

Mortgagee Clause and Additional Hazard Insurance Requirements

Home Owners Insurance Mortgagee Clause should read as follows:

**Towne Mortgage Company
ISAOA, ATIMA
P.O. BOX 7063
Troy, MI 48007-7063**

**Attn: Insurance Department "*Insert Loan Number*"
Loan #'s are to be included in the mortgagee
clause**

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- **Purchase** - All purchase transactions require a one-year homeowner's policy. Homeowners policy must at least cover the mortgage amount or 100% replacement cost.
 - **Refinance** - Towne requires that borrowers have at least 60 days remaining on the current policy as of the closing date. If less than 60 days remain, the borrower must prepay at least enough to meet the 60-day requirement.
 - All borrowers on the loan must be listed on policy.
 - Must be a full Homeowners policy (no applications, binders or quotes accepted)
 - The policy must contain the proper deductible for the program
 - **Conventional:** Mortgage deductible cannot exceed 5% of the face amount of insurance policy or \$5000.
 - **Condominiums:** Unless the master hazard includes "walls-in" coverage, minimum amount of "walls-in" (HO-6) coverage will be the lesser of 20% OR maximum allowed by the insurer. A letter from the insurer confirming the maximum amount allowed will be required if the HO-6 coverage falls below the 20% guideline.