

~~§ 1024.37(d)(2)(ii), 15 days before charging Borrower A for force placed insurance it obtains for the period between June 10 and June 15.~~

~~37(d)(4) Updating notice with borrower information.~~

~~1. Reasonable time. A servicer may have to prepare the written notice required pursuant to § 1024.37(d)(1) in advance of delivering or placing the notice in the mail. If the notice has already been put into production, the servicer is not required to update the notice with insurance information received from the borrower after production has started so long the notice was put into production within a reasonable time prior to the servicer delivering or placing the notice in the mail. For purposes of § 1024.37(d)(4), five days is a reasonable time.~~

~~37(e) Renewal or replacing force placed insurance.~~

~~37(e)(1)(iii) Charging before end of notice period.~~

~~1. Example illustrating charging before end of notice period. On January 2, the servicer sends the notice required by § 1024.37(e)(1)(i). On January 12, the existing force placed insurance the servicer had obtained on the borrower's property expires and the servicer replaces the expired force placed insurance policy with a new force placed insurance policy effective January 13. On February 5, the servicer receives verification that the borrower obtained hazard insurance effective January 31. The servicer may charge the borrower for force placed insurance from January 13 to January 30, as early as February 5.~~

~~Paragraph 37(e)(2)(vii).~~

~~1. Good faith estimate of the cost of force placed insurance. The good faith requirement set forth in § 1024.37(e)(2)(vii) is the same good faith requirement set forth in § 1024.37(e)(2)(ix). See commentary to § 1024.37(e)(2)(ix) regarding the good faith requirement.~~

~~37(g) Cancellation of force placed insurance.~~

~~1. Example of providing a refund and removing charges. Assume that a servicer obtains force placed insurance, effective January 1, and the premium charge and related fees are paid by the borrower in monthly installments, due on the first of each month. After the borrower paid the April installment, the servicer receives insurance information from the borrower, and verifies that the borrower had obtained hazard insurance and that the insurance had been in place since March 15. To comply with § 1024.37(g), within 15 days of receiving such verification, the servicer must: (1) Cancel the force placed insurance; (2) provide a refund for force placed insurance premium charges and related fees paid by the borrower for the period between March 15 and April 30; and (3) remove from the borrower's account any force placed insurance premium charges and related fees for the period after March 15 that the servicer has assessed to the borrower but the borrower has not yet paid.~~

*Section 1024.38—Reasonable Information Management Policies and Procedures*

*38(a) In general.*

1. *Policies and procedures.* A servicer may determine the specific methods by which it will implement information management policies and procedures that are reasonably designed to achieve the objectives set forth in § 1024.38(b) and are reasonably designed to ensure compliance with the standard requirements in § 1024.38(c). Servicers have flexibility to do so in

light of the size, nature, and scope of the servicer's operations, including, for example, the volume and aggregate unpaid principal balance of mortgage loans serviced, the credit quality, including the default risk, of the mortgage loans serviced, and the servicer's history of consumer complaints.

*Paragraph 38(a)(1).*

1. *Examples of pattern or practice failures.* A servicer may exhibit a pattern or practice of failing to achieve the objectives in § 1024.38(b) in the following circumstances:

- i. Disclosures provided to borrowers regularly contain inaccurate information or are not provided by required deadlines;
- ii. Multiple covered errors as defined in § 1024.35(b) are documented with respect to the same or similar types of processes and a servicer does not modify its policies and procedures to seek to reduce the frequency or severity of such errors over a reasonable timeframe;
- iii. Documents provided by borrowers are lost or misplaced on a regular basis and borrowers are requested to provide the same documents on multiple occasions;
- iv. Servicer personnel regularly do not have access to accurate account information (such as information about credited payments, current balances, and reasons for fees) when responding to borrower inquiries, and thus provide borrowers with inaccurate information; or
- v. Servicer personnel regularly do not have access to information regarding the substance of prior communications with borrowers.

*38(a)(2) Safe harbor.*

1. *Impact of the safe harbor.* A servicer is not liable for a violation under § 1024.38 if the servicer is in compliance with the safe harbor set forth in § 1024.38(a)(2). If a servicer is not in compliance with § 1024.38(a)(2), a servicer may be liable for a violation under § 1024.38. The servicer's liability in the event of a pattern or practice of failing to achieve the objectives in § 1024.38(b) or to ensure compliance with the standard requirements in § 1024.38(c) is based on whether the servicer's policies and procedures were reasonably designed to achieve the objectives in § 1024.38(b) and to ensure compliance with the standard requirements in § 1024.38(c), as appropriate.

~~*Section 1024.39 – Early Intervention Requirements for Certain Borrowers*~~

~~*39(a) Oral notice.*~~

~~*1. In general.*~~

~~i. *Live contact.* The notice required under § 1024.39(a) must be made through live contact or good faith efforts to make live contact, such as by telephoning or conducting an in-person meeting with the borrower, but not by leaving a recorded phone message.~~

~~ii. A servicer is not required to describe specific loss mitigation options; the servicer need only inform the borrower that loss mitigation options may be available, if applicable. The servicer may provide more detailed information that the servicer believes would be helpful.~~

~~2. *Good faith efforts to notify – telephone calls.* In order to make a good faith effort by telephone, the servicer must have made the phone calls to the borrower on three separate days by the end of the 30-day period after the payment due date. Thus, if the servicer attempts to reach~~