

From: Stacey Wilson <staceyw@firstfederalbanking.com>
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To: #LPI Input
Subject: Force placed insurance

Force placed insurance is necessary when the property is vacant and when the borrower's insurance lapses. If the property is vacant and the insurance company is unaware, the insurance company will not know to cancel the insurance. Most insurances will not cover any losses when a property is vacant. If someone abandons their house and it catches on fire, the insurance company will not pay for the loss because it was vacant. This is why it is very important that once we are aware that a property is vacant, that we add force placed insurance. If the insurance company can provide us with something in writing stating they will cover a property that is abandoned should it catch on fire or be vandalized, then we will allow their insurance to continue. Our job is to make the sure the asset is being covered by insurance.

Thanks for your time.

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