

Memo



To: All Clients
From: LPS National Flood
Date: 11/2/2011
Re: Flood Insurance Coverage Subject to Change Disclosure

In response to the new flood insurance disclosure language required by different investors, LPS National Flood has created a custom Notice to Borrower (NTB) with added language for flood insurance and servicing transfer disclosures. This custom Notice of Special Flood Hazard (NSFH) contains the new investor requirement of the full Flood Insurance Coverage Subject to Change Disclosure as shown in the following paragraph:

FLOOD INSURANCE COVERAGE SUBJECT TO CHANGE DISCLOSURE

We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

LPS National Flood has added this language for flood insurance and servicing transfer disclosure requirements to the existing NTB/NSFH, and offers it as a custom alternative that is available upon request.

The Flood Disaster Protection Act (FDPA) requires federally regulated lenders to ensure that adequate flood insurance coverage is in place for any property used as collateral for a loan that has a building (dwelling, structure, or improvements) located or to be located in a Special Flood Hazard Area (SFHA). This additional language on the NTB is to ensure borrowers are appropriately informed of the right of future mortgage servicers to adjust flood coverage.

To request the custom NTB/NSFH including the Flood Insurance Coverage Subject to Change Disclosure, please contact:

LPS National Flood
Email: floodinfo@lpsvcs.com
Phone: (800) 833-6347
Lisa Koenig, ext. 633
Lisa George, ext. 132
Diane Puckett, ext. 204