

A GUIDE TO PROCESSING YOUR INSURANCE CLAIM FUNDS TO RESTORE AND REPAIR YOUR HOME

Member First Mortgage LLC understands this may be a difficult time and is here to help you receive your insurance claim funds as quickly as possible. We value you as a customer and, much like you, want to see your home restored as soon as possible. The below guide outlines the required documents and steps for disbursing the insurance claim funds.

Please review this form in its entirety.

Step 1. Report your claim to your insurance carrier and Member First Mortgage:

- File a claim with your homeowners insurance carrier. An insurance adjuster will assess the damage and determine the settlement amount.
- Report your claim to us using the contact information below as soon as possible.

Step 2. Receive your insurance claim check and submit documents to Member First Mortgage as follows:

Provide the following documents from your insurance company:

- **Insurance claim check** – Check must be endorsed by all parties prior to sending. Failure to do so will result in a delay in processing.
- **Insurance Adjuster's Worksheet/Claim Report** – This is the breakdown of the funds disbursed by your insurance carrier and details the necessary repairs to your property.

Complete and return the following document:

- **Affidavit and Certification of Intent to Repair** – Included in this package and to be completed by you.

If the amount of the initial claim check is over \$20,000, have your contractor(s) complete or provide the following

- please note that we must receive the following items for each contractor or repair person used:

- **Contractor's Lien Waiver Affidavit** – Included in this package.
- **Contractor's Estimate/Invoice** – Provided by your contractor(s).
- **Contractor's License (Required if the check is over \$40,000.00)** – Your contractor(s) should be state licensed and insured and should provide a copy of their contractor license.
 - Note: In the event the state or jurisdiction does not require licensing of contractors, any contractor(s) repairing the property must be bonded and insured for an amount equal to or greater than the insurance loss proceeds.
- **Contractor's W9** – Provided by your contractor(s).
- **Statement of Completion and Satisfaction** – Included in this packet and to be completed by you. Please return when all the repairs are completed.

Step 3. Receive your insurance claim disbursement(s) from Member First Mortgage. Disbursements are dependent on the total insurance claim amount and the status of your loan at the time of the loss event:

- If your mortgage loan is current or less than 31 days delinquent at the time of the loss event and your claim is less than or equal to \$20,000, then funds may be released in a single disbursement once the proper documentation has been received by our department. This is considered a **non-Monitored** claim.
- If your mortgage loan is 31 days or more delinquent at the time of the loss event or your claim exceeds \$20,000, this is considered a **Monitored** claim and will be handled accordingly:

- Initial draft payments are made payable to you and your contractor for the greater of \$40,000 or 10% of the unpaid principal balance, not to exceed 80% of the insurance funds. Further funds are released based on periodic inspections of the property to verify progress of the repair work and on written draw request from your contractor. Final funds are released only after final inspection and the return of all required documents. Additional stipulations apply:
 - If your mortgage loan is current or less than 31 days delinquent at the time of the loss event and your claim amount is greater than \$20,000, your initial disbursement will be the greater of \$40,000 or 10% of the unpaid principal balance, accrued interest, and advances on the mortgage loan, not to exceed 80% of the insurance funds.
 - If your mortgage loan is 31 days or more delinquent at the time of the loss event and your claim is less than or equal to \$5,000, then funds may be released in a single disbursement.
 - If your mortgage loan is 31 days or more delinquent at the time of the loss event and your claim is more than \$2,500, your initial disbursement will be an initial disbursement of 25% of the claim amount but no more than \$10,000. Remaining funds will be disbursed in increments not to exceed 25% of the insurance loss proceeds following inspection of the completed repairs. All checks will be made payable to the member and the contractor doing the repairs.

Step 4. Request an Inspection- Monitored Claim

- When the repairs are completed, request a property inspection by contacting us at **866-636-1052** or insuranceloss@memberfirstmortgage.com
- There is a nominal fee for each inspection and that will be deducted from the current disbursement amount. Fees are \$40.00 for exterior only inspection and \$60.00 for losses requiring interior inspections.
- **Periodic Inspections** – Periodic inspections may be required in the following scenarios:
 - Periodic inspections may be required if the loss amount is over \$40,000.00 and are needed to validate the progress of the work.
- **Final Inspection** – Final inspection to confirm repair completion will be required in the following scenarios:
 - A final inspection will be required if the mortgage loan is 31 days or more delinquent at the time of the loss event or the insurance claim is greater than \$20,000.

Important Notes

- Disbursement checks are mailed via UPS Letter Service and normally sent overnight. Direct Deposit is an option for eligible claims where two party checks are not required (please discuss with specialist)
- For **monitored** claims, checks will be made payable to the borrower **and** contractor.
- To allow sufficient time to schedule an inspection, please contact our Insurance Loss Department at least seven (7) days prior to when you would like the inspection performed.

Insurance Claim Disbursement Guidelines may vary according to the Investor of your loan and varying circumstances. The process described in this package generally applies to most loans and will be followed unless otherwise directed by the Investor of your loan or an exception is otherwise considered.

Member First Mortgage, LLC

Insurance Claim Package



Required documentation should be sent to:

Email: insuranceloss@memberfirstmortgage.com

Fax: 616-588-9760

Mailing/ Member First Mortgage, LLC

Overnight Attn: Insurance Loss

Address: 616 44th Street SE
Grand Rapids, MI 49548

We appreciate your business and value you as a member. If we can be of further assistance, please call us at 866-636-1052 Monday through Friday from 8:30 a.m. until 6:30 p.m. Eastern Time.

Sincerely,

The Insurance Loss Team

Tips to Help Prevent Contractor Fraud

While most contractors are qualified, experienced, and certifiable, contractor fraud unfortunately does occur. For help with contractor fraud, contact your state's consumer helpline or attorney general's office.

Useful tips to help protect yourself:

- Be wary of contractors who offer door-to-door unsolicited repair offers.
- Check each contractor's credentials and references.
- Obtain a detailed written contract before allowing any work to be commenced. Make sure that the contract includes specifics such as: (1) total cost, (2) specific work to be completed, and (3) time frame or schedules for repair.
- Obtain three written estimates from licensed and insured contractors.
- Never make a final payment to a contractor until their portion of the repairs are finished and you have confirmed completion of a final inspection (if required) from Member First Mortgage
- Don't feel pressured by a contractor or allow them to interpret your homeowner's insurance policy. If you have any questions or concerns, always feel free to contact your insurance company directly.

Affidavit and Certification of Intent to Repair

This form is required – By completing this form you certify your intent to restore your home to its original or better condition or value as quickly as possible and your acknowledgment to comply with any required property inspections, including but not limited to, a final inspection.

Name(s) of Mortgagor(s): _____

Loan Number: _____

Property Address: _____

(Street, City, State and ZIP code)

Approximate amount of claim: _____ Date of the loss event _____

Cause of Damage/Loss: _____

I/we, the undersigned mortgagor(s) hereby certify that the damages sustained to our property, will be / have been completed per the insurance adjuster’s scope to its original or better condition, and will / does comply with all applicable state and local codes and regulations governing residential repair or reconstruction, including, but not limited to building codes, zoning codes, work permits and inspections.

I/we the undersigned mortgagor(s) hereby certify that all bills for materials and labor will be / have been paid from the insurance loss proceeds. There will be / are no Mechanics Liens or Material providers liens filed because of lack of payment for the repair/ reconstruction work.

I/we the undersigned mortgagor(s) acknowledge that upon execution of this Affidavit and Certification of Intent to Repair, insurance claim proceeds will be released per applicable Member First Mortgage, LLC guidelines, in compliance with the Investor of my loan, and I/we agree to apply released funds promptly to repair or reconstruct the property. At each draw request an insurance loss inspection will be scheduled to confirm percentage of completion and will be released only upon satisfactory results.

I/we the undersigned mortgagor(s) certify and acknowledge that a final inspection may be required to confirm repairs to the property have been satisfactorily completed if my insurance claim is greater than \$10,000, or my mortgage account is more than thirty (30) days delinquent at the time of the loss event and will contact Customer Service Center at 866-636-1052 to request that a final inspection be ordered. The inspection will be ordered at the expense of the mortgagor and will be deducted from each disbursement.

Mortgagor(s) to Complete:

Mortgagor (s) Signature(s): _____

SWORN to and subscribed before me, this the _____ day of _____, 20_____.

NOTARY
SEAL

NOTARY PUBLIC
Notary Public, State of _____

County of _____

My commission expires: _____

Acting in the County of _____

Statement of Completion and Satisfaction

This form is required – By completing this form at the time repairs are completed, you indicate that the home has been repaired to pre-loss condition to your satisfaction.

Mortgage Loan Number: _____

This is to certify that the repairs to the property located at: _____

_____ (“Real Property”) which was damaged by _____

on the date of _____ have been completed and the real property has been restored to its original condition.

This is to further certify that the proceeds of loss draft claim number _____
(Insurance Claim Number)

received from, _____
(Name of Insurance Company)

have been used to pay all outstanding bills for labor and/or materials that could create a lien against the real property.

To the extent that any contractor, subcontractor, supplier, or materialman has not been paid in full and files a lien against the subject real property, the undersigned agrees to indemnify and hold Member First Mortgage, LLC harmless from all losses associated with such lien, including attorney’s fees and costs incurred in resolving any such lien rights and agrees to defend Member First Mortgage, LLC from the enforcement of any such lien rights in a court of law.

The property repairs have also been completed to the member’s satisfaction and all items disclosed on the Insurance Claim report have been addressed and fixed.

Borrower Name Printed _____

Borrower Signature

Date:

Co-Borrower Name Printed _____

Co-Borrower Signature

Date:

Contractor's Lien Waiver Affidavit



This form is required – It will be completed by your contractor(s) and certifies that the contractor will waive any claims of lien once full payment for labor and materials is received. To avoid delays always make sure the form is filled out before you submit it.

- If multiple contractors are used, it is required that a separate Contractor's Lien Waiver Affidavit be completed for each contractor.

Name(s) of Mortgagor(s): _____

Loan Number: _____

Property Address: _____

Street, city, state, and ZIP code

I, the undersigned Contractor/Company Officer, hereby certify that all labor and materials used in the performance of the repair of the above listed property will be / have been paid for in full and no Mechanic or Materialman's Lien will be attached to the property because of the repairs.

Contractor/Company Officer Signature: _____ Date: _____

Title: _____

Contractor/Company Name (Please Print): _____

Contractor/Company Phone Number: _____