

IMPORTANT: What You Need to Know About Homeowners Insurance

Homeowners and Hazard insurance premiums are increasing substantially nationwide. In addition, insurance carriers are changing the geographic areas they insure, what types of properties are insured and other requirements for maintaining existing policies and issuing new insurance coverage. These changes may impact you resulting in loss of coverage, reduction in coverage or an increase in premiums for the same coverage. Homeowners should work with their insurance carrier at least 45 days prior to their policy renewal date to minimize any impact and to provide you with enough time to make changes in coverage or carriers, if necessary.

What Happens If I Want to Change Insurance Carriers?

If Rural Development receives a billing statement from your existing insurance carrier timely, payments are issued approximately 21 days in advance of the scheduled renewal date of your policy. If you choose to change insurance carriers, please notify our Insurance Department at RHInsurance@usda.gov, **at least 30 days prior to the renewal date** of your existing Homeowners insurance policy. **All correspondence should include your mortgage loan account number.**

What If Rural Development has already paid my insurance renewal premium and I want to change carriers?

If Rural Development already issued payment to your existing insurance carrier, you should contact the insurance carrier and cancel your current policy. Ask your insurance carrier to issue the refund directly to you and use the refunded premium to pay your new insurance carrier. Rural Development cannot cancel your insurance policy on your behalf. Check to make sure the effective date of your new policy and the cancellation date of your existing policy coincide so there is no lapse in coverage.

Rural Development should be listed as the mortgagee on your insurance policy as follows:

USA Acting through the Rural Housing Service
P. O. Box 66876
St Louis, MO 63166

What is Lender Placed Insurance, and can I utilize it to protect my home?

Lender placed insurance policies minimize financial risk to Rural Development in the event the dwelling used as collateral for your loan suffers an insurable physical loss (for example, a fire which damages the structure.) A lender placed insurance policy has limited coverage which does not include the contents of your home and other optional coverages available with Homeowners insurance. The price for the Lender Placed policy is typically considerably higher than traditional Homeowners insurance policies and does not include personal contents or liability coverage. For protection of the personal assets located in your home, Homeowners Insurance should be considered. Insurance inquiries should include your account number and can be emailed to:

RHInsurance@usda.gov