

CONDOMINIUM HAZARD INSURANCE

Types of Insurance

There are two types of insurance required for any Condominium, Planned Unit Development (PUD), or Co-op:

- · Homeowners Association (HOA) Policy
- Unit Owner Policy (HO-6)

Most condos, PUDs and co-ops will have a Homeowners Association Policy. However, if the Homeowners Association Policy does not satisfy the coverage requirements, you may also be required to obtain a Unit Owner Policy (HO-6) on your home.

What is a Homeowners Association (HOA) Policy?

A Homeowners Association Policy, or HOA Policy, is a hazard insurance policy that is maintained and paid for by your Homeowners Association. An HOA Policy typically covers the entire building or complex, and usually covers the common areas that you share with others in your building such as the roof, basement, elevator, boiler and walkways for liability and physical damage.

Why is an HOA Policy Required?

Fannie Mae, Freddie Mac, HUD, VA and other organizations that are investors or insurers of mortgage loans require that borrowers maintain adequate hazard insurance on homes that secure loans made under their programs, and define what constitutes adequate coverage.

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What Coverage Does My HOA Policy Have To Have?

For loans secured by condos, PUDs and co-ops, investors typically require that borrowers provide an HOA Policy that has all of the following coverage:

- 1. Comprehensive General Liability Coverage for all structures and common areas within the development
- 2. Fidelity Coverage to protect against acts committed by employees of the association
- 3. 100% coverage for the replacement cost value (RCV) of the structures and common areas
- 4. 100% coverage for the insurable replacement cost value of project improvements, including the individual condo units
- 5. "All-In" Coverage. This type of insurance coverage includes the perimeter walls, floors, and ceilings of the individual units.
- 6. Coverage for "fixtures and equipment, betterments and improvements". This type of coverage generally covers upgrades that have been made to the unit.

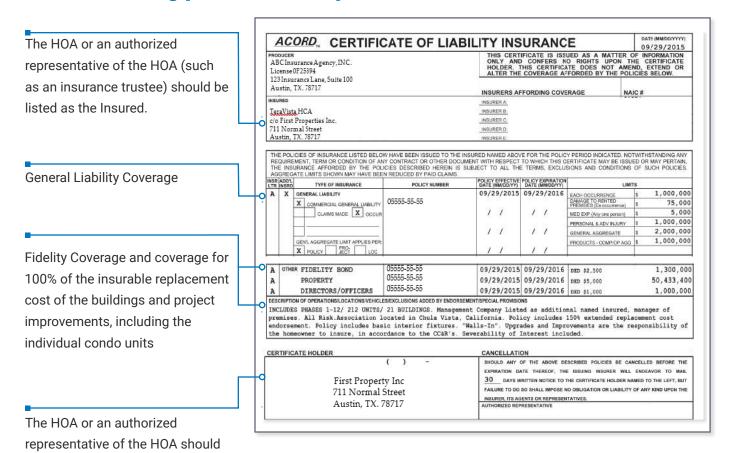
Bare Walls-In Coverage

"Bare Walls-In" coverage does *not* cover fixtures and installations within the individual units and **will not meet investor requirements.**

If an HOA Policy does not cover the interior of the units, or only includes "Bare Walls-In" coverage, the policy will not meet investor requirements and you will be required to have a Unit Owner Policy (HO-6).

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Understanding your HOA Policy



How Do I Get a Copy of My HOA Policy?

You can get a current copy of your HOA Policy from your HOA or its insurance agent.

What if My Homeowners Association No Longer Exists?

If your Homeowners Association has been dissolved, please provide us with the letter from the HOA stating that they are dissolving and a copy of your standard homeowners insurance policy.

be listed in the loss payable clause

or certificate holder section

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Is a Unit Owner Policy (HO-6) Required?

You will be required to obtain a Unit Owner Policy (HO-6) if your HOA Policy does not have adequate coverage.

Unit Owner Policies cover a unit owner for direct damage to personal property, personal liability, and medical payments as outlined in the policy. They may also cover additional living expenses if you are the victim of fire, theft, or other loss listed in your policy. You can obtain a Unit Owner Policy (HO-6) from the insurance company or insurance agent of your choice.

Your Unit Owner Policy must meet the following requirements:

The Mortgagee Clause or Lender's EVIDENCE OF INSURANCE Loss Payable Endorsement Policy Number must list: First Mortgagee Loan Number: New American Funding, LLC, Insured's information ISAOA/ATIMA Location of Property Insured SAME Mortgagees (listed in order of precedence)/Additional Interested Parties NEW AMERICAN FUNDING, LLC, ISAOA/ATIMA The amount of coverage must be P.O. BOX 5071 TROY. MI 48007-5071 sufficient to repair your unit to its condition before any loss occurs. Your insurance company or Policy period beginning on 09/24/2015 through 09/24/2016 at 12:01 A.M. Standard Time. agent can help you determine the appropriate amount of coverage. Coverage detail for the property insured Policy Type - Condominium Owners Policy Limit of Liability \$62,000 Section I Building Property Protection Replacement Cost Included (up to Building Property Protection limit) Section I Personal Property Protection \$50,000 Section II Family Liability Protection \$100,000 Section II Guest Medical Protection \$1,000 \$50,000 Loss Assessments Total Annual Policy Premium \$387.00 Paid in Full Personal Property Reimbursement The deductible may not be higher Deductibles than 5% of the face amount of the \$250 Loss Assessments \$250 to loss to the covered property from all other perils. insurance policy.

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Where Do I Send My Insurance Documents?

Please send your insurance documentation to us at:

Mail:

New American Funding, LLC, ISAOA/ATIMA P.O. Box 5071 Troy, MI 48007-5071 Fax:

+1 (248) 781-9295

Email:

NAFteam@proctorLP.com

You may also submit your insurance policy online at https://www.expressinsuranceinfo.com/3077016

For more information contact us at +1 (877) 826-4428 from 7:00 AM to 7:00 PM ET.