

LOSS DRAFT GUIDELINES

STEP BY STEP

If your repairs are estimated to be less than \$1,000, NOVAD will release the full insurance proceeds to the borrower(s) upon receiving:

- a copy of the insurance adjuster's report
- a contract for restoration of the property

If your repairs are estimated to be between \$1,000 and \$5,000, NOVAD will release the insurance proceeds to the borrower(s) upon receiving:

- a copy of the insurance adjuster's report
- a contract for restoration of the property
- after completion of the restoration work, an insurance loss draft inspection signed by the borrower (or person with power of attorney) and a NOVAD inspector verifying the work is 100% complete

For a total rebuild please provide the following documentation:

- An Appraisal of the site with proposed improvements "subject to completion per plans and specs"
- A scheduled completion date of the entire project

If your repairs are estimated to be above \$5,000, NOVAD will disburse the loss draft funds in 1/3 increments as follows:

The first third will be issued upon receipt of:

- a copy of the insurance adjuster's report
- a contract for restoration of the property
- signed statement from the contractor agreeing not to encumber the property

The second third will be issued upon receipt of:

- notice from the borrower that the first half of the repairs are complete
- an insurance loss draft inspection signed by the borrower (or person with power of attorney) and a NOVAD inspector verifying the completion of at least 50% of the repairs

The final third will be issued upon receipt of:

- notice from the borrower that the repairs are complete

- an insurance loss draft inspection signed by the borrower (or person with power of attorney) and a NOVAD inspector verifying the completion of the repairs are 100%
- a signed Lien Waiver is received from the contractor

Please fax or mail the insurance adjuster's report and the signed contract to our office at 1-800-690-9826 or NOVAD Management Consulting 2401 NW 23rd Street, Suite 1A1, Oklahoma City, OK 73107. If you have any questions during the repair process, we are here to assist you in any way we can. You can reach us toll free at (877) 622-8525, Extension 289072, Monday – Friday from 8:00 AM to 5:00 PM Central Standard Time.

Sincerely,

Novad Management Consulting