

MEMO

TO: Swati Patel
FROM: Austin Smith
DATE: October 9, 2015
RE: Flood Impacts and Agency Activities

SC Housing Authority

Foreclosure Moratorium

Effective October 5th, SC Housing has imposed a **foreclosure moratorium for loans in its portfolio statewide for 90 days**. This means that foreclosure will not be initiated for the next 90 days and loans currently in foreclosure will have all foreclosure actions suspended for the next 90 days. If borrowers are having difficulty making payments, they should contact SC Housing for payment arrangements at (803) 896-9521. If borrowers are unsure if they have a SC Housing loan, they should check the coupon book. It will specify the name of their Servicer.

SC HELP

SC HELP, South Carolina's mortgage rescue program, may offer temporary relief for homeowners in South Carolina who have been left unemployed or with a reduction in income due to the flooding in the state. **SC HELP may provide mortgage payments for 24 months or up to \$36,000 for homeowners** via the following mechanisms:

The Monthly Mortgage Payment program **provides funds to make monthly first-mortgage payments** while the qualified homeowner seeks additional income and a return to self-sustainability.

Eligible homeowners already behind in payments may also qualify for Direct Loan ("catch-up") assistance. Qualifying hardships include: involuntary unemployment (must be eligible for Unemployment Insurance Benefits); underemployed with a minimum 20% reduction in household income; and self-employed with a minimum 20% reduction in Gross Receipts/Sales. The Direct Loan "Catch-Up" program provides **funding to reinstate a homeowner's first mortgage and end late-fees and penalties**. It is intended to assist homeowners who fell behind on payments during a period of hardship, but have recovered and are now self-sustainable.

The Transition program is a **one-time payment of \$5,000** paid directly to the homeowner to help with expenses to transition from homeownership into rental housing if the mortgage foreclosure cannot be avoided. The homeowner must negotiate and complete a short sale or deed-in-lieu of foreclosure.

Those experiencing a loss of income should apply at schelp.gov. or call 1-855-435-7472. Homeowners need not be behind in payments to apply. There is NO FEE required at any point during the SC HELP process.

SC Department of Insurance

DOI Hosted a Catastrophe Claims Center Wednesday (10/7) and Thursday (10/8) in Columbia:

- Provided **13 hours over two days for 200+ consumers** to talk face-to-face with representatives from FEMA, their insurance company, and state agencies about their losses, how to request individual assistance, and their insurance claims;
- Secured on-site representation by the National Flood Insurance Program/ FEMA; and
- Brought catastrophe claims teams in from the top auto and homeowners insurers, including Allstate, Nationwide, USAA, SC Farm Bureau, and State Farm.

DOI Issued Regulatory Guidance to Speed Up Claims Process & Protect South Carolinians:

- Issued Bulletin 2015-05 to permit emergency insurance adjusters to enter the state in order to expedite the claims handling process; **365+ new adjusters have been authorized to enter the state in the 5 days since issuance**; and
- Issued Emergency Regulation 69-77 to impose **restrictions on cancellations and nonrenewals of insurance coverage and provide for grace periods to give insureds additional time** to pay premiums, among other things.

DOI Focused on Consumer Education and Assistance and Providing Key Information on Disaster and Recovery:

- Worked with FEMA to provide consumers with key information on flood insurance claims;
- Opened SCDOI Office of Consumer Services despite state government closures to ensure consumers affected by this event (and those with other insurance issues or questions) could get help and answers to their questions;
- Created newly and updated materials explaining flood coverage, providing tips for consumers, listing claims numbers for insurance companies;
- Created dedicated webpage to aggregate all new content, link to other important resources, etc. so consumers have a one-stop shop for information and pushed information out via Facebook and Twitter;

- Participated in WIS Phone Bank (10/2/15) and on-air interview during 5:00 p.m. news hour to highlight preparedness and insurance coverage differences between homeowners and flood insurance policies; and
- Additional media coverage of consumer outreach/ education and insurance impact includes WIS, WOLO, WLTX, WACH-Fox, Post & Courier, iHeartRadio, Alpha Media, and The State.

Insurance Impact:

- Rising water is typically not covered under homeowners or property insurance policies, so coverage for buildings and their contents is provided through a separate flood insurance policy (most commonly purchased through the National Flood Insurance Program);
- **2,800 claims have been filed with NFIP to-date;**
- Flood-related damage to auto is covered by comprehensive coverage under an auto insurance policy;
- **DOI estimates \$100 million+ will be paid out for cars and other autos** damaged by the flood; and
- **18,000+ insurance claims filed to-date under auto and homeowners** insurance policies (est. based on discussions with industry).

Next Steps:

- DOI will issue a data call to industry to get complete figures regarding claims filed and payments made (expected to be issued within the next 2 weeks);
- DOI will host another **Catastrophe Claims Center in North Charleston next week**, possibly 10/4;
- SCDOI will participate in a **Town Hall Meeting in Columbia next week** hosted by Senator Graham and Mayor Benjamin at the Columbia Metropolitan Convention Center.