



May 30, 2024

Borrower  
Co-Borrower  
Street Address  
City, State, Zip

Dear Homeowner(s),

RE: Insurance Loss and Claim

Thank you for notifying Mortgage Servicing Solutions (MSS) of your recent insurance loss and claim.

The enclosed Insurance Claim Guidelines will provide you with an understanding of our insurance loss procedures. Please note that these are general guidelines only. MSS may impose additional requirements depending on the nature and extent of the damage and the status of your mortgage loan. For this reason, we recommend that you review your mortgage carefully for information relating to insurance losses, especially if it is a total loss.

Also enclosed are other important forms that you and your contractor must complete and return to our office at the start of the insurance claim process.

MSS seeks to make the insurance claim process transparent and easy to understand. For any additional information please feel free to contact me at (401) 429-1494 or email me at [bbriden@mtgservicingsolutions.com](mailto:bbriden@mtgservicingsolutions.com).

Sincerely,

Barbara Briden  
Escrow Representative

*Enclosures*



### **Mortgage Servicing Solutions – Insurance Claim Guidelines**

\*If your loan is greater than 31-days delinquent, funds will be disbursed on a case-by-case basis depending on the extent and scope of the damage and may require additional conditions. \*

#### **For all claims (Replacement Cost Value per Insurance Adjuster Estimate):**

**Replacement cost value** is the amount of money needed to repair your home at today's costs for building materials and labor to complete the work.

The following documents need to be provided to Mortgage Servicing Solutions (MSS) before the start of work.

1. The insurance claim check(s) which are endorsed by all signers. (MSS) will hold the insurance loss proceeds in a non-interest bearing, escrow account while your property is being repaired.
2. The signed Insurance Loss/Claim Acknowledgement Form, which is included with this packet.
3. The full Insurance Adjuster's estimate.
4. A detailed estimate/proposal submitted by the contractor you have selected. The estimate/proposal must remediate all damage as identified by the Insurance Adjuster. It should include the activities to be performed, finished materials to be used, for example the type of flooring, the color, brand, etc., and a total cost of the project. Depending on the extent of the damage, repairs should be completed within 120 days. (Please refer to the Tips for selecting a contractor page #6 in this packet.)

The MSS Insurance Claim team will review and approve the estimate. The team may request further details or ask questions as part of the review process. Once the estimate is approved, the following documents will need to be provided by you and your contractor.

1. A copy of the signed contract between you and your contractor.
2. A copy of the Contractor's Liability Insurance certificate.
3. A completed W-9 form from the contractor. MSS will supply the blank form.

#### **Disbursement & Inspection Procedures**

Generally, disbursements are made in increments of one-third of the insurance claims funds in the escrow account. Funds are disbursed at the start of the project, at project mid-point (50% completion), and at project completion. MSS may allow a different disbursement schedule depending on the nature and extent of the property damage.

All disbursement checks will be made payable to both the borrower(s) and the contractor, unless you authorize, in writing, that checks may be payable directly to the contractor. MSS prefers dual payee checks because it is a way of ensuring that you are satisfied that work is being performed to the expected standards.

**Initial disbursement:** MSS will issue a check for the initial disbursement within 14 business days of the receipt of all required documentation, and the approval of the project by Maine Housing.

**Second disbursement:** When the repair work has reached fifty percent (50%) completion, you must request the disbursement from the MSS Insurance Claims Team. You must include photos of all the work completed to date. Upon review, MSS will send a contractor payment requisition form (CPR) to be signed by you and your contractor. Once it is returned MSS will send out the second disbursement check. MSS may also require a lien waiver to be signed and

notarized by your contractor. MSS will issue the disbursement check in 7-10 business days from receipt of the complete documents.

**Final Disbursement:** When the repair project is completed, you must reach out to request the final disbursement from the MSS Insurance Claims Team. When submitting the request, please send photos of all completed work and all applicable supporting documentation, for example permits and/or approvals by city inspectors. Upon review, MSS will send a contractor payment requisition form (CPR) to be signed by you and your contractor. MSS also requests a letter stating that you are satisfied with the repairs. Once all documentation is returned, MSS will release the final disbursement within 14 business days. MSS reserves the right to come on site to inspect the work if needed and will work with you to set up a time

**Please note:** You will want to ensure that your claims checks are made payable to anyone who is on the mortgage and **Maine Housing**. If the checks are not made to the correct payees, then they will have to be replaced and it will delay the start of your repairs.

#### **Tips for Selecting a Contractor**

1. **Get Multiple Estimates** – Talk to several contractors and get written estimates from at least three. Compare the estimates and look at specific things on each one, building materials, work methods, timelines, and other things that may vary by contractor. Be careful of estimates that are either too high or too low.
2. **The Amount of the Claim** – Do not release the full amount of the expected claim to any of the contractors bidding on the project.
3. **Hire Local & Licensed Contractors** – Contractors who live and work in your area are easier to contact if problems develop later and they are more likely to be familiar with local building codes.
4. **Check Their Past Work** – How have projects they completed in the past come out? Do they specialize in the type of work you need done? Check their references and ask about the quality of their workmanship and customer service. Check their reputation and business information with the Better Business Bureau.
5. **Take Your Time Making a Good Decision** - Get multiple bids before deciding. Don't be pressured into making an immediate decision, particularly about signing a contract. Be cautious when asked to pay a large deposit up front. Make sure to read the fine print on all estimates and contracts.
6. **Check Their Insurance** - Make sure the contractor is properly insured. Ask the contractor for a certificate of liability insurance, which should provide the name of the insurance company, policy number and policy limits the contractor carries. Do not do business with a contractor who does not carry the appropriate insurance coverage. If the contractor is not insured, you may be liable for accidents that occur on your property.
7. **Get Everything in Writing** - Secure a comprehensive contract before work begins. Get everything in writing, and make sure the contract is clear and well written. Consider having a lawyer review the proposed contract for your protection before you sign it if the project involves substantial costs. The contract should include:
  - A detailed description of the work to be completed and the price of each item.
  - A payment schedule – for example: one-third down and one-third when work is fifty percent (50%) completed, and the balance due upon completion of repairs.
  - The estimated start date and completion date on larger projects.
  - Any applicable guarantees should be written into the contract and clearly state what is guaranteed, who is responsible for the guarantee, and how long the guarantee is valid.
  - Signatures from both parties. You should never sign a contract containing blank sections.

8. **Keep a Job File** - Keep your contract and all the supporting documents in one folder. Your file should also contain any change orders, plans and specifications, bills and invoices, canceled checks, and certificates of insurance and any letters, notes or correspondence with the contractor.

#### **Additional Information**

1. For claims with a Replacement Cost Value of \$10,000 or less you are permitted to complete repairs yourself. In such cases, you must submit a project plan to Mortgage Servicing Solutions prior to the start of work and are solely responsible for meeting state and local building code requirements.
2. You should continue to make your regularly scheduled mortgage payments throughout the insurance claims process.
3. Insurance claims funds cannot be used to bring your mortgage current during the repair process.
4. As best practice, we encourage you to take before, during, and after photos to document the work performed.
5. You are financially responsible for all costs related to the home repair not covered by the insurance settlement funds received from the insurance company. Maine Housing may require you to provide proof of funds to cover the deficit prior to the release of any funds.
6. Unused funds will be returned to you following the completion of all repairs and receipt of all required documentation.

All documents that are referenced in these guidelines can be emailed to [servicinginfo@mtgservicingsolutions.com](mailto:servicinginfo@mtgservicingsolutions.com). If emailing, please have the words "Insurance Claim" in the subject line. Checks must be delivered or mailed to the address below.

Mortgage Servicing Solutions  
44 Washington St.  
Providence, RI 02903  
Attn: Escrow – Insurance Claims



**Loss/Claim Acknowledgement**

Borrower Name: \_\_\_\_\_ Loan Number: \_\_\_\_\_ Claim Amount: \_\_\_\_\_

Borrower Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Loan Number: \_\_\_\_\_ Date of Loss: \_\_\_\_\_ Type of Loss: \_\_\_\_\_

I (We) acknowledge and agree that:

1. The insurance loss proceeds are to be used for the repair/restoration of my (our) property.
2. I (We) have read, understand, and agree to abide by the requirements set forth in Mortgage Servicing Solutions' Insurance Loss Guidelines.
3. I (We) have read and understand my contractor's contract/proposal. I (We) understand that I (We) will financially be responsible for all costs related to the repair work that are not covered by the insurance loss proceeds that I (We) received from my insurance company.
4. I (We) agree to apprise MSS of the status of repairs.
5. I (We) understand that MSS requires progress & completion photos to monitor the progress of the repairs.
6. I (We) understand that MSS recommends that I (We) speak with our insurance company to better understand the Recoverable Depreciation portion (if any) of the Insurance Adjuster's Report, as these monies may be claimed after all repairs have been completed and re-inspected.
7. I (We) understand that, unless I(We) am/are in bankruptcy or have received a discharge in a bankruptcy case and did not reaffirm my (our) Maine Housing mortgage loan obligation(s) then I (We) must continue to make my (our) mortgage loan payments throughout the insurance loss process.
8. I (We) understand that as lienholder, Maine Housing, has a vested interest in maintaining the value of my (our) property.

My (Our) signatures below acknowledge(s) my (our) intentions to repair/restore the property and agree to notify MSS when the repairs have been completed.

Borrower Signature: \_\_\_\_\_

Co-Borrower Signature: \_\_\_\_\_

**Contact Information for Loss Related Matters**

Name: \_\_\_\_\_

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

Phone: \_\_\_\_\_