

Blanket Mortgage **CASE STUDY**

HEADLINE HERE

Unitas Financial Services helped The Community Bank of Zanesville, Ohio Implement a Blanket Mortgage Hazard Policy to mitigate the risk of unknown uninsured real estate collateral and increase servicing efficiencies.

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The Challenge

The Community Bank, headquartered in Zanesville, Ohio, has had continued growth of over 400% in the past 10 years because of their community and customer-centric focus. As the bank serves an everchanging evolution of generations with new products and resources, they faced challenges with their internal insurance tracking process. There were issues with the space needed to store the files, the time involved in tracking the insurance, and the staff needed to keep this process up to date. Until they utilized the Unitas Financial Services Blanket Mortgage Insurance protection program, the bank had not tried any other alternative portfolio protection other than internal tracking.

Before The Community Bank implemented their blanket mortgage policy, insurance tracking was a manual process triggered by the receipt of cancellation notices or policies from outside agents. The staff struggled with the workload associated with the tracking process along with having space in the bank to file all of the cancellation notices. Files were held in cabinets during the waiting period, letters were manually created and sent to customers, phone calls made to customers as well as insurance agencies.

Key Findings

- The bank had additional expenses associated with several staff members focusing on tracking insurance policies to ensure collateral was secure.
- Staff was spending four hours per week dealing with the tedious duties associated with tracking insurance and sending warning notifications.
- The bank faced challenges with tracking and verifying insurance on a monthly basis using a manual tickler system which left room for error.
- There was a risk of negatively impacting borrowers by incorrectly force-placing insurance, when adequate coverage was in place, was eliminated.

BANK FACTS

The Community Bank was founded in
1902

Reported assets as of 12/31/2017
\$780.4 MILLION

Number of locations as of 12/31/2017
10

Our Approach

Recognizing that each partner's needs are unique, we strive to understand and address the specific challenges faced by every lender. We prioritize client success and foster long-term collaborative partnerships over sales figures. Our unwavering commitment to this client-first mindset is the cornerstone of our rapid growth and recognition as an industry leader. Our team emphasizes a simplified approach to risk management, guiding our partners towards tailored programs precisely suited to their needs.

We take a simplified approach.

Before engaging with Unitas, many lenders were unaware of such a simple approach to mitigating portfolio protection. The Unitas Team upholds transparency and integrity, even if it means sacrificing some of our earnings. Through our consultative approach, we ensure our clients are well-versed in various strategies, empowering them to make informed decisions that realign loss mitigation with their core values, setting them apart as financial institutions.

Our enduring partnerships with lenders span decades, founded on mutual trust, respect, and collaboration. These foundational principles cultivate a close working relationship, enabling us to truly understand our clients' evolving needs and provide dynamic support and value.



Educate

Successful partnerships begin with educating clients on how each program works, the benefits, regulations involved, and costs associated.



Guide

It is our approach to helping guide our partners towards the programs that best fit their needs.



Implement

We work to implement compliant and fully customizable risk transfer solutions to satisfy the unique needs of our clients.

The Solution

The blanket nature of the Blanket Mortgage Hazard policy eliminates the need for lenders to track hazard insurance policies and force-place coverage on uninsured real estate collateral. As an alternative to a traditional lender-placed insurance program, the policy provides automatic all-risk coverage on a lender's real estate loan portfolio.

The policy is designed to minimize a lender's exposure to uninsured losses resulting from a borrower's failure to acquire and maintain adequate insurance. When a loss occurs to a mortgaged property and primary insurance is not in place, the lender is protected up to the outstanding loan balance or policy limits.

The benefits of the policy:

- Eliminates virtually all insurance renewal and cancellation tracking.
- Provides automatic coverage on residential and commercial loan portfolios.
- Eliminates the risk of false force-placement premiums on covered loans.
- Reduces negative borrower contact over force-placed notifications.
- Properties are covered through the foreclosure process.
- Protects the lender up to the outstanding loan balance if a loss occurs.
- Provides all-risk property coverage.

Eligible loan portfolios:

- Can cover 1st, 2nd, HELOCs, and HELOANS.
- Option to cover commercial real estate loans.

The Impact

With the implementation of Unitas Financial Services' Blanket Mortgage Hazard policy, **"we simply need to be sure that our customers have insurance on the pledged collateral by the date of closing. We were doing this any way as a banking institution, so this wasn't new. The challenge of tracking and following up every day have virtually been eliminated."** Gidget Cottrell, VP, The Community Bank

The Community Bank was already utilizing other portfolio protection programs with Unitas Financial Services and has been very satisfied with their experience. According to their VP of Loan Operations, **"The staff at Unitas Financial Services is always responsive and it made sense for them to continue with a company they were already happy working with. The blanket nature of the policy is like having an extra employee without the cost!"**



Eliminated Tracking

The blanket nature of the policy provided the bank with automatic portfolio coverage, eliminating the need to track insurance post-close while also helping the secure their financial interest in the collateral.



Created Efficiencies

By eliminating the need to track insurance policies, issue warning letter notifications, and force-placing coverage, lenders are able to redirect capital towards growth objectives and focus on core competencies."



Reduced "Noise"

The elimination of warning letters and the possibility of false placements removed a major source of relational friction with highly valued borrowers, leading to a decrease in overall 'noise' and negative feedback.



Sense of Compliance

Implementing the policy not only gave the lender peace of mind knowing their financial interest in the collateral was secure, but also ensured that they are compliant with regulatory requirements.

Overview of Unitas

is an industry leading provider of compliance-driven risk transfer solutions, catering to clients all over the country.

Our team's proficiency in combining creativity, data-driven technology, and expertise allows us to provide effective and customizable specialty solutions.

We are dedicated to providing integrated solutions that address the specific needs and challenges faced by our client base, which includes community lenders, loan servicers, property investors, and fintechs.

10
Office
Locations

50
States
Represented

15
Carriers
Represented

45m⁺
Annual
Premium

Blanket 360

Portfolio Protection

Solutions that provide automatic loan portfolio coverage, eliminating the need to track insurance, send warning letters notifications and force-place insurance on uninsured collateral.

Loan Originations

Programs to lower origination costs, help increase loan volume and protect the loan & borrower.

Loan Servicing

Solutions to provide portfolio protection, reduce uninsured losses, and streamline servicing operations.

Compliant & efficient

- Soc II Compliant & Data Secure.
- Top-rated insurance carriers.
- Fast & efficient claims processing.
- Dedicated client success managers.

Partnerships present opportunities.

We partner with innovative platforms to expand market reach and improve loan portfolio performance.

Our partnership program is designed to elevate lenders, agencies, and financial technology providers to new heights via collaboration.

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