

CIRMO 2011

Products To Reduce and Manage Risk

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Lender Single Interest

- Sometimes called VSI or “Rolling Stock” coverage.
- Eliminates the need to track coverage on eligible collateral.
- Full coverage must be confirmed at loan closing.
- Covers four types of potential loss.
- Primary Physical Damage Coverage Failure.
- Instrument Non-Filing for titles and UCC forms.
- Confiscation & Skip Insurance
- Physical damage coverage after repossession.

Lender Single Interest

- Eligibility is determined by collateral, not loan purpose.
- Eligible collateral includes: Auto's, pickup & van type trucks not exceeding 6 wheels and 10,000 lbs. gross weight.
- Dual Real Wheeled Pickup Trucks with a load capacity not to exceed 3,000 lbs.
- Watercraft.
- Recreational vehicles to include any land motor vehicle, trailer/camper less than 40 ft. in total length, slide-in type camper less than 14 feet long.
- Mobile Homes

Lender Single Interest

- Motorcycle, ATV's, Snowmobiles and Jet Ski's.
- Coverage Limit's.
- All covered collateral has a dollar limit of \$75,000.
- All covered collateral has a term limit of 72 month's except Mobile Home's and Recreational Vehicle's which have a limit of 120 month's.

High Loan To Value Residential Real Estate Secured Loans/Lines

- Eligible collateral includes – Residential Lot's purchased for Consumer Purposes. Will insure amount over the regulatory guideline up to 100% of Sales Price or Appraised value, whichever is less.
- Closed-end Home Equity Loans- May insure closed-end or fixed term equity loans with LTV up to 100% on primary and second residences.
- Secured Line of Credit – Same as closed-end except that the terms are open end lines which can be drawn on by the borrower for the term of the contract.
- On both closed-end and lines that are second liens, consider who the first lien is with.

High LTV Residential Real Estate cont.

- Home Improvement – Loans/Lines used for improvement, repair or alteration of owner occupied residential property are eligible.
- Modular home – Stick built and assembled on site are eligible.
- Ineligible Collateral – Commercial/Investment purpose Loan's and Lines are not eligible.
- Purchase loans are not eligible. (If an original purchase loan is modified or refinanced, it would now be considered eligible).
- Work out loans/lines – This product is not intended to make a bad loan stronger, it is to allow financial institutions to make higher LTV loans to good customers without the burden of higher reserves for the bank.
- Loans with multiple collateral – Multiple pieces of real estate, combination of real estate and equipment, auto's, CD's, stocks, etc.
- Loans exceeding 100% LTV
- Mobile Homes – Even if on permanent foundation and title surrendered, these are still considered depreciating assets by the insurance company.

High LTV Residential Real Estate cont.

- Endorsements Required
- If the amount insured exceeds \$100,000.
- If the loan/line is outside of Bank's underwriting guidelines for Debt to Income.
- If Beacon score is below 640 (If joint borrowers, this applies to the one with the lowest score.)
- Any loan or line with unpaid judgments.
- Any Questions?