

## Announcements

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Announcements:

### **Tax Service Fee on Conventional Loans**

Everyone, please note that effective immediately on all new conventional loans that are created in MBOT, all LE Branch Fee templates will now include a \$64 Tax Service Fee. This has been added and implemented to recoup the same charge FSB will incur on all conventional loans now sold to Freddie Mac, and subsequently serviced by DMI, Inc. (our sub-servicer).

### **Update on Soft-Pull Credit Reports and AUS**

Per our previous announcement, please note that unfortunately you still may not utilize a soft pull credit report to run Conventional Freddie Mac loans through LP (AUS) or DU for government loans. We are working with Freddie Mac Directly to enter into their pilot program in order to utilize Trended Soft Pulls directly to Conventional Loans and LP. We will advise when this project is available.

### **URLA's signed at closing:**

We are getting busy, and we are asking for your help on getting the URLA signed at or before closing. This is mostly happening on conventional loans that do not need authorization, so please check your files and get the signed URLA page in before closing if you will not be attending the closing to sign at the table. Thanks for your help in helping us.

### **Closing times and rushes:**

Reminder if you send a closing request 48 priors to closing, it is not a rush. Only request a rush closing if closing in less than 48 hours.

### **Loan number changes before disclosing:**

Reminder that loan number should be changed prior to disclosing the loan. This includes removing the PR.

### **HOI Update:**

Everyone,

Please note that FHFA has made the announcement below! This means that Freddie Mac, and FNMA are now requiring that HOI policies have replacement cost coverage mentioned somewhere on each policy. This is effective for all applications June 1st, 2024 and after. We are expecting that the government agencies will follow suit if there is no future reversal on this new requirement.

## Property insurance requirements

At the direction of FHFA and in alignment with Freddie Mac, we have clarified property insurance requirements and related lender and servicer responsibilities throughout Chapter B7-3, Property and Flood Insurance, to promote sustainable homeownership and ensure all properties are sufficiently insured.

The following clarifications apply to property insurance policies for one- to four-unit properties and master property insurance policies for project developments:

- In addition to actual cash value coverage being unacceptable, policies that limit, depreciate, reduce or otherwise settle losses at anything other than a replacement cost basis are also not acceptable.
- The lender and servicer are responsible for verifying that the coverage amount meets Fannie Mae's requirements as of the current insurance policy effective date.

The following additional clarifications apply only to requirements for master property insurance coverage on project developments:

- The minimum required perils that a policy must cover are those found in a commercial "Broad" coverage form.
- Outdated references to guaranteed replacement cost, extended replacement cost, and replacement cost coverage have been removed to improve clarity.
- Coinsurance requirements have been removed to streamline the property insurance review process and to ensure that all project developments are reviewed for sufficient coverage.

As a reminder, these updates supersede any prior verbal or written guidance we may have provided.

The *Servicing Guide* will be updated on Feb. 14, 2024 with additional clarifications specific to servicers.

**Effective:** Lenders must comply with these clarified policies as soon as possible but are required to do so for all loans with application dates on or after June 1, 2024. Servicers must comply with these clarified policies as soon as possible but are required to do so for all loans with insurance policies that are renewed or obtained on or after June 1, 2024.

After reviewing many of our HOI policies, we do not believe this will cause many problems but we wanted to make sure everyone was aware of this new requirement. We believe that many HOI companies are already implementing this into their coverages. Below are three examples of policies where the verbiage below would be acceptable. Thank you!

<p>THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>				
<b>COVERAGE INFORMATION</b>	PERILS INSURED	BASIC	BROAD <input checked="" type="checkbox"/>	SPECIAL
	<b>COVERAGE / PERILS / FORMS</b>			
Dwelling	Special / Replacement Cost			
			AMOUNT OF INSURANCE	DEDUCTIBLE
			\$510,000.	\$500.

COVERAGE INFORMATION	
Coverage Type	Limit
Coverage A - Dwelling	\$399,000
Additional Replacement Cost	50% of Coverage A
Coverage B - Other Structures	\$39,900
Coverage C - Personal Property	\$100,000

### Coverage detail for the property insured

POLICY TYPE - House & Home

Policy Limit of Liability Section I Dwelling Protection	\$233055
Total Annual Policy Premium	\$939.93
Amount Paid:	C.O.D.
Replacement Cost up to the Dwelling Covg Limits	
Personal Property Reimbursement	

#### Fill the Bucket:

I have had an extremely difficult file and would just like to give a giant shoutout to Lucas and Kristen for all their help. Sometimes it takes a village, and this file definitely fit the bill. ~ Susan Mikoff

#### Operations out of Office:

Sarah Sheahan is out Friday and Brenda Geaheart will cover.

Thanks,



***You will overestimate what you can do in a year, but you will underestimate what you can do in a decade or two. You have time.***