

Date: [Date]

Recipient Name: [Borrower Name]

Property Address: [Property Address]

Loan Number: [Loan Number]

Subject: NOTICE OF PLACEMENT OF INSURANCE

Dear [Borrower Name],

This letter is to inform you that we have purchased insurance on your property located at [Property Address] and are charging the cost to your loan escrow account.

As required by your mortgage agreement, you must maintain adequate hazard insurance coverage on the property. We previously notified you on [Date of First Notice] and [Date of Second Notice] that your previous insurance policy had expired or was insufficient, and we requested updated proof of coverage.

Because we did not receive proof of insurance, we have purchased a "Force-Placed" policy to protect the lender's interest in the property.

Please be aware of the following:

- **Cost:** The annual premium for this insurance is \$[Amount]. This cost may be significantly higher than a policy you could obtain on your own.
- **Coverage Limits:** This policy only protects the lender's interest. It may not provide personal liability coverage, theft coverage for personal belongings, or replacement cost coverage.
- **Effective Date:** This coverage is effective as of [Effective Date].

How to cancel this insurance:

If you have your own insurance policy, please provide us with proof of coverage immediately. Once we receive and verify your valid insurance policy, we will cancel the force-placed insurance and refund any unearned premiums charged to your account.

Please send proof of insurance to:

[Lender Name/Insurance Department]

[Mailing Address]

[Fax Number/Email Address]

If you have any questions, please contact our Customer Service Department at [Phone Number].

Sincerely,

[Name of Representative/Department]
[Lender Name]