

State Employees' Credit Union



Loss Drafts Claim Packet

Thank you for contacting us regarding your recent property damage. We understand the claims process is a difficult time, and we will do our best to help you through this process as quickly as possible. This packet will provide you with important information and help guide you through the claims process. Please read the entire packet carefully and contact us should you have any questions.

The following instructions and documentation have been provided in response to your recent inquiry. To avoid any unnecessary delays and help ensure the timely processing of the loss draft, it is extremely important that you read and follow the instructions outlined below.

Pursuant to the Security Instrument securing the mortgage lien on your property, the Credit Union reserves the right to escrow the loss draft funds and ensure the repairs to your property are completed.

The following requirements apply:

Non-Total Losses	Total Losses
<p>Initial Documentation</p> <ul style="list-style-type: none"> • Endorsed Claims Check* • Copy of the Insurance Adjuster's Estimate** • Signed Mortgagor's Affidavit of Repair • Contractor Documentation <ul style="list-style-type: none"> ○ Copy of Contractor's Estimate <p>Upon Completion</p> <ul style="list-style-type: none"> • Signed Contractor's Waiver of Lien*** 	<p>Initial Documentation</p> <ul style="list-style-type: none"> • New House Plans**** • Endorsed Claims Check* • Copy of the Insurance Adjuster's Estimate** • Signed Mortgagor's Affidavit of Repair • Contractor Documentation <ul style="list-style-type: none"> ○ Copy of Contractor's Estimate ○ Copy of Contract and Specifications Sheet ○ Copy of Contractor's License ○ Builder's Risk Insurance Policy <p>Upon Completion</p> <ul style="list-style-type: none"> • Signed Contractor's Waiver of Lien***

* Claims Check must be endorsed by all payees.

** Must include an itemized list of repairs and the cost.

*** Required once all repairs have been completed and for processing of the final draw.

**** House plans are required to order an appraisal. Estimated appraisal cost of \$500-\$750 must be paid upfront or you can request to have the cost deducted from claim funds. Appraisal must be approved prior to beginning repairs/reconstruction. Please note, appraiser inspection fees may be charged in some cases (see section on Property Rights and Draw Requests below).

We recommend hand-delivering your documents and endorsed check(s) to a branch location; however, if you opt for mail, fax or email the documents, please include your loan number on all documents and endorsed check(s). Please note, endorsed checks must be hand-delivered or mailed. Return to our office at:

Mail:	State Employees' Credit Union Attn: Escrow Department - Loss Drafts PO Box 27529 Raleigh, NC 27611
Overnight:	State Employees' Credit Union Attn: Escrow Department - Loss Drafts 3101 Wake Forest Road Raleigh, NC 27611
Fax:	(919) 839-8455
Email:	escrow-lossdraft@ncsecu.org

Documents can also be completed at a branch location or returned, in person, at a branch location. Failure to provide all the required documents may cause a delay in the release of the initial payment (also referred to as a draw) from the restricted escrow/loss draft account. Completed documents received by the Escrow Department by 3:00PM EST Monday – Friday will be reviewed and processed the same day. Funds will be deposited into the affiliated account by 5:30PM EST. Documents received by the Escrow Department after 3:00PM EST Monday – Friday will be processed the following business day. **Disbursements cannot be made without the initial documentation. The initial documentation for non-total losses and total losses include the documents listed above.**

Please note, draw request funds are deposited into your mortgage loan's affiliated deposit account for current loans only. If a check is required, the loan must be current to be made payable to the borrower(s) only. If the loan is delinquent (31 days+ past due from the contractual due date) as of the date of loss, all checks will be made payable to the borrower(s) and the contractor. All checks are mailed via USPS and subject to the processing times listed above. ****Overnight FedEx is an option at your expense. Funds will be deducted from the Loss Draft claim funds to pay this expense.***

Property Inspections and Draw Requests

The Credit Union will release the initial draw to begin repairs after receipt and review of the completed Loss Drafts Packet. Under no circumstance will the Credit Union release, as part of the initial draw, more than 1/3 of the total claims check received. Please note, claim funds cannot be used to bring the loan current. However, in the case of a total loss, the Credit Union reserves the right to use the claim funds to pay off the loan or to require additional funding conditions.

The Credit Union will monitor repairs via property inspections to verify the repairs are completed according to the contract upon the receipt of a draw request. Property inspections are to be completed at 25% increments (or greater) of the total loss or each draw will be equivalent to the percentage of the total repairs completed at the time of the inspection. To arrange for an inspection, please contact our office at (800) 438-1105, Monday through Friday, from 8:30AM to 5:30PM EST, or by emailing us at escrow-lossdraft@ncsecu.org. Please allow up to seven business days from the date of your request for us to receive the property inspection results from the vendor. Draw funds are processed and deposited into the affiliated account or mailed within 24 hours after receipt of the property inspection from our vendor. The Credit Union will absorb the cost of up to four inspections for a non-total loss claim and up to six inspections for a total loss claim. The borrower will be responsible for the cost of any additional property inspections. Property inspection costs range from \$60-\$100.

Final Draw Request

Upon completion of the repairs, the Credit Union will require a signed Waiver of Lien from your contractor to ensure the property remains free of any construction liens. This form is required for the release of the final draw.

We at the Credit Union understand dealing with a loss event can be difficult, and we want to assist you through the repair process. To ensure a smooth process, please follow the instructions provided.

Sincerely,
Escrow Department - Loss Drafts

State Employees' Credit Union



MORTGAGOR'S AFFIDAVIT OF REPAIR

****ALL SECTIONS OF THIS FORM MUST BE COMPLETED****

Date: _____

Mortgage Loan #: _____

Collateral Address: _____

I/we, the undersigned mortgagor(s), hereby state that the damages sustained at our property at the Collateral Address set forth above will be/have been completed per the insurance adjuster's scope and will/does:

- Comply with all applicable state and local codes and regulations governing residential repair or reconstruction, including, but not limited to, building codes, zoning codes, work permits and inspections.

I/we the undersigned mortgagor(s) also hereby state that all bills for materials and labor will be/have been paid. There will be no Mechanics Liens or Material Providers Liens filed as a result of lack of payment for the repair/reconstruction work.

I/we the undersigned mortgagor(s) acknowledge that upon execution of this Affidavit, insurance loss proceeds will be released per the guidelines set forth in the Loss Draft Claims Packet. Funds are released in incremental disbursements. Upon completion of work and at each draw request, an insurance loss inspection will be performed to confirm percentage of completion. Upon satisfactory completion of the repairs and receipt of a completed Contractor's Waiver of Lien from each contractor, the final payment will be disbursed.

Borrower Signature _____ Date _____

Co-Borrower Signature _____ Date _____

Co-Borrower Signature _____ Date _____

Co-Borrower Signature _____ Date _____

Sworn to before me and subscribed in my presence:

On this _____ day of _____, 20 _____

State of: _____ County/Parish of: _____

Notary Signature _____

My Commission Expires: _____

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CONTRACTOR'S WAIVER OF LIEN

If you are working with multiple contractors, each one must complete this form.
To avoid delays please complete this form in its entirety before submitting it.

Date: _____

Mortgage Loan #: _____

Collateral Address: _____

Borrower Name:	Contractor Name:
Co-Borrower Name:	Company Name:
Mailing Address:	Contractor/Company Address:
City, State Zip:	City, State Zip:
Phone Number:	Phone Number:

Contractor's Declaration:

(Check One)

_____ Full Conditional

Having been fully paid and satisfied, all my/our construction lien rights against such property are hereby waived and released. This waiver is conditioned on actual payment of \$_____. The borrower has also agreed the repairs are satisfactory.

_____ Full Unconditional

Having been fully paid and satisfied, all my/our construction lien rights against such property are hereby waived and released. The borrower has also agreed the repairs are satisfactory.

I, the undersigned contractor, hereby declare that I am duly licensed under applicable laws and regulations, all liens will be waived upon payment as noted, I am qualified and have the requisite experience to perform the type of work contracted, financially able to complete the repair or reconstruction within scheduled time frames, will comply with applicable codes and regulations governing residential repair or reconstruction (including, but not limited to, building codes and zoning, permit and inspection regulations), and I will be repairing damage at the property listed above as reported in the insurance adjuster's report unless specifically noted.

Contractor Signature _____ Date _____

Borrower's Declaration

By signing below, you indicate you agree with the above information, repairs have been completed to your satisfaction, and the collateral address has been restored to its original condition prior to the damages.

Borrower Signature _____ Date _____

Co-Borrower Signature _____ Date _____