



**Loss Claims Guideline for Portfolio Loans
1/1/2012**

Contact:

Loan Administrator II, Cincinnati, OH – For all life company serviced loans

I. Natural Disasters

- A. Upon the occurrence of a natural disaster such as a Hurricane, Flood, Tornado, etc all potentially effected properties in the life company loan portfolio, borrowers should be contacted for status of their properties within 48 hours after the disaster occurs.
- B. Please provide the status of each loan to the appropriate Lender Contact Person.

II. Notification of a Loss Claim

- A. Notification shall be provided to Lender Contact Person immediately upon the occurrence of any loss.

III. Submission of a Loss Claim

A. Documentation

- 1. Make certain the claim check is payable to the borrower and the Lender and subsequent Participating Investor (if applicable).
- 2. Adjuster's Summary
- 3. Inspection Report and photos of the damaged property
- 4. Contractor estimate
- 5. Contract signed by the borrower and contractor
- 6. Invoices
- 7. Lien Waivers

B. Submission

- 1. Documentation shall be provided to Lender Contact Person.
- 2. Correspondent shall provide a recommendation.

C. Fees

- 1. All claims will be subject to a fee. *See document named **Portfolio Fee Schedule.***
- 2. Checks should be payable to Summit Investment Partners and sent to the Loan Administrator II in the Cincinnati location.

3. Summit's processing fee may be deducted from the established reserve account for quicker service, however a borrower acknowledgement will be required before doing so.

IV. Claim Check

A. Depositing

1. Since each loss claim is different based upon dollar amount and status of repair, as directed by Lender, Correspondent may deposit funds in to an account endorsed by Lender (Correspondent is not authorized to sign on behalf of Lender).
2. Claim check should be fully endorsed by borrower prior to submitting to Lender.
3. When establishing these reserve accounts, it is important that borrowers are to have no rights or access to these accounts.
4. If the funds are deposited into a new bank account, a 'Bank Account Certification' must be completed and submitted for verification purposes. This will be an annual requirement with the other certifications until the claim is complete and the account is closed.
5. ING participant loans: In the event of draw requests, ING, being the lead investor, holds the funds if the claim is more than \$25,000.

V. Disbursements

- A. All disbursements, unless otherwise noted in the Mortgage or Deed of Trust, shall be at the discretion of Lender.
 1. All disbursement requests shall be accompanied by, but not limited to, lien waivers, proof of payment (i.e. cancelled checks) and borrower's written request.
 2. No Correspondent is authorized to make disbursements without Lender approval.
 3. Lender may request periodic inspections throughout the claim process to ensure repair is underway.

VI. Quarterly Reporting

- A. All loss claim funds being managed by the Correspondent are subject to reporting. Refer to the Reporting Section of the document named ***Reserves & Letter of Credit Guidelines for Portfolio Loans*** for reporting requirements.
- B. The quarterly reserve report should be sent to the Loan Administration Manager in Cincinnati.

VII. Completion

A. Final Inspection

1. Once all disbursements have been made and lien waivers have been obtained, a final inspection with photos should be performed as directed by Lender, to ensure that all work has been completed and repairs have been made.
2. Final inspection shall be provided to the appropriate Lender Contact Person with photos.

B. Title Update

1. Lender reserves the right to obtain title updates in order to determine the status of mechanic's lien.

Disclaimer:

Lender reserves the right to exercise all rights and remedies under the various loan documents.