

TOWNE MORTGAGE COMPANY

BULLETIN

TO: Our Valued Clients

DATE: March 4, 2016

SUBJECT: Flood Insurance Requirements

BULLETIN: 16-05

***** IMPORTANT NOTICE *****

Due to recent agency and regulatory updates regarding Flood Insurance Policies please see the attached revised Flood Insurance Policy and Flood Insurance Checklist.

Please note the following key changes:

- We are now able to accept flood insurance policies from the following sources:
 - A standard policy issued under NFIP (National Flood Insurance Program)
 - A SFIP (Standard Flood Insurance Policy) policy written by one of the approved Write Your Own property and casualty insurance companies. Company lists can be found at: https://www.fema.gov/wyo_company
 - A private insurance policy based on the following requirements:
 - Insurance company must meet licensure requirements
 - Coverage must be at least as broad as NFIP, evidenced by a letter from the insurance company stating that the coverage is "at least as broad" as the coverage of an NFIP policy.
 - The policy must include 45-day cancellation/nonrenewal notice, information about NFIP coverage, mortgage interest clause similar to FEMA's Standard Flood Insurance Policy (SFIP), 1-year legal recourse Clause, and cancellation provisions as restrictive as SFIP.
- Outbuildings that are not in service as a residence do not require flood insurance.
- An escrow account is required for all flood insurance policy premiums, regardless of whether escrow is waivable for other escrowed items.

Please contact your Account Executive with any questions.

Thank you,
Operations Group
Towne Mortgage Company