



fahe
Strength in Numbers

| servicing

319 Oak Street, Berea, KY 40403
859.986.2321 | www.fahe.org

Dear Borrower,

FAHE, Inc. Insurance Claim Procedures

The enclosed document serves as a procedure for handling the insurance claim check you have received. Depending on the total claim amount and the status of your account, Fahe may or may not manage your claim.

Whether or not Fahe manages your claim, the **claim check and adjuster's report must be sent to Fahe.**

Claim documentation can be sent to Fahe at the address or fax below:

**Fahe
319 Oak Street
Berea, KY 40403**

Fax: 859-428-7991

Please review the attached procedure and contact the Escrow Department at 888-969-1399 if you have any questions.

Thank you,
Escrow Department
Fahe

OBJECTIVE	Provide guidance for the borrower concerning their insurance claim check.
CLAIMS LESS THAN \$2,500	<p>If the loan has been current for 12 months – funds will be returned to borrower once Fahe receives the adjuster's report and claim check.</p> <p>If the loan has not been current for 12 months – funds will be deposited in a claims account and managed by Fahe.</p>
CLAIMS BETWEEN \$2,501 - \$5,000	<p>If the loan has been current for 24 months – funds will be returned to borrower once Fahe receives the adjuster's report and claim check.</p> <p>If the loan has not been current for 24 months - funds will be deposited in a claims account and managed by Fahe.</p>
CLAIMS GREATER THAN \$5,000	Funds will be deposited in a claims account and managed by Fahe.
RESPONSIBILITIES	<p>Borrower Duties</p> <ul style="list-style-type: none"> ✓ Send adjuster's report to Fahe ✓ Send endorsed claim check to Fahe ✓ Hire a licensed contractor ✓ Send the contractor's W9 to Fahe ✓ Send the contractor's estimate to Fahe ✓ Explain to the contractor that ½ of their estimate will be issued up front in the form of a two-party check, and the rest will be issued upon completion ✓ Notify Fahe when the work is complete ✓ Send the contractor's final invoice to Fahe <p>Fahe Duties</p> <ul style="list-style-type: none"> ✓ Deposit the claim check into a loss draft account ✓ Maintain organized claim file including all adjuster and contractor documents ✓ Review adjuster's report ✓ Review contractor estimate ✓ Reconcile adjuster's report and contractor's invoice ✓ Order pre and post inspections as necessary ✓ Disburse payment from claim funds to inspector ✓ Disburse two-party checks from claim funds to the borrower and contractor <p>If the claim funds are sent back to the borrower, then the borrower will have full responsibility for hiring an inspector and paying the contractor.</p>

If any funds remain after the final invoice is paid, delinquent borrowers will have this money applied towards their overdue payments. Borrowers who are up to date on their mortgage will receive a check with the remaining amount.