

Lending Guide Announcement

**UPDATED
5/03/2010**

Due to approval by Congress, the Continuing Extension Act of 2010 (H.R. 4851) includes an extension of the Federal Emergency Management Agency's (FEMA) statutory authority to issue flood insurance policies under the National Flood Insurance Program (NFIP). This amendment has a retroactive effective date of February 28, 2010 and will expire on May 31, 2010. Note that a full budget approval is anticipated prior to the May 31, 2010 expiration.

The below additional requirements are no longer applicable; our standard evidence of a flood insurance policy will be required going forward.

IMPORTANT

ClearPoint Funding is issuing guidance in regards to the National Flood Insurance Program (NFIP):

- The NFIP's ability to issue new and renewal flood insurance policies and increase coverage on existing policies expired at midnight on March 28, 2010. Congress adjourned without extending the authority and will not reconvene again until April 12, 2010.
- During this lapse, ClearPoint Funding's policy on flood insurance has and will not change; however, the following requirements will be in place until Congress adequately addresses this issue.
- Loans may close and fund with acceptable evidence of an application and payment for NFIP flood insurance, with a post-closing requirement of evidence of actual coverage. Acceptable evidence of application / payment is as follows:
 - Completed, executed NFIP flood insurance application plus reflection of the premium collect on the final HUD-1; or
 - Completed, executed NFIP flood insurance application plus a copy of the borrower's premium check or agent's paid receipt; or
 - Completed, executed NFIP General Change Endorsement Form showing the assignment of the current flood insurance policy by the property seller to the borrower; or
 - Agent-executed NFIP Certification of Proof of Purchase of Flood Insurance.

Thank you for your business and please do not hesitate to contact your ClearPoint Funding Account Executive with any questions.
