

- DRAFT -



**Loan Guarantee Insurance Services, LLC**

## **Default and Claims Servicing Guide**

Q2, 2019

- Draft -

LGIS believes borrowers, lenders, investors, communities and insurers are all better served if we work out problem loans and keep borrowers in the properties with their loans performing. While it is your responsibility to cooperate actively with LGIS to prevent or mitigate a loss, we all know there are times that delinquency cannot be cured. Therefore, we strive to work with you to minimize the losses of all parties with an expeditious disposition of the property. LGIS Loss Management Team is committed to working through the delinquency process with you to preserve and maximize the value of your mortgage insurance. Our goal is to become your partner in your defense against losses.

The intent of this servicing guide is to assist you in following the requirements of the Master Policy that governs your insured loan. It is designed to increase your success as a servicer by providing you with the answers to the questions that may affect your insurance benefits. We want to preserve the value of your insurance with the guidance this manual offers along with the requirements of the Master Policy.

This guide is designed to supplement the Master Policy it does not replace the Master Policy. Therefore, in any inconsistency between this servicing guide and the Master Policy, the terms of the Master Policy will prevail.

This manual uses the following words interchangeably: “servicer” and “insured” “Master Policy” as well as “borrower” and “borrowers”.

This manual may be amended at any time without notice.

- Draft -

## **TABLE OF CONTENTS**

- 1.0 DEFAULT REPORTING
- 2.0 LOSS MITIGATION
- 3.0 FORECLOSURE
- 4.0 CLAIMS
- 5.0 GENERAL
- 6.0 FAQs & FORMS

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 1.0 DEFAULT REPORTING

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 1.1 Notice of Default (NOD)

You are required by Insurer to report the occurrence of a delinquency per the terms of the Program agreement. You are also asked to notify LGIS of potentially problematic loans that are in the process of a workout or if any event has occurred to compromise the security of the loan itself. LGIS requires this notification for two reasons. It is a condition precedent to the payment of benefits by LGIS / Insurer which triggers the process that establishes reserves for any potential future claim payment. It also notifies LGIS of the opportunity to partner with you in resolving the delinquency.

You are also required to notify LGIS if:

1. A loan is in the process of workout has the potential to become problematic (see below) or.
2. An event has occurred to compromise the security of the loan itself.
  - A **default** is the failure of the borrower to pay an amount equal to or greater than one (1) regular periodic payment due under the terms of the loan.
  - The loan is considered **delinquent** on the close of business of the installment due date or the date on which a legal action is filed that affects the loan or the security of the loan. Examples of legal action are bankruptcy filings, property condemnations, property tax sales, or litigation.
  - A **problematic** loan occurs with the initiation of any proceeding that affects complete compliance with the Master Policy or requires a request for benefits under the policy such as a loan modification, short sale, deed-in-lieu, condemnation proceedings, bankruptcy filings, lawsuit, or the borrowers request for assistance due to an imminent default. A loan is considered problematic upon the insured's first knowledge of the event.

## 1.2 When to file a Notice of Default (NOD)

Timely submission of the NOD is essential to protect your right to benefits under the Master Policy. A timely submission provides LGIS with the time needed to establish reserves, institute loss prevention and mitigation efforts, conduct investigations, or provide any special instructions to you if warranted.

A delinquency should be reported within the following time frames.

- Within 30 days of the due date if the first scheduled mortgage payment due on the loan is missed **OR**
- Within 10 days of the date of knowledge that a loan is considered problematic.

See Notice of Default (NOD) form attached in Section 6.1

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

1.3 How and Where to file NOD.

Non-Electronic Filing – You may report a default electronically, through LGIS’s \_\_\_\_\_ (to be named web site section), or by completing LGIS’s Notice of Default form (see Section 6.1), or on a mutually agreed upon format.

Notice of Default form terminology is listed below to assist you in completing your form.

Guarantee #	The _____ digit number found on the Master Policy.
Certificate #	Same number as above that should be on the Certificate of Insurance.
Date Guaranteed Issued	Date policy was issued.
Date of Policy Termination	Date policy ends.
Property Name	Name of the asset if it has one. i.e. RiverTree Apartments,
Property Address	Address of the Property Named.
Insured / Lender Contact Name Lender Loan # Mailing Address Phone Number E-mail	Owner of the Loan Insured. Contact information along with Lender Loan #.
Servicer (if different from Insured’s Name) Contact Name Servicer Loan # (if diff. than Lender Loan #). Mailing Address Phone Number E-mail	Servicer of Loan - if different from Insured / Lender. Contact information along with Servicer Loan # - if different from Lender Loan #.
Borrower Contact Name Mailing Address Phone Number E-Mail	Borrower along with all contact information.
Property Access Contact Name Contact Phone Number E-mail	Contact of person(s) to gain access to the property for inspection or other reasons.
Loan Information	
Original Loan Amount	Maximum Loan Amount from Lender.
Original Guarantee Percentage	The percentage (%) of the Maximum Loan Amount Insured.
Maximum Guarantee Lime	The product of multiplying the Original

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

	Loan Amount X Original Guarantee %.
Current Principal Balance	The unpaid amortized principal balance due at the date the loan went into default, excluding late charges, delinquent interest, escrow, attorney fees, capitalizations, etc.  NOTE: NOD should be either 30 days of a delinquent payment or 10 days from knowing the loan is problematic.
Total Delinquent Amount	The total delinquent principal, interest, taxes and insurance (PITI) payments and advances associated with the delinquency, not including penalties, fees or late charges.
Loan Due Date	The date that the first payment is missed creating the delinquency.
Reasons for Non-Payment	Explain the reason for non-payment - which could be business failure, casualty loss, excessive debt, slow lease-up, construction issues, income / expense issues, etc.
Is this the First Payment Default?	Explain if this is the first payment delinquency or detail history of other delinquencies.
Occupancy Status	Provide Rent Roll – along with discussion of occupancy history and future prospects. Be sure the rents are assigned to Lender under the loan documents. This assignment is required under the Master Policy. Discuss efforts to sell or lease property.
Property Condition Status	Describe the current condition of the property along with future plans.
Conversation History	Conversation history with borrower.
Servicer's next action will be?	Describe the next actions – such as Loan Modification / Workout, Recommended Mortgagor List for Sale, Offer to Take Voluntary Conveyance (Deed-in-Lieu), Foreclosure, Negotiated Payment Plan, Promise to Pay-Date, Pending Refinance, Assumption, Forbearance, etc. Remember that some actions require prior approval from LGIS.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

Describe Servicer's Collection Efforts	Enter any information on the loan that will assist LGIS in understanding how you are working to cure the delinquency, dispose of the property or report an issue involving the loan or property that is not discussed elsewhere on the form.
--	--

#### 1.4 Delinquency Status Reports (DSR)

Once a delinquency has been reported to LGIS you are required to update LGIS with the status of the loan on a monthly basis via a DSR. Use LGIS DSR form in Section 6.1 or any agreed upon format must be sent to LGIS each month. Monthly updates are to continue until either:

1. You report that the delinquency or problematic loan has been cured, resolved, or the mortgage loan has been paid in full;
2. the legal action affecting the loan or its security has terminated; or
3. A Claim for Loss has been submitted to LGIS.

Reporting (1) or (2) will remove the delinquency or problematic loan from our system and reflect the loan as cured and as a performing asset or extinguished mortgage. If the loan again becomes delinquent or experiences a problematic event, a new NOD will be required. A NOD is only the beginning of the process and requires a DSR until the delinquency has been resolved or the claim has been filed. Failure to return a DSR with the required information may jeopardize your benefits.

#### 1.5 When to File a DSR?

A DSR should be submitted between the 20<sup>th</sup> and the last day of each month.

- **Electronic DSR** – Process the file and submit to LGIS on the same date each month.
- **Manual DSR** – If you are returning a manual report generated by our system and sent to you for execution, complete the report and mail or fax it to LGIS on the same date each month.

#### 1.6 How and Where to File a DSR

Once an NOD has been received, for manual NOD's, LGIS will generate a DSR form by the 3<sup>rd</sup> day of each month for you to complete. For electronic NOD's, a DSR will not generate as a file is expected from each month following the NOD. Forms may be found in Section 6.0 – FAQ's & Forms.

#### Non-Electronic Filing

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

The DSR will be populated with the information that you reported on the initial NOD or the previous DSR. If any of the information is incorrect, strike through the text on the form and enter the correct information. Return to LGIS between the 20<sup>th</sup> and the last day of the month.

Electronic Filing

Process the file and transmit to LGIS on the same date each month.

Guarantee #	The _____ digit number found on the Master Policy.
Certificate #	Same number as above that should be on the Certificate of Insurance.
Date Guaranteed Issued	Date policy was issued.
Date of Policy Termination	Date policy ends.
Property Name	Name of the asset if it has one. i.e. RiverTree Apartments,
Property Address	Address of the Property Named.
Insured / Lender Contact Name Lender Loan # Mailing Address Phone Number E-mail	Owner of the Loan Insured. Contact information along with Lender Loan #.
Servicer (if different from Insured's Name) Contact Name Servicer Loan # (if diff. than Lender Loan #). Mailing Address Phone Number E-mail	Servicer of Loan - if different from Insured / Lender. Contact information along with Servicer Loan # - if different from Lender Loan #.
Borrower Contact Name Mailing Address Phone Number E-Mail	Borrower along with all contact information.
Property Access Contact Name Contact Phone Number E-mail	Contact of person(s) to gain access to the property for inspection or other reasons.
Loan Information	
Original Loan Amount	Maximum Loan Amount from Lender.
Original Guarantee Percentage	The percentage (%) of the Maximum Loan Amount Insured.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

Maximum Guarantee Lime	The product of multiplying the Original Loan Amount X Original Guarantee %.
Current Principal Balance	The unpaid amortized principal balance due at the date the loan went into default, excluding late charges, delinquent interest, escrow, attorney fees, capitalizations, etc.  NOTE: NOD should be either 30 days of a delinquent payment or 10 days from knowing the loan is problematic.
Total Delinquent Amount	The total delinquent principal, interest, taxes and insurance (PITI) payments and advances associated with the delinquency, not including penalties, fees or late charges.
Loan Due Date	The date that the first payment is missed creating the delinquency.
Occupancy Status	Provide Rent Roll – along with discussion of occupancy history and future prospects. Be sure the rents are assigned to Lender under the loan documents. This assignment is required under the Master Policy. Discuss efforts to sell or lease property.
Property Condition Status	Describe the current condition of the property along with future plans.
Conversation History	Conversation history with borrower.
Loan Status	Indicate if the delinquency is “cured” or paid in full OR “serving transferred” to another servicer (enter new servicers name and contact information) OR “remains delinquent” if the loan is still delinquent. Add any other pertinent information.
Delinquency Status	What is the next action on this loan at the time of completing this report? Remember that some actions require prior approval from LGIS. Examples are deed-in-lieu of foreclosure, loan modification, forbearance, or assumptions.
Outlook	Outlook for this loan? Remember that some actions require prior approval from LGIS. Examples are cure, foreclosure, loan assumption, loan refinance, promise to pay, no action, short sale, etc.
Bankruptcy	Status if borrower has filed for bankruptcy.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

	Note that bankruptcy has render the policy null and void and if disallowed will trigger borrower repayment of all claims paid to LGIS.
Date Referred to Foreclosure	Enter the date that you shipped the file to your attorney to initiate the foreclosure process.
Redemption Expiration Date	Enter the date that the borrower's rights to redemption expire (in applicable states).
Claim File Date	Enter the date that you filed your Claim For Loss with LGIS to request benefits under the Master Policy
Sale Scheduled Date	Enter the date that you scheduled the foreclosure sale.
Date Title Acquired	Enter the date that you acquired borrower's title to the property.
Comments	Any other comments on the present status of this delinquent loan.
Completed By: Servicer Name Phone Number E-mail	The name of the person with the Servicer completing this report along with contact information.

### 1.7 Bankruptcy Proceedings Requirements

Appropriate action must be taken to release the automatic stay if the borrower misses two post-petition payments in Chapter 13 or immediately in the case of Chapter 7 No Asset Filing. LGIS will allow up to an additional six months to the state foreclosure time frames to allow for release or dismissal of the case. We do not require that you forward copies of the bankruptcy filings, but do reserve the right to request such documentation if needed. Notification of the bankruptcy chapter filed, the date of filing, and the release date may be sent through the NOD and DSR reporting requirements.

However, the Master Policy specifically prohibits borrower bankruptcy and is a condition of the policy. The borrower executes an affidavit affirming borrower agreeing not to seek bankruptcy protection of any kind and by doing so will render the policy null and void. Should this be disapproved for any reason, then the borrower filing for bankruptcy will be fully liable for repayment to the Insurer / LGIS / Company for any and all expenses and claims paid on its behalf.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

## 2.0 LOSS MITIGATION

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 2.1 Loss Mitigation and Loan Workouts

You are required by the Master Policy to cooperate in good faith with LGIS and assist in preventing or mitigating losses.

To assist you with this process, LGIS has an experienced and dedicated team that will work with you or supplement your efforts to prevent or minimize losses. Our team fully understands how critical timing can be when processing workouts. Speed is crucial when it comes to loans; therefore, we provide dedicated phone lines, fax lines, and e-mail address for your convenience. Our team is committed to providing you with a rapid response to your request. We will even work with current borrowers who are experiencing a problem that has the potential to result in a future default.

Many workouts require that you obtain current information from the borrower that is similar to the type of information required from the borrower to obtain the loan in the beginning. When working with a delinquent borrower or a problem loan you should:

1. Determine the reason for default. Why was the borrower unable to make the loan payments?
2. Establish the borrower's intention to keep or dispose of the property. If able, does the borrower wish to remain in the property and continue to pay the loan?
3. Identify the borrower's ability or inability to retain or dispose of the property through financial and property analysis. Can the borrower continue with payments once the workout cures the delinquency? What can the borrower contribute towards the disposition of the property to minimize losses?

The type of information required to complete a loan workout or loss mitigation depends upon the type of workout being considered. Typically you should obtain all or some portion of the following information to determine a borrower's financial situation:

- Detailed letter of hardship from the borrower outlining the reasons for default, a synopsis of their current financial situation, their desire to keep or dispose of the property, and the extent of their ability to participate in the workout being explored.
- Financial statements, which discloses all income, expenses, assets and liabilities of all liable on the loan.
- Two most recent years of federal tax returns with corresponding W-2's, 1099's and K-1's.
- Two most recent year financials on the property.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [lossmitigation@lgisnet.com](mailto:lossmitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

- Draft -

- Most recent bank statements on all accounts for all parties responsible for the loan.
- Most recent bank statements on the property.
- Current broker's price opinion or real estate appraisal on the subject property.
- Listing agreement if the borrower does not have the ability or desire to retain the property.
- Payoff statement or reinstatement figures, whichever are applicable to the workout.

## 2.2 Loan Workouts

Loan workouts are avenues explored that allow the borrower to retain possession of the property and cure the loan. The cornerstone of LGIS's workout philosophy is helping the borrower cure the delinquency and retain the property. It is important to work closely with borrowers' as soon as they encounter a problem making their mortgage payments. The earlier the stage of delinquency, the greater the number of options that are available for curing the delinquency. The following options are available to assist in achieving this goal.

### Retention Workouts

#### Repayment Plans

LGIS encourages any attempts to reinstate a loan through a repayment plan. To ease this effort, you do not need LGIS approval for any reasonable repayment program as long as the loan is never more than 60 days in default during the effort. If the loan falls more than 60 days in default, at any point during the repayment plan, you are required to contact a LGIS Loan Workout Specialist for approval to eliminate or minimize any potential claim adjustment. We require notification of repayment plan efforts through the DSR or written notice of the activity sent to LGIS.

#### Forbearance Plans

LGIS encourages any attempts to reinstate a loan through a forbearance plan, if you have a plan that will cure the loan or dispose of the property at the end of the forbearance period. To ease this effort, you do not need our approval for any reasonable forbearance program as long as the loan is never more than 60 days in default during the workout effort and now loss / claim will occur. If the loan falls more than 60 days in default, at any point during the plan, you should contact a LGIS Workout Specialist for approval to eliminate or minimize any potential claim adjustment should the delinquent loan result in a claim. We require notification of any workout plan efforts through the DSR or written notice of the activity sent to LGIS.

#### Loan Modification

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [lossmitigation@lgisnet.com](mailto:lossmitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

- Draft -

LGIS encourages the use of loan modifications during property retention workouts to keep loans current or resolve a delinquency. A change in the loan's interest rate, balance, or term can be a very useful tool in preventing foreclosures. You do need our approval for any interest rate reduction on a fully amortizing loan or any other material loan modification. Notify LGIS of the new interest rate and status of the loan after completion of the loan modification through the DSR or other written notice. Any capitalization of delinquent interest or extension of term requires LGIS approval prior to execution of the agreement. Capitalizations are limited to the original mortgage loan amount that was insured, and term extensions are subject to LGIS approval and extension fee. For changes outside of the interest rate reduction, you may contact LGIS to discuss. As always, you should not stop normal and customary collection efforts or foreclosure process during the loan modification processing unless instructed to do so by LGIS.

### Partial Claim Advances

There are times when a repayment plan or a loan modification may not be feasible to reinstate a delinquency. To supplement these two workout options and provide for another foreclosure prevention avenue, we offer the opportunity for you to request an advance on your potential future claim for full settlement of the Master Policy. All parties to the transaction may need prior notification before you request this option.

A partial claim advance is designed for a delinquency where the borrower has the ability to maintain future payments but circumstances beyond their control have forced them into a default. **The partial claim advance typically requires that the borrower repay the amount of the advance to LGIS / Insurer over time with balance of payment in full upon loan repayment or payoff.** The borrower will sign a promissory note with LGIS / Insurer for repayment of the amount of the partial claim advance. As always, you should not stop normal and customary collection efforts or foreclosure processes during the partial claim advance processing unless instructed to do so by LGIS.

Partial claim advances must be requested in writing. At times, partial claim advance is coupled with other property retention workouts such as loan modification and repayment plans.

### Non Retention Workouts

#### Assumptions

There are times when a borrower's income has been curtailed making the sale of the property the only viable alternative to a foreclosure. In addition to a short sale of the property, LGIS may be able to assist in an assumption of the loan by a new owner. LGIS will first discuss a loan modification or capitalization of the delinquency coupled with an assumption to transfer the property. Should an assumption be approved, an assumption fee will be charged. As always, you should not stop normal and customary collection efforts or foreclosure processes during the partial claim advance processing unless instructed to do so by LGIS.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [lossmitigation@lgisnet.com](mailto:lossmitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

### Short Sales

At times, the value of a property will be less than the potential proceeds from its sale creating a shortage in the payoff of the loan. Short sales, or pre-foreclosure sale, can minimize the potential loss and prevent additional real estate owned.

LGIS review short sales on the basis of hardship, claim probability and claim mitigation. In addition to the borrower financial information addressed in Section 2.1, you must provide the following items for consideration of a short sale:

1. A payoff statement for the insured loan through the anticipated closing date of the sale.
2. An executed sales contract.
3. A good faith estimate of the costs and expenses associated with the sale of the property.
4. A current fair market value of the property, independent of the real estate agent associated with the sale.

During the short sale process you should prepare your borrower for their participation in the form of cash or a promissory note as each case is reviewed for participation by our Loan Workout Specialists. As always, you should not stop normal and customary collection efforts or foreclosure processes during the short sale processing unless instructed to do so by LGIS.

*Short sale prequalification's* – If you would like LGIS to prequalify a borrower for a potential short sale simply forward the borrower's financial information, along with the property value information, to LGIS and we will review for prequalification. Our prequalification approval carries a 1 month limit. If no offer is received and accepted within this time frame the prequalification is void and a new financial package and property value must be obtained to review for another prequalification.

### Deed-in-Lieu of Foreclosure

There are times when a borrower must relinquish their property due to unforeseen circumstances. To minimize the losses involved with a foreclosure there may be times when a deed-in-lieu of foreclosure is acceptable. While the costs may be minimized with the acceptance of a deed, the result is still another real estate owned in inventory, as well as a full claim for LGIS. Therefore, LGIS typically limits an approval to exceptional circumstances permanent disability, a fatal illness or death to a managing member or person operating the property. At a minimum, LGIS request that the property be listed for sale during the review process and may require a listing timeframe before the acceptance to try to obtain an offer on the property to eliminate the real estate owned increase.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

Deeds-in-lieu are reviewed on the basis of hardship, claim probability and claim mitigation so they require that you provide certain information to evaluate your request. In addition to the borrower financial information addressed in Section 2.1, you must provide the following items for consideration of a deed-in-lieu:

1. A payoff statement for the insured loan through the anticipated transfer date.
2. A current fair market value of the property independent of the real estate agent listing the property.
3. Any medical statements or certificates that establish the exceptional hardship for the borrower.

During the deed-in-lieu process you should prepare your borrower or the state for their possible participation in the form of cash or a promissory note as each case is reviewed for participation by our Loan Workout Specialists. As always, you should not stop normal and customary collection efforts or foreclosure processes during the deed-in-lieu processing unless instructed to do so by LGIS.

### 2.3 Proactive Borrower Contact by LGIS

LGIS have established a team of Loan Workout Specialist to supplement your efforts in keeping borrowers in their properties and minimizing losses. Once a default is reported we begin working to supplement your collections efforts. We focus on loans where you have been unable to contact the borrowers. Once contact is made we can work with you for a “hot transfer” of the call direct to your workout team or begin gathering the information ourselves to work with you on a solution. Contact our workout team directly to discuss our supplementing your counseling efforts.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [Loss Mitigation@lgisnet.com](mailto:Loss Mitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

### 3.0 FORECLOSURE

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

### 3.1 Foreclosure Proceedings Requirements

**Once you have exhausted all efforts for a workout of the loan, you are required to foreclose on the loan in a timely manner – or 60 days after initial default.** Unless LGIS has directed you in writing to commence foreclosure proceedings at an earlier date, you must make the first legal filing with the court before the end of 60 days of delinquency. For example, if the loan is due for the January 1<sup>st</sup> mortgage payment then the first legal action must be filed no later than March 2<sup>nd</sup> (or 60 days).

While expedient foreclosure processing is required, foreclosure alternatives and loan workouts should still be considered through out the entire process. If you need additional time to resolve the delinquency or to initiate workout arrangements, you must contact a Loan Workout Specialist to request a delay. Otherwise, LGIS will adjust the claim for unapproved foreclosure days.

The number for requesting an extension to initiate foreclosure is: 404 -

---

Once the foreclosure process has commenced, you are required to pursue the steps necessary to acquire title and possession of the property in an expeditious manner. To clarify this time frame, LGIS has defined this period by establishing an appropriate time interval between sending to file to the attorney for action and acquiring borrower's title to the property.

**The following table displays the variable state foreclosure time periods.** The state foreclosure time frames list indicates the foreclosure process after the initial 60 days allowed to initiate the process and does not include delays due to bankruptcy filings or attempted workout activities.

To protect your benefits and avoid claim curtailments for delays, you are required to abide by the state foreclosure time frames. In the event the delinquent borrower files for bankruptcy on liquidation chapters, we will not allow additional days from the date of the filing for you to obtain relief from the automatic stay or dismissal of the case. For reorganization chapters, we allow an additional 30 days from the last post petition payment applied in accordance with the bankruptcy plan. **NOTE: filing any bankruptcy may null and void the Master Policy and if not permitted now obligates the borrower for the entire claim paid plus expenses.**

If you need additional time to complete the foreclosure and claim filing process because of attempted loan workouts or bankruptcy, you should include a chronological listing of events, with explanations of delays, from the date of default to the date of claim filing. The time line of events and the explanations will assist the Claims Examiner with the processing of your claim. As a result, if the number of days exceeds the state time frame,

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

LGIS will review the individual case facts before any adjustment to your claim is considered.

**TONY – PLEASE UPDATE AND CONFIRM THIS CHART – REAL ESTATE DEPT. SHOULD QUICKLY KNOW THIS INFORMATION.**

State	Time Frame	Comments	State	Time Frame	Comments	State	Comments	Time Frame
Alabama	90		Louisiana	220		Oregon	180	
Alaska	120		Maine	300		Pennsylvania	270	
Arizona	120		Maryland	60		Puerto Rico	375	
Arkansas	120		Mass.	120		Rhode Island	85	
California	120		Michigan	75		S. Carolina	205	
Colorado	180		Minnesota	100	280 redemption	S. Dakota	205	
Connecticut	180		Mississippi	90		Tennessee	90	
D.C.	100		Missouri	65		Texas	65	
Delaware	210		Montana	155		Utah	150	
Florida	170		Nebraska	125		Vermont	335	
Georgia	80		Nevada	120		Virgin Islands	300	
Guam	150		New Hampshire	90		Virginia	60	
Hawaii	180		New Jersey	300		Washington	150	
Idaho	190		New Mexico	250		W. Virginia	120	
Illinois	300		New York	240	370 Long Island & NY City	Wisconsin	335	
Indiana	265		N. Carolina	120		Wyoming	90	180 redemption
Iowa	190		N. Dakota	205				
Kansas	120		Judicial	Ohio	210			
Kentucky	200		Oklahoma	250				

### 3.3 Foreclosure Sale Bidding

LGIS expect you to establish a foreclosure sale bid that protects LGIS’s rights to a deficiency recovery that promotes third party bidding or ensures obtaining borrower’s title to the property. You are required to determine fair market value of the property by obtaining a current Broker’s Price Opinion (BPO) or an appraisal prior to the scheduled foreclosure sale. LGIS should be involved in the process to offer comments and assistance. You should review the BPO or appraised value for reasonableness and look for any indication of physical damage (outside of normal wear and tear) that may affect the value of the property. If the property has physical damage, then the fair market value will be the value after the restoration of the property to its original condition at time of insurance.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com



### 3.5 Foreclosure Sale Results Notice

You are required to notify LGIS of the results of a foreclosure sale within seven (7) days of the foreclosure sale date. This form is to notify LGIS of the successful bidder along with other pertinent information established at the foreclosure sale. LGIS Foreclosure Sale Notice Form (FSNF) may be found in Section 6.0 FAQs & Forms.

### 3.6 When and How to File Foreclosure Sale Results

Within seven (7) days of the foreclosure sale, please update LGIS with the foreclosure sale results. You may complete the LGIS Foreclosure Sale Results form or any mutually agreed upon format. The Foreclosure Sale Results form may be found in Section 6.0 – FAQs & Forms.

Mail completed form to:

LGIS

Loss Management Department  
3455 Peachtree Road, 5<sup>th</sup> Floor  
Atlanta, Georgia 30326

Fax completed form to:

Attention: Loss Management Department

E-mail completed form to:

defaults @lgisnet.com

### 3.7 Post Foreclosure Requirements for Real Estate Owned

You are required to actively assist LGIS to prevent and mitigate the loss of attempting an early deposition of the property. When you have acquired title and possession of the property, the disposition process should begin. You should begin preparing the property for sale immediately after the foreclosure sale to expedite the liquidation of the asset. It should be listed with an appropriate qualified brokerage firm at fair market value with a licensed real estate agent of your choice, and approved by LGIS. The strategy that you employ for disposal of the property is also your choice. You may choose an “as is” strategy or a “repaired” strategy. While we have found that a “repaired” strategy will generally expedite the liquidation of the property, the expenses associated with the sale may not all be claimable. Telephone the Loss Management Department to discuss any questions you have regarding these expenses. Any repairs or cosmetic enhancements to the property should be completed quickly to minimize the time that the property is off the market. Delays in listing the property for sale may result in claim adjustments. Contact our office immediately if there are any delays in listing the asset for sale.

Mail:

LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail

Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

## Offers to Purchase

When you receive an offer to purchase, you are required to contact LGIS for review and approval of the offer. We will review additional expenses and costs associated with the sale of the property at time of claim for allowance in the settlement.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

#### 4.0 CLAIMS

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [Loss Mitigation@lgisnet.com](mailto:Loss Mitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

#### 4.1 Filing a Claim for Loss

LGIS has simplified the process of filing a claim. It starts with a simple written or electronic request for benefits as displayed in the Claim for Loss form. Upon receipt of the request, your claim is assigned to a Claims Specialist who will work to process your claim and help perfect it in a timely manner. A claim is considered “perfected” when we have received all information needed to process it. This information includes documentation as well as access to the property. We make every effort to request any additional information needed over the phone. However, sometimes we need written documentation to perfect your claim so it may be settled. In these cases, your Claim Specialist will request the information within 20 days of receipt of the claim.

Please include a copy of the payment history for the loan as well as copies of any values obtained to expedite processing of your claim. See Section 6.0 – FAQ’s & Forms – Claim Processes for additional documentation and information that may be requested to process your claim.

*NOTE; To ensure the quality of our streamlined claim filing program, we regularly review a random selection of paid claims. During this review we may request additional information and documentation to ensure that this program is successful. If one of your claims is chosen, you will receive a letter informing you of our audit and a list of information that we are requesting. Typically, this information will include evidence of title to the property, the original note and any riders, the mortgage, the origination, the origination appraisal, as well as other information.*

#### 4.2 When to File a Claim for Loss

You should file your Claim for Loss within 60 days of acquiring the borrower’s title to the property or within 60 days of the closing of a pre-approved property sale. In states where there is a post-sale redemption period, you may file the Claim for Loss within 60 days of expiration of the redemption rights. Failure to file a Claim for Loss within the time frames stated may extinguish your rights to benefits under the Master Policy.

#### 4.3 How to File a Claim for Loss

##### Electronic Filing

We accept both electronic and manual claim filings. If you are not currently set up to submit your claims to LGIS electronically, you may contact the Loss Management Department. You may also submit your Claim for Loss through the Internet via (LGIS proprietary software – yet to be developed.) You will need a user name and password for access.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

## Non-Electronic Filing

You may file a Claim for Loss by completing LGIS's Claim for Loss form or any mutually agreed upon format. LGIS's form may be found in Section 6.0 – FAQ's & forms.

### 4.4 Claimable Items

The claim calculation typically consists of the expenses listed below. This list includes items allowed under the Master Policy and items associated with the foreclosure process. Any inconsistency yielding to the Master Policy. This list does not include all claimable or no claimable items. Section 4.5 for line items instructions on the Claim for loss.

1. The amortized unpaid principal balance of the insured loan as of the date the last regular payment was applied. No capitalization of penalties, accrued interest or charges is allowed.
2. Accrued interest on the unpaid principal balance at the approved contract rate from the last regular payment application for a maximum of 60 days. No late charges or penalties are allowed in this calculation.
3. Reasonable
  - a. Attorney's fees expended on obtaining the borrower's title to the property,
  - b. Property preservation costs to protect the property from damage such as re-keying, monthly property inspections, normal maintenance and security.
  - c. Foreclosure Expenses such as title costs, filing fees, deed recordings, sale publication or sheriff's expenses for conduction the sale.
  - d. The above fees are limited to 2% of the unpaid principal balance.
4. Property Taxes and Special Assessment – to be included in claim, property taxes and any amounts paid toward special assessment shall actually have been advanced from the lender's funds and shall be pro-rated to the date of the foreclosure sale, or date the property is sold for a maximum of two (2) months from default and included in the Property Preservation Allowance.
5. From escrowed accounts, real estate property taxes are prorated from the date of default to the allowable claim filing date. Same with any special property tax assessment.
6. From escrowed account, hazard premium insurance is prorated from the date of default to the allowable claim filing date and included in the Property Preservation Allowance.
7. Other Allowed Expenses
  - a. Two expenses incurred to obtain the current fair market value of the property are claimable if you provide copies of the reports to LGIS when requested.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

- b. Any other miscellaneous expenses approved in writing by LGIS.

NOTE: LGIS retains the right to reclassify any expense that is reported incorrectly on the Claim for Loss form into the correct category or remove ineligible items.

4.5 Line Item Instructions for a Claim for Loss

Claim for Loss form terminology is listed below to assist you in completing your form.

Date	Today's Date
Master Policy Number	The identification number on the Master Policy
Certificate #	LGIS identification number found on the commitment / certificate of insurance.
Date Guaranteed Issued	Initial date the policy went into effect.
Claim Date	The date that you mailed or submitted the claim to LGIS.
Property Name	Name given to the property. i.e. name of the office building or shopping center.
Property Address	The street address of the property that is insured.
<b>Insured / Lender</b>	The name of the entity under this certificate. The insured is typically the lender / servicer of the Loan
Contact Name	Loan servicer person to contact.
Lender Loan #	The insured's identification number for the loan
Mailing Address	The street address of the insured
Phone Number and E-mail address	Contact Name's phone number and e-mail address.
<b>Borrower</b>	The name(s) of the primary borrower(s) responsible for the mortgage.
Contact Name	Borrower(s) person(s) to contact.
Mailing Address	The street address of the insured
Phone Number and E-mail address	Contact Name's phone number and e-mail address.
Servicer (if different from Insured's Name)	The name of the servicer responsible for this mortgage – if different than the Insured / Lender.
Contact Name	Loan servicer person to contact.
Servicer Loan #	The servicer's identification number for the loan
Mailing Address	The mailing address of the servicer.
Phone Number and E-mail address	Contact Name's phone number and e-mail address.
Payee (if different from Insured's Name)	The beneficiary of the policy; the insured.
Contact Name	Loan servicer person to contact.
Payee Loan #	The loan identification number for the payee.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

Mailing Address	The mailing address of the servicer.
Phone Number and E-mail address	Contact Name's phone number and e-mail address.
Property Access Contact Name and Contact Number	The person to contact with phone number to gain access to the insured property.
Original Loan Amount	The maximum loan amount on the promissory note.
Original Guarantee Percentage	The percentage of the loan amount to be insured.
Maximum Guarantee Limit	The product of multiplying the Original Loan Amount by Original Guarantee Percentage. This is the maximum guarantee payment for any claim, including all costs.
Foreclosure Date	Date of the Foreclosure Sale
Foreclosure Bid / Sale Amount	Net proceeds available to the insured / lender from the Foreclosure Sale – net of all costs and expenses.
Successful Bidder	Name of the successful bidder purchasing the property.
<b>Claimable Items:</b>	
Unpaid Principal Balance	The unpaid principal balance of the insured loan as of the date of the last regular payment was applied. No capitalization of penalties or charges allowed. Enter the As of Principal Date.  The interest paid through date is also requested on this line.
Accrued Interest	Accrued interest on the unpaid principal balance at the approved contract rate from the last regular payment application up to 60 days thereafter. Interest on the claim is calculated on a 30 day month and 365 day year. No late charges or penalties are allowed in this calculation.  Enter the accumulated interest "from" and "to" dates on this line as well as the interest rate percentage.
Original Guarantee Percentage	Same as above. The percentage of the loan amount to be insured.
Principal Coverage	The product of multiplying the Unpaid Principal Balance plus the allowed Accrued Interest by Original Guarantee Percentage. This is the insured claim amount for Principal and Interest line item.
<b>ADD: Expense Information</b>	
Attorney's Fees	Reasonable attorney's fees expended in obtaining borrower's title to the property.
Preservation of Property	Enter the costs associated with the protection and

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

Expenses	preservation of the property such as re-keying, monthly property inspections, normal maintenance, and security.
Foreclosure Expenses	Foreclosure Expenses such as title costs, filing fees, deed recordings, sale publication or sheriff's expenses for conduction the sale.
<i>NOTE:</i>	<i>The above Attorney's Fees, Preservation of Property Expenses and Foreclosure Expenses totaled cannot exceed 2% of the Unpaid Principal Balance</i>
Property Taxes and Special Property Tax Assessments	Enter the real estate taxes paid on the subject property from the date of default through the allowable claim filing date.
Hazard Insurance	Hazard insurance premiums paid on the subject property from the date of default through the allowable claim filing date.
Other Allowed Expense	Any additional expenses associated with appropriate proceedings for this certificate, including two expenses to obtain the current fair market value of the property. These two are claimable if you provide copies of the report to LGIS.
<b>SUBTRACT: Deductible Information</b>	
Restoration Expenses	Insured / Lender cost to restore property to condition disclosed to Company at the time of insurance – if applicable. These expenses are not allowed.
Deductable	Insured / Lenders deductible calculated as the % of the Original Loan Amount.
Escrow Account Balance	Positive funds in the escrow account at the default date are entered here. Negative escrows are not allowed.
Net Rental Proceeds	Any rental proceeds received from the subject property.
Cash Held by Lender as security for the Loan	Any accounts or funds on the loan's behalf that were pledged as collateral, used for interest buy downs, or deposited by or on behalf of the borrower as a credit to the loan.
Insurance Proceeds	Any funds received from an insurance company as a refund or payment for the loan.
Other Deductions	Any additional funds associated with the loan that will be used towards the reduction of the debt.
Total Claim Amount	Principle and Accrued Interest Coverage allowed added to Expense Information and Subtract Deductible Information.
LESS: Adjustments, if any	Any negotiated or held funds used as a reduction of

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

	the total indebtedness.
Adjusted Claim Amount	Subtract the Adjustments from the Total Claim Amount.
Comments	At a minimum, the following information should be entered into this section; <ul style="list-style-type: none"> <li>▪ Foreclosure sales date</li> <li>▪ Redemption date.</li> <li>▪ Execution or transfer date on a deed-in-lieu</li> <li>▪ Current fair market value</li> <li>▪ Date completed for appraisals or broker price opinions obtained.</li> <li>▪ Occupancy status of the property at claim time.</li> <li>▪ Real Estate broker information including agent's name, phone number and/or e-mail.</li> <li>▪ Bankruptcy information including case number, bankruptcy chapter, file and release dates for all filings.</li> </ul>
<b>Expense Information – Details</b>	
Accrued Interest	Details and calculation for accrued interest allowed.
Attorney's Fees	Itemize the Attorney Fees claimed.
Preservation Costs	Itemize all Preservation Costs claimed.
Foreclosure Expenses	Itemize all Foreclosure Expenses claimed.
Property Taxes and Special Assessments	Itemize the Property Taxes and Special Assessments claimed.
Other Allowed Expenses	Itemize all Other allowed Expenses claimed.
Required Enclosures	Lists at a minimum other documentation and information required to proceed in processing the claim.
Claim Authorization	Person(s) fully authorized by the insured / lender to make the claim along with contact information of that person.

#### 4.6 Non-Claimable Items

Do not list items on the Claim for Loss form that are not claimable under the Master Policy. The list below includes typical, but not all, items that are not claimable.

- Extended interest for unreasonable delays in the foreclosure process
- Delinquent real estate property taxes or liens due before the date of default (unless you obtain prior written approval from LGIS).

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

- Judgments or liens placed against the property.
- Late Charges or penalties imposed on the loan.
- Late charges or liens from Property Associations.
- Tax penalties.
- Inspection photos

#### 4.7 Deductible Items on the Claim

There are many items associated with a loan that will be deducted from the claim calculation. This list is typical of what we see submitted in the claim that are not claimable and disallowed from the calculation when processing your claim. This list is not inclusive of all nonclaimable items.

- The positive balance in the escrow account as of the date the last regular payment was applied.
- Buy down funds or other compensating balances pledged on the loan.
- Rental or other income collected from the property.
- Hazard insurance refunds.
- Suspense or holding account funds.
- Borrower contributions or partial payment.
- Net proceeds amount from the sale of the property.
- Restoration of the property.

#### 4.8 Comments Section of the Claim

In the Claim for Loss for is a space for additional comments. In order to expedite the processing of your Claim for Loss please include the following information in this section.

- Foreclosure sales date
- Redemption date.
- Execution or transfer date on a deed-in-lieu
- Current fair market value
- Date completed for appraisals or broker price opinions obtained.
- Occupancy status of the property at claim time.
- Real Estate broker information including agent's name, phone number and/or e-mail.
- Bankruptcy information including case number, bankruptcy chapter, file and release dates for all filings.

#### 4.9 Claims Settled Without Payment

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

There are times when a Claim for Loss request is closed and the coverage cancelled without payment. This typically happens when you receive make whole funds prior to settlement of the claim, if you fail to provide LGIS with all requested information to complete the processing of your claim after three written attempts to obtain the information and more than 60 days have elapsed since the last request, or if you are outside of the 180 or 240 day allowance for providing requested information, whichever shall occur first.

#### 4.10 Where Payment is Made

Upon validation, claim settlements are sent to the verified payee named on the Claim for Loss form. This is typically the servicer of the loan that is also listed on the Claim for Loss form.

#### 4.11 Exclusions from Coverage

As discussed in the Exclusion From Coverage section of your Master Policy, several situations may affect your benefits. Exclusions include, but are not limited to, the situations listed below. Please refer to your Master Policy for a complete listing.

- Pre-existing environmental conditions to the property.
- Balloon payments.
- Unapproved loan charges.
- Failure to report a default or submit a claim on time.

Your Master Policy also excludes coverage where there is physical damage to the property. This includes, but is not limited to:

- Catastrophic damage.
- Vandalism.
- Unfinished or partial property rehabilitation.

Normal wear and tear to the property is not considered physical damage and will be reviewed upon receipt of the claim. Physical damage in excess of \$1,500 requires the restoration of the property to its original condition as of the date of insurance or that an adjustment be made for net harm caused to LGIS as a result of the damage.

#### 4.12 Explanation of Benefits (EOB)

To assist you with understanding the claim settlement amount that you receive, we provide an explanation of benefits letter. The letter includes the following information:

- The expenses you filed in your request.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

- The expenses we allowed in your settlement.
- Reasons certain expenses were disallowed or adjusted.
- Vital information on when, how and who we paid.

#### 4.13 Supplemental Claims

The settlement of a Claim for Loss is considered the full and final discharge of our obligations under the policy. Therefore, it is imperative that all claim information is included prior to settlement since there are no further supplemental claims after settlement.

#### 4.14 Eminent Domain Requirements

In the event that part or all of the property is taken by eminent domain or other proceedings by a federal, state or local governmental unit or agency. LGIS requires that all maximum permissible amounts of compensation awarded be applied to reduce the unpaid and insured principal balance of the loan in accordance with the law of the jurisdiction where the property is located.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [Loss Mitigation@lgisnet.com](mailto:Loss Mitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 5.0 GENERAL

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

- Draft -

### 5.1 Premium Remittance on Delinquent Loans

All premiums are due at closing of the loan. Therefore, there are no delinquencies in paying premiums and you are fully protected for the term of the policy without the risk of termination for non-premium payment. There are no refunds of premiums should the loan insured be extinguished prior to the end of the term of the Master Policy. This does not include back-end fees if applicable or equity participation by LGIS.

### 5.2 LGIS Paper Reduction Initiative

LGIS continuously updates our processes and looks for ways to minimize our use of paper. Therefore, unless we request a specific document, please **do not** forward copies of all notices and pleadings filed or required in pursuing foreclosure or bankruptcy proceedings even though this is the procedure stated in the Appropriate Proceedings section of your Master Policy. The information may be passed through with your NOD or DSR each month.

### 5.3 Property Inspections

You are required to take all steps necessary to preserve and protect the property. During the delinquency stage, if a workout has not been made or borrower contact has not been established, we recommend that property inspections begin thirty (30) days from the first missed payment and continue at least every thirty (30) days until the default cures or the property is disposed.

### 5.4 Disaster Relief Policy

For loans where the Federal Emergency Management Agency (FEMA) designates a geographic area as a major federal disaster, we will begin immediately to work with you and your borrowers to avoid delinquency and foreclosure. If the borrower's property or job is located in the disaster area and if the borrower's delinquency is worsened by the disaster, LGIS can provide assistance in several ways.

1. Standard workout programs or procedures
2. 60 day moratorium on any legal action against the borrower for delinquency.
3. 60 day moratorium on continuation of pending legal actions against the borrower for delinquency.

You are required to notify LGIS of your intent to allow the 60 day moratorium either through the DSR or in writing prior to initiation of the moratorium.

### 5.5 Deficiency Judgment Pursuits

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

In states where a deficiency is permitted, the potential for a deficiency pursuit may be the strongest leverage you have to encourage a borrower to work out their loan; therefore it is important that all collection and workout staff are well versed on the impact of local deficiency laws. However, according to the Master Policy, LGIS does not pursue the borrower for repayment only in the case where the borrower files bankruptcy or other actions that thus renders the policy null and void. Should that be disallowed for any reason, LGIS would pursue the borrower for any and all claim payments, again in accordance with the Master Policy. Should the insured recover any funds from the borrower, it should first go to reimburse any claims and expenses paid by LGIS.

You should protect LGIS's rights to pursue the borrower on a deficiency for any benefit request in excess of \$5,000 unless we have informed you that we are waiving our rights. If the state that you are foreclosing in provides for alternative foreclosure processes and pursuit of the borrower is not warranted due to minimal assets or a bankruptcy filing, you should contact LGIS and discuss the prospect of recovery against the additional cost of preserving the rights for a deficiency.

*LGIS reserves the right to raise any defenses against liability during the claim review process.*

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [Loss Mitigation@lgisnet.com](mailto:Loss Mitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 6.0 FAQs & Forms

Failure to adhere to this guide in conjunction with the Master Policy may have serious effects on your rights to receive benefits. Violations of the provision in either document may result in claim adjustments, claim denials, or a rescission of coverage.

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 6.0 FAQs

### Premiums

**Q:** Are there any other premiums beyond the initial Premium at closing?

**A:** No. Extension Options are also available with those additional premiums paid at closing also. In special cases, back end fees or equity participation, but not the rule.

### Default Notice (Section 1.0)

**Q:** When should I report a delinquency?

**A:** Within 30 days for a first payment default. (See Section 1.2 for further details).

**Q:** When should I send a Delinquency Status Report (DSR) to LGIS?

**A:** Between the 20<sup>th</sup> and the last day of the month. A DSR is required every month on every delinquency that you report to LGIS. (See Section 1.4 for further details)

**Q:** Should I report a servicing transfer?

**A:** Yes.

**Q:** Should I report a loan payoff?

**A:** Yes. Report immediately to inform LGIS to extinguish the Master Policy.

**Q:** Do I need to forward copies of all bankruptcy documents and proceedings to LGIS?

**A:** No. Notification of the chapter filing, the date of filing, and the relief, dismissal or release date through the NOD or DSR reporting is sufficient. (See Section 5.2 for further details).

**Q:** Should I send all documentation for legal pleadings notice to LGIS?

**A:** No. Reporting the information through the initial NOD or the monthly DSR is sufficient. (See Section 5.2 for further details).

### Default Processes (Section 1.0)

**Q:** What if the property is taken through the exercise of eminent domain?

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

- Draft -

A: All permissible proceeds awarded will be applied to the unpaid principal balance of the outstanding loan. (See Section 4.14 for further details).

Q: How often should a property inspection be completed?

A: We recommend one inspection per month. (See Section 5.3 for further details).

Loss Mitigation (Section 2.0)

Q: What are the three major steps of loan workout or loss mitigation?

A: 1) Find out the reason for default. 2) Determine if the borrower wants to keep or sell the property, 3) Determine the borrower's ability to maintain payments or participate in the disposal of the property through financial analysis. (See Section 2.1 for further details).

Q: Do I need to contact LGIS for a repayment plan?

A: Only if the plan allows for the loan to become more than 30 days in default during the repayment. (See Section 2.2 for further details).

Q: Do I need to contact LGIS for a forbearance plan?

A: Only if the plan or agreement allows for the loan to become more than 30 days in default during the workout. (See Section 2.2 for further details).

Q: Do I need to contact LGIS if I modify the loan?

A: Yes. Any change to the term, interest rate, principal balance, product type, property, or borrower liability requires LGIS written approval first. (See Section 2.2 for further details).

Q: Do I need to contact LGIS for a partial claim advance?

A: Yes. You must contact LGIS in writing with the amount needed for a partial claim. (See Section 2.2 for further details).

Q: Do I need to contact LGIS if I allow an assumption of the loan?

A: Yes. Any release of borrower liability requires LGIS's prior written approval. (See Section 2.2 for further details).

Q: Do I need to contact LGIS if I want to do a short sale of the property?

- Draft -

A: Yes. A short sale of the property requires LGIS approval and participation in the loss (See Section 2.2 for further details).

Q: Do I need to contact LGIS if I want to do a deed-in-lieu of foreclosure?

A: Yes. A deed-in-lieu of foreclosure requires LGIS prior written approval and our participation in the loss. (See Section 2.2 for further details).

Q: Does LGIS ever contact borrowers directly?

A: Yes. We work to supplement your loan counseling efforts. We will contact your “unable to contact” borrower and begin gathering information to work towards a solution. (See Section 2.3 for further details).

Q: What do I do in case of a major federal disaster?

A: Call LGIS right away. We allow for an immediate 30 day moratorium on the initiation or continuation of any legal action to give all parties the time needed to assess the situation. (See Section 5.4 for further details).

Q: If I try a workout after foreclosure has been initiated, will my claim be adjusted for any delay that the attempt caused?

A: Workouts are welcome at anytime prior to a foreclosure sale. If you feel that a delay of the foreclosure is warranted, contact a Workout Specialist at LGIS for approval of the delay.

Foreclosure Processes (Section 3.0)

Q: Do I need to forward copies of all foreclosure documents and proceedings to LGIS?

A: No. LGIS does not require you to forward copies of the foreclosure filings and proceedings, but does reserve the right to request such documentation if needed. You may send notification of dates and foreclosure status updates through the DSR reporting. (See Section 1.7 and 5.2 for further details).

Q: What are the state foreclosure time frames?

A: They vary by state and are listed in the State Foreclosure Time Frames table in Section 3.2

Q: What should I do if I go beyond the state foreclosure time frame to complete the foreclosure?

- Draft -

A: You should include a chronological listing of events from the date of default to the date of claim filing with explanations of the delays that caused your foreclosure process to go beyond the listed times. (See Section 3.2 for further details).

**Q: When should I list my foreclosed property for sale?**

A: As soon as reasonable after you obtain borrower's title to the property. Review the post foreclosure requirements section for delays to this process. (See Section 3.7 for further details).

Foreclosure bidding (Section 3.0)

**Q: How should I bid at the upcoming foreclosure sale?**

A: Unless LGIS instructs a specific bid, you should bid an amount at the foreclosure sale that is sufficient to obtain borrower's title to the property or to encourage a bid sale to a third party. The bid amount chosen should protect LGIS's rights to a deficiency recovery. (See Sections 3.3 and 3.4 for further details).

Deficiency Pursuit (Section 5.0)

**Q: Does LGIS pursue deficiencies?**

A: No. LGIS encourages Lender to recapture any moneys that would lessen or remove the claim amount. However, we always want to protect our rights to pursue a deficiency claim in certain circumstances.

Foreclosure Notices (Section 3.0)

**Q: When should foreclosure sale results be reported?**

A: Within 7 days of the foreclosure sale. (See Section 1.8 for further details)

Real Estate Owned (Section 3.0)

**Q: Does LGIS need to approve offers on our real estate owned properties?**

A: Yes. You are required to contact LGIS for approval prior to accepting any offers on a property until the claim is paid. (See Section 3.7 for further details).

Claim Processes (Section 4.0)

**Q: When should a Claim for Loss be filed?**

A: Within 60 days of acquiring borrower's title to the property either through foreclosure sale or approved owner transfer / property sale. (See Section 4.2 for further details).

- Draft -

**Q: What items make up a Claim for Loss?**

**A:** The unpaid principal balance, maximum of two (2) months accrued interest, and expenses less income plus assets. (See Section 4.4, 4.5, 4.6, 4.7 and 4.8 for further details)

**Q: What is an explanation of benefits letter or an EOB?**

**A:** An EOB is a letter that states how a claim was settled. It provides you with a snapshot of the claim as it was received and a snapshot of how the claim was settled. Any adjustments made by us to the claim are explained in the letter. (See Section 4.12 for further details).

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

## 6.1 Sample Forms

- Notice of Default form (NOD)
- Delinquency Status Report form (DSR)
- Foreclosure Sale Result form
- Claim for Loss form

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [Loss Mitigation@lgisnet.com](mailto:Loss Mitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)

**Notice of Default (NOD)**

Put on Lender's Letterhead

Date

In accordance with our Master Policy, we hereby notify Insurer that the Borrower named below has defaulted in the monthly payments on the loan insured under the Master Policy and Certificate described herein

Guarantee #  
Certificate #  
Date Guaranteed Issued:  
Date of Policy Termination

Property Name  
Property Address

Insured / Lender  
Contact Name  
Lender Loan #  
Mailing Address

Borrower  
Contact Name  
Mailing Address

Phone Number  
E-Mail Address

Phone Number  
E-Mail Address

Servicer (if diff. from Insured's Name)  
Contact Name  
Servicer Loan # (if diff. from Insured's Loan #).  
Mailing Address

Payee (if diff. from Insured's Name)  
Contact Name  
Lender Loan #  
Mailing Address

Phone Number  
E-Mail Address

Phone Number  
E-Mail Address

Property Access  
Contact Name  
Contact Number  
E-mail

**Loan Information**

Original Loan Amount  
Original Guarantee Percentage  
Maximum Guarantee Limit  
Current Principal Balance  
Total Delinquent Amount  
Loan Due Date  
Reasons for Non-Payment  
Is this the First Payment Default?  
Occupancy Status  
Property Condition Status  
Conversation History  
Servicer's Next Action Will Be:  
Describe Servicer's collection efforts

Excl.all delinquent, interst, penalties, etc.)

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

**Delinquency Status Report (DSR)**

Put on Lender's Letterhead

Date:

In accordance with our Master Policy, we hereby notify Insurer that the Borrower named below has defaulted in the monthly payments on the loan insured under the Master Policy and Certificate described herein

Guarantee #  
Certificate #  
Date Guaranteed Issued:  
Date of Policy Termination

Property Name  
Property Address

Insured / Lender  
Contact Name  
Lender Loan #  
Mailing Address

Borrower  
Contact Name  
Mailing Address

Phone Number  
E-Mail Address

Phone Number  
E-Mail Address

Servicer (if diff. from Insured's Name)  
Contact Name  
Servicer Loan # (if diff. from Insured's Loan #).  
Mailing Address

Payee (if diff. from Insured's Name)  
Contact Name  
Lender Loan #  
Mailing Address

Phone Number  
E-Mail Address

Phone Number  
E-Mail Address

Property Access  
Contact Name  
Contact Number  
E-mail

**Loan Information**

Original Loan Amount 5,000,000  
Original Guarantee Percentage 25.00%  
Maximum Guarantee Limit 1,250,000  
Current Principal Balance  
Total Delinquent Amount  
Loan Due Date  
Occupancy Status  
Property Condition Status  
Conversation History

Excluding all delinquent, interest, penalties, etc.)

**Loan Status**

Delinquent Status  
Outlook  
Bankruptcy  
Date Referred to Foreclosure  
Redemption Expiration Date  
Claim File Date  
Sale Schedule Date  
Date Title Acquired

Cured / Uncured, Paid Off

Comments

Completed BY:  
Servicer Name  
Phone Number  
E-Mail

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: defaults@lgisnet.com  
Claims: claims@lgisnet.com  
Loss Mitigation@lgisnet.com  
Foreclosure: foreclosure@lgisnet.com

<b>Foreclosure Sale Results</b>	
<i>Put on Lender's Letterhead</i>	Date
Guarantee #	Property Name
Certificate #	Property Address
Date Guaranteed Issued:	
Claim Date	
Insured / Lender	Borrower
Contact Name	Contact Name
Lender Loan #	
Mailing Address	Mailing Address
Phone Number	Phone Number
E-Mail Address	E-Mail Address
Servicer (if diff. from Insured's Name)	Payee (if diff. from Insured's Name)
Contact Name	Contact Name
Lender Loan #	Lender Loan #
Mailing Address	Mailing Address
Phone Number	Phone Number
E-Mail Address	E-Mail Address
Original Loan Amount	Property Access
Original Guarantee Percentage	Contact Name
Maximum Guarantee Limit	Contact Number
<b>Foreclosure</b>	
Foreclosure Sale Date	
Estimated Total Debt	Final Bid at Sale
Successful Bidder	
Valuation by:	Current Market Value
Date of Valuation	
Listing Agent	Listing Price
Mailing Address	
Phone	
E-Mail	

<b>Claim Form</b>			
<i>Put on Lender's Letterhead</i>		Date	
Master Policy Number	Certificate #	Property Name	Property Address
Date Guaranteed Issued:	Claim Date		
Insured / Lender	Contact Name	Borrower	Contact Name
Lender Loan #	Mailing Address	Mailing Address	
Phone Number	E-Mail Address	Phone Number	E-Mail Address
Servicer (if diff. from Insured's Name)	Contact Name	Payee (if diff. from Insured's Name)	Contact Name
Servicer Loan #	Mailing Address	Payee Loan #	Mailing Address
Phone Number	E-Mail Address	Phone Number	E-Mail Address
Original Loan Amount	Original Guarantee Percentage	Property Access	Contact Name
Maximum Guarantee Limit		Contact Number	
Foreclosure Sale Date	Foreclosure Bid / Sale Amount		
Successful bidder			
<b>CLAIMABLE ITEM:</b>		As of Principal Date:	
Unpaid Principal Balance	Accured Interest	Interest From Date:	
Original Guarantee Percentage	Principle Coverage	Interest To Date:	Days
<b>ADD: Expense Information</b>			
Attorney Fees			
Preservation of Property Expenses		SubTotal	Max. Allowed
Foreclosure Expenses			
Property Taxes + Special Assessments			
Hazard Premium Insurance			
SubTotal - Additional Claimable Items			
<b>SUBTRACT: Deductible Information</b>			
Restoration Expenses			
Deductible			
Escrow Account Balance			
Net Rental Proceeds			
Cash held by lender as security for the loan			
Insurance Proceeds			
Other Deductions			
SubTotal - Deductible Items			
Total Claim Amount			

- Draft -

LESS: Adjustments, if any  
**Adjusted Claim Amount**

**Claim Amount**  
CLAIMABLE ITEM:  
Net Sale Proceeds  
Balance Loss or (Gain)  
-

SUBTRACT: Deductible Information  
**Claim Amount - (if positive)** -

**Comments:**

**Expense Information:**

Type	Date Paid	Description	Amount
Accrued Interest		Unpaid Balance Rate Days / Year Daily Rate Days Allowed to Accrue Interest Total Accrued Interest	
Attorney Fees	1 2 3		Total (Enter Above)
Preservaton Costs	1 2 3		Total (Enter Above)
Foreclosure Expense:	1 2 3		Total (Enter Above)
Property Taxes	Tax Period Tax Period Tax Period		Total (Enter Above)
Hazard Insurance	Insured Period Insured Period Insured Period		Total (Enter Above)
Other Allowed Expenses			Total (Enter Above)

**Required Enclosures** Enclosed (Y or N)

- 1 Loan History Statement, beginning with when the loan was originated.
- 2 If claim based on other than foreclosure sale, provide explanation and documentation.

- Draft -

- 3 Itemize all expenditures that you are requesting payment for and include a copy of statement or billing, itemizing in detail all services performed or goods supplied.
- 4 Broker Opinion Letter or Appraisal
- 5 Statement on condition of the property

Warning: Any person who knowingly and with intent to defraud any insurance company files an insurance application and/or a claim for the payment of loss containing any incomplete, false misleading or fraudulent information, or such person conceals any material information for the purpose of misleading the Company, thereby commits insurance fraud and is or may be guilty of a crime. Such person may be subject to fines, civil and/or criminal penalties, denial of benefits and/or imprisonment.

Warning: ME, TN, VA, WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties for such an act include imprisonment, fines and denial of benefits.

Warning: NY: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any material false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the state value of the claim for each such violation."

Warning: DC: "it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties included imprisonment and/or fines. In addition, and insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant."

Warning CA: For your protection California law requires the following to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Warning: AZ: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is subject to criminal and civil penalties.

**Claim Authorization:**

I hereby certify that the statements contained herein are true, correct and complete. I understand that a claim will not be complete until all applicable documents have been received by the Insurer. We are not aware of any facts indicating that the subject property is or might be subject to any environmental contamination or hazard, except as disclosed in accompanying attachments.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone

\_\_\_\_\_  
E-mail

**Claim Form - Sample**

**Regional Bank**

Date 8/10/2012

Master Policy Number 1234-56789  
 Certificate # 1234-56789  
 Date Guaranteed Issued: 6/6/2010  
 Date Policy Terminates 6/5/2013  
 Claim Date 8/10/2012

Property Name Buckhead Office Towers  
 Property Address 3434 Peachtree Road  
 Atlanta, Georgia 30326

Insured / Lender Regional Bank  
 Contact Name Mr. Lender  
 Lender Loan # ABC - 12345  
 Mailing Address 121 Peachtree Road, NE  
 Atlanta, Georgia 30309  
 Phone Number 404-816-5000  
 E-Mail Address [jlender@regionalbank.com](mailto:jlender@regionalbank.com)

Borrower BOT, LLC  
 Contact Name Ritchie Rich  
 Mailing Address 39 Tuxedo Road,  
 Atlanta, Georgia 30326  
 Phone Number 404-261-2345  
 E-Mail Address [rich@bot.com](mailto:rich@bot.com)

Servicer (if diff. from Insured's Name) Same as Above  
 Contact Name  
 Servicer Loan #  
 Mailing Address

Payee (if diff. from Insured) Same Insured / Lender  
 Contact Name  
 Payee Loan #  
 Mailing Address

Phone Number  
 E-Mail Address

Phone Number  
 E-Mail Address

Original Loan Amount 5,000,000.00  
 Original Guarantee Percentage 25.00%  
 Maximum Guarantee Limit 1,250,000.00

Property Access  
 Contact Name  
 Contact Number

Foreclosure Sale Date 6/5/2010  
 Foreclosure Bid / Net Sale Amount 3,500,000  
 Successful bidder Clever Guy

**CLAIMABLE ITEM:**

Upaid Principal Balance 4,000,000.00  
 Accrued Interest 39,452.05  
 Original Guarantee Percentage 25.00%  
 Principle and Accrued Interest Coverage 1,009,863.01

As of Principal Date: 4/1/2012  
 Interest From Date: 4/10/2012  
 Interest To Date: 6/9/2012  
 Days 60

**ADD: Expense Information**

Attorney Fees	7,000.00		
Preservation of Property Expenses	17,000.00	SubTotal	Max. Allowed
Foreclosure Expenses	11,500.00	35,500.00	80,000.00
Property Taxes + Special Assessments	25,009.52		
Hazard Premium Insurance	2,400.00		
Other Allowed Expenses	1,000.00		
SubTotal - Additional Claimable Items		103,361.83	

**SUBTRACT: Deductible Information**

Restoration Expenses	-	
Deductible 2.00%	100,000.00	
Escrow Account Balance	-	
Net Rental Proceeds	10,000.00	
Cash held by lender as security for the loan	-	
Insurance Proceeds	-	
Other Deductions	-	
SubTotal - Deductible Items		(110,000.00)

Total Claim Amount 1,003,224.84  
 LESS: Adjustments, if any -  
**Adjusted Maximum Claim Amount 1,003,224.84**

**Claim Amount**

Upaid Principal Balance	4,000,000.00
Net Sale Proceeds	3,500,000.00
Balance Loss or (Gain)	500,000.00
ADD: Expense Information	103,361.83
SUBTRACT: Deductible Information	(110,000.00)
<b>Claim Amount - (if positive)</b>	<b>493,361.83</b>

- Draft -

**Comments:**

**Expense Information:**

Type	Date Paid	Description	Amount	
<b>Accrued Interest</b>				
		Unpaid Balance	4,000,000.00	
		Rate	6.00%	
		Days / Year	365.00	
		Daily Rate	657.53	
		Days Allowed to Accrue Interest	60.00	
		<b>Total Accrued Interest</b>		<b>39,452.05</b>
<b>Attorney Fees</b>				
	1	Hunton & Williams	5,000.00	
	2	Local Attorney	2,000.00	
	3			
		<b>Total (Enter Above)</b>		<b>7,000.00</b>
<b>Preservation Costs</b>				
	1	ABC HVAC Repairs	10,000.00	
	2	Painting by Superior Pro	5,000.00	
	3	Landscape by Tilly	2,000.00	
		<b>Total (Enter Above)</b>		<b>17,000.00</b>
<b>Foreclosure Expenses</b>				
	1	Chicago Title	1,000.00	
	2	Filing Fees	500.00	
	3	Marketing Costs	10,000.00	
		<b>Total (Enter Above)</b>		<b>11,500.00</b>
<b>Property Taxes</b>				
	Tax Period	3/1 - 6/5/10	Ad Valorum Prop. Tax	23,809.52
	Tax Period	3/1 - 6/5/10	Special Assessment	1,200.00
	Tax Period			
		<b>Total (Enter Above)</b>		<b>25,009.52</b>
<b>Hazard Insurance</b>				
	Insured Period	3/1 - 6/5/10	P&C	2,400.00
	Insured Period			
	Insured Period			
		<b>Total (Enter Above)</b>		<b>2,400.00</b>
<b>Other Allowed Expenses</b>				
	1	Other	1,000.00	
	2			
	3			
	4			
		<b>Total (Enter Above)</b>		<b>1,000.00</b>

**Required Enclosures**

1	Loan History Statement, beginning with when the loan was originated.	Enclosed (Y or N)	Y
2	If claim based on other than foreclosure sale, provide explanation and documentation.		N
3	Itemize all expenditures that you are requesting payment for and include a copy of statement or billing, itemizing in detail all services performed or goods supplied.		Y
4	Broker Opinion Letter or Appraisal		Y
5	Statement on condition of the property		Y

- Draft -

Warning: Any person who knowingly and with intent to defraud any insurance company files an insurance application and/or a claim for the payment of loss containing any incomplete, false misleading or fraudulent information, or such person conceals any material information for the purpose of misleading the Company, thereby commits insurance fraud and is or may be guilty of a crime. Such person may be subject to fines, civil and/or criminal penalties, denial of benefits and/or imprisonment.

Warning: ME, TN, VA, WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties for such an act include imprisonment, fines and denial of benefits.

Warning: NY: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any material false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the state value of the claim for each such violation."

Warning: DC: "It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties included imprisonment and/or fines. In addition, and insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant."

Warning CA: For your protection California law requires the following to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Warning: AZ: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is subject to criminal and civil penalties.

I hereby certify that the statements contained herein are true, correct and complete. I understand that a claim will not be complete until all applicable documents have been received by the Insurer. We are not aware of any facts indicating that the subject property is or might be subject to any environmental contamination or hazard, except as disclosed in accompanying attachments.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone

\_\_\_\_\_  
E-mail

- Draft -

Loan Guarantee  
Insurance Services   
**LGIS GROUP**

Loan Guarantee   
Insurance Services  

---

**LGIS GROUP**

Mail:  
LGIS – Loss Management Dept.  
3455 Peachtree Rd, Suite 500  
Atlanta, Georgia 30326  
Phone: 404-995-7016  
Fax: 404-352-0808

E-Mail  
Default Reporting: [defaults@lgisnet.com](mailto:defaults@lgisnet.com)  
Claims: [claims@lgisnet.com](mailto:claims@lgisnet.com)  
Loss Mitigation: [LossMitigation@lgisnet.com](mailto:LossMitigation@lgisnet.com)  
Foreclosure: [foreclosure@lgisnet.com](mailto:foreclosure@lgisnet.com)