

Product Support Bulletin

Information for Correspondent Lenders of SunTrust Mortgage, Inc.
December 26, 2014 • COR14-120



Alert

Update

Reminder

Clarification

Training
Information

Preview

Florida Hurricane Assessment Terminated

Effective January 1, 2015, new mortgage insurance (MI) commitments in 2015 will no longer include the 1% hurricane emergency tax for Florida properties. For most MI premium renewals, 1% tax will continue to be included until the 2015 anniversary of the certificate effective date.

Intended Audience

**Origination
Processing**

Secondary Marketing

Underwriting

**Closing
Delivery
Funding**

Compliance Legal

Other

Effective Dates

Thursday, January 1, 2015

Effective for new MI commitments on or after this date.

Effective for most MI premium renewals after the 2015 anniversary of the certificate effective date.

Background Information

The Florida Office of Insurance Regulation has issued an order terminating the Florida Hurricane Catastrophe Fund (FHCF) emergency assessment on most property and casualty insurance premiums, including MI premiums, for loans secured by properties located in Florida, effective January 1, 2015. This assessment has been applied to MI premiums on loans secured by Florida properties since January 1, 2007.

As a result of this change, we removed information pertaining to the Florida 1% Hurricane Tax from our published guidelines.

Bulletin Details

Florida 1% Hurricane Tax Termination

New mortgage insurance (MI) commitments in 2015 will no longer include the 1% hurricane emergency tax for Florida properties.

For most MI premium renewals, 1% tax will continue to be included until the 2015 anniversary of the certificate effective date.

Note: National MI will no longer assess the 1% tax on renewals beginning January 1, 2015.

The above guidance applies to both DU Refi Plus™ loans and standard Agency loans.

Action Required

Origination, Processing, and Underwriting

Starting January 1, 2015

Ensure the client's mortgage payment reflects the correct premium (no longer includes the assessment when applicable).

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Bulletin Details, continued

Revised Material

Click [Mortgage Insurance](#) to review the revised material.

Former Guidelines

Florida 1% Hurricane Tax

- Effective January 1, 2007, the state of Florida began adding an emergency assessment to property and casualty insurance premiums including mortgage insurance premiums. The assessment is an additional 1% of the premium collected on new policies for properties located in the state of Florida. Although it has been determined that there are no state or federal disclosure requirements, it is important to make sure the correct premium (including the assessment) is reflected in the borrower's payment.
- The MI certificates will reflect this new assessment; however, it is reflected as a separate charge and not included in the standard MI rate. Users will need to modify the MI rate to include the 1% assessment using the following calculation:
 - Total monthly MI premium (including assessment) x 12
 - Divide this total number by the insured amount to get the revised factor.

Example	
Insured Amount	\$202,000
MI Rate	0.91% (\$153.18 per month)
Assessment Fee	1% of premium (\$1.53)
Total Monthly Premium	\$154.71
Total Monthly Premium (including assessment) x 12	\$1,856.52
\$1,856.52 divided by insured amount (\$202,000)	0.919069 (revised factor)

Other Resources

Support Group	Description and Contact Information:
Your Manager	Specific questions on applying this procedure to specific loan files.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, Option 1, Option 2.

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