



First National Bank
of America

Collateral Protection Insurance

Frequently Asked Questions

What is CPI?

Collateral Protection Insurance (CPI) is an insurance policy that First National Bank *of America* purchases and places on your loan if you do not have your own insurance.

What does CPI cover?

CPI provides limited coverage on the structure of your home up to the maximum of the balance due on your loan or the insurable value of the property, whichever is less. Claim payouts are subject to applicable policy deductibles. Please contact an insurance representative for more details

How is CPI charged?

CPI is billed monthly and consists of premiums and fees which should be paid for with your monthly payment. CPI is billed a month in arrears.

Premiums: Insurance premiums pay your coverage each month. The amount charged may vary as your note balance changes. Also, since it is billed monthly the amount can fluctuate depending on how many days are in the month.

Fees: The first month that CPI is added to your loan a one-time \$40 set-up fee is assessed. Each month that you are on CPI there is an \$8.50 service fee assessed.

Paying CPI Premiums & Fees: You will see the appropriate CPI charges on your monthly statement. Paying the total amount due will ensure your CPI is paid for.

Accounts with a CPI escrow: The \$8.50 fee is not escrowed and should be paid in addition to your monthly payment.

Monthly premiums are factored into the escrow payment and are paid for out of escrow each month.

Accounts without CPI escrow: Each month CPI is billed to the account. CPI premiums are not included with your monthly payment, and should be paid in addition to your monthly payment. If unpaid, that premium will be added to your loan balance.

If the \$8.50 fee is not paid it accumulates in a separate CPI fee balance. Each month a new charge of \$8.50 is assessed and added to that balance. This balance is listed on your monthly statement. If you have a balance of CPI fees, please call us to arrange payment so this balance starts back at zero.

If you have insurance : Call us!

If you are receiving this notice, your loan is on CPI. If you have your own insurance please call us or contact your agent and request the necessary declarations page(s) of your policy to be sent to the contact information below:

Contact Us With Further Questions:

1-800-266-7661 ext. 8960 • Fax: 517-336-8429 • insurance@fnba.com

