



Requirements Regarding Hazard Insurance

Under the terms of the deed of trust, it will be your responsibility to keep insurance coverage in force during the life of the loan meeting certain requirements. The standard minimum requirements are as follows:

1. Delivery: Acceptable Original Fire Insurance Policy with proper coverage:
 - a. To escrow prior to loan closing, or to your Loan Officer. Receipt for premium paid is required on any new coverage secured.
 - b. During the life of the loan, to the Loan Servicing Department prior to the effective date of any cancellation of an existing policy or at any time when there is a change of agent.
2. Acceptable Insurance Companies: Any insurance company authorized by the insurance Commissioner to transact business in the State of California having a rating of Best's Key Rating Guide of B-6.
3. Policy Requirements:
 - a. Policies must afford protection in an amount at least equal to the loan balance(s) (include first and junior loans) or 100% of the insurable value of the improvements as established by the property insurer. In order to fully protect your property, you should consult with your agent at least once a year. Policies on refinance loans must have a remaining term of at least three (3) months after the first payment date.
 - b. Fire Policies must be written on the California Standard Fire Insurance Policy Form providing fire, extended coverage, and special form coverage (Special Form Policy).
 - c. Fire and Special Form Policies or Homeowners Policies must be continuous renewal policies or equivalent endorsements as required by the Lender, Investor, and Mortgage Guaranty Insurer, (if any). All policies must contain a Lender's Loss Payable Endorsement (438 BFU) and endorsement must read as required by lender.
 - d. Policies for Second Mortgages must include the same 438 BFU endorsement showing the above referenced lender as holder of the Second Deed of Trust.
 - e. The insured and the property location must be identified exactly as they appear on our loan documents.
 - f. Maximum deductible: \$1,000.00
 - g. Condominium Units: For each individual unity, the requirements are the same as above plus a certified copy of the Master Policy in the name of the Homeowners Association that includes Lender Loss Payable Endorsement (438 BFU) in favor of:
4. Flood Insurance: All new or assumed loans in identified flood hazard areas, as defined by the Department of Housing and Urban Development must have insurance coverage in an amount equal to the loan balance or the maximum available under the National Flood Insurance Program, whichever is less. The application for flood insurance is acceptable as confirmation of insurance until the policy is deliverable. It will be the borrower's responsibility to see that the lender receives annual renewal certificates in a timely manner to prevent lapse of coverage. Standard Flood Insurance do not cover contents. However, contents coverage is available from your agent upon request. Acceptable confirmation of insurance coverage must be delivered to us or to your escrow company prior to closing, with a receipt for premium paid on any new coverage secured. To avoid delay in closing, please give the matter your immediate attention.

NOTICE: AN INSURANCE POLICY AFFORDING THE MINIMALLY ACCEPTABLE COVERAGE MUST BE KEPT IN FORCE FOR THE TERM OF THE LOAN. SHOULD YOU FAIL EITHER TO MAINTAIN COVERAGE OR TO PAY ANY PREMIUM WHEN DUE AND THE POLICY IS CANCELLED, THE LOAN WILL BE IN DEFAULT UNDER ANY TERMS OF THE DEED OF TRUST. AS SUCH, THE LENDER MAY, UPON LEARNING OF THE DEFAULT, OBTAIN INSURANCE AT YOUR EXPENSE TO PROTECT ITS INTEREST IN THE LOAN SECURITY.

California Hazard Insurance Disclosure

Per section 2955.5 of the Civil Code of California, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

The undersigned borrowers have read and approved the requirements regarding hazard insurance and acknowledge the receipt of this Hazard Insurance Disclosure and state that we have not executed any note or security documents:

Signature

Date:

Signature:

Date: