

MORTGAGE INFORMATION RELEASE

INSTRUCTIONS FOR USE

(This form is not to be given to customers.)

DISCLAIMER: This product is for general information purposes only and is not a substitute for the advice of an attorney. Non-lawyers should seek the advice of a licensed attorney in all legal matters, including verification of the fitness of this material for your particular purpose. Edward H. Cross is licensed to practice law only in the State of California.

Purpose and Function: Insurance companies are often required to name mortgage holders on insurance loss drafts. The financial institutions have complex procedures for processing and releasing these funds, which can greatly delay the release of funds and create an undue burden on the contractor's cash flow. This form is to be sent to all mortgage holders that may be named as a payee on a loss draft or check. The purpose is to give the contractor free and unrestricted access to the status of the payment, so as to help expedite it. The financial institution has a legitimate interest in confirming that its collateral has been restored. Depending on the nature of the loss, it is often advisable for the contractor to offer to facilitate an inspection of the property by the financial institution.

Execution: Replace all italicized text with the information indicated. Send the form to the Loss Draft Department at the financial institution by First Class Mail, with a copy by email or fax, and calendar a follow-up call.