

Borrower Name(s) – Must be on policy

Property Address – Must be exactly as it appears on the appraisal report

Effective Date – Must reflect a full year of coverage.

New Policies

The effective date be the day of closing or earlier but must be for current month the loan is closing.

Existing Policies

Policy must remain in force for a minimum of 60 days after funding (expiration date must be after first payment month)

Dwelling Coverage – Hazard

Coverage Requirements

- Non-streamlines – must meet one of the following:
 - Equal or exceed the loan amount; or
 - Must state coverage is based on replacement cost as determined by insurer; or
 - Equal or exceed the estimated rebuild cost from a Cost Estimator provided by the Insurance company (the cost estimator must reflect the policy number, or property address)
- Streamlines – Cost to Build New from the appraisal on previous loan or the insurance agent can provide

Deductible

- Conventional (**Excluding Jumbo/Specialty**)
 - 5% Max (same for wind coverage)
- Government (**Excluding USDA**)
 - AOP Deductible lessor of 5% or \$10,000
 - Hurricane/wind lessor of 5%
- Jumbo/Specialty
 - See product profiles/expanded guidelines
- USDA
 - Greater of either \$1000 or 1% of policy coverage

Miscellaneous Requirements

- Policy information may **not** be provided on a Binder Form or Application
- Deductible must be labeled as “Deductible”

Dwelling Coverage – Flood

*Borrower paid Flood Insurance must be impounded***Can Never Be Waived****

Coverage Requirements

- Equal to or exceed the dwelling amount on the hazard insurance or the max 250K allowed by NFIP

Flood companies do not use the replacement cost, however if the flood coverage equals the hazard coverage and the hazard is based off a RCE or has R/C verbiage that is okay.

- Streamlines – cost to Build New from the appraisal on the previous loan or the insurance agent can provide

Deductible

- Conventional
 - 5%
- Government
 - \$5,000

Miscellaneous

- Policy information may not be provided on a Binder Form
- Flood Application is only acceptable if it reflects all required information and executed by borrower and agent
- Must reflect flood zone
- We do not accept private flood policies on FHA loans-flood must be issued through the NFIP (see NFIP notes at the bottom of this document)

Retail/Wholesale Loss Payee – Must appear in its entirety (no changes, no abbreviations)

Paramount Residential Mortgage Group, Inc.
ISAOA
1265 Corona Pointe Court, Suite 301
Corona, CA 92879
Loan number:

Correspondent Loss Payee – Loss Payee must be in the Correspondent's name, not PRMG at closing

Blanket Policies (Condos/PUDS)

Must reflect hazard coverage, wind coverage, flood coverage (if applicable), liability coverage, Directors and Officers, coverage amounts, deductibles, and effective dates (good for one full year)

Deductible

- 5% max (if any policies deductible exceeds this, the borrower may purchase their own policy, but the coverage must cover the loan amount)

Miscellaneous Requirements

- If Master Hazard Policy does not include "Walls In coverage" borrower must get a HO-6 policy with the coverage amount that is sufficient to cover 100% replacement costs of the interior improvements determined by the insurer (the value cannot be arbitrarily set by the insurer, and must be determined by a formula or other acceptable method)
 - To determine if the HO-6 has sufficient coverage: (1) the HO-6 policy must state the coverage is at Replacement Cost for the interior; or (2) a Replacement Cost Estimator (RCE) to support coverage must be provided (RCE property)

Insurance Coverage and Guidelines

- characteristics must be consistent with appraisal); or (3) if neither 1 or 2 are available, use 20% rule of the appraised value.
- If the HO-6 does not include wind coverage, the master wind coverage must be divided by the number of units included in the policy and the divided coverage amount must cover the loan amount.
 - Master policy must reflect the borrower's name, address (including unit #) and Mortgage Clause.
 - Master Policy must reflect "Common Areas Included" in the policies
 - On attached PUDs where the borrower is responsible for their own dwelling coverage, the master policy is still required for common areas only (gatehouse, pool etc).
 - Master policy must reflect the number of units in the project or the number of units covered under each policy.
 - Master flood policy must reflect flood zone
 - Must have at least 60 days left on the policy from current date. Anything less and PRMG will require verification from the agency/HOA that it will be renewed.
 - On properties in a flood zone, that have HOA coverage, Mast flood insurance **is required** (borrower cannot have full personal policy)
 - If Master flood is at 100% replacement cost then you do not have to divide coverage by units, the master is sufficient on its own.
 - The Master flood must be equal to or exceed 80% of the replacement cost (RC) of the condo **and** you must divide coverage by units to ensure we meet the loan amount in coverage.

***A supplemental policy can make up the difference in the divided out Master policy amount and the loan amount, **Supplemental / personal** flood policies are **only allowed on conventional loans** when the master flood policy is insufficient.

NFIP Notes

The easiest way to tell if a flood policy is a NFIP policy on FHA loans is to check the coverages.

NFIP will only cover Building and Contents. If you see any coverages like the ones below, chances are it is a private policy and not NFIP. It is very rare to NOT have a NFIP policy on FHA since it is pretty much illegal, but sometimes, if a loan is flipped Conventional to FHA, the policy isn't updated to NFIP.

Att: Loan# 4254661443



WRIGHT
Wright National Flood Insurance Services, LLC
Wright Flood Insurance Services, LLC in California
P.O. Box 33095
St. Petersburg, FL 33733-8095
Customer Service: 1-800-643-8642
Claims: 1-800-725-0472

SIC-3 (NMA2868)
0731027
6/12/17
629 01219 PFLD RGLR
09 ACE006553 00

Flood Policy Declarations

This Declaration Page is attached to and forms part of Certificate provisions (Form SIC-3 (NMA2868))

| Certificate No | Previous No | Authority Reference No |
|-----------------|-------------|------------------------|
| 09 ACE006553 00 | None | B123016NNF1219 |

- Name and address of the Assured: [REDACTED]

Producing Agent Information:
 CONSUMERS CHOICE UNDERWRITERS
 YANIELIS FELIPE
 3600 RED RD STE 601A
 MIAMI, FL 33025

Property Location (if other than above): [REDACTED]
- Effective From: 5/22/17 to 5/22/18

both days at 12:01 a.m. standard time at location of the risk
- This evidence that insurance has been placed with certain: **UNDERWRITERS AT LLOYD'S, LONDON**

Percentage: 100%
- | Coverage including specification of property and risks insured against: | AMOUNT | PREMIUM |
|---|-----------|----------|
| BUILDINGS | \$250,000 | \$358.00 |
| PERSONAL PROPERTY COVERAGE | \$2,000 | \$12.00 |
| INCREASED COST OF COMPLIANCE | \$30,000 | \$3.00 |
| ADDITIONAL LIVING EXPENSE | \$5,000 | \$50.00 |
| EXCESS LOSS | | \$39.00 |
| SURPLUS LINES TAX | | \$23.49 |
| PAID SERVICE FEE | | \$1.87 |
| | | \$437.87 |