

BULLETIN #2016-01

TO: Distribution

DATE: January 5, 2016

**RE: CMG FINANCIAL CORRESPONDENT
LENDING UPDATES**

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Flood – New Escrow Requirements
- Disaster List Updates & Extreme Weather / Flood Warnings

FLOOD-NEW ESCROW REQUIREMENTS

Summary: The Biggert-Waters Flood Insurance Reform Act goes into effect on loans closed on or after January 1, 2016 that require flood insurance.

- For all loans closed on or after January 1, 2016 (that require flood insurance) CMG will require the premiums related to the flood insurance to be escrowed. Escrows for these premiums may not be waived, regardless of LTV.
- This requirement applies to all loans that require flood insurance. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required.

Action to take: Please take note of new escrow requirements for loan closings on or after January 1st, 2016 that require flood insurance.

Effective Date: On all loans closed on or after January 1, 2016.

DISASTER LIST UPDATES & EXTREME WEATHER/FLOOD WARNINGS

Please note that the National Weather Service has issued several flood warnings in many states:
<http://forecast.weather.gov/wwamap/wwatxtget.php?cwa=usa&wwa=flood%20warning>.

Also, due to previous Texas Severe Storms, Tornadoes, Straight-line Winds, and Flooding (DR-4245: Major Disaster Declaration declared on November 25, 2015; Incident period - October 22, 2015 to October 31, 2015) the Disaster List is now updated to reflect the addition of the following Texas counties:

Bastrop County, Brazoria County, Caldwell County, Cameron County, Comal County, Galveston County, Guadalupe County, Hardin County, Harris County, Hays County, Hidalgo County, Liberty County, Navarro County, Travis County, Willacy County and Wilson County.

Links:

FEMA Disasters: www.fema.gov/disasters
<https://www.fema.gov/disaster/4245>

Effective Date: Disaster List is updated. All counties and zip codes present on the Disaster List are applicable to the CMG Disaster Policy. [Disaster Policy](#)

***Please contact your Correspondent Regional Manager
or your Correspondent Liaison with any questions.***

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