



Terms and Conditions

1. **Billing Statements, Coupons.** Servicer will provide billing statements or payment coupons for the convenience of Borrower. PLEASE NOTE: Failure to receive statement or coupons does NOT excuse the Borrower from making timely payments. If a discrepancy or difference exists between the billing statement/coupon and the Documents Deposited, the terms of the Documents Deposited prevail. Servicer will notify Borrower of each payment received, unless other arrangements have been made.

Accounts with more than one Lender shall select one Lender to remit payments to and receive all related mailings and notices.

2. **Late Notices.** A late notice fee will be charged only if a late notice is actually sent. If included in the Documents Deposited, Servicer may track and assess late charges, but beyond the notice, Servicer will not be responsible for advising Lender or Borrower of any delinquency, default, or late charges. Should Lender require notification of any delinquent payments pursuant to any applicable local, state and federal laws, codes, statutes, regulations and the like, Servicer will send its Notification of Late Payment.
4. **Collection of Payments.** Servicer will act as agent for Lender and for the limited purpose of accepting, recording, and distributing payments detailed in this Agreement. Servicer will accept all payments made by Borrower before or after the payment due date unless the Servicer has received appropriate evidence from Borrower stating that Notice according to the Documents Deposited has been given to the Lender starting forfeiture, foreclosure, or other legal action against Lender. Payments will not be processed on Saturdays, Sundays, and posted Servicer holidays. Servicer shall not be responsible for delays due to Acts of God or other causes outside the control of Servicer.

Unless otherwise instructed by the Documents Deposited or required by applicable law, payments will be applied in the following order, 1) interest, 2) principal, 3) escrow (if applicable), 4) servicing fees, and 5) late charges. Payments will be applied suspense/reserve if amount received is less than the scheduled payment amount.

5. **Interest Calculation.** Interest will be calculated from due date to due date using actual number of days, 365-day year unless there are prevailing regional standards or Servicer is otherwise instructed. Any computation, application of principal and interest, or other payment shall be deemed correct, unless the party affected notifies Servicer that such computation or application is not correct within 60 days after notice of the computation or application is sent. Should no payment installment or portion thereof be received by Servicer for a period in excess



of one hundred fifty (150) days after applicable due date, Servicer may assume the parties have abandoned the servicing account and upon thirty (30) days' written notice to the last known address of each party, and non-objection thereto by any party, Servicer may return may terminate Servicer's responsibilities.

- 6. Fees.** If Lender is responsible for servicing fee; it will be deducted from Lender's distributions. If the borrower is responsible for Servicing fees, the fees must be added to the payment by borrower. Servicing fees are subject to change with thirty (30) days' written notice to parties. Delinquent, unpaid fee balances are subject to collections. At its discretion, Servicer may resign from servicing accounts with unpaid, and/or delinquent servicing fee balances.

Servicer offers supplemental services for a fee as outlined on the Ancillary Fee Schedule (available upon request) and all fees are subject to change without notice. The requesting party agrees to pay all fees for supplemental services.

- 7. Payment Distributions.** Servicer will distribute payments to the named individuals and entities as instructed in writing by Lender or Lender's agent.

Servicer reserves the right to delay distributions until payments deposited have cleared the issuer's bank according to Servicer's Payment Policy (available upon request). If Servicer does not have a valid current address for Lender, it may hold all distributions for that Lender in a non-interest-bearing trust account, without liability.

- 8. Insufficient Funds/Returned Items/Uncollected Funds/ Funds Owed to Servicer.** If a payment received by Servicer is returned or rejected for any reason, all parties are liable jointly and separately for immediately reimbursing Servicer for all funds paid out and all costs incurred, and fees assessed in the recovery of these funds including but not limited to Servicer's Returned Item Fee plus 1.50% of the disbursement made to Lender per month from the date of payment to Lender until recovered. The Parties authorize Servicer to reverse direct deposits and retain future payments to recover funds. Servicer shall have a lien on all monies, papers and properties held by it in connection with this account or any other account it is servicing for either Borrower or Lender for its incurred fees, costs or expenses. If Servicer is required to hire a collection agency or an attorney to recover its funds, Lender agrees to pay the collection agency fees and attorney's fees not to exceed 25% of the amount owed or the amount fixed by applicable law, whichever is greater.

- 9. Overpayment (Right of Offset).** In the event of an overpayment for any reason, including payment sent due to Servicer error, the Parties agree to reimburse Servicer immediately. Servicer also has the right to recover against funds it is holding, or which come into its possession. Parties authorize Servicer to advance funds on their behalf to ensure an accurate distribution and parties also agree to cooperate and to pay Servicer any and all funds advanced



on their behalf.

10. Account Close Out, Withdrawal and Cancellation of Account Servicing Agreement. Lender may request cancellation of this Agreement by delivering a signed, written request to Servicer along with Servicer's File Close Fee and all outstanding servicing fees and charges. Servicer will not release documents unless File Close Fee and all outstanding fees and charges are paid in full. Servicer may terminate this Agreement, with or without cause, with 60 days' written notice to Lender's at last known addresses. Servicer will deliver documents based upon instructions from the party(ies) who signed the Agreement upon receipt of Servicer's File Close Fee and all unpaid fees and charges. Servicer will destroy all files in accordance with state record-keeping requirements.

11. Ownership Changes/Modifications. Servicer shall not recognize any change in beneficial interest, property ownership, or other modification to the Documents Deposited until sufficient documents, as determined by Servicer, have been received to establish such change and any related costs have been fully paid. In the absence of written notification, Servicer has no responsibility or liability for such changes.

Servicer shall hold any payments it collects after receiving notice of the death of a Lender or a pending assignment in a non-interest-bearing trust account, without liability. The funds will be paid out only when Servicer, in its sole discretion, has sufficient documentation to establish rightful ownership.

12. Prior Liens/Wraps. If a portion of a payment is to be distributed to any third party due to prior liens, Parties agree they are fully responsible for such liens. Servicer agrees to remit payments to the prior lienholders provided funds are available. Servicer assumes no responsibility for how payments are applied to underlying debt or obligation or for verification of receipt and application of said payments by prior lienholders or for failure of any such payments to fully discharge said obligations.

If a payment received by Servicer is not sufficient to pay any lien connected with the property when due, Lender is responsible for and agrees to pay amount necessary to keep lien(s) current.

All parties agree to immediately forward to Servicer all correspondence they receive from lienholders. Lender fully acknowledges any liens listed against Property. Lender agrees Servicer has the right to fully access underlying loan information and will give Servicer ability to access that information by providing written authorization to prior lienholder to release information.

13. Tax and Insurance Impounds. If the Parties have contracted Servicer to impound and pay insurance premiums, property taxes and/or any other assessments against the property, borrower to pay Servicer, in addition to the regular monthly installments due under the Note or Contract between the Parties, a sum equal to 1/12th of the insurance premiums, annual

