

**DIVISION III  
BINDER PROCEDURE**

- A. OVERVIEW** -- With the implementation of the waiting period and the elimination of the hurricane restriction, an exception was made for property transfers where there is an originating mortgage.
- B. ORIGINATING MORTGAGE** -- In order to qualify as an originating mortgage, the financing must come from a mortgage company, bank, or savings and loan. Personal financing does not meet the mortgage requirement. Construction loans or draws do not qualify as originating mortgages.
- C. INELIGIBLE POLICY FORMS** -- Policies written under the builders risk form are not eligible for binding.
- D. MINIMUM REQUIREMENTS**-- In addition, the financing must meet the following minimum requirements:
1. The applicant must finance at least 50% of the value of the structure(s).
  2. The term of the loan must be at least ten years.
  3. A copy of the closing papers – HUD - (signed and dated by both the buyer and seller) must accompany the application, photos, and full payment of premium.
- E. NOT ELIGIBLE** -- The following transactions are **NOT** considered an originating mortgage:
1. Line of Credit
  2. Construction loans
  3. Credit card with equity line of credit
  4. Any type of personal loan
  5. 30-day notes, 60-day notes, or similar instruments
  6. Refinancing arrangements
  7. Any financial arrangement that does not meet the Association's definition of originating mortgage.
- F. FAX BINDER** – Producers must fax their binder requests to the Association. The following procedures should be followed:
1. The individual producer should verify that the closing is eligible for binding with SCWHUA (see B., C. and D. above).
  2. The producer should complete the binder request form and fax or e-mail it to SCWHUA.

3. The SCWHUA underwriting staff periodically reviews all binder requests. If the information is complete and correct, a binder number, effective date, and expiration date will be assigned. The binder request form will be signed and dated by SCWHUA staff.
4. SCWHUA will fax or e-mail a completed and signed binder to the producer.
5. SCWHUA must receive the completed application, photos, full payment of premium, copy of the **signed** closing papers (buyer and seller signatures are required), and a copy of the binder verification form in the Association office prior to the binder expiration date. **Failure to submit all required materials by the expiration date of the binder will void the binder and will result in application of the appropriate waiting period.**
6. Binder requests received after 4:15 pm will be processed on the morning of the next SCWHUA business day.

**G. BINDER PERIOD --** The following time constraints apply to a binder:

1. The binder request must be faxed to SCWHUA:
  - a. On an SCWHUA business day
  - b. Prior to 4:15 pm
  - c. At least the day before the closing
2. The binder will be issued for fourteen days.

**H. BINDER REQUEST FORM --** A copy of the binder request form, suitable for reproduction, appears in Division X and is also available on the Association website at [www.scwind.com](http://www.scwind.com) in the Forms section.