

Mortgage Loan Servicing | Escrow Department

Hazard Insurance Claim Process

We are sorry to hear that you have experienced damage to your property. As a valued customer, our goal is to ensure you receive hazard claim funds as quickly as possible while ensuring the repairs are performed sufficiently. It is your responsibility to ensure all repairs are completed by qualified professionals and the insurance funds are expected to be used to repair the property.

Depending on your situation, BBVA, releases funds for repairs based on two processes: **Monitored Disbursements** and **Full Disbursements**. Below is a summary of the criteria used to determine which process will be used and what to expect. The disbursement process will begin once the required documents are received and approved.

For either process, if the loss draft funds exceed the amount required to pay off the loan, then excess funds will be immediately refunded. Below is what is needed to begin the process and the full details are provided on the next page including future disbursements and inspections, if required.

	Monitored Disbursements	Full Disbursements
Process Criteria	<ul style="list-style-type: none"> ○ Loan is 30+ days past due or ○ Claim funds <u>are greater than</u> \$40,000 or 10% of the current loan balance or ○ You intend to complete repairs yourself. 	<ul style="list-style-type: none"> ○ Loan is Current or ○ Claim funds <u>do not exceed</u> \$40,000 or 10% of the current loan balance
Actions to Get Started	<ul style="list-style-type: none"> ○ Complete the Hazard Insurance Claim Disbursement Form (page 2) ○ Collect the Minimum Documents Required ○ Collect the Additional Documents Required ○ Send all documentation and endorsed loss draft check to BBVA 	<ul style="list-style-type: none"> ○ Complete the Hazard Insurance Claim Disbursement Form (page 2) ○ Collect the Minimum Documents Required ○ For claims \$20,000 and under collect the minimum documentation and take to a BBVA branch for endorsement or ○ For claims over \$20,000 collect the Additional Documents Required ○ Send all documentation and endorsed loss draft check to BBVA
What Happens Next	<ul style="list-style-type: none"> ○ You be provided Claim Processing Number ○ We will review your documents and follow up with additional document request or the following will be sent to you. ○ The initial disbursement check ○ An expected draw schedule 	<ul style="list-style-type: none"> ○ You be provided Claim Processing Number ○ We will review your documents and follow up with additional document request or send the full disbursement check to you ○ For claims over \$5,000, when the repairs are completed you will notify us to schedule a final inspection

If you have questions about the hazard claims process, you can email your questions to lossdraft.us@bbva.com or call us at **844-412-9720**. In your communication please include your loan number or claim processing number, if it has been provided to you. For urgent issues or other loan questions please call Loan Customer Service at 1-800-239-1996.

Hazard Insurance Claim Disbursement Request Form

For either Monitored or Full Disbursements, if the loss draft funds exceed the amount required to pay off the loan, then excess funds will be immediately refunded. **The insurance funds are expected to be used to repair the property.** Please visit www.irs.gov/pub/irs-pdf/fw9.pdf to download a copy of the Contractor's W9 Form. If multiple contractors are used for repairs, please submit the appropriate forms for each contractor. ****Before proceeding as your own contractor please contact us. Certain investors do not waive the requirement for contractor license regardless of state laws.****

	Monitored Disbursements	Full Disbursements
Process Criteria	<ul style="list-style-type: none"> ○ Loan is 30+ days past due or ○ Claim funds are <u>greater than</u> \$40,000 or 10% of the current loan balance ○ You intend to complete any repairs yourself.** 	<ul style="list-style-type: none"> ○ Loan is Current or ○ Claim funds <u>do not exceed</u> \$40,000 or 10% of the current loan balance
Documentation Requirements	Minimum Documents Required (All Claims)	
	<ul style="list-style-type: none"> <input type="checkbox"/> Signed and Dated Hazard Insurance Claim Disbursement Form (this form) <input type="checkbox"/> Fully endorsed insurance loss draft check <input type="checkbox"/> Copy of entire insurance adjuster's worksheet <input type="checkbox"/> Copy of contractor's estimate or invoice for the repairs <input type="checkbox"/> Copy of contractor's license** <input type="checkbox"/> Notarized Mortgagor's Affidavit (form can be found in this packet) 	
	Additional Documents Required	
	Monitored Disbursements (All)	Full Disbursements (\$20,000 or higher)
	<ul style="list-style-type: none"> <input type="checkbox"/> Notarized Contractor's Affidavit (form can be found in this packet) <input type="checkbox"/> Contractor's W9 <input type="checkbox"/> If completing the work yourself, also provide proof of relevant liability insurance 	<ul style="list-style-type: none"> <input type="checkbox"/> Notarized Contractor's Affidavit for all contractors (form can be found in this packet) <input type="checkbox"/> Contractor's W9
Initiating Disbursement Process	<p><u>The disbursement process begins once the required documents are received and approved.</u> Required documentation based on the criteria above may be sent to BBVA using any of the following methods:</p> <ul style="list-style-type: none"> ○ Bring documentation to any BBVA branch for mailing assistance or endorsement for claims \$20,000 and under. ○ Mail completed packages to: Escrow Department; P.O. Box 830953; Birmingham, AL 35283; ATTN: Hazard Claims or Overnight (Fed Ex, UPS, etc.) completed packages to: Escrow Department; 701 S 32nd Street; Birmingham, AL 35233; ATTN: Escrow Department - Hazard Claims 	

Borrower First and Last Name: _____ Loan Number: _____

Property Address: _____

Contact: Phone Number _____ Email: _____

Signature: _____ Date: _____

Disbursement Method Place an X next to the option for sending you funds for your hazard claim.	<input type="checkbox"/> Cashier's Check mailed to Property Address <input type="checkbox"/> Cashier's Check mailed to Mailing Address (e.g., where your statements are mailed) <input type="checkbox"/> BBVA DDA (e.g., checking account), can only be processed if linked to auto draft as payment for mortgage loan and Full disbursements only DDA# _____ <input type="checkbox"/> Other Address (provide address below) Mailing Address: _____
--	---

Hazard Claim Check FAQ

What is a Hazard Claim?

A hazard claim or insurance claim will occur when there is damage to your home, typically due to weather. When you file a claim with the insurance company, the insurance carrier will send an adjustor to assess the damage. Based on the adjustor's work, the insurance carrier will issue a check to the policyholder and BBVA. BBVA is included because both the borrower and the bank have interest in ensuring the property is repaired in order to maintain the value of the property.

Where can I find a copy of a W9 form?

Please visit www.irs.gov/pub/irs-pdf/fw9.pdf to download a copy of the Contractor's W9 Form. If multiple contractors are used for repairs, please submit the appropriate forms for each contractor.

How will the disbursement occur?

A disbursement will not occur until all required documentation is submitted. Once the documents are reviewed and the disbursement type has been determined, the initial disbursement will occur. For Full Disbursements, this will be the only disbursement made and for Monitored Disbursements future disbursements will be made after the completion and review of inspection reports. If you have more than one check, the check amounts will be combined to which process will be used.

Do I have to hire a contractor?

BBVA requires that the mortgagor uses a licensed contractor. Contractor documentation is required for each contractor including contractor affidavits, w9's and licenses. BBVA requires that the mortgagor use a licensed contractor, where required by state and/or local law. All other documentation is required. In the event that a state or jurisdiction does not require licensing of contractors, and your loan investor requires it, proof that the contractor is bonded and insured for an amount equal to or greater than the insurance loss proceeds will be required. Licenses from the local level (city, municipality, etc) will be accepted. BBVA is not responsible for the acts or omissions of anyone engaged to perform repairs to the property, and that BBVA is not responsible for completeness or adequacy of any repairs.

How do I know if my loan is secured by an investor or not?

Even if you originated your loan with BBVA directly, it is possible that your loan is now owned by an investor. If you would like to check and see if the investor Fannie Mae owns your loan, please visit <https://www.knowyouroptions.com/loanlookup>. You will be prompted to enter in your name, loan number and last 4 of your Social Security number.

What if I have already paid the contractor myself?

If advance payments have already been made to the contractor, a check may be issued to your name only for the amount equaling the advance payments, so long as receipts and invoices are provided confirming the advance payments were made.

What if I would like to make the repairs myself?

If completing the work yourself, you must provide proof of relevant liability insurance and all required documentation for monitored disbursement regardless of the amount of the claim check. Also, you must provide receipts for all materials used. Once the receipts are processed and a property inspection has been completed, you will receive a check for the amount of materials but the balance of the claim check will be credited to the principal balance of the loan. **Please note that if your loan is held by an investor that this option may not be available to you. Please call us before proceeding as your own contractor.**

Who determines the guidelines being used?

As part of managing the Loss Draft Claims process, BBVA complies with all applicable laws, rules, and regulations.

Where can I forward additional documents?

For prompt reviews, additional requested or missing documents can be sent by Email: LossDraft.us@BBVA.com or Fax: (205) 524-8254. Please include your last name and property address in the email or fax. For original documentation please refer to page 1 of the request form.

What do I need to do when I have other questions about my loan?

Questions about your escrow account can be directed to Customer Service by calling 1-800-239-1996. Any future changes in your taxes or insurance need to be reported to BBVA. The documentation related to the change can be sent via fax or mail.

When sending us documentation, please provide a cover letter with your account number and reason for sending.

Escrow Related Contacts	Contact Information	Other Details
Customer Service	800-239-1996	
Mortgage Escrow Fax	205-524-8254	
Mortgage Escrow Mailing Address	P.O. Box 830953 Birmingham, AL 35283 ATTN: Mortgage Escrow Dept	Tax bills and another escrow related communication.
Mortgage Escrow Insurance Mailing Address	P.O. Box 200017 Kennesaw, GA 30156-9246 ATTN: Insurance Payment Processing	Insurance bills
Web Address	http://www.bbvausa.com/contact/	Provides list of contacts
Loss Draft/Hazard Claims	800-239-1996 844-412-9720	lossdraft.us@bbva.com

Who do I need to contact if I want to assert there has been an error made with the servicing of my loan, or if I want to request information about the servicing of my loan?

If you want to assert there has been an error made with the servicing of your loan, or if you would like to request information about the servicing of your loan, then you must send written notice to us at BBVA, PO Box 10184, Birmingham, Alabama 35202.



BBVA

Creating Opportunities

Mortgage Loan Servicing | Escrow Department

BBVA USA
Escrow Department
P.O. Box 830953
Birmingham, AL 35283

Mortgagor's Affidavit

Affiant: _____ Approx. Draft Amount \$ _____

Loan Number: _____

State of: _____

County of: _____

Before me, the undersigned authority, personally appeared Affiant, who after being by me first duly sworn says:

1. That Affiant is the owner of the premises known as:

_____ is subject to mortgage

No. Street City State Zip

and that the improvements thereon were damaged by _____

_____ on _____

Month Day Year

2. That the necessary repairs have been or will be made and that the property is now or will be in substantially as good condition as prior to the damage on that date.

() Have been fully paid for

() Will be fully paid for with the proceeds from the Loss Draft.

Witness My Hand This _____ Day of _____, 20____

Signature

Subscribed and Sworn to Before me by _____

This ____ Day of _____, 20____

Complete the form, notarize, and return original to:

BBVA USA
Loss Draft Department
PO BOX 830953
Birmingham, AL 35283

Notary Public In and For

County of _____
State of _____
Expiration Date of Commission _____

BBVA
Escrow Department
P.O. Box 830953
Birmingham, AL 35283

Contractor's Affidavit

Borrower's Name: _____

Loan Number: _____

State of: _____

County of: _____

Before Me, the undersigned authority, on this day personally appeared _____
_____ (Contractor), and who being duly sworn, states on his oath as follows:

That he has or will complete all repairs occasioned by ____,
which occurred on _____ with a loss of \$ _____,
to the property at _____
_____, owned by _____
_____ and all labor and material used in the performance of this work has been or is
expected to be fully paid for by the mortgagor and no Mechanic or Materialman's Lien will be attached to the
property as a result of the repairs.

Signature of Contractor

Subscribed and Sworn to Before me by _____

This ____ Day of _____, 20 ____

Complete the form, notarize, and return
original to:
BBVA
Loss Draft Department
PO BOX 830953
Birmingham, AL 35283

Notary Public In and For
County of _____
State of _____
Expiration Date of Commission _____