

~~a submission that is otherwise overbroad or unduly burdensome, the servicer shall comply with the requirements of paragraphs (c) and (d) of this section with respect to that requested information.~~

~~(v) *Untimely information request.* An information request is delivered to a servicer more than one year after:~~

~~(A) Servicing for the mortgage loan that is the subject of the information request was transferred from the servicer receiving the request for information to a transferee servicer; or~~

~~(B) The mortgage loan amount was paid in full.~~

~~(2) *Notice to borrower.* A servicer shall notify the borrower of its determination that the servicer is not required to comply with the requirements of paragraphs (c) and (d) of this section in writing not later than five days (excluding legal public holidays, Saturdays, and Sundays) after making its determination. The notice to the borrower shall set forth the basis that is permitted under paragraph (f)(1) upon which the servicer has made such determination.~~

~~(g) *Payment requirement limitations.* (1) *Fees prohibited.* Except as set forth in paragraph (g)(2) of this section, a servicer may not charge a fee, or require a borrower to make any payment that may be owed on a borrower's account, as a condition of responding to a valid information request.~~

~~(2) *Fees permitted.* Nothing in this section shall prohibit a servicer from charging a fee for providing a payoff statement or a beneficiary notice under applicable State law, if such fees are not otherwise prohibited by applicable law.~~

~~(h) *Servicer remedies.* Nothing in this section shall prohibit a servicer from furnishing adverse information to any consumer reporting agency or pursuing any of its remedies, including initiating foreclosure or proceeding with a scheduled foreclosure sale, allowed by the underlying mortgage loan instruments, during the time period that response to an information request notice is outstanding.~~

1024.37 Force-placed insurance.

(a) *Definition of force-placed insurance.* (1) *In general.* For the purposes of this section, the term "force-placed insurance" means hazard insurance obtained by a servicer on behalf of the owner or assignee of a mortgage loan on a property securing such loan.

(2) *Types of insurance not considered force-placed insurance.* The following insurance does not constitute "force-placed insurance" under this section:

(i) Hazard insurance to protect against flood loss obtained by a servicer as required by the Flood Disaster Protection Act of 1973.

(ii) Hazard insurance obtained by a borrower but renewed by the borrower's servicer as required by § 1024.17(k)(1), (k)(2), or (k)(5).

(iii) Hazard insurance obtained by the borrower but renewed by the servicer at its discretion if the servicer is not required to renew the borrower's hazard insurance as required by § 1024.17(k)(1), (k)(2), or (k)(5).

(b) *Basis for obtaining force-placed insurance.* A servicer may not obtain force-placed insurance unless the servicer has a reasonable basis to believe that the borrower has failed to comply with the mortgage loan contract's requirement to maintain hazard insurance.

(c) *Requirements for charging borrower for force-placed insurance.* (1) *In general.* A servicer may not charge a borrower for force-placed insurance unless:

(i) The servicer delivers to the borrower or places in the mail a written notice with the disclosures set forth in paragraph (c)(2) of this section at least 45 days before the premium charge or any fee is assessed;

(ii) The servicer delivers to the borrower or places in the mail a written notice in accordance with paragraph (d)(1) of this section; and

(iii) During the 45-day notice period, the servicer has not received verification that the borrower has hazard insurance in place continuously. Determining whether the borrower has hazard insurance in place continuously shall take account of any grace period provided under State or other applicable law.

(2) *Content of notice.* The notice required under paragraph (c)(1)(i) of this section shall include the following:

(i) The date of the notice;

(ii) The servicer's name and mailing address;

(iii) The borrower's name and mailing address;

(iv) A statement that requests the borrower to provide hazard insurance information for the borrower's property and identifies the property by its address;

(v) A statement that the borrower's hazard insurance is expiring or expired, as applicable, and that the servicer does not have evidence that the borrower has hazard insurance coverage past the expiration date. For a borrower who has obtained more than one type of hazard insurance on the property, the servicer must identify the type of hazard insurance for which the servicer lacks evidence of coverage;

(vi) A statement that:

(A) Hazard insurance is required on the borrower's property; and

(B) The servicer has obtained or will obtain, as applicable, insurance at the borrower's expense;

(vii) A statement requesting the borrower to promptly provide the servicer with the insurance policy number, and the name, mailing address and phone number of the borrower's insurance company or the borrower's insurance agent;

(viii) A description of how the borrower may provide the information requested pursuant to paragraph (c)(2)(vii) of this section. A servicer that will only accept the requested information in writing must disclose that fact in the notice;

(ix) The cost of the force-placed insurance, stated as an annual premium. If the cost of the force-placed insurance is not known as of the date of the disclosure, a good faith estimate shall be disclosed and be identified as such;

- (x) A statement that insurance the servicer obtains may:
 - (A) Cost significantly more than hazard insurance obtained by the borrower; and
 - (B) Not provide as much coverage as hazard insurance obtained by the borrower; and
- (xi) The servicer's telephone number for borrower questions.

(3) *Format.* The disclosures set forth in paragraph (c)(2) of this section must be in a format substantially similar to form MS-3(A), set forth in Appendix MS-3 of this part. Disclosures made pursuant to paragraphs (c)(2)(vi) and (c)(2)(ix) of this section must be in bold text. Disclosure made pursuant to paragraph (c)(2)(iv) of this section must be in bold text, except that the physical address of the borrower's property may be in regular text.

(d) *Reminder notice.* (1) *In general.* One written notice in addition to the written notice required pursuant to paragraph (c)(1)(i) of this section must be delivered to the borrower or placed in the mail prior to the servicer charging a borrower for force-placed insurance. The servicer may not deliver to the borrower or place the written notice required pursuant to this paragraph (d)(1) in the mail until 30 days after delivering to the borrower or placing in the mail the written notice set forth in paragraph (c)(1)(i) of this section. A servicer that receives no insurance information after delivering to the borrower or placing in the mail the written notice set forth in paragraph (c)(1)(i) of this section must provide the disclosures set forth in paragraph (d)(2)(i) of this section. A servicer that receives insurance information after delivering to the borrower or placing in the mail the written notice set forth in paragraph (c)(1)(i) of this section but does not receive verification that the borrower has hazard insurance in place continuously must provide the disclosures set forth in paragraph (d)(2)(ii) of this section.

(2) *Content of the reminder notice.* (i) *Servicer receiving no insurance information.* A servicer that has not received any insurance information after delivering to the borrower or placing in the mail the written notice set forth paragraph (c)(1)(i) of this section must provide a written notice that shall include the following:

- (A) The date of the notice;
- (B) A statement that the notice is the second and final notice; and
- (C) The disclosures set forth in paragraphs (c)(2)(ii) to (c)(2)(xi) of this section.

(ii) *Servicer not receiving verification of continuous coverage.* A servicer that has received insurance information after delivering to the borrower or placing in the mail the written notice required pursuant to paragraph (c)(1)(i) of this section, but not verification that the borrower has hazard insurance in place continuously, must deliver or place in the mail a written notice that shall include the following:

- (A) The date of the notice;
- (B) A statement that the notice is the second and final notice;
- (C) The disclosures set forth in paragraphs (c)(2)(ii), (c)(2)(iii), (c)(2)(iv), and (c)(2)(xi) of this section;
- (D) A statement that the servicer has received the hazard insurance information that the borrower provided;

(E) A statement that indicates to the borrower that the servicer is unable to verify that the borrower has hazard insurance in place continuously; and

(F) A statement that the borrower will be charged for insurance the servicer obtains for the period of time where the servicer is unable to verify hazard insurance coverage unless the borrower provides the servicer with hazard insurance information for such period.

(3) *Format.* The disclosures set forth in paragraph (d)(2)(i) of this section must be in a format substantially similar to form MS-3(B), and the disclosures set forth in paragraph (d)(2)(ii) of this section must be in a format be substantially similar to form MS-3(C). Both MS-3(B) and MS-3(C) are set forth in Appendix MS-3 of this part. Disclosures required by paragraphs (d)(2)(i)(B), (d)(2)(ii)(B), and (d)(2)(ii)(F) of this section must be in bold text.

(4) *Updating notice with borrower information.* If a servicer receives hazard insurance information from a borrower after a written notice required pursuant to paragraph (d)(1) of this section has been put into production, the servicer is not required to update the notice so long as the notice was put into production within a reasonable time prior to the servicer delivering the notice to the borrower or placing the notice in the mail.

(e) *Renewal or replacing force-placed insurance.* (1) *In general.* A servicer may not charge a borrower for renewing or replacing existing force-placed insurance unless:

(i) The servicer delivers or places in the mail a written notice to the borrower with the disclosures set forth in paragraph (e)(2) of this section at least 45 days before the premium charge or any fee is assessed; and

(ii) During the 45-day notice period, the servicer has not received evidence that the borrower has obtained hazard insurance.

(iii) *Charging a borrower before end of notice period.* Notwithstanding paragraphs (e)(1)(i) and (e)(1)(ii) of this section, a servicer that has renewed or replaced existing force-placed insurance during the 45-day notice period may charge the borrower for the renewal or replacement promptly after the servicer receives verification that hazard insurance obtained by the borrower did not provide the borrower with insurance coverage for any period of time following the expiration of the existing force-placed insurance.

(2) *Content of renewal notice.* A servicer must provide the following information in the notice required under paragraph (e)(1) of this section:

(i) The date of the notice;

(ii) The servicer's name and mailing address;

(iii) The borrower's name and mailing address;

(iv) A statement that requests the borrower to update the hazard insurance information for the borrower's property and identifies the borrower's property by its address;

(v) A statement that the servicer previously obtained insurance on the borrower's property and assessed the cost of the insurance to the borrower because the servicer did not have evidence that the borrower had hazard insurance coverage for the property;

(vi) A statement that:

(A) The insurance the servicer obtained previously has expired or is expiring, as applicable; and

(B) Because hazard insurance is required on the borrower's property, the servicer has the right to maintain insurance on the property by renewing or replacing the insurance it previously obtained;

(vii) The cost of the force-placed insurance, stated as an annual premium. If the cost of the force-placed insurance is not known as of the date of the disclosure, a good faith estimate shall be disclosed and be identified as such;

(viii) A statement reminding the borrower that insurance the servicer obtains may:

(A) Cost significantly more than hazard insurance obtained by the borrower; and

(B) Not provide as much coverage as hazard insurance obtained by the borrower.

(ix) A statement that if the borrower obtains hazard insurance, the borrower should promptly provide the servicer with the insurance policy number, and the name, mailing address and phone number of the borrower's insurance company or the borrower's insurance agent.

(x) A description of how the borrower may provide the information requested pursuant to paragraph (e)(2)(ix) of this section. A servicer that will only accept the requested information in writing must disclose that fact in the notice; and

(xi) The servicer's telephone number for borrower questions.

(3) *Format.* The disclosures set forth in paragraph (e)(2) of this section must be in a format substantially similar to form MS-3(D), set forth in Appendix MS-3 to this part. Disclosures made pursuant to paragraphs (e)(2)(vi)(B) and (e)(2)(vii) of this section must be in bold text. Disclosures made pursuant to paragraph (e)(2)(iv) of this section must be in bold text, except that the physical address of the property may be in regular text.

(4) *Compliance.* Before the first anniversary of a servicer obtaining force-placed insurance on a borrower's property, the servicer shall deliver to the borrower or place in the mail the notice required by paragraph (e)(1) of this section. Subsequently, a servicer is not required to comply with paragraph (e)(1) of this section before charging a borrower for renewing or replacing existing force-placed insurance more than once every 12 months.

(f) *Mailing the notices.* If a servicer mails a notice required pursuant to paragraphs (c)(1)(i), (d)(1) and (e)(1) of this section, as applicable, the servicer must use a class of mail not less than first-class mail.

(g) *Cancellation of force-placed insurance.* Within 15 days of receiving verification that the borrower has hazard insurance in place, a servicer must:

(1) Cancel force-placed insurance obtained for a borrower's property; and

(2) For any period during which the borrower's hazard insurance was in place, refund to the borrower all force-placed insurance premium charges and related fees paid by the borrower for such period and remove from the borrower's account all force-placed insurance charges and related fees for such period that the servicer has assessed to the borrower.

(i) *Limitations on force-placed insurance charges.* (1) *In general.* Except for charges subject to State regulation as the business of insurance and charges authorized by the Flood

Disaster Protection Act of 1973, all charges related to force-placed insurance assessed to a borrower by or through the servicer must be bona fide and reasonable.

(2) *Bona fide and reasonable charge.* A bona fide and reasonable charge is a charge for a service actually performed that bears a reasonable relationship to the servicer's cost of providing the service, and is not otherwise prohibited by applicable law.

(j) *Relationship to Flood Disaster Protection Act of 1973.* If permitted by regulation under section 102(e) of the Flood Disaster Protection Act of 1973, a servicer subject to the requirements of this section may deliver to the borrower or place in the mail any notice required by this section together with the notice required by section 102(e) of the Flood Disaster Protection Act of 1973.

~~1024.38 Reasonable information management policies and procedures.~~

~~(a) *In general.* (1) *Reasonable policies and procedures.* A servicer shall establish reasonable policies and procedures for maintaining and managing information and documents related to borrower mortgage loan accounts. A servicer meets this requirement if:~~

~~(i) The servicer's policies and procedures are reasonably designed to achieve the objectives set forth in paragraph (b) of this section; and~~

~~(ii) The servicer's policies and procedures are reasonably designed to ensure compliance with the standard requirements in paragraph (c) of this section.~~

~~(2) *Safe harbor.* A servicer satisfies the requirements in this section if it does not engage in a pattern or practice of failing to achieve any of the objectives set forth in paragraph (b) of this section and does not engage in a pattern or practice of failing to comply with any of the standard requirements in paragraph (c) of this section.~~

~~(b) *Objectives.* (1) *Assessing and providing accurate information.*~~

~~(i) Provide accurate and timely disclosures to borrowers as required by this subpart or other applicable law;~~

~~(ii) Investigate, respond to, and, as appropriate, correct errors asserted by borrowers in accordance with the procedures set forth in § 1024.35, including asserted errors resulting from actions of service providers;~~

~~(iii) Provide borrowers with accurate and timely information and documents in response to borrower requests made in accordance with the procedures set forth in § 1024.36;~~

~~(iv) Provide owners or assignees of mortgage loans with accurate and current information and documents about any mortgage loans they own; and~~

~~(v) Submit documents or filings required for a foreclosure process, including documents or filings required by a court of competent jurisdiction, that reflect accurate and current information and that comply with applicable law.~~

~~(2) *Evaluating loss mitigation options.* (i) Provide accurate information regarding loss mitigation options available to borrowers pursuant to §§ 1024.39 and 1024.40;~~

~~(ii) Identify all loss mitigation options for which a borrower may be eligible pursuant to any requirements imposed by an owner or assignee of a mortgage loan;~~

~~(iii) Provide prompt access to all documents and information submitted by a borrower in~~