

AMERICAN MUTUAL MORTGAGE

FIRE INSURANCE REQUIREMENTS AND AUTHORIZATION

American Mutual Mortgage requires that you provide and maintain a Fire Insurance Policy that meets with our standards during the life of your loan. To assist you in providing acceptable fire insurance coverage, the following are the minimum requirements for a fire insurance policy which is to be used in connection with a real estate loan from American Mutual Mortgage

1. **POLICY** - AMM must hold an original policy and any replacement policy or renewal policy, together with the original of all endorsements to such policies. A paid receipt for one year's premium for the current period is required prior to funding. The insurance agent's name, address and telephone number must be contained within the policy. For condominiums or customers covered under a master of blanket policy, a certified copy of the entire policy is acceptable, providing that the certification has an original signature of an authorized agent. Each loan on a condominium must have a copy of the certificate of insurance on that unit.
2. **COMPANY RATING** - The insurer must be licensed to do business in California and must have a general policyholder's rating of A or better in the Best's Insurance Guide.
3. **NAME AND ADDRESS** - The insured's name(s) must be the same as AMM's approved borrower of record, and the property address must correspond with the property described in the Deed of Trust. A legal description must be shown for rural properties, condominiums or other situations if the property address does not adequately define the location of the property. AMM's loan number must be contained within the policy.
4. **MINIMUM COVERAGE** - Replacement cost property insurance, insuring against the standard perils of fire, extended coverage and vandalism and malicious mischief. The amount of such insurance shall be the full replacement value of the improvement, extensions, fixtures, machinery and equipment constituting a permanent part of the improvements, with a 4% inflationary guard and twelve (12) months Rent Loss/Business Interruption coverage. Liability insurance in the amount of at least \$500,000. for personal injury to any one person, \$1,000,000. for any one accident and \$100,000. for property damage with a 438BFU Lenders' loss payable endorsement for PIQ.
5. **FLOOD INSURANCE**- If required, it must be maintained in full force and effect for the term of the loan. The amount of Flood Insurance required is the maximum available under the National Flood Insurance Program for the property of the total encumbrances on the subject, whichever is greater. A copy of the flood insurance application accompanied by a paid receipt for the first year's premium must be furnished to AMM prior to funding. If an area has been identified as having special flood hazards and the community has not enrolled in the program, flood insurance is not available and the loan cannot be made.
6. **TYPE OF COVERAGE** - One to four residential units must have fire, extended coverage and special form. All applicable endorsements to be attached must be referred to by form number on the policy declaration page.

7. LOSS PAYABLE ENDORSEMENT - Lender's Loss Payable form (No. 438BFU) in favor of American Mutual Mortgage must be attached to the policy. AMM's address and borrower's loan number must be shown either on the Declaration Page of the policy and/or the Form No. 438BFU.

LENDERS LOSS PAYABLE TO READ:

**AMERICAN MUTUAL MORTGAGE, INC., A CALIFORNIA CORPORATION,
Designated Agent for Mortgage Beneficiaries
c/o 19510 Ventura Blvd. Suite 214, Tarzana, CA 91356**

8. MAXIMUM DEDUCTIBLES - The maximum deductible on your policy must not exceed \$1,000.
9. POLICY EFFECTIVE DATE AND TERM - The effective date of the policy must be the same as or prior to the date of disbursement of funds for a new loan, or the expiration date of the existing policy for an existing loan. The term must be at least one year or more with continuous policies acceptable.

It is understood that in order to comply with new laws and regulations, AMM may solely elect to amend, delete and/or add to the above requirements from time to time without prior written notification.

By: _____ Date: _____
By: _____ Date: _____
By: _____ Date: _____

CURRENT POLICY INFORMATION

NAME OF INSURANCE COMPANY _____
AGENT'S NAME _____
TELEPHONE NUMBER _____
FAX NUMBER _____
ADDRESS _____
POLICY NUMBER _____
BEST RATINGS (IF KNOWN) _____