

**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 lending institution. 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. PREPARE BINDER** – Producers must submit their binder requests to the Association through the web portal. The following procedures should be followed:
1. The individual producer should verify that the closing is eligible for binding with SCWHUA (see B., C., D., and E. above).
  2. The producer should complete the binder request form and submit it to SCWHUA through the web portal. The binder can be created from the Quick Quote/Coverages screen by clicking on the "Prepare Binder" button.

3. The "Prepare Binder" button will not appear until the quote has been rated. Users will be prompted to enter additional information in order to generate the binder.
4. A binder number, effective date, and expiration date will be assigned and can be printed for forwarding to the closing attorney.
5. If a quote or application already has an existing binder, the binder can be updated by clicking on the "Update Binder" button on the Coverages screen. There is limited ability to modify the effective date and/or expiration date of the binder. Questions should be directed to the Underwriting Department at und@scwind.com.
6. If an application has a binder associated with it, the HUD statement must be uploaded via the web prior to final submission. Users will be prompted to add the HUD settlement paperwork after the "Attach Photos" screens. The HUD statement must be in .pdf format.

***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.***

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

1. The binder request must be submitted to SCWHUA via the web site:
  - a. At least the day before the closing
  - b. If the closing occurs on the day of the binder request, the binder will be effective at 12:01 A.M. the following day.
2. The binder will be issued for fourteen calendar days.