



## Hazard / Flood Insurance Information

- **Quotes** are not accepted and **Binders** are acceptable but need Proof of PIF
- **Invoice** Required for Refinances. Must show either Paid in Full or Balance Due.
- All **Borrower's** must be reflected. If Closing in an **Entity**, the Entity must be listed as an insured Party. Guarantor can be listed as either Primary or Additional Insured.
- **Address** – Must match the title report. Abbreviations are acceptable.
- **Effective Dates:** Purchase – Must be within 30 days of anticipated Funding Date.
  - Refis – Must have min days 45-60 days remaining on existing policy or renewal policy must be provided.
- Loss Payee / Mortgagee Information:
  - Citadel Servicing Corporation DBA Acra Lending ISAOA/ ATIMA**
  - PO Box 29411**
  - Phoenix, AZ 85038-9411**
  - Loan Number \*see approval\***
- **H03 Dwelling Coverage** amount needs to cover the lower of:
  - Loan Amount
  - Replacement Cost Estimator (validated by an RCE within the lasts 60 days)
    - In States where the RCE is not available, a statement from the agent confirming “100% replacement cost”, is acceptable. Can be listed on Dec Page or email directly from agent.
    - RCE should match the square footage on appraisal. Square footage must be equal to or within 3% variance of the subject property’s square footage per the appraisal.
  - Total Estimated Cost new on Appraisal.
- **H06 Dwelling Coverage:**
  - With “Walls in Coverage”, that provides coverage sufficient to repair the unit to its condition prior to a loss will **be as determined by the insurer.**
- **Deductibles:**
  - H03 – Max is 5% of the Dwelling amount or max of \$50,000.00
  - H06- Max is 1% of the dwelling amount, Max of \$3,000.00, always acceptable - \$1,000 or less.
- **Rent Loss** – If UW is utilizing rental income to qualify, must have min. 6 Months of Rent Loss Coverage. Rent loss = Loss of Use.
- **Wind or Hurricane Coverage-** is required for all loans. If Wind cov. is excluded from policy, borrower must obtain a stand-alone policy with Wind coverage.
- **Flood Insurance**
  - Max Dwelling \$250,000.00
  - Max Deductible is 2.5% of dwelling or max \$5,000.00
  - Applications – Acceptable but must be Paid In Full.
  - EOI / Dec Pages, Can be paid through Closing

- **Fair Plan (Fire Coverage Only)**
  - Fair Plan is supplemental fire coverage only.
  - FP is not acceptable as a stand-alone policy UNLESS the borrower obtains:
    - Supplemental Liability policy.
    - A DIC Policy (Difference in Conditions)
    - Or a supplemental Insurance policy/ Full HO3
  - The FP policy must meet all other lender coverage requirements.
  
- If the borrower holds an HO3 policy that meets lender requirements, there are no coverage requirements for FP, but the policy must include the lender's loss payee clause and loan number.
- If an HO3 policy specifically excludes Fire Coverage, the borrower is required to obtain fire coverage, either through the existing carrier or third party vendor.
- Acra lending cannot require a borrower to obtain coverage from a specific vendor.
- You may see Fair Plan in states like CA, LA, TX etc. **Ex. California Fair Plan (CAFP)**