

Tennessee - Anti-Coercion Insurance Disclosure

Loan #:

MIN:

Date:

Lender:

Borrower(s):

Property Address:

The lender **shall not require** that you, upon financing the purchase of real property or lending money on the security of real property, as a condition precedent, concurrent, or subsequent to financing the purchase of such property or renewal or extension to lending money upon the security of a mortgage thereon, **negotiate any policy of insurance, or renewal thereof through a particular insurer, agent, solicitor or broker.** You may purchase the insurance related to your loan transaction from an insurer or producer of your choice.

The lender may, for reasonable cause, reject a policy furnished by you for the protection of the property securing the lien. A rejection shall not be deemed unreasonable if it is based on reasonable standards, uniformly applied, relating to the extent of coverage required and the financial soundness and the services of an insurer. The standards shall not discriminate against any particular type of insurer, nor shall the standards call for rejection of a policy because it contains coverage in addition to that required in the credit transaction.

Your choice of an insurer or producer will not affect the lender's credit decision or credit terms in any way, except that the lender may impose reasonable requirements concerning the creditworthiness of the insurer and the scope of coverage chosen, as provided for in the preceding paragraph.

Please be advised of the following. If purchased, your insurance:

1. Is not a deposit;
2. Is not insured by the federal deposit insurance corporation or any other federal government agency;
3. Is not guaranteed by the depository institution, its affiliate, if applicable, or any person that is soliciting, selling, advertising or offering insurance, if applicable; and
4. Where appropriate, involves investment risk, including the possible loss of value.

The lender shall not require you, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on that property. The lender shall also not require you, a broker, an insurer, or insurance producer to pay a separate charge in connection with the handling of any policy required as security for a loan, or pay a separate charge to substitute the policy of one insurer for that of another. This prohibition does not include the interest that may be charged on premium loans or premium advancements in accordance with the terms of the loan, nor does this prohibition apply to charges that would be required when the lender or an affiliate of the lender is the licensed producer providing the insurance.

Tenn. Code Ann. §56-8-106(a) - (d); Tenn. Comp. R. & Regs. 0780-01-07.02 & 0780-1-7-.13

