

INSURANCE LOSS CLAIM PROCESS

We know that repairing your home or investment property can be difficult and time-consuming process and we want to help you get back to normal as soon as possible. TDECU has a security interest in your property and, will be listed on any insurance proceeds check you may receive. Accordingly, TDECU is responsible for overseeing repairs and disbursing insurance funds for these repairs. During this process it is critical that your mortgage payments remain current. The information provided in the steps below will help guide you through the process for handling your insurance claim check(s) and getting you back where you belong.

Step 1. Contact your insurance company if you have any property damage

Your first step is to contact your insurance company to file a claim with them. Find out when an adjustor is scheduled to visit and when to expect any claim checks.

Step 2. Notify TDECU after you file a claim

Fill out the enclosed forms to tell us about your claim.

Step 3. Receipt of your claim check(s)

Once you receive your claim check(s) from your insurance company, all parties listed on the claim check(s) will need to indorse it. This will include your second mortgage lender, if any. Then, bring your claim check(s) and the required documentation (included in the enclosed forms) into any full service TDECU Branch and request that it be delivered to the Mortgage Servicing Team. Alternately, you may mail the check(s) to one of the addresses below, indorsed by all borrowers, along with other required documentation.

Step 4. Obtaining funds to start the repairs

Once your claim documentation has been submitted to the Mortgage Servicing Team, please allow 2-3 business days to process. You will be contacted by phone or email regarding the disbursement of funds for repairs. The insurance loss funds will be deposited into your Main Share Account, subject to a hold and disbursed according to the guidelines below.

MORTGAGE SERVICING INSURANCE CLAIM PROCESSING CENTER CONTACT INFORMATION:

Loss Draft/Insurance Claim Inquiries: 800-839-1154 x4617 or 979-238-8387

Loss Draft Fax Number: 979-238-8393

Loss Draft E-mail Address: mortgageservicing@tdecu.org

If you are mailing your insurance claim check or any claim related forms to us, please send them to:

Regular Mail:

TDECU-Your Credit Union
Attention: Mortgage Servicing
1001 FM 2004
Lake Jackson, TX 77566

Overnight Mail:

TDECU-Your Credit Union
Attention: Mortgage Servicing
120 Hwy 332, Suite B-1
Lake Jackson, TX 77566

*** If your loan is in a foreclosure or bankruptcy status, please contact us at 1-800-839-1154 extension 8233.**

EXPLANATION OF INSURANCE CLAIM DOCUMENTS

From your insurance carrier:

- Insurance Adjustors Report: This is a report provided by your homeowner's insurance company. It lists the property damages and the estimated cost to repair. Your insurance company may also refer to this as an "estimate of damages" or "adjuster's worksheet". ***This report is required for all claims regardless of the amount.***

From your contractor:

- Signed Estimate(s) or Contract(s) from the Contractor: The agreement between you and the contractor listing the property address; an itemization of the expected materials and total cost; including labor and materials, signed by both you and the contractor.
- Contractor license/registration: A certification indicating the contractor's qualification to complete work in your state. This is typically issued by your local Contractor's State License Board. ***This is only required if your claim is over \$40,000.***
- Form W-9: Request for Taxpayer Identification Number and Certification: This is an IRS form to report funds paid that is to be completed by each contractor used for repairs. This form is included in this packet. Additional information regarding this form can be obtained online at www.irs.gov/pub/irs-pdf/fw9.pdf.

From us:

- Declaration of Intent to Complete Repairs: A statement signed by you affirming your intent to repair the real property to a minimum of its original condition. ***This is required for all claims regardless of the amount.***
- Contractor's Lien Waiver: A form to be completed by all contractors completing repairs on the real property which waives the contractor's right to place a mechanic's lien on the real property after the contractor is paid in full for labor and materials. The document lists the total contract amount and the balance due on the contract.

FOR INSURANCE LOSS CLAIMS \$20,000 OR LESS

If your loss is \$20,000 or less, your account is current, and a good payment history has been maintained for the previous 12 months, TDECU-Your Credit Union may choose to indorse the claim check and return it to you. The following information must be included with your check to process the indorsement:

- Fully indorsed insurance loss draft check.
- Estimate of Damages/Adjuster's Worksheet from the insurance company (copy).
- Signed Estimate(s) or Contract(s) from Contractor.
- Declaration of Intent to Complete Repairs.

If your account is not current or has had a payment 30 days or more past due within the preceding 12 months, please forward the indorsed check to our office at one of the address included above. Funds will be issued payable to you and the contractor to complete the repairs. The following information must be included with the check for us to process:

- Fully indorsed insurance loss draft check.
- Estimate of Damages/Adjuster's Worksheet from the insurance company (copy).
- Signed Estimate(s) or Contract(s) from Contractor
- Declaration of Intent to Complete Repairs.
- Contractor's Lien Waiver - completed by your Contractor(s).
- Form W-9: Request for Taxpayer Identification Number and Certification - completed by your Contractor(s).

To release additional draws or final funds an inspection may be required confirming the completion of repairs. If funds remain after the contractor and all invoices for repairs have been paid in full, your account must be current prior to these funds being released directly to you. You may request to have excess funds applied to past due payments through the submittal of required written authorization.

If you are serving as your own general contractor and require some of the claim proceeds to buy building materials, please provide us with copies of the invoices and/or your paid receipts. If you need any special arrangements, please send a detailed letter outlining your request.

INSURANCE LOSSES BETWEEN \$20,000 AND \$40,000

If loss is between \$20,000 and \$40,000 (for both current and past due mortgages), disbursements are issued as the repairs are completed. **Funds will be issued payable to the primary borrower and the contractor(s) to complete the repairs.** The following information must be included with the check for us to process:

- Fully indorsed insurance loss draft check.
- Estimate of Damages/Adjuster's Worksheet from the insurance company (copy).
- Signed Estimate(s) or Contract(s) from Contractor
- Declaration of Intent to Complete Repairs.

Request to order inspection to receive remaining funds.

To release the remaining funds an inspection may be required confirming the completion of repairs. Please contact us approximately one week prior to the repairs being completed to order the inspection. If funds remain after the contractor(s) and all invoices for repairs have been paid in full, these funds may be released directly to you if your account is current. You may also request to have the excess funds applied to past due payments by submitting your authorization in writing. The following documents are required before the remaining funds are released.

- An inspection confirming all repairs are completed.
- Contractor's Lien Waiver - completed by your Contractor(s).
- Form W-9: Request for Taxpayer Identification Number and Certification - completed by your Contractor(s).

If you are serving as your own general contractor and require some of the claim proceeds to buy building materials, please provide us with copies of the invoices and/or your paid receipts. If you need any special arrangements, please send a detailed letter outlining your request.

INSURANCE LOSSES MORE THAN \$40,000

If your loss is more than \$40,000 (for both current and past due mortgage), disbursements are issued as the repairs are completed. **Funds will be issued payable to the primary borrowers and the contractor(s) to complete the repairs.** The following information must be included with the check for us to process:

- Fully indorsed insurance loss draft check.
- Estimate of Damages/Adjuster's Worksheet from the insurance company (copy).
- Signed Estimate(s) or Contract(s) from Contractor
- Declaration of Intent to Complete Repairs.

Upon receipt of these items we will release an initial disbursement of insurance loss proceeds up to the greater of \$40,000 or 10% of the unpaid principal balance of your loan.

Request to Order Initial Inspection and receive additional funds.

When the repairs are at 50% completion, you will need to request an initial inspection to receive additional funds. Please contact us approximately one week prior to the repairs being 50% completed to order the inspection. Your contractor will be able to determine when your repairs are reaching this point. After the inspection confirms repairs are 50% complete we will issue a check for that portion of funds.

Request to order final inspection and receive remaining funds.

When the repairs are 100% complete, you will need to request a final inspection to receive the remaining funds. Please contact us approximately one week prior to the repairs being 100% completed to order the inspection. The remaining funds will be released upon receipt of the following items:

- An inspection confirming all repairs are completed.
- Contractor's Lien Waiver - completed by your Contractor(s).
- Form W-9: Request for Taxpayer Identification Number and Certification - completed by your Contractor(s).

If you are serving as your own general contractor and require some of the claim proceeds to buy building materials, please provide us with copies of the invoices and/or your paid receipts. If you need any special arrangements, please send a detailed letter outlining your request.

IMPORTANT NOTES

- A \$75.00 fee is charged for each interior inspection performed and a \$50.00 fee is charged for each exterior inspection performed. This is typically deducted from the restricted escrow account. However, you may submit a check or money order payable to TDECU-Your Credit Union for the fee prior to your inspection request.
- All draws are issued payable to the primary borrower and contractor unless otherwise agreed.
- All draw checks are mailed via regular mail unless a prepaid mailer is provided.
- You should be listed as both the sender and receiver.
- Please contact us approximately one week prior to when you would like the inspection to be completed to request the inspection.

- If the insurance loss proceeds are greater than \$40,000 a licensed contractor must be used to restore or repair the property.
- All structural repairs must be completed by a licensed contractor.
- If you are completing cosmetic repairs without a contractor, paid receipts must be marked as such by the supplier.
- In the event you retain a Public Adjuster, you are responsible for the fees due to the Public Adjuster. The fees will only be paid if the insurance carrier allotted funds for their payment or as required by law.
- Repairs are to be completed within 90 days or we may apply the funds to the Unpaid Principal Balance (UPB) of the mortgage.
- If you expect your repairs to require more than 90 days to be completed, please notify us of the date the repairs are expected to begin and when they are expected to be completed.
- If your real property has sustained a total loss, a copy of the blueprints for the proposed home are required. The proposed home must be comparable to the original real property in size and design, be located in the same location of the property, etc. The blue prints should include the room count, square footage, and information concerning the foundation. We will review this information and compare to the original appraisal. Please note that a new appraisal may be required at your expense to confirm the security of the mortgage is not affected.
- Please do not begin rebuilding until you have received confirmation that your information has been accepted.
- If you would like to apply the insurance claim funds to pay the loan in full; please mail your written request with the indorsed check and any additional funds due to: TDECU-Your Credit Union, Attention: Mortgage Servicing, 1001 FM 2004, Lake Jackson, TX 77566. Please note-if repairs are not completed it could affect future claims eligibility or cause the property to be deemed uninsurable.

INSURANCE LOSS CLAIM FORM DECLARATION OF INTENT TO COMPLETE REPAIRS

This form is required. Please complete the information below to help us obtain a better understanding of your insurance claim. Please include this form along with the insurance claim check(s) and other required documentation.

Loan Number: _____

Borrower(s) Name(s): _____

Email Address: _____

Preferred Phone Number(s): _____

Property Address: _____

(Street, City, State and ZIP Code)

Insurance Claim Check Amount: _____ Total Loss – Check if applicable

(If you have multiple checks, add amounts together)

Date damage occurred: _____

Cause of Property Damage/Loss: _____

I/We hereby certify that I am the owner of the above stated property and that the insurance claim funds in the amount listed above are to be used to repair/restore the property to as good, or better condition than it was prior to the damage and loss. I/We further certify that all repairs will be made in a timely manner and that no material, labor, or similar type liens will occur as a result of the labor performed or the material used. The undersigned also agrees to indemnify and hold TDECU harmless against any and all claims which may arise as a result of funds being paid in advance for the work or claim referenced herein.

I/We understand that a licensed contractor must be used to repair/restore the property.

Borrower

Date

Co-Borrower

Date

Mailing Address (if different from above): _____

City, State, Zip: _____

Mail to: TDECU Att: Mortgage Servicing Dept, 1001 FM 2004, Lake Jackson, TX 77566
Email to MortgageServicing@tdecu.org or Fax 979-238-8393

CONTRACTOR'S LIEN WAIVER

This form is required. This form needs to be completed by all contractors (including subcontractors or other vendors) who perform repairs on the property or provide materials or services in connection with such repairs, and confirms that the contractor, subcontractor, or other vendor waives its right to place a mechanic's lien or similar-type lien on the property after the repairs are completed or services or materials are provided.

Loan Number: _____

Borrower(s) Name(s): _____

Property Address: _____

(Street, City, State and ZIP Code)

Contractor Declaration:

Conditional upon payment of \$ _____, all claim(s) of lien for labor, services, and/or materials are hereby, and will be in the future waived in their entirety. (Note: this amount must match the dollar amount on contractor's contract).

I, the undersigned, hereby declare that (i) I am a duly licensed contractor or service provider under applicable laws and regulations, (ii) all liens will be waived in their entirety upon payment as noted, (iii) I am qualified and experienced to perform the type of work contracted, (iv) I am financially and logistically able to complete the repair or reconstruction within scheduled time frames, (v) I will comply with applicable codes and regulations governing residential repair or reconstruction (including, but not limited to, building codes and zoning, permit and inspection regulations), and (vi) I will be repairing damage at the property listed above as reported in the insurance adjuster's report unless specifically noted and agreed to in writing by TDECU.

Contractor/Company Officer Signature: _____ Title: _____

Contractor/Company Name (please print): _____

Contractor/Company Phone Number: _____ Date: _____

Borrower to Complete *(By signing below, you indicate that you agree with the above information):*

Signature of Borrower: _____ Date: _____

Signature of Co-Borrower: _____ Date: _____

Mail to: TDECU Att: Mortgage Servicing Dept, 1001 FM 2004, Lake Jackson, TX 77566
Email to MortgageServicing@tdecu.org or Fax 979-238-8393

Homeowner: Because the IRS may require us to report payment of insurance funds to contractors, each contractor receiving payment for work on your home must complete, sign and date a separate Form W-9: Request for Taxpayer Identification Number and Certification. Further instructions for this form can be found online at www.irs.gov/pub/irs-pdf/fw9.pdf.

Loan Number: _____

Borrower(s) Name(s): _____

Property Address: _____

(Street, City, State and ZIP Code)

Contractor: Please complete the remainder of this form.

Form W-9 (Rev. December 2014) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	
Part I Taxpayer Identification Number (TIN)		
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.		
		Social security number [] [] [] - [] [] - [] [] [] []
		or Employer identification number [] [] [] [] - [] [] [] [] [] [] [] []
Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.		
Part II Certification		
Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct taxpayer identification number (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 a 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. citizen or other U.S. person (defined below); and		
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.		
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. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.		
Sign Here	Signature of U.S. person ▶ _____ Date ▶ _____	

Mail to: TDECUC Attn: Mortgage Servicing Dept, 1001 FM 2004, Lake Jackson, TX 77566
 Email to MortgageServicing@tdecu.org or Fax 979-238-8393