

## MONITORED INSURANCE LOSS CLAIMS

(Conventional, FHA, & VA Loans)

We understand this is a stressful time and want to work with you to ensure you receive funds as quickly as possible to begin repairs to your home. In this packet, you will find step-by-step instructions on how to process your insurance claim for damages. This package is for processing claims totaling **more than \$40,000**, (or more than \$10,000 if your loan is past due, see page two for details.)

**Due to the large amount of your insurance claim, a licensed contractor must be used for repairs.**

### BEGINNING THE PROCESS

**1. Review** your adjusters' report from the insurance company, this outlines the total claim amount and how it was calculated. This information is important for processing your check. If you have not already, seek a licensed contractor who will be utilized to complete your repairs.

**2. Send** the following to the address below (we recommend using a trackable mail service.)

Original Insurance Claim Check (endorse the check before sending)

Insurance Adjusters Report

Completed Repairs Agreement (Page 3)

Payment Distribution Option (page 4)

Conditional Waiver of Lien (Page 5)

IRS Form W9 Completed by Contractor (Page 6)

Third Party Authorization (optional)

**3. Receive** your initial loss draft claim check. Once we receive and review your documents, we will disburse funds according to the disbursement schedule on page two. The remaining funds will be placed into an insurance claim escrow account also referred to as 'restricted escrow'. After receiving the check, work with your contractor to begin repairs.

**Flat Branch Home Loans**  
**Attn: Insurance Loss**  
**3400 Buttonwood Dr, Suite A**  
**Columbia, MO 65201**

*Turnaround time is approximately 7-10 business days.*

*We ship all checks via UPS Ground unless you provide a prepaid return label.*

**(877) 350-0350** | [InsuranceLoss@fbhl.com](mailto:InsuranceLoss@fbhl.com) | [www.flatbranchservicing.com](http://www.flatbranchservicing.com)

**Important:** If you have a USDA/RHS loan do not proceed with this form and download the corresponding claim packet from our website at [www.flatbranchservicing.com](http://www.flatbranchservicing.com). If you do not know your loan type, please refer to your mortgage statement or call us at (877) 350-0350 for assistance.



## FUNDS DISBURSEMENT SCHEDULE

Once you submit all the documents required in the above checklist and your loan is in good standing, we will disburse funds in the following increments:

- Initial – We will disburse 33% the insurance proceeds or \$40,000, whichever is greater. If the claim funds exceed your loan payoff, we will release the excess.
- 50% Complete – We will order an inspection, if the repairs are 50% or more complete, we will disburse the insurance proceeds up to the percentage of completion.
- Final – We will order a final inspection, if the results show the repairs are 95%-100% complete we will disburse the remaining funds.

## PAST DUE LOANS

If your loan is 30 days or more past due, or was at the time of loss, and your net claim amount is greater than \$10,000 please contact us to discuss mortgage payment assistance options. Additionally, we are required to disburse funds according to the following schedule:

- Initial – We will disburse 25% of the insurance proceeds received (up to \$10,000).
- 50% Complete – We will order an inspection, if the repairs are 50% or more complete, we will disburse the next 25% of insurance proceeds.
- 75% Complete – We will order another inspection, if the repairs are 75% or more complete, we will disburse the next 25% of insurance proceeds.
- Final – We will order a final inspection, if the results show the repairs are 100% complete, we will disburse the remaining funds.

## TOTAL LOSS

A property is considered a total loss when the amount of the claim exceeds 80% of the insurance coverage amount. If your property is considered a total loss, before we begin to process your claim an as-repaired appraisal must be completed and a fee will be required. If the as-repaired appraisal is equal to or greater than the original value, the claim process may begin. These additional documents will be required for the claim process:

- Blueprint from contractor for rebuild
- Estimate from the contractor on rebuild

**For all total loss claims, the total insurance loss proceeds must be at least 100% of the total estimated cost to rebuild the property.**

**You may use your insurance claim funds to pay off your mortgage loan.** If the amount of the claim exceeds the amount required to pay the mortgage in full you should send the endorsed claim check with a letter authorizing Flat Branch to use the funds to pay off the mortgage. If the amount of the check is less than the amount owed, you must send certified funds for the difference along with the endorsed claim check and a letter authorizing the payoff. To obtain a payoff quote please contact us at 877-350-0350.



**LOSS CLAIM REPAIRS AGREEMENT**  
(Completed by Homeowner)

**Loan Number:** \_\_\_\_\_

I, \_\_\_\_\_, being duly sworn, state that I am the owner of the property at:  
(Print Name)

**Street Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

The property sustained damage, and I seek to repair or reconstruct the residence. I agree to apply all released insurance proceeds promptly and solely for repairs or reconstruction at the above address. I intend to use the insurance adjusters report as a guideline for a viable repair plan and will seek approval from Flat Branch Mortgage Inc. prior to any major deviations from the repair plan.

If I hire a public adjuster or any third party, I understand that their fees cannot be paid from the insurance claim funds.

This affidavit is made to induce **Flat Branch Mortgage Inc.** to release insurance proceeds in the amount of \$ \_\_\_\_\_ for said repairs/reconstruction. I acknowledge that proceeds will be disbursed in three installments and may require inspections prior to each disbursement.

**Phone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Are you currently able to occupy the property?**  Yes  No

**Do you want the claim check shipped to the property address?**  Yes  No

If not, where should we ship your claim check? \_\_\_\_\_

**Date of Loss:** \_\_\_\_\_ **Total Loss?**  Yes  No

**Cause of Loss:** \_\_\_\_\_

Initial here if repairs are expected to take longer than 90 days: \_\_\_\_\_

**Owner Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## PAYMENT DISBURSEMENT OPTIONS

(Completed by Homeowner)

Please choose the method of disbursement that best fits your situation:

**Option 1 – Joint Payment to Borrower and Contractor (Recommended)**

A W-9 form is required for any contractor receiving payment from Flat Branch. Disbursement checks will be issued to both you and the contractor. Both parties must endorse the checks. Flat Branch will mail the checks to you, and you will be responsible for signing and delivering them to the contractor.

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**Option 2 – Payment to Borrower Only (Available for Current Loans)**

A W-9 form is **not** required for borrower-only payments. Checks will be made payable solely to you and mailed to your address. You will be responsible for depositing the funds and paying the contractor directly.

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**Option 3 – Payment to Contractor Only**

A W-9 form is required for any contractor receiving payment from Flat Branch. Checks will be issued directly to the contractor. Written authorization from you will be required to release the funds. Flat Branch will send the checks directly to the contractor.

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### Acknowledgment

I/We understand that the selected payment option will be used throughout the repair or restoration process. Once all work has been completed and inspected, any remaining funds, including any accrued interest from insurance proceeds held by Flat Branch, will be refunded directly to me/us.

### Borrower Acknowledgment

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

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

Date: \_\_\_\_\_

### Co-Borrower (if applicable)

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

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

Date: \_\_\_\_\_

**CONDITIONAL WAIVER OF LIEN**  
(Completed by Contractor)

State of: \_\_\_\_\_

County of: \_\_\_\_\_

Loan Number: \_\_\_\_\_

In consideration of the payment of \$ \_\_\_\_\_, and upon receipt of said amount, the undersigned contractor hereby conditionally waives and relinquishes any and all current or future lien rights they may hold under applicable mechanic's or materialman's lien laws against the property described below:

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

City / State / Zip: \_\_\_\_\_

This waiver applies specifically to the work performed by the undersigned and funded through the insurance payment referenced above. The scope of work includes the following repairs or replacements (please specify):

In the event the total amount mentioned above is to be paid in installments, the waiver and release of lien rights shall apply proportionately with each installment as it is received.

***I have reviewed and agree with the draw schedule associated with the disbursement of these funds. I understand that any work performed outside the scope of the insurance adjuster's report may not be covered under the current draw schedule.***

Executed on this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_ .

**Contractor Information:**

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

License Number (if applicable): \_\_\_\_\_

Social Security/Tax ID Number: \_\_\_\_\_

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

Business Address: \_\_\_\_\_

City / State / Zip: \_\_\_\_\_

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

Email Address: \_\_\_\_\_

IRS FORM W9

(Completed by Contractor)

Form **W-9**  
(Rev. March 2024)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer  
Identification Number and Certification**

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	<b>1</b> Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	<b>2</b> Business name/disregarded entity name, if different from above.	
	<b>3a</b> Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  <i>(Applies to accounts maintained outside the United States.)</i>
	<b>3b</b> If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions _____ <input type="checkbox"/>	
	<b>5</b> Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)
	<b>6</b> City, state, and ZIP code	
	<b>7</b> List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>									
				-			-		
<b>or</b>									
<b>Employer identification number</b>									
				-					

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date
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For general instructions and more information on the purpose of this form, please visit the IRS website at [www.irs.gov](http://www.irs.gov).