

## **Important Instructions about Insurance**

It is your responsibility to order a homeowner's insurance policy on your refinanced or newly purchased property. Evidence of insurance will be required for the loan to fund.

You will save time by contacting your insurance agent *before* you sign the final closing documents. Order a new insurance policy using the new property address (if applicable). In order to be accepted, the amount of coverage must equal or exceed the size of the loan. Fill in the box below for easy reference.

Loan amount(s)

You will be required to provide the name of your insurance agent along with his or her phone number when signing documents at the Title Company. It is recommended you bring the policy number of your new insurance policy as well. This will accelerate the closing process and your Escrow Officer will appreciate having it.

In some cases, the size of your loan amount may exceed the replacement value of the dwelling. Discuss the coverage and loan amount with your insurance agent as they deal with these situations frequently. If sufficient insurance cannot be arranged, please call me (phone number listed below) so I can help resolve the situation.

### Flood Insurance

If your property is in a flood zone, flood insurance will be required for the loan to fund. Again, the amount of coverage must equal or exceed the size of the loan. However, the maximum coverage available for flood insurance is \$250,000. If the loan is larger than that, select the maximum coverage and request a letter from the insurance agent specifying that \$250,000 is the maximum coverage available.

### Condominiums

If you are refinancing or purchasing a condominium, the required fire insurance will be included in the monthly HOA dues. This satisfies the lender requirements but does *not* cover any of your personal belongings in the event of fire or theft. You are well advised to purchase a separate insurance policy to cover the contents of your unit against fire or theft. Details of such policies are *not* required to fund the loan.

Please call me at any time with questions or concerns. Thank you.

**Patrick Schwerdtfeger.**