

Date: [Insert Date]

[Borrower Name]
[Co-Borrower Name]
[Property Address]
[City, State, Zip Code]

Loan Number: [Insert Loan Number]

Subject: NOTICE OF PLACEMENT OF HAZARD INSURANCE

Dear [Borrower Name],

This letter is to inform you that we have purchased hazard insurance on your property located at [Property Address]. This action was taken because we have not received proof that you have maintained the required insurance coverage as outlined in your mortgage agreement.

Please note the following important information regarding this policy:

- **Cost:** The annual premium for this policy is \$[Amount]. This cost will be charged to your escrow account and may result in an increase in your monthly mortgage payment.
- **Limited Coverage:** This policy protects the lender's interest in the structure only. It does not provide personal liability coverage or protection for your personal belongings (contents).
- **Higher Cost:** Lender-placed insurance is typically more expensive than insurance you can obtain on your own.

You have the right to replace this policy with an insurance provider of your choice at any time. If you provide us with proof of your own hazard insurance coverage, we will cancel the insurance we purchased and issue a refund for any unearned premium charged to your account.

How to provide proof of insurance:

Please have your insurance agent send a copy of your Policy Declaration Page to:

[Lender Name / Insurance Processing Center]
[Mailing Address]
[Fax Number or Email Address]

If you have already obtained insurance or if you believe this letter was sent in error, please contact our Customer Service Department immediately at [Phone Number].

Sincerely,

[Lender Name]
[Department Name]