

**MIDWEST LOAN SERVICES
INSURANCE CLAIM/LOSS
GENERAL GUIDELINES FOR BORROWERS**

1. Midwest Loan Services will hold insurance proceeds and disburse funds to the borrower as repairs are completed. To begin, the borrower needs to provide the following.
 - Endorsed insurance check
 - Signed Insurance Loss Claim Acknowledgement form
 - Copy of Insurance Adjustor's report
 - Signed contract/proposal with the licensed contractor selected to complete repairs – required if the claim is \$10,000 or more. If proposal does not include contractor's license number, please provide copy of license.
 - Request for initial draw

<u>Total Claim</u>	<u>Disbursement Schedule</u>
\$1 - \$9,999.....	Full Payment as Initial Draw
\$10,000 - \$39,999.....	½ Initial Draw, ½ Final Draw
\$40,000+.....	Initial and Remaining Installments as agreed by borrower, contractor, and Midwest Loan Services/Investor

NOTE: Paid receipts for any repairs and/or materials already purchased may be submitted to Midwest Loan Services for reimbursement.

2. A check for the initial draw will be issued 3 business days after receipt of the endorsed insurance check. The check may be payable to the borrower and contractor and will be mailed to the borrower.
3. Subsequent draws may be requested by the borrower as the repairs progress.
 - A written request and invoices to be paid must be provided.
4. At completion of the repairs, the borrower may request the final disbursement by submitting the following documents, which will be provided by Midwest Loan Services.
 - A Lien Waiver, completed and signed by the contractor, if applicable.
 - A Request for Final Draw/Statement of Satisfaction, completed and signed by the borrower.
5. An independent property inspection may be ordered by Midwest Loan Services to ensure the repairs have been properly completed and the value of the property restored.
 - Inspection results are available 7 – 10 business days after the inspection occurs. The check for the final disbursement will be issued upon receipt of satisfactory inspection results.

Additional Information:

- **These are general guidelines only.** In the event of a Federally Declared Natural Disaster, additional leeway may be granted by Midwest Loan Services/Investor on a case-by-case basis.
- The loan must be current (less than 31 days delinquent) when the loss occurred. If the loan is more than 31 days delinquent at the time of the loss, payment arrangements to bring the loans current must be made before any funds will be released.
- Interest will be paid on funds held, based on Investor requirements.
- In the event of a total or near-total loss, the borrower and Midwest Loan Services/Investor will determine if repairs are economically feasible.
- **If the total claim is \$10,000 or more, all repairs must be performed by licensed and insured contractors.**
- Documents can be sent to:

Midwest Loan Services
ATTN: Insurance Loss Claims
616 Shelden Avenue, Suite 300
Houghton, MI 49931
Fax: 906-487-5236
E-mail: specialloans@midwestloanservices.com