



## **GUIDE FOR SUBMITTING INSURANCE CLAIM CHECK FOR CONSUMER LOAN**

We are truly sorry that your property has suffered damage and have prepared this guide to assist you in better understanding the procedure for the release of insurance loss draft proceeds.

It is a condition of your insurance policy and mortgage that all checks be made payable jointly to the mortgagor and Cathay Bank. When you receive the check from your insurance company, please endorse it and send it directly to Cathay Bank. We will advise you of the next steps.

**To activate the release of funds please follow this guide: Claims**

**exceeding \$20,000.00 - please send to Cathay Bank the following:**

- Original insurance loss draft check *endorsed by all the named insured and lien holders.*
- A *copy* of all information provided by your insurance company, including the entire *Adjustor's Settlement Worksheet*. It provides a breakdown of the damage to the property and the insurance company's estimate of the amount of money it will take to complete the repairs.
- A *copy* of your contractor's estimate or contract. It must list the property address, a description of the repairs being completed, and the dollar amount that you have agreed upon. Both you and your Contractor(s) must sign this document.
- A *copy* of Contractor's license.
- A *copy* of receipts documenting the cost of completed repairs, or a copy of the invoice for materials to be purchased for repairs. This applies only if you are requesting reimbursement from the insurance proceeds.

**Claims under \$20,000.00 - please send to Cathay Bank the following:**

1. Original insurance loss draft check *endorsed by all the named insured and lien holders.*
2. A *copy* of all information provided by your insurance company, including the entire *adjustor's settlement worksheet.*

**Please email required information to [escrow.request@cathaybank.com](mailto:escrow.request@cathaybank.com)**

Or mail to:

Cathay Bank

Loan Servicing/Insurance Division

9650 Flair Dr., MC RS-16

El Monte, CA 91731

You may also FAX documents to 626-454-1206.

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9650 FLAIR DRIVE, EL MONTE, CA 91731 I WWW.CATHAYBANK.COM I 1-800-922-8429

## QUESTIONS AND ANSWERS

### How long will it take to receive funds?

Cathay Bank will make every attempt to disburse funds upon receipt of all requested items to you within:

- 3 - 5 business days for claims under \$20k
- 5 - 7 business days for claims over \$20k

### What if I intend to pay off my mortgage with the insurance proceeds?

Please send your written request with the following items to Cathay Bank, Consumer Loan Servicing Dept:

- Original insurance loss draft check *endorsed by all the named insured and lien holders.*
- A *copy* of all information provided by your insurance company, including the entire *adjustor's settlement worksheet.*

### What if I intend to engage a contractor to do the repairs?

- The Bank does not approve the borrower's choice of contractors although it is recommended to the borrower that the work should be completed by a licensed contractor if licensing is required by the state.
- The Better Business Bureau may be able to give helpful information to protect your interests prior to signing a contract.
- We recommend obtaining at least two different contractor bids, to determine if the costs being charged are reasonable.

### What is the process for receiving funds after I engage a contractor with proceeds exceeding \$20,000.00?

- Once all required documents have been received and verified, our department will open the restricted account to deposit your insurance claim check(s). Please ensure all payees listed on the claim check(s) have signed it prior to visiting your local branch or mailing it to us. We will then release your initial one-third of the total amount to start the repairs.
- The claims check will be issued at one of the local Cathay Bank branches via a cashier check or can be deposited into your Cathay Bank Checking account if all account holders share the same checking account or can be mailed by UPS two-day delivery at your own cost.
- When the contractor has completed 50% of the repairs, we will release another 1/3 of the funds after you submit a request for an inspection and the inspection has been completed. The cost of the inspection will be paid from the insurance proceeds. The cost will not exceed \$100 for each inspection.
- The final 1/3 will be released upon the project being 95- 100% complete after you submit a request for a final inspection.

- Mortgagor(s) must execute a ***Mortgagor's Affidavit of Repair Certification*** supplied by Cathay Bank.

**What if I choose to do some or all the repairs myself?**

Please contact Loan Servicing/Insurance Division directly at 1-800-9CATHAY (800) 922-8429, option 2,4,4 to discuss procedures prior to performing any repairs.

**How do I contact Cathay Bank Insurance Division?**

Call us toll free at 1-800-9CATHAY (800) 922-8429, option 2,4,4. Our hours of operation are Monday through Friday 8:30 a.m. to 5:30 p.m. (PST). A message can be left after hours.

Any deviations to the above guidelines must have Cathay Bank's prior approval.

*The above guidelines are subject to change without notice.*

***Thank you for your assistance and cooperation.***