



## WIND AND HAIL UPDATE

South Carolina Wind And Hail  
Underwriting Association  
P. O. Box 407  
Columbia, SC 29202

September 28, 2007  
07-12

---

### BINDER QUESTIONS

The Association offers binders for mortgage closings where there is a property transfer and a financial institution involved. Recently, producers have had a number of questions about the procedures. We want to share the more common questions and answers with you.

***When was the binder for closing process implemented?***

January 15, 1996. It is the same point in time when the hurricane restriction was eliminated and the 15 day waiting period implemented.

***You did not honor the closing date for coverage. Why?***

You missed the first step. It is important to fax a binder request form to the Association ***in advance*** of the closing.

Binder forms can be downloaded from [www.scwind.com](http://www.scwind.com).

***We requested a binder, but you did not honor the closing date. Why?***

When you sent in the application, pictures, and premium check, you did not include a copy of the binder form. Our staff assumed that this was a new business submission and applied the 15 day waiting period.

Another reason could be the failure to include a copy of the signed (by buyer and seller) and dated closing papers (HUD settlement statement).

*Continued on back . . .*

***Can you give us a checklist for binders?***

Please remember . . .

- Request binder in advance
- Must have property transfer
- Mortgage closing with financial institution
- Time period of at least ten years
- Must finance at least 50% of the value of the property
- Include binder with application, pictures, check, and signed / dated settlement statement (HUD form)

***We understand that attorneys no longer require signed HUD statements for closings.***

We have talked to several real estate attorneys along the coast and in Columbia. They were not familiar with any such changes by HUD.

***Are cash closings eligible for binders?***

No. The binder process requires the use of a financial institution.

For more information on binders, please go the [www.scwind.com](http://www.scwind.com) and click on Manual. The binder process is described in Section III.

***What if the closing date is changed?***

Please contact the Association Office with the new date ***prior*** to the closing.

[www.scwind.com](http://www.scwind.com)