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Introduction

Company Name may elect to retain loan servicing for its portfolio. While we may possess the capacity to fully service loans, we recognize that there may exist opportunities to leverage services of a third party to enhance service or economic factors.

We recognize that our customers represent our greatest asset, so we make the decision to share our relationships with the greatest of care. We have created and implemented this Servicing policy and procedure for the purpose of memorializing the steps that we take to manage the performance of the Sub-Servicer.

In doing this correctly we can meet the requirements of our investors, secondary marketing partners, regulators and agencies.

Company Name and Sub-Servicer Retained Responsibilities

Despite the fact that servicing duties shall be delegated to Sub-Servicer, Company Name will still retain certain responsibilities. This will give us the ability to monitor and manage the performance of the servicing function.

Seller Servicer Number

Sub-Servicer will submit all reports to investors under Company Name’s assigned “seller/servicer” number or such other number that Company Name and the investor may designate in writing to Sub-Servicer.

Custodial and Escrow Account Maintenance

Sub-Servicer is responsible for establishing and maintaining the Custodial Accounts and Escrow Accounts. Company Name retains the right to direct the investment of amounts in any Custodial Account or Escrow Account and the right to receive and retain any investment income earned on any amounts or deposit in such Custodial Accounts and Escrow Accounts and shall retain any obligation to reimburse such accounts for investment losses in each case subject to the terms of the related Subject Servicing Agreement, the related Mortgage Loan Documents and Applicable Law.

Funding P&I Advances

Company Name must still fund any P&I Advances required under the terms of the Subject Servicing Agreements, as determined by Sub-Servicer. We will review the Monthly Remittance Report and deposit any P&I Advances into the applicable Custodial Account or other applicable account.

Corporate Advances or Escrow Advances

We will deposit any Corporate or Escrow Advances required under the terms of the Subject Servicing Agreements when notified in writing.

Remittances

The Monthly Remittance Report identifies any amounts required to be paid from the Custodial or Escrow Accounts.

Loan Sale or Participation

In the event Company Name or Investor sells all or any part of its interest in any Loan Sub-Servicer will continue to remit all principal and interest installments collected under the Loan documents, and make full or pro-rata payments directly. The servicing and sub-

servicing fees may be deducted prior to remittance. We must receive and provide 30 days written notice of this transfer.

Servicing Management – Position Descriptions

Director of Mortgage Loan Servicing

Job Description

The Director of Mortgage Loan Servicing is directly responsible for performing interim servicing and subservicing oversight related to residential mortgage loans. This includes managing and overseeing the third party subservicing relationship.

New Loan Set Up

- Review and implement all procedures for new loan set-up
- Interim Servicing
- Oversee delivery of new loan files and packaging lists to Sub-Servicer in accordance with Sub-Servicer's procedures
- Confirm timely set-up of loans by Sub-Servicer and timely deposit of funds to custodial bank accounts
 - Verify date of set-up and accuracy of loan information boarded on Sub-Servicers system
- Ongoing monitoring and control of Sub-Servicer's loan administration activities
- Perform spot audits on a reasonable percentage of loans delivered monthly for subservicing.

Review Sub-Servicer Reporting

- Review Sub-Servicer's independent audit
 - Uniform Audit Program letter
 - SAS 70 Type II Report on Controls Placed in Operations
- Review Sub-Servicer's standard monthly portfolio management reports and provide summary to management
 - Review a sample of bank account transactions to confirm timely transfer of funds to custodial bank accounts, remittance of principal and interest to investors and payment of property taxes and insurance premiums
 - Review all custodial bank account reconciliations and explanations of any open or un-reconciled items
 - Understand and resolve any tax, insurance, and escrow issues
 - Ensure all borrower payments in a timely and efficient manner
- Investigate with Sub-Servicer any open or un-reconciled items reported by Investors
 - Confirm directly with investor timely delivery and accuracy of all investor reports, reconciliations and cash remittances
 - Review copies of all Fannie Mae, Freddie Mac, Ginnie Mae, and other investor audit reports which include Company Name's loans
 - Provide assistance in processing and settling all investor purchases advices

- Coordinate loan accounting
 - Act as liaison between accounting and the Sub-Servicer specifically assisting in the research of accounting related items
- Oversee the premium recapture process, including analysis, approval and facilitation
- Assist in year end 1098 reporting

Review Customer Service

- Ensure outstanding customer service to borrowers and maintain focus on a positive customer experience.
- Provide assistance and address the complex customer inquiries via phone, email, fax and mail regarding mortgage loans
- Contact a reasonable sample of homeowners directly to verify quality and timeliness of Sub-Servicer’s initial loan setup, delivery of coupon books or monthly billing statements
- Review a reasonable sample of Sub-Servicer’s responses to homeowner’s telephone questions and written correspondence

Delinquency Management

- Review delinquent loans to confirm that adequate efforts have been made to contact borrowers at different times of the day, evenings and weekends
- Meet with Sub-Servicer to review delinquency trends, procedures and any unique situations affecting portfolio
- Monitor senior lien foreclosure sale activity; provide related data analysis and strategy recommendations

Regulatory Compliance Review

- Ensure the Sub-Servicer’s full compliance with all legal and regulatory requirements,
 - FCRA
 - RESPA
 - Ensure timely monthly statements and RESPA required notices
 - Ensure all “Goodbye” letters are sent to customers within a timely manner
 - Privacy – Gramm-Leach-Bliley

Outside Vendors & Service Providers

In addition to demonstrating a capacity to meet service and product needs, outside vendors must have their own policies and procedures. We must review these prior to providing approval.

ALL Vendors

- Information Security and Red Flag ID Theft Plan
- Disaster Recovery and Business Continuity Plan
- Liability Insurance

Customer Facing Vendors

- Fair Lending/Anti-Discrimination
- Unfair and Deceptive Practices

Reporting – Management and Audit Reports

Servicing Reports

Sub-Servicer will deliver all reports as required. These work to provide information as well as a basis for auditing of Sub-Servicer's activities.

Monthly Remittance Report

Prior to each Monthly Reporting Date the monthly remittance report is delivered and reviewed as to:

P&I Advances – provides supporting information regarding any advance

Monthly Servicing Oversight Report

Due no later than the first Business Day of each month, this report provides a detail of all servicing activity for the previous month.

Annual and Periodic Reports

Sub-Servicer will provide copies of each of the following reports, as well as additional reports for inspections that it conducts.

- SAS 70 reviews of data processing environment and internal controls
- site review copies of any internal audit reports relating to servicing operations
- results of a security audit to be performed no less than annually.

Sub-Servicer will incorporate Company Name's comments into the requirements for future audits when Sub-Servicer's practices are not consistent with servicing industry standard practice.

Loan Servicing Set Up Checklist

Use this checklist as a guide to put together a complete Loan Servicing Package for submission. Read each item carefully and include this form in the complete package.

Loan Servicing Setup (Boarding) Document Checklist	
Borrower Name	_____
Address	_____
Loan Amount	_____
Interest Rate	_____
1 st Payment Date	_____
Investor	_____
Insurance Company	_____
Document Custodian	_____
Documents to Include	
<input type="checkbox"/>	1 st Payment Letter
<input type="checkbox"/>	Loan Transfer Letter (Hello or Good-Bye)
<input type="checkbox"/>	Form 1003 Loan Application.
<input type="checkbox"/>	HUD-1 Closing Statement
<input type="checkbox"/>	Escrow Analysis/Statement
<input type="checkbox"/>	Copy of Note
<input type="checkbox"/>	Recorded Deed of Trust/Mortgage (recorder's receipt)
<input type="checkbox"/>	All Riders
<input type="checkbox"/>	Assignments
<input type="checkbox"/>	Allonge
<input type="checkbox"/>	Endorsement (If Note Assigned, Reverse)
<input type="checkbox"/>	Payment History
<input type="checkbox"/>	Insurance Policy and Paid Receipt
<input type="checkbox"/>	Endorsement to or letter requesting endorsement
<input type="checkbox"/>	_____
	Its Successors and Assigns
	c/o BSI Financial Services, Inc.
	PO Box 702168
	Dallas, TX 75370
<input type="checkbox"/>	Tax Service Certificate
<input type="checkbox"/>	Investor/Secondary Marketing Sale
<input type="checkbox"/>	MERS Registration
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____