

IDS Adds Flood Insurance Disclosure to Mortgage Doc Packages

SALT LAKE CITY, Utah, Nov. 10, 2011 (SEND2PRESS NEWSWIRE) – International Document Services (IDS), a mortgage document preparation vendor, announced that a new disclosure relating to flood insurance is now available through the idsDoc doc prep platform.

The disclosure titled, “Flood Insurance Coverage Subject to Change,” is required for lenders selling to Franklin American Mortgage Company, Mortgage Services III, LLC and Wells Fargo, and is intended to make borrowers fully aware of the right of future mortgage servicers to adjust the flood insurance coverage on their loans. Lenders were notified in October regarding the change. Franklin American requires the added language be added to all loans with application dates on or after December 1, while Mortgage Services III and Wells Fargo required it starting January 1, 2012.

The added language, which is required for all loan products, regardless whether the property is located in a Special Flood Zone, is as follows:

Flood Insurance Coverage Subject to Change Disclosure: We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

Lenders were given the option to include the new language as an addendum to the Notice of Special Flood Hazard (NSFH) and the Servicing Disclosure Statement Notice (the language must be included in both) or as a separate disclosure. IDS chose to create a separate disclosure because only three investors currently require the additional language.

“Meeting investor requirements has become a thornier issue for lenders now more than ever,” said Mark Mackey, vice president of IDS. “IDS’s ability to stay on top of these ever-changing requirements, as well as state and federal regulations, is one of the many reasons why lenders look to us for their initial disclosures and closing documents.”

“Simplify and streamline – that is the goal for every change, update and addition we make to the idsDoc system,” he added.

About IDS Inc.:

IDS is a nationwide provider of mortgage documents and compliance. IDS services include closing documents, reverse documents, initial disclosures and fulfillment. IDS's solution, idsDoc, is recognized in the industry for its ability to be customized to meet specific lender needs. IDS backs the system with unsurpassed customer service, cutting-edge technology, compliance and document guarantees and a solid compliance team. Lenders looking to move forward when it comes to doc prep can visit the IDS website at www.idsdoc.com or call 800.554.1872.

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