

INSURANCE REQUIREMENTS

Mortsoss	MASSITATE REQUIREMENTS
Mortgagee Clause	 Mortgagee Clause First Colony Mortgage Corporation It's Successors and/or Assigns ATIMA 2100 W Pleasant Grove Blvd, Suite 100 Pleasant Grove, UT 84062
Evidence of Policy Payment / Renewal Requirements	 Purchase Transactions: For purchase transactions, the closing file must contain a declarations page with an effective date on or before the closing date along with a paid receipt for one year. Evidence of payment may include:
Escrow Waivers (If Applicable)	 The requirement for an escrow account / impound account for the payment of property taxes and property insurance (except for flood insurance) may be waived or partially waived if all of the following conditions are met. Conventional loans only LTV 80% or less (LTV 90% or less in state of CA) Lock to reflect waived escrows Escrow Waiver Agreement signed by borrower(s) at closing In accordance with agency guidelines, First Colony Mortgage Corporation will require an escrow / impound account to be established for the payment of flood insurance premiums on all properties located in a flood zone. This requirement is effective regardless of LTV.
General Requirements	 At least one of the borrowers must be listed as the insured on the insurance policy and name must match the note. The property address must match the appraisal, note and security instrument. Insurance policies that provide for claims to be settled on an actual cash value basis are not acceptable. All policies must cover a full 12-month period. Acceptable evidence of insurance includes: Declarations page Certificate of Insurance Insurance Binder



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Property Insurance Requirements	 First Colony Mortgage Corporation conforms to Fannie Mae Guidelines for Property, Flood, and Project insurance requirements.
Special Notes Regarding	Unless stated otherwise in this section, First Colony Mortgage Corporation follows the applicable Agency guidelines with respect to flood insurance requirements.
Insurance	 Minimum Coverage Amount – Defining Replacement Cost Value Regarding coverage requirement of 100% of the replacement cost of the insurable value of the improvements, (also known as 100% replacement cost, or RCV) the insurable value of the improvements is determined using the greater of the values established by the hazard insurance provider or the flood insurance provider.
	Maximum Allowable Deductible for Flood Insurance on properties in a project development:
	 Maximum deductible for a master blanket policy is \$25,000.
	 Deductibles for master project and individual dwelling flood insurance policies must meet NFIP requirements for the type of improvements insured unless state law requires a higher maximum deductible amount. This requirement applies to both NFIP and private policies.
	■ PRIVATE FLOOD INSURANCE REQUIREMENTS – Effective July 1, 2019
	All private flood insurance policies must contain a statement or endorsement exactly as follows:
	"This policy meets the definition of private flood insurance coverage contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation."
USDA/RD Specific	USDA/RD has specific coverage and deductible requirements that must be met.
Property	HAZARD INSURANCE
Insurance	Required Coverage Amount
Requirements	 Replacement cost coverage in an amount equal to the insured value of the improvements or the unpaid principal balance.
	 Maximum Deductible Cannot exceed the greater of either \$1,000 or 1% of policy coverage.
	FLOOD INSURANCE
	 Required Coverage Amount Flood insurance must cover the lesser of the outstanding principal balance of the
	loan or the maximum amount of coverage allowed under FEMA's National Flood Insurance Program (NFIP).
	 Maximum Deductible Unless a higher amount is required by state or federal law (which includes FEMA