release.

- Loan is active.
- Loan is paid current or less than 31 days delinquent at the time we receive notification of damage.
- Cause of loss is not Asbestos, Bio-Hazard, and Clean-up, Mold, Lead, Sinkhole, Explosion, Earthquake or Landslide.

Assurant will open the claim on Black Knight (BKFS) with the subsequent release of funds following the below schedule - after the receipt of the following documents.
• Adjuster’s Worksheet
• W-9
• Signed Contract
• Contractor’s Waiver of Lien

Note: No Self-Contracting

1st Draw Process
• If all documents are received - release all funds to the homeowner, contractor, and all payees listed on the original claim check.
• Upon receipt of claim funds – if missing required documents, make 1 attempt to contact the homeowner for required documents.

Note: If the borrower has made advance payments to the contractor, then the servicer may reimburse the borrower by releasing insurance loss proceeds in excess of $20,000 payable to the borrower only. The servicer must obtain receipts/invoices from the borrower which confirm that the advance payments were made.

Note: 1 final inspection is required – 100% completion

Monitored
Cenlar allows Loss Draft claims equal to or greater than $40,000 to be reviewed for an expressed monitored release, or cause of loss is equal to the below or the loan is delinquent greater than 31 days at the time we are notified of the damage.

• Cause of loss is Asbestos, Bio-Hazard, and Clean-up, Mold, Lead, Sinkhole, Explosion, Earthquake or Landslide.

Assurant will open the claim on Black Knight (BKFS) with the subsequent release of funds following the below schedule - after the receipt of the following documents:

• Adjuster’s Worksheet
• W-9
• Signed Contract
• Contractor’s Waiver of Lien
• Copy of Contractor’s License
• Clearance/Stabilization tests/reports for cause of loss: Asbestos, Bio-Hazard, and Clean-up, Mold, Lead, Sinkhole, Explosion, Earthquake or Landslide.

Note: No self-contracting

1st Draw
• Issue up to the greater of $40,000, 10% of the UPB or the amount by which the release funds exceed the sum of the UPB, accrued interest and advances to the mortgage to the homeowner and all payees listed on the original claim check and contractor(s).
• **Note:** If the borrower has made advance payments to the contractor, then the servicer may reimburse the borrower by releasing insurance loss proceeds in excess of $20,000 payable to the borrower only. The servicer must obtain receipts/invoices from the borrower which confirm that the advance payments were made.

**Additional Draws**

• Upon receipt of a 50% or greater inspection result and required documents, issue ½ of the remaining funds payable to all payees listed on the original claim check and contractor(s).

**Final Draw**

• Receipt of 100% inspection completion issue balance of funds payable to all payees listed on the original claim check and contractor(s).

**Monitored (Delinquent)**

**1st Draw**

• Issue 25% of the claim funds up to $10,000 with receipt of all required documents. If the claim amount is less than or equal to $2,500, release the funds to the homeowner and contractor in 1 draw.

**Additional Draws**

• Based on 50% or greater inspection results, release 25% of the remaining funds payable to all payees listed on the original claim check and contractor(s). Additional draws of 25% for the remaining funds can be released with inspection results of 75% or greater.

**Final Draw**

• Receipt of 100% inspection completion, issue balance of funds payable to all payees listed on the original claim check and contractor(s).

**Note:** 2 inspections

• 1 Inspection of at least 50% to release additional funds.
• 1 Inspection with 100% completion.
• Delinquent loans – 3 inspections could be completed to release additional funds.
Frequently Asked Questions

**Q: What is forbearance?**
A: Forbearance is a temporary suspension of your monthly mortgage payment. During forbearance, your payments are suspended for a set period of time.

**Q: Am I eligible for forbearance?**
A: If you have been directly impacted either due to property damage and/or financially from the recent flooding, you qualify a forbearance plan for a minimum of 3 months in order to recover from this difficult time. Please contact our Disaster Recovery Team at 866-768-7354 for assistance.

**Q: Am I eligible if my employer has been impacted by the flooding?**
A: Yes. If your employment status has been impacted by the recent flooding, you may qualify for a forbearance plan due to the financial impact incurred. Please contact our Disaster Recovery Team at 866-768-7354 for assistance.

**Q: How will a forbearance plan impact my loan?**
A: A forbearance plan is a temporary suspension of your monthly mortgage payment. During the forbearance period, payments are not required. Also, credit reporting and late charges will be suppressed for the duration of the plan.

**Q: Do I need to apply for forbearance?**
A: If you are in a FEMA declared disaster area and your property or finances have been directly impacted by the disaster, upon contact with us, you will automatically qualify for a minimum 3 month forbearance plan. You will also receive an email and a letter outlining the terms of the forbearance plan. Please contact our Disaster Recovery Team at 866-768-7354 for information regarding the options available to you.

**Q: When will I need to repay the payments that were forborne during the plan?**
A: You will be contacted towards the end of the forbearance plan to reassess your current circumstances as well as be provided information on alternatives that may be available to you. In addition, we may be requesting additional information pertinent for the review.

**Q: Do I need to cancel my automatic monthly draft if I am on a forbearance plan?**
A: No. Your automatic monthly draft will be stopped when your forbearance plan begins.

**Q: Can forbearance be offered for longer than 3 months?**
A: Towards the end of the plan period, your hardship and financial status will be reassessed to determine eligibility for further workout options which may include an extension of the plan or a loan modification and may have additional eligibility requirements.

**Q: Can I continue to submit payments even if I am on a forbearance plan?**
A: Yes. If you are able to make payments sooner than the end of the forbearance, you may do so. However, you will not be required to make any payments during the plan period. Please note: Partial Payment(s) made through the plan period will be held in a suspense account specific to your loan and applied only when a full contractual payment is available. Payments will be applied to the oldest contractual Last Paid Installment due date.

**Q: Will the mortgage company be sending any documentation to FEMA on my behalf?**
A: You will need to contact FEMA directly to apply for disaster relief. If you have not already done so, please contact FEMA at 1-800-621-FEMA (3362), or visit FEMA online at DisasterAssistance.gov, to review assistance options that are available to you.
Q: Who should I contact regarding damage to my property?
A: You should contact your insurance company advising them of the damage to your property. If you have flood insurance and have not already begun the claim process, please contact your insurance carrier directly. Once the claim has been filed with your insurance carrier, you may contact our Claims department at 866-222-8118 or online at InsuranceClaimCheck.com/mortgage.

Q: What happens if I don’t have flood insurance?
A: If you do not have flood insurance, please contact FEMA at 1-800-621-FEMA (3362), or visit FEMA online at DisasterAssistance.gov, to review assistance options that are available to you.

Q: My loan is in my spouse’s name but I signed the deed at closing. Do I need to provide any information to my mortgage company?
A: If you are not a borrower on the loan, your spouse will need to provide verbal or written authorization in order to discuss details of the loan with us. Our Disaster Recovery Team is available to assist at 866-768-7354.

Q: I received a claims check from my flood insurance carrier and it is made out to my mortgage company.
A: Typically, your mortgage company will also be listed on your insurance claim check and therefore require our endorsement. This is due to both federal regulations and your mortgage agreement to ensure your property is restored back to normal as soon as possible. Once funds are received along with proper documentation, funds will be disbursed and mailed within 3-5 days. If your check is approved to be endorsed it will be mailed back within 2 days of receipt. Please contact our claims department at 866-222-8118 to begin the claim process.

Q: I received an emergency/mitigation funds check. How do I have the check endorsed?
A: Emergency checks may be referred to as “advanced checks,” “good faith checks” or “emergency checks” which are immediately issued by an insurance company before the adjustor worksheet is prepared. A claim check is considered an emergency check if the check stub or enclosed letter from the insurance company states the check was issued as “emergency funds.” Checks approved to be endorsed will be mailed back within 2 days of receipt. Please contact our claims department at 866-222-8118 to discuss the emergency check endorsement process.

Q: I have Lender Placed Insurance and need to file an insurance claim. How do I start this process?
A: The Houston Insurance Center has been established and is located at 303 Memorial City Way, Houston, TX 77024. Adjusters will be onsite to assist borrowers with their Lender Placed Insurance Claim.

Q: I’ve been approved for release of my claims funds. Is there someplace that I can go to obtain these funds?
A: A mobile site has been established and will be available to assist you as of September 25, 2017 and will be located in Houston, TX. The hours of operation for this mobile site will be Monday-Friday 8am to 6pm Central Time (9am to 7pm Eastern Time) and on Saturday from 8am to 1pm Central Time (9am to 2pm Eastern Time). Mobile site will be closed on Sundays. (Exact location in Houston, TX is still to be determined.)

Q: Is there someplace that I can go to speak with someone regarding my insurance claim?
A: A mobile site has been established and will be available to assist you as of September 25, 2017 and will be located in Houston, TX. The hours of operation for this mobile site will be Monday-Friday 8am to 6pm Central Time (9am to 7pm Eastern Time) and on Saturday from 8am to 1pm Central Time (9am to 2pm Eastern Time). Mobile site will be closed on Sundays. (Exact location in Houston, TX is still to be determined.)