

Hazard Insurance Checklist

- Policy is legible
- Declaration page is required, print screens are not acceptable, applications are not acceptable.
- Annual premium is clearly shown on Declarations Page.
- Deductible is \$1000 or 2% of the dwelling coverage, whichever is less, for FHA and VA deals. Conventional is \$5000 or 5%, whichever is less.
- Due date is within 60 days of delivery to the investor. If within 60 days we need invoice to pay in full at closing or a paid receipt for one year.
- Effective date is day of closing or no more than 5 days prior to closing for a new policy.
- Names match exactly as listed on loan (vesting in trust should have natural names listed).
- Address matches exactly to Flood Certificate and Appraisal and is not truncated.
- Windstorm coverage is required for coastal properties in hurricane prone states, IE: Florida, Texas, Louisiana, etc. NOTE: If there is an active hurricane within 350 miles of a property, binders will typically not be issued or payment accepted for a binder. Do not close without verifying coverage currently IN PLACE if this is the case.
- Binders must have coverage for at least 60 days after the closing date and must have a paid receipt for one year. Binders must be acceptable to the end investor.
- Mortgagee Clause is listed as: Wintrust Mortgage Corporation, ISAOA, ATIMA 1S660 Midwest Road, Suite 100, Oakbrook Terrace, IL 60181
- Unit number is listed for condominium
- Flood insurance max coverage is \$250,000 per FEMA.
- Flood zone must be listed on the policy and exactly match the flood zone on the flood cert.

Dwelling Coverage must meet one of the following requirements:

- Equal to loan amount
- Equal to appraised value as listed on FHA connection (streamline without appraisal only). Requires Processor Cert.
- Equal to estimated cost new on Appraisal. Requires Processor Cert.
- Guaranteed replacement cost shows specific dollar amount or percentage of increased dwelling coverage and it also meets one of the above criteria using the increased coverage amount.
- HO6 is \geq 20% of the appraised value for dwelling coverage. Contents coverage is irrelevant for lending purposes.