

New American Funding
Attn: Loss Draft Department
P.O. Box 1064
Tonawanda, NY 14151



[DATE]

[NAME1]
[NAME2]
[MAILING_ADDRESS1]
[MAILING_ADDRESS2]
[CITY], [STATE] [ZIP]

Re: Mortgage Loan No. [XXXXXXXX]
Property Address: [ADDR1]
[ADDR2]
[CITY], [ST], [ZIP]

Dear Homeowner,

Thank you for contacting us regarding your recent property damage. We understand the claims process is a difficult time, and we will do our best to help you through this process as quickly as possible.

The following claims packet will provide you with important information and guide you through the claims process. It is important to note that, depending on your claim, we may not automatically endorse checks from your insurance company. Please read the attached information carefully and contact us should you have any questions.

You can contact us by dialing 1-855-276-9125, Monday through Friday, from 7:00AM to 7:00PM CST, or by emailing us at NewAmericanFundingClaims@LossDraftCenter.com.

All materials can be mailed to the following address:

New American Funding
Attn: Loss Draft Department
P.O. Box 1064
Tonawanda, NY 14151

Sincerely,

Loss Draft Department
New American Funding

Overview of the Loss Draft Process

When an insurance claim check (also called a “loss draft”) is paid for damage to a home, there are several steps that have to be taken.

1. **Determine if You Qualify for Quick Endorse.** Use the information below to determine if your insurance claim qualifies for our Quick Endorse Process.

Your Loan is Current	If your total claim amount* is for \$10,000 or less, you qualify for Quick Endorse.
Your Loan is Delinquent	If your total claim amount* is for \$2,500 or less and your loan is not a VA or FHA loan, you qualify for Quick Endorse. VA and FHA loans do not qualify for Quick Endorse, regardless of your total claim amount.

****You can find the total claim amount for your insurance claim on the Loss or Damage Report or Adjuster’s Worksheet that you should receive from your insurance adjuster.***

If you qualify for Quick Endorse, simply provide us with the information in the Loss Draft Document Checklist below and we will endorse and return your check to you. You can then endorse and deposit the check, and you will be responsible for ensuring that the repairs are made to your home.

2. **Process if You Do Not Qualify for Quick Endorse.** If you do not qualify for Quick Endorse, then we are required by the owner of your loan to hold your insurance proceeds and disburse them to you as inspections are completed on your home. The process is:
 - a. **You must provide required documentation.** You will be required to provide the information in the Loss Draft Document Checklist below in order for us to begin processing your claim. We cannot begin processing your claim without receiving all of this required information.
 - b. **We will hold and disburse your insurance proceeds after inspections are completed.** We may disburse funds while repairs are being made or only at the completion of the repairs, depending on the extent of the repair work. We will require an inspection be performed before we will disburse funds, which may occur several times for larger repair projects. See the Loss Draft Disbursement Guidelines for additional information.

Contact us at 1-855-276-9125 if you need help determining whether you qualify for Quick Endorse or have any questions.

FREQUENTLY ASKED QUESTIONS

- **Why is New American Funding listed on my check?** New American Funding is listed on the check because we are the loss payee on the insurance policy. We are required to be the loss payee on the insurance policy by the owner of your loan, which has a security interest in the property. Our responsibility is to ensure the property is repaired in the event of damage and restored to its original or higher value.
- **How do I get my documents notarized?** Banks and credit unions usually have a notary public who will notarize documents at little or no cost. Notaries can also be found at the local post office or mailing center, school, or city hall. A directory of public notaries in your area can be found at: www.asnnotary.org.
- **Do I have to rely exclusively on my insurance company's adjuster?** No. However, if you choose a public adjuster, the fee for their services will NOT be paid with the insurance claim proceeds and you will be required to pay their fee out of pocket.
- **Am I required to use a licensed contractor?** Yes. If do not qualify for Quick Endorse, you will not be allowed to obtain the funds from the insurance check without having the repairs made to your home.
- **How will New American Funding contact me during the loss draft process?** We will make attempts to contact you via telephone and mail. The Loss Draft Department will use your billing address and telephone number as the best avenues to reach you. If you have a temporary address or phone number that you are using during the repairs, please notify us in order to update your contact information.

EXPLANATION OF TERMS AND DOCUMENTS

- **Claim Check** – When a property is damaged, the insured will contact the insurance company which will document the damages and issue a check to the insured for repairs. The borrower(s) and mortgage holder will be named on the check.
- **Conditional Waiver of Lien** – This is a form completed by the contractor who made repairs on the property. This document states that the contractor will release any liens on the property and the job is considered paid in full.
- **Contractor's Liability Insurance** – The contractor should have liability insurance to cover any injuries or damages that the contractor may be responsible for during the completion of the repairs.
- **Loss or Damage Report or Adjuster's Worksheet from the Insurance Adjuster** - When the insured files a claim with the insurance company, an adjuster should be sent to inspect the home and provide a report with details about the damages. If you do not have this document, please contact your insurance company to obtain one.
- **Signed Agreement with the Contractor** – This refers to the contract between the borrower and the contractor who will be completing the repairs. This agreement should be signed by both the contractor and the borrower.
- **Substitute W-9** – This is a form that will be completed by your contractor to provide their Tax ID Number.
- **Total Claim Amount** – The total claim amount is your loss amount minus depreciation and your insurance deductible. You can find the total claim amount on the Loss or Damage Report or Adjuster's Worksheet that you should receive from your insurance adjuster.

Loss Draft Document Checklist

After you receive the check from your insurance company, submit the following documentation to us to begin the loss draft process.

If You Qualify for Quick Endorse

If you qualify for Quick Endorse, you will need to mail us the following documents:

- Customer Contact Form
- Claim check from the insurance company - Please **do not** endorse the check prior to mailing it. Be sure to write your mortgage loan number on the check.
- Loss or Damage Report or Adjuster's Worksheet from the insurance adjuster

If You DO NOT Qualify for Quick Endorse

If you **do not** qualify for Quick Endorse, you will need to mail us the following documents:

- Customer Contact Form
- Claim check from the insurance company – The check **must** be endorsed by all parties prior to mailing it. Be sure to write your mortgage loan number on the check.
- Loss or Damage Report or Adjuster's Worksheet from the insurance adjuster
- Repairs Affidavit

Additional Requirements for Larger Claims - If you have a total claim amount of more than \$10,000 (\$20,000 if you have a Fannie Mae or Freddie Mac loan), you will also have to provide the following documents:

- Signed agreement with the contractor
- Copy of the contractor's liability insurance
- Substitute W-9
- Conditional Waiver of Lien signed by the contractor

Mail Your Documents to us at:

New American Funding
Loss Draft Department
P.O. Box 1064
Tonawanda, NY 14150

If Sent By Overnight Mail, Send to us at:

New American Funding
Loss Draft Department
63 Main Street
Tonawanda, NY 14150



Customer Contact Form

- Please complete the following information regarding your claim. This form must be mailed in with your check.
- Please make a copy of this form for your records.

Borrower Name(s): _____

Loan Number: _____

Property Address: _____

Home Phone: _____ Mobile Phone: _____

Work Phone: _____ Other Phone: _____

Date of Loss: _____

Reason for Loss (fire, flood, wind, etc.): _____

Insurance Information

Insurance Provider: _____

Insurance Adjuster's Name: _____

Insurance Adjuster's Phone: _____

Contractor Information

Contractor's Name: _____

Contractor's Address: _____

Contractor's Phone: _____

If you would like us to discuss and/or disclose claim information to an additional third party, please complete the Third Party Authorization form.

Third Party Authorization Form

- This form gives authority for us to discuss details about your claim with a third party. This only needs to be completed if you wish for a third party to be able to obtain information about your loan.
- If applicable, please complete this form in its entirety and mail it back with the other claim documents.
- This form must be signed and dated for the authorization to be considered valid. No information will be released until we have received a signed document.

I/We _____ hereby authorize New American Funding (my lender/
(Borrower name(s))

mortgage servicer) to disclose any and all information related to our loss claim for _____

_____,
(Property address)

to the following third party, _____,
(Third party name) (Third party company if applicable)

_____,
(Relationship to borrower(s)) (Third party phone number)

I do hereby indemnify and forever hold harmless New American Funding from all suits, actions, claims or other issues that result from New American Funding disclosing information pertaining to the claim listed above.

Printed Borrower Name Signature Date

Printed Borrower Name Signature Date

Loan Number _____



REPAIRS AFFIDAVIT

Loan Number <LOAN NUMBER>

(Please print) _____ (owner) and being first duly sworn, depose(s) and say(s) that they are the owners of the property located at:

<PROPERTY STREET ADDRESS>

<CITY, STATE, ZIP CODE>

The property has been damaged and the owners seek to repair the damage. The owners agree to apply the released funds promptly to repair or reconstruct the residence on the property described above.

This affidavit is made for the purpose of inducing New American Funding to release the proceeds of a loss draft in the amount of \$ _____ to repair or reconstruct the residence. The owners acknowledge that New American Funding may release the proceeds in installments, and may condition any payment upon documentation of the completed repairs satisfactory to New American Funding.

Please initial if the completion of repairs will take longer than 90 days. _____ (Initial)

Home Phone: _____ Business Phone: _____

Signature(s): _____

NOTARY:

State of _____ County of _____

On this _____ day of _____, 20____, before me appeared _____, who is personally known to me, (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal,

(This area for notary seal)

Notary Expires:

SUBSTITUTE W9 – FOR CONTRACTOR USE ONLY

Pertaining to Repairs of: Loan Number «LoanNumber»

Property Address: (Street, City, State, Zip)

This is an important tax document. Please complete the form according to the enclosed instructions and return the entire page.

Substitute W-9

Request for Taxpayer Identification Number and Certification

Name: _____

Check appropriate choice: Individual/Sole Proprietor Corporation Partnership Other

Business Address: _____

City: _____ State: _____ Zip: _____

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For other entities, it is your employer identification number (EIN).

Social Security Number _____ - _____ - _____ :

Employer Identification Number: _____

Note: If the account is in more than one name, see IRS chart page 4 for guidelines on whose name to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct Taxpayer Identification (or I am waiting for a number to be issued to me) and
2. I am not subject to backup withholding because: a) I am exempt from backup withholding, or b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or c) the IRS has notified me that I am no longer subject to backup withholding and
3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions – You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature: _____ Date: _____

Loss Draft Disbursement Guidelines

For loans that do not qualify for Quick Endorse, New American Funding is required by the owner of your loan to hold your insurance proceeds and disburse them to you as inspections are completed on your home. How and when disbursements are made will depend on:

1. Whether your loan is current;
2. Whether your loan is a VA or FHA loan; and
3. Your total claim amount.

You can find the total claim amount for your insurance claim on the Loss or Damage Report or Adjuster's Worksheet that you should receive from your insurance adjuster.

If Your Loan is Current

The guidelines below describe the requirements that apply to claim disbursements on **current loans**:

If You Have a VA or FHA Loan	
Your Total Claim Amount is More than \$10,000	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse approximately 1/3 of the insurance proceeds received (up to \$40,000 or 10% of the unpaid principal balance of your loan, whichever is greater). 2. Once we receive the inspection results showing that the repairs are 50% or more complete - We will disburse the next 1/3 of the insurance proceeds received. 3. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the final 1/3 of the insurance proceeds received.

If Your Loan is Not a VA or FHA Loan	
Your Total Claim Amount is \$10,000 to \$20,000	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse 90% of the insurance proceeds received. 2. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the final 10% of the insurance proceeds received.
Your Total Claim Amount is \$20,001 to \$40,000	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse 90% of the insurance proceeds received. 2. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the final 10% of the insurance proceeds received.
Your Total Claim Amount is More than \$40,000	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse approximately 1/3 of the insurance proceeds received (up to \$40,000 or 10% of the unpaid principal balance of your loan, whichever is greater). 2. Once we receive the inspection results showing that the repairs are 50% or more complete - We will disburse insurance proceeds up to the percentage of completion. 3. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the remaining insurance proceeds received.

If Your Loan is Delinquent

The guidelines below describe the requirements that apply to claim disbursements on **delinquent loans (loans that are 31 or more days late)**:

If You Have a VA or FHA Loan	
Your Total Claim Amount is \$10,000 or less	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse 50% of the insurance proceeds received. 2. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the final 50% of the insurance proceeds received.
Your Total Claim Amount is More than \$10,000	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse approximately 1/3 of the insurance proceeds received (up to \$40,000 or 10% of the unpaid principal balance of your loan, whichever is greater). 2. Once we receive the inspection results showing that the repairs are 50% or more complete - We will disburse the next 1/3 of the insurance proceeds received. 3. Once we receive the inspection results showing that the repairs are 95-100% complete – We will disburse the final 1/3 of the insurance proceeds received.

If Your Loan is Not a VA or FHA Loan	
Your Total Claim Amount is More than \$2,500	<ol style="list-style-type: none"> 1. Once you submit all of the documents required in the Loss Draft Document Checklist - We will disburse 25% of the insurance proceeds received (up to \$10,000). 2. Once we receive the inspection results showing that the repairs are 50% or more complete - We will disburse the next 25% of the insurance proceeds received. 3. Once we receive the inspection results showing that the repairs are 75% or more complete - We will disburse the next 25% of the insurance proceeds received. 4. Once we receive the inspection results showing that the repairs are 100% complete – We will disburse the final 25% of the insurance proceeds received.

Additional Questions

- **I qualify for Quick Endorse. Do these guidelines apply to me?** No. If you qualify for Quick Endorse, we can endorse and return your check to you quickly once we receive the information required in the Loss Draft Document Checklist.
- **Why does New American Funding release my insurance proceeds in increments?** If you do not qualify for Quick Endorse, we will be required to hold and release your insurance proceeds in increments under the guidelines required by the owner of your loan.
- **What happens if I don't sign the insurance claim check?** If you do not qualify for Quick Endorse, you must mail us your insurance check endorsed by all listed payees. If we receive your check without endorsements by all listed payees, we will return it to you to be signed. Be sure to write your mortgage loan number on the check. We will not be able to begin processing your loss drafts until we receive the endorsed check and all information required in the Loss Draft Document Checklist.

- **What should I do if my contractor needs more than the initial disbursement to begin the repairs?** You can submit to us a written request from the contractor that is signed by the contractor and the borrower(s). The request must include an itemized breakdown of funds. We will review the request and determine whether additional funds may be released. The contractor may not request more than 50% of the total insurance proceeds received to begin the repairs.
- **Why does New American Funding have to inspect the property for the funds to be released?** The property is inspected to ensure all required repairs have been completed before a disbursement can be made.
- **What if I don't use all of the insurance claim funds for the repairs?** When the repairs are 100% complete, all inspections have occurred, and all contractors have been paid in full, any remaining money is refunded to you, the borrower. All mortgage payments must be current in order for you to receive the remaining claim funds.
- **May I use the claim funds to pay off my mortgage?** Yes, but only if the funds are used to pay the mortgage in full. If the amount of the claim exceeds the amount required to pay the mortgage in full, you should send the endorsed claim check with a letter authorizing New American Funding to use the funds to pay off the mortgage. If the amount of the check is less than the amount owed, you must send certified funds for the difference along with the endorsed claim check and a letter authorizing New American Funding to pay off the mortgage. To obtain the payoff amount, contact us at 1-800-893-5304.
- **What is considered a total loss to my property and is it handled differently?** A property is considered to have a total loss when the amount of the claim exceeds 80% of the insurance coverage amount. The contractor is required to provide a copy of the permits and/or building plans in the event of a total loss, along with all other required forms.

If you would like to discuss how these guidelines apply to you, or you have any questions, please contact us at 1-855-276-9125.



CONDITIONAL WAIVER OF LIEN

State of: _____

County of: _____

Loan Number: <LOAN NUMBER>

=====

For and in consideration of the sum of \$_____, upon receipt thereof, the undersigned hereby waives and releases any and all present and future liens that the undersigned may have or may be able to obtain, under any applicable law pertaining to mechanic's and/or material liens, upon the following described premises

<PROPERTY STREET ADDRESS>
<CITY, STATE, ZIP CODE>

relating to the work completed by the undersigned with the above referenced insurance payment, which work consists of the following repairs/replacements:

(Please list) _____

If there are to be scheduled releases to the undersigned of the above-mentioned sum, then such waiver and release of liens shall occur simultaneously with each release and to the extent of such release.

Dated this _____ day of _____,

By: _____ Contractor's Signature Contractor License Number

Contractor's SS Number Contractor's TIN Number
_____-_____-_____ _____-_____-_____

Company Name: _____

Address: _____

City: _____ State/Zip: _____