

# Guide to HAZARD AND FLOOD INSURANCE

When you take out a loan that is secured by a home, you will be required to have adequate insurance on the home to protect it.

## WHAT IS ADEQUATE INSURANCE?

You must have insurance coverage for the lesser of:

- The cost to replace the home (frequently called the “**replacement cost value**”) or
- The unpaid principal balance of your loan

### Please be aware that:

- If the insurance is flood insurance, you will not generally be required to have insurance higher than \$250,000.
- Your insurance policy must have deductibles that are acceptable to New American Funding.
- The amount of deductible that is acceptable will vary for different types of insurance.

You will be required to have adequate insurance in place at all times during your loan.

***If you do not have adequate insurance in place  
or adequate insurance was not in place at all times during your loan  
WE MUST OBTAIN INSURANCE ON YOUR BEHALF AT YOUR EXPENSE!***

If insurance is obtained on your behalf, the insurance premiums will be charged to you and the insurance will often be more expensive and provide less coverage than insurance that you could obtain yourself. As a result, we strongly encourage you to maintain adequate insurance on your loan throughout the term of your loan.

## WHAT KIND OF INSURANCE DO I NEED?

- You are required to have insurance that protects against losses and damage caused by fires, storms, burglary and similar risks. Such insurance is typically called a “**hazard**” or “**homeowners**” insurance policy.
- You may also be required to obtain **flood insurance** if required by law. Where federal law requires flood insurance, there are no exceptions. If you believe that your home is not at risk from a flood, you may contact the Federal Emergency Management Agency (FEMA) at [www.fema.gov](http://www.fema.gov) to request that FEMA revise its flood maps. However, unless FEMA grants such a request, you will be required to have flood insurance without exception if it is required by law.

***Since flood insurance is required when it is mandated by law,  
YOU CANNOT WAIVE FLOOD INSURANCE.***



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**WHAT INSURANCE DOCUMENTATION DO I HAVE TO PROVIDE?** You will need to provide a [Declaration Page](#) from your insurance company that has all of the following information:

NEW BUSINESS DECLARATIONS

## Homeowners Policy

**INSURED AND AGENT INFORMATION**

**(Named Insured)**  
**Name and Mailing Address**  
Shannon Jones  
680 Main Street  
Los Angeles, CA

**The Residence premises is located at**  
680 Main Street  
Los Angeles, CA

**Agent Information**  
John Smith  
3502 1st St.  
Los Angeles, CA

**Mortgagee Name and Address**  
1. BROKER SOLUTIONS INC DBA  
NEW AMERICAN FUNDING ISAOA  
P.O. Box 5071  
Troy, MI 48007-5071

**POLICY INFORMATION**  
**Homeowners Policy No.**  
981285-458

**Policy Period**  
03/24/16 - 03/24/17 12:01 A.M.  
Standard Time at the residence premises

**POLICY COVERAGES AND LIMITS OF LIABILITY**

	LIMIT
<b>Section I - Property Coverages</b>	
A - DWELLING.....	\$ 264,000
B - OTHER STRUCTURES.....	\$ 26,400
C - PERSONAL PROPERTY.....	\$ 184,800
D - LOSS OF USE.....	\$ 79,200
<b>LIMITED FUNGI, OTHER MICROBES OR ROT REMEDIATION</b>	
Section I - Property Coverage.....	\$ 5,000
<b>Section II - Liability Coverages</b>	
E - Personal Liability (Bodily Injury and Property Damage) Each Occurrence..	\$ 500,000
F - Medical Payments to Others Each Person.....	\$ 5,000

**POLICY SAVINGS AND DEDUCTIBLES**

**Your Savings**  
The following credits or discounts reduced your premium: Account Discount, Loss Free Discount, Home Buyer Discount, Protective Devices Discount, Early Quote Discount

	DEDUCTIBLE
Section I Property Coverages Deductible (All Perils).....	\$ 1,500

In case of loss under section I, only that part of the loss over the stated deductible is covered.

“Broker Solutions, Inc. dba New American Funding” must be listed as the mortgagee

The time period of the coverage

An adequate amount of insurance coverage for the home

An acceptable deductible



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Please keep in mind that you will not be required to pay your insurance premiums directly if we are paying them on your behalf through an escrow or impound account.

## SEND YOUR INSURANCE DOCUMENTATION TO US AT:

### MAIL:

**Broker Solutions Inc.  
Dba New American Funding  
ISAOA  
P.O. Box 5017  
Troy, MI 48007-5017  
FAX: (248) 781-9295  
EMAIL: [NAFTeam@pfic.com](mailto:NAFTeam@pfic.com)**

**I'M CHANGING INSURANCE COMPANIES. WHAT INFORMATION DO I NEED TO PROVIDE TO MY NEW INSURANCE AGENT?** Please provide your new insurance agent with your New American Funding mortgage loan number and the following information for the loss payee/mortgagee clause:

**New American Funding  
Its Successors and/or Assigns  
P.O. Box 5017  
Troy, MI 48007-5017  
FAX: (248) 781-9295**

For more information, contact us at **(877) 826-4428**

