

Louisiana Insurance Reform Insights: DSLD Mortgage August Review

LOUISIANA, UNITED STATES, August 8, 2024 /EINPresswire.com/ -- [DSLDMortgage](#), a trusted leader in mortgage services across Louisiana, supports the recent enactment of Louisiana homeowners insurance legislation signed into law by Governor Jeff Landry. These legislative updates aim to stabilize Louisiana's insurance market by attracting additional carriers, ultimately fostering greater competition and making insurance coverage more accessible and cost-effective for homeowners.



Street in New Orleans, Louisiana, USA

KEY LEGISLATIVE CHANGE EFFECTIVE IN AUGUST AS OF JULY 1, 2024

Among the key provisions of the new legislation:

[Act No. 3](#) (formerly Senate Bill 323)

“

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Dana Hendrix

*Repeal of La. RS 22:1973: Eliminates one of the two bad faith statutes, including the 200% penalty provision, while maintaining the ability to recover proven economic damages.

*Reciprocal Duty of Good Faith: Introduces a duty of good faith for insured parties when asserting claims.

*New Time Periods for Catastrophic Losses: Establishes specific payment deadlines for residential and commercial catastrophic losses, with potential extensions for commercial policies covering multiple locations.

*Revised Penalties and Fees: Retains a 50% penalty for bad

faith but introduces a structured penalty reduction and attorney fee framework.

IMPACT ON MORTGAGES AND HOMEOWNERS INSURANCE REQUIREMENTS

Commenting on the legislative changes, Dana Hendrix, Senior VP of Finance at DSLD Mortgage, said, "This legislation will help Louisiana residents and home buyers by providing specific payment deadlines for catastrophic losses, which are critical in a state impacted by hurricanes."

Here are the key insights into home insurance and its implications for meeting mortgage requirements in August 2024.

- *Policy Requirements: Most lenders continue to require a standard homeowners insurance policy covering the structure of the home, personal belongings, liability protection, and additional living expenses if the home becomes temporarily uninhabitable.
- *Proof of Insurance: Before closing on a home, borrowers must provide proof of insurance to the lender, typically in the form of an insurance binder or policy declaration page.
- *Escrow Account: Lenders often establish an escrow account to manage homeowners insurance premiums and property taxes. A portion of the monthly mortgage payment is deposited into this account, ensuring timely payments directly to the insurance company when due.
- *Coverage Amount: Lenders typically mandate insurance coverage equal to or greater than the loan amount or the home's replacement cost, ensuring comprehensive protection against significant damage.
- *Force-Placed Insurance - Failure to maintain adequate homeowners insurance can result in lenders procuring a policy on behalf of the borrower, often at higher costs and with reduced coverage.
- *Loan Default: Non-compliance may be deemed a breach of the mortgage agreement, potentially leading to foreclosure.

For further details on how these legislative changes may affect your mortgage and insurance obligations, please [contact DSLD Mortgage online](#) or call (555) 123-4567 or email info@dsldmortgage.com.

About DSLD Mortgage

Founded in 2007 amid the global financial crisis, DSLD Mortgage aims to support homebuyers and homeowners facing refinancing challenges due to rising interest rates and falling US housing prices. This includes assisting first-time homebuyers through various government loan initiatives and providing dedicated support to military personnel seeking VA loans.

DSLDMortgage expertise extends to FHA, USDA, down payment assistance, and other conventional loans. Recognized as a Top Guaranteed Rural Housing Lender in Louisiana by the USDA, DSLD Mortgage specializes in offering and originating loans that are part of government programs.

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