

# **ABOUT YOUR AUDIT REPORT**

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## **1. How to Read The Audit Report**

### **The Letter(s)**

Depending on the results of your audit report, the letter(s) will express 5 - 7 issues to the lender/servicer.

1. Notification of Identified Audit Violations (and request to have them addressed)
2. Notification of the Debt the Lender Owes You Due to Audit Violations (if any)
3. Request for Validation of Your Debt
4. Request For Your Origination Documents
5. Request For Loan Modification
6. Rescission (if applicable)
7. Request for a Certified Copy of the Promissory Note for the Subject Property

If you have a purchase loan or a loan that was refinanced more than 3 years ago, you will receive a QWR letter. This letter will include all the applicable issues above (except rescission).

If your loan was refinanced in the last 3 years and your audit report included serious TILA and/or UDAP violations, you will receive 2 letters.

You will receive a Rescission Letter and a Qualified Written Request Letter.

The Rescission Letter is different from the Qualified Written Request (QWR) in that it asks for rescission (cancellation) first and other remedies are secondary. It also must be responded to in full within 20 days of the lender/servicer receiving the cancellation request. If the lender does not accept a legitimate cancellation request, they are exposing themselves to triple damages plus covering your attorney fees.

For the QWR letter, the lender is required to acknowledge receipt of the request in writing within 20 business days or less. And they have 60 business days to address the issues in the request.

The QWR letter asks for loan modification first and rescission is secondary (if applicable). It has more of a tone of compromise than the rescission letter.

### Which Letter To Send

You can send either letter. However, you need to determine what would best meet your needs because when you do an outright rescission outside of bankruptcy, you still have to make an offer to the lender to purchase the property. The “tender” offer is usually lower than what is owed, but you must be prepared to make this offer if you are going to request an outright rescission.

For example, you would need the cash or another loan approved to payoff the existing lender for the amount of the tender offer.

If rescission is granted while you are in bankruptcy you may be entitled to receive the property free and clear. If your loan was a refinance in the last 3 years, you will have received additional case law in the audit report package that explains the benefits of bankruptcy and rescission.

### Summary of Audit Findings

A tabular summary of the major consumer protection/lending laws that were reviewed. It indicates whether or not any violations were discovered by category with a PASS or FAIL designation.

### Compliance Violations

Includes a description of the findings for each violation identified. These violations can be grouped in 3 key definitional categories:

1. The lender was found to be negligent in informing the homeowner of certain rights or required disclosures
2. Mathematical computations prove that the lender incorrectly disclosed key financial metrics to the borrower (i.e., APR, finance charge, escrow amounts, etc.).

3. The lender took advantage of the borrower by providing a loan that was NOT repayable and/or committed other form of Unfair or Deceptive Acts or Practices.

#### Closing Costs (Settlement Statement Summary)

Includes a summary of all the costs identified on the HUD1. If no HUD1 was in the file a GFE or Itemization of Finance Charge documents would have been referenced.

This schedule determines what charges **should have been** included in the APR, finance charge, and HOEPA calculations.

#### Data Input & Test Results

Includes borrower information, specifics about the subject loan, and test results for escrow cushion check, APR, Finance Charges, and HOEPA.

Finally, it summarizes all the documents that were reviewed and customer responses to audit questions.

#### Loan Payments Summary

This a re-engineered version of the most important aspects of the Truth and Lending Statement.

#### Amortization Schedule

This a re-engineered version of the full payment schedule for the loan at the time of closing.

### 2. Key Laws Overview/Other Attachments

A brief description of the key laws that were reviewed in the audit. It provides some details about the application of each law and potential remedies available to borrowers' should some of the laws be violated. It also may include certain foreclosure defense tips and other relevant case law.

### 3. Instructions for Sending The Report

Please see your Full Audit results attached. Also provided is the letter that you should accompany with the audit results.

Order to package certified communication to Lender/Service:

1. QWR or Rescission Request Letter
2. Audit Report (Excluding Key Law Summary and any Case Laws)

Remember to send all the pages in a “certified” envelope (with signature confirmation). The letter should be made attention to CUSTOMER SERVICE. You should call your lender to obtain the “Qualified Written Request” mailing address.

**NOTE: If you are unsuccessful getting a mailing address from the lender, label the certified envelope “Attention: Qualified Written Request”, and mail it to the same mailing address where you send your payment. Only use this address if you are NOT able to get an address from the lender.**

The lender is supposed to cease reporting to credit reporting agencies upon acknowledgment of receipt of the qualified written request.

You should receive an application for a loan modification within a few weeks or so after they acknowledge the request. If the lender does not follow the RESPA 6 guidelines, they will be adding to their violations, and you will have grounds to escalate the matter to the proper authorities and/or bring forth a lawsuit.

You should also send a copy of the letter to the lender’s foreclosure attorney (if applicable). Their contact information should be in your collection notices.

NOTE: In addition to the instructions above, you should also call your lender and ask them for the fax number to send correspondence material or Qualified Written Requests. You can then also fax the information to them for a quicker delivery. However, DO still send the letter certified mail for your records.

Contact the lender to verify that they have received your letter and that it has been routed to the correct department (typically Research, Executive offices, or something similar).

**Special Note: If you are in foreclosure, you should provide these documents to your attorney immediately. If you do not have an attorney, you should make sure that the court understands you are contesting the foreclosure. Court filings should be done ASAP!**

Homeowner(s) Name: [REDACTED]  
Full Name of Homeowner(s): [REDACTED]  
Full Name of Lender: [REDACTED]  
Loan Number: [REDACTED]  
Type of Mortgage: [REDACTED]  
Product: [REDACTED]  
Form Number: [REDACTED]

## SUMMARY OF AUDIT FINDINGS

### Federal Disclosure Laws

		<u>No Violations Found</u>	<u>Violations Found</u>
ECOA - Equal Credit Opportunity Act	Reviewed		FAIL
FCRA - Fair Credit Reporting Act	Reviewed		FAIL
FACTA (Fair and Accurate Credit Transactions Act)	Reviewed		FAIL
FDCPA (Fair Debt Collection Practices Act)	Reviewed		FAIL
HIPAA (Health Insurance Portability and Accountability Act)	Reviewed		
HOEPA (Home Ownership and Equity Protection Act)	Not HOEPA Loan	PASS	
HOEPA - Prohibited Practices	Not HOEPA Loan		
RESPA (Real Estate Settlement Procedures Act)	Reviewed		FAIL
RESPA Initial Escrow Account Cushion Check	Reviewed		FAIL
TILA (Truth and Lending Act) - Document Disclosures	Reviewed		FAIL
TILA APR Check - Above	Reviewed		
TILA APR Check - Below	Reviewed	PASS	
TILA Rescission Finance Charge Check - Normal	Reviewed	PASS	
TILA Non-Rescission Finance Charge Check - Normal	Reviewed	PASS	
TILA Repayment Ability	Reviewed	PASS	
UCC (Uniform Commercial Code)	Reviewed		FAIL
Underwriting/Appraisal	Reviewed	PASS	
UDAP (Unfair & Deceptive Acts or Practices)	Reviewed		FAIL
<u>Calculation Checks</u>		<u>No Error Found</u>	<u>Error Found</u>
Mortgage Statement Payment Check	Reviewed	PASS	

A Full Mortgage Audit can help you challenge your lender, and get you the remedies you deserve.  
Please see contact information above on how to have this audit explained to you, and have your violations addressed.

### COMPLIANCE VIOLATIONS

#### TILA -Truth and Lending Act

##### FAIL - Finance Charge Test (Foreclosure) - (12 CFR § 226.23(h))

The finance charge is \$119,353.17. For purposes of rescission (in foreclosure), the disclosed finance charge of \$119,299.64 is not considered accurate because it is understated by more than \$35.

12 CFR § 226.4 (a) Definition. The finance charge is the cost of consumer credit as a dollar amount. It includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the extension

(1) Charges by third parties. The finance charge includes fees and amounts charged by someone other than the creditor, unless otherwise

Remedyer(s) Name: [REDACTED]  
Entity's State or Country of Origin: [REDACTED]  
Product Name: [REDACTED]  
Loan Date: [REDACTED]  
To: [REDACTED]  
From: [REDACTED]  
Product: [REDACTED]  
Product: [REDACTED]

## **SUMMARY OF AUDIT FINDINGS**

- (i) requires the use of a third party as a condition of or an incident to the extension of credit, even if the consumer can choose the third party; or
  - (ii) retains a portion of the third-party charge, to the extent of the portion retained.
- (2) Special rule; closing agent charges. Fees charged by a third party that conducts the loan closing (such as a settlement agent, attorney, or
- (i) Requires the particular services for which the consumer is charged;
  - (ii) Requires the imposition of the charge; or
  - (iii) Retains a portion of the third-party charge, to the extent of the portion retained.

(3) Special rule; mortgage broker fees. Fees charged by a mortgage broker (including fees paid by the consumer directly to the broker or to the creditor for delivery to the broker) are finance charges even if the creditor does not require the consumer to use a mortgage broker and even if the creditor does not retain any portion of the charge.

### **FAIL - Establishment of Initial Escrow Cushion - (RESPA 3500.17, c,5) - Post Rule Settlement Dates After May 24, 1995**

The initial escrow cushion/reserve should be \$171.67. The disclosed initial cushion/reserve of \$396.70 is above the federal limit because it is more than 1/6 of the total annual escrow obligation.

RESPA - Charges at settlement or upon creation of an escrow account. (RESPA 3500.17,c,i)

(c) Limits on payments to escrow accounts; acceptable accounting methods to determine limits. (1) A lender or servicer (hereafter servicer) shall not require a borrower to deposit into any escrow account, created in connection with a federally related mortgage loan, more than the following amounts: (i) Charges at settlement or upon creation of an escrow account. At the time a servicer creates an escrow account for a borrower, the servicer may charge the borrower an amount sufficient to pay the charges respecting the mortgaged property, such as taxes and insurance, which are attributable to the period from the date such payment(s) were last paid until the initial payment date. The "amount sufficient to pay" is computed so that the lowest month end target balance projected for the escrow account computation year is zero (-0-) (see Step 2 in appendix E to this part). In addition, the servicer may charge the borrower a cushion that shall be no greater than one-sixth (1/6) of the estimated total annual payments from the escrow account.

### **FDCPA - Federal Fair Debt Collection Practices Act**

#### **FAIL - Never Disclosed**

§ 809. Validation of debts

(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing—

- (1) the amount of the debt;
- (2) the name of the creditor to whom the debt is owed;
- (3) a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;
- (4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such

Information: Name: [REDACTED]  
Email: [REDACTED]  
Phone: [REDACTED]  
Address: [REDACTED]  
City: [REDACTED]  
State: [REDACTED]  
Zip: [REDACTED]  
Country: [REDACTED]  
Date: [REDACTED]  
Time: [REDACTED]  
Page: [REDACTED]

## SUMMARY OF AUDIT FINDINGS

verification or judgment will be mailed to the consumer by the debt collector; and  
(5) a statement that, upon the consumer's written request within the thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

### **FDCPA - Federal Fair Debt Collection Practices Act**

#### **FAIL - Did Not Perform**

##### **§ 809. Validation of debts**

(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall,

unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing—

- (1) the amount of the debt;
- (2) the name of the creditor to whom the debt is owed;

(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector

### **UCC - Uniform Commercial Code Article 9, 210**

#### **FAIL - Never Disclosed**

The Uniform Commercial Code Article 9, 210 Request For Accounting

#### **UCC - Uniform Commercial Code Article 9, 210, a, 2**

'Request for an accounting' means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

#### **UCC - Uniform Commercial Code Article 9, 210, b, 1**

#### **FAIL - Never Disclosed**

(b) [Duty to respond to requests.]

Subject to subsections (c), (d), (e), and (f), a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory

notes or a consignor, shall comply with a request within 14 days after receipt:

- (1) in the case of a request for an accounting, by authenticating and sending to the debtor an accounting;

### **UCC § 9-604. Procedure If Security Agreement Covers Real Property Or Fixtures.**

The Uniform Commercial Code has jurisdiction over security instruments associated with 'real property' when the real property is entangled with personal property or fixtures. Our experience is that most residential property purchase and sale agreements include a clause including personal property and fixtures as a part of the real estate transaction. Consequently, the related

Homeowner(s) Name: [REDACTED]  
Escrow Account Number: [REDACTED]  
Trust Number: [REDACTED]  
Loan Number: [REDACTED]  
Trustee: [REDACTED]  
Escrow Agent: [REDACTED]  
Trust Agreement: [REDACTED]

## **SUMMARY OF AUDIT FINDINGS**

personal property and/or fixtures and real property are secured by the same security instrument.

### **UDAP -- Violations of Federal Statutes**

The FTC has specifically held that certain violations of Federal Reserve Board Regulation Z (mortgage transactions subject to RESPA) and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

**The omission or failing to provide each of the following documents constitute a separate Compliance Violation under the applicable federal regulation. Initial closing-related disclosures must be issued within three (3) business days of receipt of the initial completed Loan Application/1003; and re-issued in the event of any changes in program or loan terms prior to closing. If the borrower was not provided with these disclosures within three business days from the date of the original loan application, the borrower will need to complete a sworn statement testifying to that effect. NOTE: Some of these items may be cleared if proper documentation is later provided.**

### **Notice of Default -- Mortgage Deed of Trust Section 22 Violations**

Notice of Default NOT in Proper form

No evidence provided that borrower was informed of Right to Assert the Non-Existence of a Default in Foreclosure Proceedings/Or Bring Forth a Court Action

No evidence provided that borrower was informed of Potential for Acceleration

No evidence provided that borrower was informed of Potential for Property Sale

No evidence provided that borrower was informed of Right to Reinstate After Acceleration

No evidence provided that borrower was informed of Right to Assert Other Defenses Against Acceleration and Sale

### **Per RESPA (Real Estate Settlement Procedures Act – 12 USC 2601 et seq.):**

Initial Signed & Dated Good Faith Estimate (Within 3-Days of Application)

Lenders are required to provide borrowers with a Good Faith Estimate within three business days of Initial Application and the estimated fees included on the GFE must be a reasonable estimate of the actual fees charged to the borrower per the HUD-1 Settlement Statement.

Initial Affiliated Business Arrangement Disclosure

Annual Escrow Statement

### **Per TILA (Truth in Lending Act – Reg Z – 15 USC 1601 et seq, 12 CFR 226):**

Initial Truth in Lending Statement & Itemization of Amount Financed (signed & dated)

Final Truth in Lending Statement & Itemization of Amount Financed (signed & dated)

TILA 226.19(a) residential mortgage transactions subject to RESPA. (1) time of disclosures. In a residential mortgage







**CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)**

800. ITEMS PAYABLE IN CONNECTION WITH LOAN						BUYER	APR	HOEPA
801. Loan Origination Fee	%	to	Lender			\$ 1,255.00	X	X
802. Loan Discount	%	to						
803. Appraisal		to	Other			50.00		
804. Credit Report		to	Other			19.00	X	X
805. Flood Fees		to	Other			6.00	X	X
806. Tax Service Fee		to	Other			83.00	X	X
807. Application Fee		to						
808. Broker Fee		to						
809. Application/Underwriting Fee		to	Lender			100.00	X	X
810. Processing Fee		to	Lender			525.00	X	X
811. GRMA		to	Lender			6.50	X	X
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE								
901. Interest From	10/28/2009	01/11/2009	\$	17.16	4 days	68.64	X	
902. Wind Inspection								
903. Hazard Insurance Premium for		years to				1,030.00		
904. Flood								
905. Windstorm								
1000. RESERVES DEPOSITED WITH LENDER								
1000. Hazard Insurance	@	\$		per		514.98		
1001. Mortgage Insurance	@	\$		per				
1002. City/Summer Taxes	@	\$		per				
1003. County Taxes	@	\$		per		225.04		
1004. Assessments	@	\$		per				
1005. Flood Insurance	@	\$		per				
1006. WindStorm	@	\$		per				
1007. Aggregate Adjustment	@	\$		per		(541.67)		
1008. Payoffs	@	\$		per				

To receive your audit, call The Near Bank Foundation, Inc.

Please email the documents to: [audit@nearbank.org](mailto:audit@nearbank.org)

Phone Number: 800-704-4225 x100

Presser Lender:  

**CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)**

1100. TITLE CHARGES				APR	HOEPA
1101. Settlement or Closing Fee	to	Other			
1102. Title Search	to	Other			
1103. Title Examination	to	Other	125.00		
1104. Title Insurance Binder	to	Other	50.00		
1105. Document Preparation	to	Other			
1106. Notary Fees	to	Other			
1107. Attorney's Fees	to	Other	425.00	X	X
(includes above item numbers:		Other )			
1108. Title Insurance	to	Other	302.00		
(includes above item numbers:		Other )			
1109. Lender's Coverage	\$	Other			
1110. Owner's Coverage	\$	Other			
1111. Endorsements		Other			
1112. Record Service Fee	to	Other			
1113. Alta Forms	to	Other			
1114. FL Forms	to	Other			
1115. Post Closed Cert	to	Other			
1116. Courier/Wire/Shipping/Email Fee	to	Other	75.00	X	X
1117. Doc Fee	to	Other			
1118. Closing Agent Reg Z Fees	to	Other			

CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)

1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					APR	HOEPA
1201. Recording Fees:	Deed \$		; Mortgage \$		50.00	
				Releases \$		
1202. City/County Tax/Stamps:		Revenue Stamps		; Mortgage		
1203. State Tax/Stamps:		Revenue Stamps		; Mortgage	376.50	
1204. Tax Cert						
1205. Other						
1300. ADDITIONAL SETTLEMENT CHARGES						
1301. Survey		to		Other		
1302. Lien Search		to		Other		
1303. Courier/Wire/Shipping/Email Fee		to		Other		
1304. Recording Fee Subordination Agm/Mod Agm		to		Other	28.00	X
1305. Non-Payoffs (tax fee)		to		Other		
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)					\$ 4,772.99	\$ 2,591.14
				Check (POC, 3rd Party, Addendums, Reg Zs)	\$ 3,617.99	\$ 2,522.50

Present Lender: [REDACTED]

Mortgage Statement Check		
Payment	\$	672.95
Rate		4.990%
Term		360.00
Loan Amount		125,500.00
Taxes		112.52
Insurance		85.83
MI		-
Escrow Shortages, Late Fees		2,823.84
Years Left for Option ARM		-
Calculated PI (or I)		3,695.14
Mortgage Statement (Payment)		3,711.67
Statement Payment H/(L) Than Calculated Payment	\$	16.53
Percent		0.45%
Statement is within Tolerance Check		YES
Annual Statement Escrow Account Check		
Most Recent Escrow Statement Cushion		\$0.00
Total Annual Actual Escrow Obligation		\$0.00
Calculated Cushion		\$0.00
Cushion Check		PASS

## DATA INPUT & TEST RESULTS

Basic File Information	
Borrower:	
Co-Borrower Name:	
Primary Residence:	
Email:	
Property Address:	
City:	
State:	
Zip Code:	
Origination Lender:	
Origination Loan#:	
Present Lender:	
Present Loan #:	
Closing Date	10/23/2009
Closing Period	1.24
Is loan in default?	Yes

Loan Info	
Loan Amount:	\$125,500.00
Loan Type:	Fixed
Payment Type:	PI
Term:	360
Initial Interest Rate:	4.99
Present Interest Rate (From Statement):	4.99
Annual Taxes:	1,350.26
Annual Insurance:	1,030.00
Mortgage Insurance (Monthly):	-
Late Fees/Back Escrow Payments/Shortages	2,823.84
Years Left In Option ARM	-
Mortgage Payment on Statement	\$3,711.67
Disclosed APR:	5.1653%
Date of First Payment:	12/1/2009
Principal Balance On Statement	\$0.00
Periodic Adjust. Cap:	-
1st Change Cap:	-
Life Time Rate Floor:	-
Life Time Rate Cap:	-
Initial Years (interest only period):	-
Initial Months (fixed rate period):	360
Adjustment Period (months):	-
Index Value %:	-
Margin %:	-

## DATA INPUT & TEST RESULTS

RESPA, TILA and HOEPA Checks		
RESPA Escrow Cushion/Initial Deposit		396.70
Total Annual Escrow Obligation		1,030.00
Calculated Initial Cushion		171.67
Cushion Check		<b>FAIL</b>
Most Recent Escrow Statement Cushion		-
Total Annual Actual Escrow Obligation	\$	-
Calculated Cushion		-
Cushion Check		<b>PASS</b>
TILA Calculated APR		<b>5.1741%</b>
TILA APR Threshold Test (Above)		<b>PASS</b>
TILA APR Threshold Test (Below)		<b>PASS</b>
Right to Cancel Sign Date		
Right to Cancel Expire Date		
Disbursement Date		
Was a Right To Cancel Waiver in file?		10/28/2009
Rescission Disbursement Date Check		Not Provided
Rescission Date Check		<b>N/A</b>
Is this a purchase, refinance, or land?		<b>PASS</b>
HOEPA (Comparable T-Bill Rate)		Refinance
HOEPA APR Threshold (1st Mortgage)		4.050%
HOEPA APR Threshold (2nd Mortgage)		Not HOEPA Loan
HOEPA Closing Costs Check		Not HOEPA Loan
HOEPA Disclosures		Not HOEPA Loan
HOEPA Prohibited Practices		N/A
Late Charge		N/A
		5.000%

Disclosed Loan Costs/Payments		
Total Costs Included in APR		\$2,591.14
Total Closing Costs		4,772.99
HOEPA Points and Fees		2,522.50
HOEPA Points and Fees (8% of Amount Financed Cap)		9,832.71
Check Total APR Costs		<b>PASS</b>
Check Total Closing Costs		<b>PASS</b>
Check Total Points and Fees -- State Specific		<b>PASS</b>
Calculated Finance Charge - Fixed and ARM Loans		<b>\$119,353.17</b>
Disclosed Finance Charge		119,299.64
Variance		<b>\$53.53</b>
Test Results (No Foreclosure) - Fixed and ARM Loans		<b>PASS</b>
Test Results (In Foreclosure) - Fixed and ARM Loans		<b>FAIL</b>
Non-Rescission - Finance Charge		
Test Results - Fixed and ARM Loans		
		<b>PASS</b>
Amount Financed - Fixed and ARM Loans		\$122,908.86
Total Calculated Payments - Fixed and ARM Loans		\$242,262.03
Total Disclosed Payments		242,262.00



## DATA INPUT & TEST RESULTS

Document Checklist	
Mortgage Application (1003)	Provided
Initial <b>signed &amp; dated</b> Uniform Residential Loan Application (1003)	Not Provided
Final <b>signed &amp; dated</b> Uniform Residential Loan Application (1003)	Not Provided
HUD1 and Addendums from Closing (Complete)	Provided
GFE (signed <b>and dated</b> )	Not Provided
Mortgage Note	Provided
Note Addendum and Modification	N/A
Mortgage / Deed of Trust / Security Instrument	Provided
Customer Agreement	Provided
Truth-In-Lending Disclosures	Provided
Initial T&L Statement & Itemization of Amount Financed ( <b>signed &amp; dated</b> )	Not Provided
Final T&L Statement & Itemization of Amount Financed ( <b>signed &amp; dated</b> )	Not Provided
Name and address of creditor	Not Provided
Amount financed	Provided
Itemization of amount financed (optional, if Good Faith Estimate is provided)	Not Provided
Finance charge	Provided
Annual percentage rate (APR)	Provided
Variable rate information	N/A
Payment schedule	Provided
Total of payments	Provided
Demand feature	Provided
Total sales price	N/A
Prepayment policy	Provided
Late payment policy	Provided
Security interest	Provided
Insurance requirements	Provided
Certain security interest charges	Provided
Contract reference	Provided
Assumption policy	Provided
Required deposit information	Provided
Affiliated Business Arrangement Disclosure	Not Provided
Appraisal (and or Appraisal Right To Copy Disclosure)	Not Provided
CHARM Disclosure	N/A
Collection Notice(s)	Not Provided
Credit Score Disclosures	Not Provided
ECOA Statement - Equal Credit Opportunity	Not Provided
Escrow Analysis (Initial Escrow Disclosure)	Not Provided
High Cost Mortgage Disclosures (if Applicable)	Provided
Investigative Consumer Report Disclosure	N/A
Last Escrow Annual Statement	Not Provided
Most Recent Mortgage Statement	Provided
Notice of Adverse Action	-
Notice to Home Loan Applicant	Not Provided
Opt-Out Notices	Provided
Privacy Policy Notice	Provided
RESPA Servicing Disclosure	Provided
Right of Rescission or Right to Cancel (signed and dated)	Not Provided
Risk-Based Pricing Notice	Not Provided
Survey or platt	Not Provided
Title Policy or Title Commitment	Not Provided

## DATA INPUT & TEST RESULTS

Audit Questions	
Do you have a prepayment penalty?	No
How many Right to Cancel copies were included?	3
How many were required?	2
Did you ever try to cancel your loan before or after closing within 3-Days?	No
Is the lender listed on your closing papers the same as the lender you pay today?	Yes
Did you receive notification that your loan was being transferred to another servicer within 30 days of it being transferred?	N/A
If you have an escrow account, have you received your annual escrow statement each year?	Yes
Have you been notified that you can get written Confirmation of your obligation?	No
Are you receiving disability income now?	No
Did lender transfer disability related medical information without borrower (s) permission?	N/A
Are you receiving workmen's compensation now?	No
Did you provide documentation about your workmen's compensation income during the application process for your loan?	N/A
Were any RESPA formal requests sent?	No
Did lender respond within 20 days of receiving request?	N/A
Were there ECOA violations found?	Yes
Were there TILA violations found?	Yes
Were there FCRA/FACTA violations found?	Yes
Were there RESPA violations found?	Yes
Were there UCC violations found?	Yes
Were there underwriting or appraisal issues found?	No

## DATA INPUT & TEST RESULTS

Application Analysis		
Income On Application		\$6,792.00
Total Debt Payments		2,146.30
Total Initial Housing Payments		871.29
1st Change Housing Payment		874.92
Ceiling Housing Payment		\$871.30
Highest Housing Payment on the Schedule		2,149.93
Housing DTI		
DTI on Initial Interest rate		13%
DTI on 1st Change Date		13%
DTI at Ceiling rate		13%
DTI at Highest Payment on Schedule		32%
Total DTI		
DTI on Initial Interest rate		32.0%
DTI on 1st Change Date		32.0%
DTI at Ceiling rate		32.0%
DTI at Highest Payment on Schedule		31.7%
Estimated Tax Rate		33.1%
Discretionary %		35.0%
Discretionary Spending Amount		\$2,373.80
<b>ARM</b>		
Discretionary %		35.0%
Discretionary Spending Amount		\$2,373.80
Median Credit Score		
LTV		55%
Fed Tax Rate		18.3%
Social Security		6.20%
Medicare		1.45%
State Income Tax		7.10%
<b>Stated Income</b>		
Required Monthly Income for 45% DTI		
Annual Income		
Occupation		-
Salary.com		-
Rental/Other Income		-
Salary.com DTI		#DIV/0!
Salary DTI Highest Payment		#DIV/0!
Appraisal Value		\$227,000.00
Liquid Assets		-
Change in Housing Expense		-
Negative Amortization Cap		100%
Closing Costs/Downpayment		508.60

## DATA INPUT & TEST RESULTS

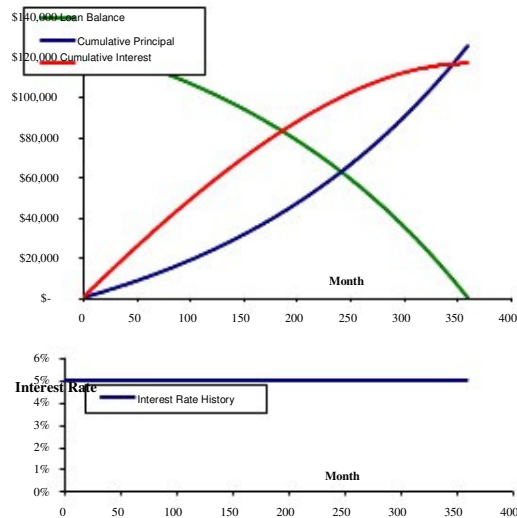
Application Analysis continued...		
<b>Estimated Audit Violation Amounts</b>		
Total Payments Made		8.99
Total Costs Included in APR		\$2,591.14
Total Interest Payments in Schedule		4,157.22
Total Minimum Non-Punitive TIL Damages	\$	6,748.36
Total Minimum TIL w/ Punitive Damages		20,245.08
YSP Damages for Non-Disclosure	\$	-
YSP Damages for Non-disclosure w/ Punitive Damages		-
<b>Schedule of Payments</b>		
Payment 1		672.94
Payment 2		676.57
Payment 3		-
Payment 4		-
Payment 5		-
Payment 6		-
Payment 7		-
Payment 8		-
Payment 9		-
Payment 10		-
Payment 11		-
Payment 12		-
<b>Percentage Increase</b>		
Payment 1		-
Payment 2		0.5%
Payment 3		
Payment 4		
Payment 5		
Payment 6		
Payment 7		
Payment 8		
Payment 9		
Payment 10		
Payment 11		
Payment 12		
Max Increase		0.54%



## AMORTIZATION SCHEDULE

### Loan Information

Loan amount\$	125,500
Costs For APR Calc\$	2,591
Term (years)	30
Starting interest rate	4.990%
First payment date	12/1/2009
Interest-Only Period	0
Starting monthly payment (PI)	\$672.94
Mortgage Insurance (MI)	
Sales Price/Appraisal	227,000.00
Max Principal \$	125,500.00
Rate remains fixed for	30.00
Months between adjustments	
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	144,325.00
Est. Max rate	4.99%
Total payments (no MI)	\$242,262.03
Total interest	\$116,762.03
Total payments with MI	\$242,262.03
APR (no MI)	5.174%
APR (w/MI)	5.174%



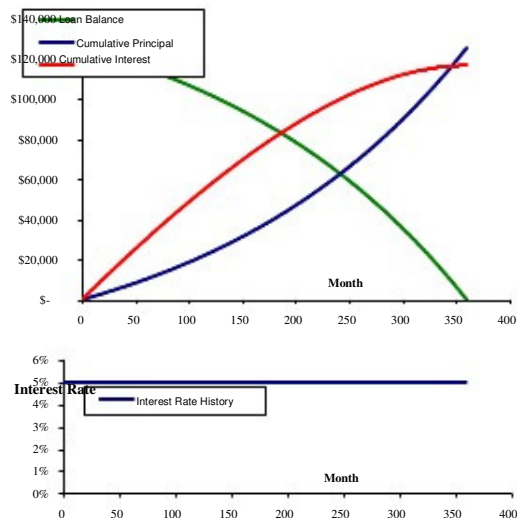
No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
			\$ (122,909)				\$ 125,500				\$ (122,909)
1	12/1/2009	4.990%	672.94		521.87	151.07	125,348.93	521.87	151.07	0.00	672.94
2	1/1/2010	4.990%	672.94		521.24	151.70	125,197.23	1,043.11	302.77	0.00	672.94
3	2/1/2010	4.990%	672.94		520.61	152.33	125,044.90	1,563.72	455.10	0.00	672.94
4	3/1/2010	4.990%	672.94		519.98	152.96	124,891.94	2,083.70	608.06	0.00	672.94
5	4/1/2010	4.990%	672.94		519.34	153.60	124,738.34	2,603.04	761.66	0.00	672.94
6	5/1/2010	4.990%	672.94		518.70	154.24	124,584.10	3,121.74	915.90	0.00	672.94
7	6/1/2010	4.990%	672.94		518.06	154.88	124,429.22	3,639.80	1,070.78	0.00	672.94
8	7/1/2010	4.990%	672.94		517.42	155.52	124,273.70	4,157.22	1,226.30	0.00	672.94
9	8/1/2010	4.990%	672.94		516.77	156.17	124,117.53	4,673.99	1,382.47	0.00	672.94
10	9/1/2010	4.990%	672.94		516.12	156.82	123,960.71	5,190.11	1,539.29	0.00	672.94
11	10/1/2010	4.990%	672.94		515.47	157.47	123,803.24	5,705.58	1,696.76	0.00	672.94
12	11/1/2010	4.990%	672.94		514.82	158.12	123,645.12	6,220.40	1,854.88	0.00	672.94
13	12/1/2010	4.990%	672.94		514.16	158.78	123,486.34	6,734.56	2,013.66	0.00	672.94
14	1/1/2011	4.990%	672.94		513.50	159.44	123,326.90	7,248.06	2,173.10	0.00	672.94
15	2/1/2011	4.990%	672.94		512.83	160.11	123,166.79	7,760.89	2,333.21	0.00	672.94
16	3/1/2011	4.990%	672.94		512.17	160.77	123,006.02	8,273.06	2,493.98	0.00	672.94
17	4/1/2011	4.990%	672.94		511.50	161.44	122,844.58	8,784.56	2,655.42	0.00	672.94
18	5/1/2011	4.990%	672.94		510.83	162.11	122,682.47	9,295.39	2,817.53	0.00	672.94
19	6/1/2011	4.990%	672.94		510.15	162.79	122,519.68	9,805.54	2,980.32	0.00	672.94
20	7/1/2011	4.990%	672.94		509.48	163.46	122,356.22	10,315.02	3,143.78	0.00	672.94
21	8/1/2011	4.990%	672.94		508.80	164.14	122,192.08	10,823.82	3,307.92	0.00	672.94
22	9/1/2011	4.990%	672.94		508.12	164.82	122,027.26	11,331.94	3,472.74	0.00	672.94
23	10/1/2011	4.990%	672.94		507.43	165.51	121,861.75	11,839.37	3,638.25	0.00	672.94
24	11/1/2011	4.990%	672.94		506.74	166.20	121,695.55	12,346.11	3,804.45	0.00	672.94
25	12/1/2011	4.990%	672.94		506.05	166.89	121,528.66	12,852.16	3,971.34	0.00	672.94
26	1/1/2012	4.990%	672.94		505.36	167.58	121,361.08	13,357.52	4,138.92	0.00	672.94
27	2/1/2012	4.990%	672.94		504.66	168.28	121,192.80	13,862.18	4,307.20	0.00	672.94
28	3/1/2012	4.990%	672.94		503.96	168.98	121,023.82	14,366.14	4,476.18	0.00	672.94
29	4/1/2012	4.990%	672.94		503.26	169.68	120,854.14	14,869.40	4,645.86	0.00	672.94
30	5/1/2012	4.990%	672.94		502.55	170.39	120,683.75	15,371.95	4,816.25	0.00	672.94
31	6/1/2012	4.990%	672.94		501.84	171.10	120,512.65	15,873.79	4,987.35	0.00	672.94
32	7/1/2012	4.990%	672.94		501.13	171.81	120,340.84	16,374.92	5,159.16	0.00	672.94
33	8/1/2012	4.990%	672.94		500.42	172.52	120,168.32	16,875.34	5,331.68	0.00	672.94
34	9/1/2012	4.990%	672.94		499.70	173.24	119,995.08	17,375.04	5,504.92	0.00	672.94
35	10/1/2012	4.990%	672.94		498.98	173.96	119,821.12	17,874.02	5,678.88	0.00	672.94
36	11/1/2012	4.990%	672.94		498.26	174.68	119,646.44	18,372.28	5,853.56	0.00	672.94
37	12/1/2012	4.990%	672.94		497.53	175.41	119,471.03	18,869.81	6,028.97	0.00	672.94
38	1/1/2013	4.990%	672.94		496.80	176.14	119,294.89	19,366.61	6,205.11	0.00	672.94
39	2/1/2013	4.990%	672.94		496.07	176.87	119,118.02	19,862.68	6,381.98	0.00	672.94
40	3/1/2013	4.990%	672.94		495.33	177.61	118,940.41	20,358.01	6,559.59	0.00	672.94
41	4/1/2013	4.990%	672.94		494.59	178.35	118,762.06	20,852.60	6,737.94	0.00	672.94
42	5/1/2013	4.990%	672.94		493.85	179.09	118,582.97	21,346.45	6,917.03	0.00	672.94
43	6/1/2013	4.990%	672.94		493.11	179.83	118,403.14	21,839.56	7,096.86	0.00	672.94
44	7/1/2013	4.990%	672.94		492.36	180.58	118,222.56	22,331.92	7,277.44	0.00	672.94
45	8/1/2013	4.990%	672.94		491.61	181.33	118,041.23	22,823.53	7,458.77	0.00	672.94

## AMORTIZATION SCHEDULE

### Loan Information

Loan amount	\$125,500
Costs For APR Calc	\$2,591
Term (years)	30
Starting interest rate	4.990%
First payment date	12/1/2009
Interest-Only Period	0
Starting monthly payment (PI)	\$672.94
Mortgage Insurance (MI)	
Sales Price/Appraisal	227,000.00
Max Principal \$	125,500.00

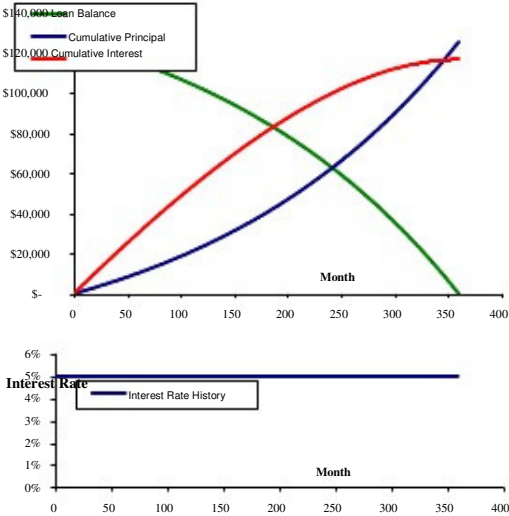
Rate remains fixed for	30.00
Months between adjustments	
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	144,325.00
Est. Max rate	4.99%
Total payments (no MI)	\$242,262.03
Total interest	\$116,762.03
Total payments with MI	\$242,262.03
APR (no MI)	5.174%
APR (w/MI)	5.174%



No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
46	9/1/2013	4.990%	672.94		490.85	182.09	117,859.14	23,314.38	7,640.86	0.00	672.94
47	10/1/2013	4.990%	672.94		490.10	182.84	117,676.30	23,804.48	7,823.70	0.00	672.94
48	11/1/2013	4.990%	672.94		489.34	183.60	117,492.70	24,293.82	8,007.30	0.00	672.94
49	12/1/2013	4.990%	672.94		488.57	184.37	117,308.33	24,782.39	8,191.67	0.00	672.94
50	1/1/2014	4.990%	672.94		487.81	185.13	117,123.20	25,270.20	8,376.80	0.00	672.94
51	2/1/2014	4.990%	672.94		487.04	185.90	116,937.30	25,757.24	8,562.70	0.00	672.94
52	3/1/2014	4.990%	672.94		486.26	186.68	116,750.62	26,243.50	8,749.38	0.00	672.94
53	4/1/2014	4.990%	672.94		485.49	187.45	116,563.17	26,728.99	8,936.83	0.00	672.94
54	5/1/2014	4.990%	672.94		484.71	188.23	116,374.94	27,213.70	9,125.06	0.00	672.94
55	6/1/2014	4.990%	672.94		483.93	189.01	116,185.93	27,697.63	9,314.07	0.00	672.94
56	7/1/2014	4.990%	672.94		483.14	189.80	115,996.13	28,180.77	9,503.87	0.00	672.94
57	8/1/2014	4.990%	672.94		482.35	190.59	115,805.54	28,663.12	9,694.46	0.00	672.94
58	9/1/2014	4.990%	672.94		481.56	191.38	115,614.16	29,144.68	9,885.84	0.00	672.94
59	10/1/2014	4.990%	672.94		480.76	192.18	115,421.98	29,625.44	10,078.02	0.00	672.94
60	11/1/2014	4.990%	672.94		479.96	192.98	115,229.00	30,105.40	10,271.00	0.00	672.94
61	12/1/2014	4.990%	672.94		479.16	193.78	115,035.22	30,584.56	10,464.78	0.00	672.94
62	1/1/2015	4.990%	672.94		478.35	194.59	114,840.63	31,062.91	10,659.37	0.00	672.94
63	2/1/2015	4.990%	672.94		477.55	195.39	114,645.24	31,540.46	10,854.76	0.00	672.94
64	3/1/2015	4.990%	672.94		476.73	196.21	114,449.03	32,017.19	11,050.97	0.00	672.94
65	4/1/2015	4.990%	672.94		475.92	197.02	114,252.01	32,493.11	11,247.99	0.00	672.94
66	5/1/2015	4.990%	672.94		475.10	197.84	114,054.17	32,968.21	11,445.83	0.00	672.94
67	6/1/2015	4.990%	672.94		474.28	198.66	113,855.51	33,442.49	11,644.49	0.00	672.94
68	7/1/2015	4.990%	672.94		473.45	199.49	113,656.02	33,915.94	11,843.98	0.00	672.94
69	8/1/2015	4.990%	672.94		472.62	200.32	113,455.70	34,388.56	12,044.30	0.00	672.94
70	9/1/2015	4.990%	672.94		471.79	201.15	113,254.55	34,860.35	12,245.45	0.00	672.94
71	10/1/2015	4.990%	672.94		470.95	201.99	113,052.56	35,331.30	12,447.44	0.00	672.94
72	11/1/2015	4.990%	672.94		470.11	202.83	112,849.73	35,801.41	12,650.27	0.00	672.94
73	12/1/2015	4.990%	672.94		469.27	203.67	112,646.06	36,270.68	12,853.94	0.00	672.94
74	1/1/2016	4.990%	672.94		468.42	204.52	112,441.54	36,739.10	13,058.46	0.00	672.94
75	2/1/2016	4.990%	672.94		467.57	205.37	112,236.17	37,206.67	13,263.83	0.00	672.94
76	3/1/2016	4.990%	672.94		466.72	206.22	112,029.95	37,673.39	13,470.05	0.00	672.94
77	4/1/2016	4.990%	672.94		465.86	207.08	111,822.87	38,139.25	13,677.13	0.00	672.94
78	5/1/2016	4.990%	672.94		465.00	207.94	111,614.93	38,604.25	13,885.07	0.00	672.94
79	6/1/2016	4.990%	672.94		464.13	208.81	111,406.12	39,068.38	14,093.88	0.00	672.94
80	7/1/2016	4.990%	672.94		463.26	209.68	111,196.44	39,531.64	14,303.56	0.00	672.94
81	8/1/2016	4.990%	672.94		462.39	210.55	110,985.89	39,994.03	14,514.11	0.00	672.94
82	9/1/2016	4.990%	672.94		461.52	211.42	110,774.47	40,455.55	14,725.53	0.00	672.94
83	10/1/2016	4.990%	672.94		460.64	212.30	110,562.17	40,916.19	14,937.83	0.00	672.94
84	11/1/2016	4.990%	672.94		459.75	213.19	110,348.98	41,375.94	15,151.02	0.00	672.94
85	12/1/2016	4.990%	672.94		458.87	214.07	110,134.91	41,834.81	15,365.09	0.00	672.94
86	1/1/2017	4.990%	672.94		457.98	214.96	109,919.95	42,292.79	15,580.05	0.00	672.94
87	2/1/2017	4.990%	672.94		457.08	215.86	109,704.09	42,749.87	15,795.91	0.00	672.94
88	3/1/2017	4.990%	672.94		456.19	216.75	109,487.34	43,206.06	16,012.66	0.00	672.94
89	4/1/2017	4.990%	672.94		455.28	217.66	109,269.68	43,661.34	16,230.32	0.00	672.94
90	5/1/2017	4.990%	672.94		454.38	218.56	109,051.12	44,115.72	16,448.88	0.00	672.94
91	6/1/2017	4.990%	672.94		453.47	219.47	108,831.65	44,569.19	16,668.35	0.00	672.94

AMORTIZATION SCHEDULE

Loan Information		
Loan amount\$		125,500
Costs For APR Calc\$		2,591
Term (years)		30
Starting interest rate		4.990%
First payment date		12/1/2009
Interest-Only Period		0
Starting monthly payment (PI)		\$672.94
Mortgage Insurance (MI)		
Sales Price/Appraisal		227,000.00
Max Principal \$		125,500.00
Rate remains fixed for		30.00
Months between adjustments		
Expected adjustment		0.000%
1st Change Cap		0.000%
Fully Indexed Rate		0.000%
Max. Limit		144,325.00
Est. Max rate		4.99%
Total payments (no MI)	\$	\$242,262.03
Total interest		\$116,762.03
Total payments with MI		\$242,262.03
APR (no MI)		5.174%
APR (w/MI)		5.174%

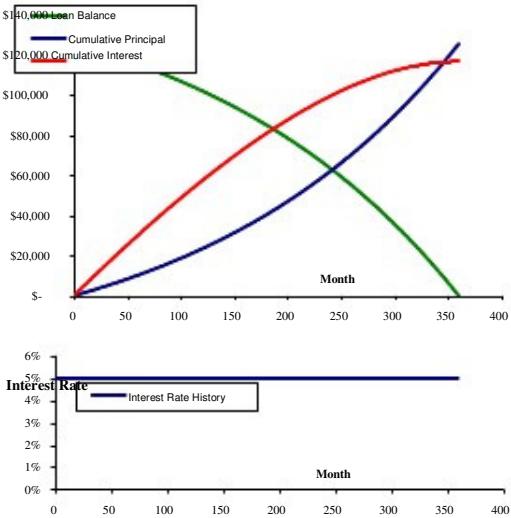


No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
92	7/1/2017	4.990%	672.94		452.56	220.38	108,611.27	45,021.75	16,888.73	0.00	672.94
93	8/1/2017	4.990%	672.94		451.64	221.30	108,389.97	45,473.39	17,110.03	0.00	672.94
94	9/1/2017	4.990%	672.94		450.72	222.22	108,167.75	45,924.11	17,332.25	0.00	672.94
95	10/1/2017	4.990%	672.94		449.80	223.14	107,944.61	46,373.91	17,555.39	0.00	672.94
96	11/1/2017	4.990%	672.94		448.87	224.07	107,720.54	46,822.78	17,779.46	0.00	672.94
97	12/1/2017	4.990%	672.94		447.94	225.00	107,495.54	47,270.72	18,004.46	0.00	672.94
98	1/1/2018	4.990%	672.94		447.00	225.94	107,269.60	47,717.72	18,230.40	0.00	672.94
99	2/1/2018	4.990%	672.94		446.06	226.88	107,042.72	48,163.78	18,457.28	0.00	672.94
100	3/1/2018	4.990%	672.94		445.12	227.82	106,814.90	48,608.90	18,685.10	0.00	672.94
101	4/1/2018	4.990%	672.94		444.17	228.77	106,586.13	49,053.07	18,913.87	0.00	672.94
102	5/1/2018	4.990%	672.94		443.22	229.72	106,356.41	49,496.29	19,143.59	0.00	672.94
103	6/1/2018	4.990%	672.94		442.27	230.67	106,125.74	49,938.56	19,374.26	0.00	672.94
104	7/1/2018	4.990%	672.94		441.31	231.63	105,894.11	50,379.87	19,605.89	0.00	672.94
105	8/1/2018	4.990%	672.94		440.34	232.60	105,661.51	50,820.21	19,838.49	0.00	672.94
106	9/1/2018	4.990%	672.94		439.38	233.56	105,427.95	51,259.59	20,072.05	0.00	672.94
107	10/1/2018	4.990%	672.94		438.40	234.54	105,193.41	51,697.99	20,306.59	0.00	672.94
108	11/1/2018	4.990%	672.94		437.43	235.51	104,957.90	52,135.42	20,542.10	0.00	672.94
109	12/1/2018	4.990%	672.94		436.45	236.49	104,721.41	52,571.87	20,778.59	0.00	672.94
110	1/1/2019	4.990%	672.94		435.47	237.47	104,483.94	53,007.34	21,016.06	0.00	672.94
111	2/1/2019	4.990%	672.94		434.48	238.46	104,245.48	53,441.82	21,254.52	0.00	672.94
112	3/1/2019	4.990%	672.94		433.49	239.45	104,006.03	53,875.31	21,493.97	0.00	672.94
113	4/1/2019	4.990%	672.94		432.49	240.45	103,765.58	54,307.80	21,734.42	0.00	672.94
114	5/1/2019	4.990%	672.94		431.49	241.45	103,524.13	54,739.29	21,975.87	0.00	672.94
115	6/1/2019	4.990%	672.94		430.49	242.45	103,281.68	55,169.78	22,218.32	0.00	672.94
116	7/1/2019	4.990%	672.94		429.48	243.46	103,038.22	55,599.26	22,461.78	0.00	672.94
117	8/1/2019	4.990%	672.94		428.47	244.47	102,793.75	56,027.73	22,706.25	0.00	672.94
118	9/1/2019	4.990%	672.94		427.45	245.49	102,548.26	56,455.18	22,951.74	0.00	672.94
119	10/1/2019	4.990%	672.94		426.43	246.51	102,301.75	56,881.61	23,198.25	0.00	672.94
120	11/1/2019	4.990%	672.94		425.40	247.54	102,054.21	57,307.01	23,445.79	0.00	672.94
121	12/1/2019	4.990%	672.94		424.38	248.56	101,805.65	57,731.39	23,694.35	0.00	672.94
122	1/1/2020	4.990%	672.94		423.34	249.60	101,556.05	58,154.73	23,943.95	0.00	672.94
123	2/1/2020	4.990%	672.94		422.30	250.64	101,305.41	58,577.03	24,194.59	0.00	672.94
124	3/1/2020	4.990%	672.94		421.26	251.68	101,053.73	58,998.29	24,446.27	0.00	672.94
125	4/1/2020	4.990%	672.94		420.22	252.72	100,801.01	59,418.51	24,698.99	0.00	672.94
126	5/1/2020	4.990%	672.94		419.16	253.78	100,547.23	59,837.67	24,952.77	0.00	672.94
127	6/1/2020	4.990%	672.94		418.11	254.83	100,292.40	60,255.78	25,207.60	0.00	672.94
128	7/1/2020	4.990%	672.94		417.05	255.89	100,036.51	60,672.83	25,463.49	0.00	672.94
129	8/1/2020	4.990%	672.94		415.99	256.95	99,779.56	61,088.82	25,720.44	0.00	672.94
130	9/1/2020	4.990%	672.94		414.92	258.02	99,521.54	61,503.74	25,978.46	0.00	672.94
131	10/1/2020	4.990%	672.94		413.84	259.10	99,262.44	61,917.58	26,237.56	0.00	672.94
132	11/1/2020	4.990%	672.94		412.77	260.17	99,002.27	62,330.35	26,497.73	0.00	672.94
133	12/1/2020	4.990%	672.94		411.68	261.26	98,741.01	62,742.03	26,758.99	0.00	672.94
134	1/1/2021	4.990%	672.94		410.60	262.34	98,478.67	63,152.63	27,021.33	0.00	672.94
135	2/1/2021	4.990%	672.94		409.51	263.43	98,215.24	63,562.14	27,284.76	0.00	672.94
136	3/1/2021	4.990%	672.94		408.41	264.53	97,950.71	63,970.55	27,549.29	0.00	672.94
137	4/1/2021	4.990%	672.94		407.31	265.63	97,685.08	64,377.86	27,814.92	0.00	672.94



AMORTIZATION SCHEDULE

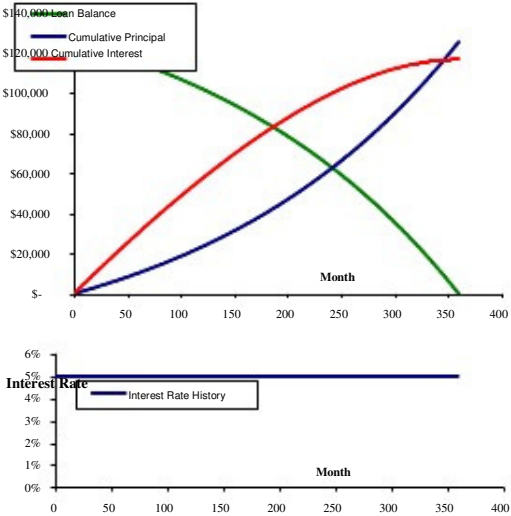
Loan Information		
Loan amount\$		125,500
Costs For APR Calc\$		2,591
Term (years)		30
Starting interest rate		4.990%
First payment date		12/1/2009
Interest-Only Period		0
Starting monthly payment (PI)		\$672.94
Mortgage Insurance (MI)		
Sales Price/Appraisal		227,000.00
Max Principal \$		125,500.00
Rate remains fixed for		30.00
Months between adjustments		
Expected adjustment		0.000%
1st Change Cap		0.000%
Fully Indexed Rate		0.000%
Max. Limit		144,325.00
Est. Max rate		
Total payments (no MI)	\$	4.99%
Total interest		\$242,262.03
Total payments with MI		\$116,762.03
APR (no MI)		\$242,262.03
APR (w/MI)		5.174%
		5.174%



No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
138	5/1/2021	4.990%	672.94		406.21	266.73	97,418.35	64,784.07	28,081.65	0.00	672.94
139	6/1/2021	4.990%	672.94		405.10	267.84	97,150.51	65,189.17	28,349.49	0.00	672.94
140	7/1/2021	4.990%	672.94		403.98	268.96	96,881.55	65,593.15	28,618.45	0.00	672.94
141	8/1/2021	4.990%	672.94		402.87	270.07	96,611.48	65,996.02	28,888.52	0.00	672.94
142	9/1/2021	4.990%	672.94		401.74	271.20	96,340.28	66,397.76	29,159.72	0.00	672.94
143	10/1/2021	4.990%	672.94		400.61	272.33	96,067.95	66,798.37	29,432.05	0.00	672.94
144	11/1/2021	4.990%	672.94		399.48	273.46	95,794.49	67,197.85	29,705.51	0.00	672.94
145	12/1/2021	4.990%	672.94		398.35	274.59	95,519.90	67,596.20	29,980.10	0.00	672.94
146	1/1/2022	4.990%	672.94		397.20	275.74	95,244.16	67,993.40	30,255.84	0.00	672.94
147	2/1/2022	4.990%	672.94		396.06	276.88	94,967.28	68,389.46	30,532.72	0.00	672.94
148	3/1/2022	4.990%	672.94		394.91	278.03	94,689.25	68,784.37	30,810.75	0.00	672.94
149	4/1/2022	4.990%	672.94		393.75	279.19	94,410.06	69,178.12	31,089.94	0.00	672.94
150	5/1/2022	4.990%	672.94		392.59	280.35	94,129.71	69,570.71	31,370.29	0.00	672.94
151	6/1/2022	4.990%	672.94		391.42	281.52	93,848.19	69,962.13	31,651.81	0.00	672.94
152	7/1/2022	4.990%	672.94		390.25	282.69	93,565.50	70,352.38	31,934.50	0.00	672.94
153	8/1/2022	4.990%	672.94		389.08	283.86	93,281.64	70,741.46	32,218.36	0.00	672.94
154	9/1/2022	4.990%	672.94		387.90	285.04	92,996.60	71,129.36	32,503.40	0.00	672.94
155	10/1/2022	4.990%	672.94		386.71	286.23	92,710.37	71,516.07	32,789.63	0.00	672.94
156	11/1/2022	4.990%	672.94		385.52	287.42	92,422.95	71,901.59	33,077.05	0.00	672.94
157	12/1/2022	4.990%	672.94		384.33	288.61	92,134.34	72,285.92	33,365.66	0.00	672.94
158	1/1/2023	4.990%	672.94		383.13	289.81	91,844.53	72,669.05	33,655.47	0.00	672.94
159	2/1/2023	4.990%	672.94		381.92	291.02	91,553.51	73,050.97	33,946.49	0.00	672.94
160	3/1/2023	4.990%	672.94		380.71	292.23	91,261.28	73,431.68	34,238.72	0.00	672.94
161	4/1/2023	4.990%	672.94		379.49	293.45	90,967.83	73,811.17	34,532.17	0.00	672.94
162	5/1/2023	4.990%	672.94		378.27	294.67	90,673.16	74,189.44	34,826.84	0.00	672.94
163	6/1/2023	4.990%	672.94		377.05	295.89	90,377.27	74,566.49	35,122.73	0.00	672.94
164	7/1/2023	4.990%	672.94		375.82	297.12	90,080.15	74,942.31	35,419.85	0.00	672.94
165	8/1/2023	4.990%	672.94		374.58	298.36	89,781.79	75,316.89	35,718.21	0.00	672.94
166	9/1/2023	4.990%	672.94		373.34	299.60	89,482.19	75,690.23	36,017.81	0.00	672.94
167	10/1/2023	4.990%	672.94		372.10	300.84	89,181.35	76,062.33	36,318.65	0.00	672.94
168	11/1/2023	4.990%	672.94		370.85	302.09	88,879.26	76,433.18	36,620.74	0.00	672.94
169	12/1/2023	4.990%	672.94		369.59	303.35	88,575.91	76,802.77	36,924.09	0.00	672.94
170	1/1/2024	4.990%	672.94		368.33	304.61	88,271.30	77,171.10	37,228.70	0.00	672.94
171	2/1/2024	4.990%	672.94		367.06	305.88	87,965.42	77,538.16	37,534.58	0.00	672.94
172	3/1/2024	4.990%	672.94		365.79	307.15	87,658.27	77,903.95	37,841.73	0.00	672.94
173	4/1/2024	4.990%	672.94		364.51	308.43	87,349.84	78,268.46	38,150.16	0.00	672.94
174	5/1/2024	4.990%	672.94		363.23	309.71	87,040.13	78,631.69	38,459.87	0.00	672.94
175	6/1/2024	4.990%	672.94		361.94	311.00	86,729.13	78,993.63	38,770.87	0.00	672.94
176	7/1/2024	4.990%	672.94		360.65	312.29	86,416.84	79,354.28	39,083.16	0.00	672.94
177	8/1/2024	4.990%	672.94		359.35	313.59	86,103.25	79,713.63	39,396.75	0.00	672.94
178	9/1/2024	4.990%	672.94		358.05	314.89	85,788.36	80,071.68	39,711.64	0.00	672.94
179	10/1/2024	4.990%	672.94		356.74	316.20	85,472.16	80,428.42	40,027.84	0.00	672.94
180	11/1/2024	4.990%	672.94		355.42	317.52	85,154.64	80,783.84	40,345.36	0.00	672.94
181	12/1/2024	4.990%	672.94		354.10	318.84	84,835.80	81,137.94	40,664.20	0.00	672.94
182	1/1/2025	4.990%	672.94		352.78	320.16	84,515.64	81,490.72	40,984.36	0.00	672.94
183	2/1/2025	4.990%	672.94		351.44	321.50	84,194.14	81,842.16	41,305.86	0.00	672.94

AMORTIZATION SCHEDULE

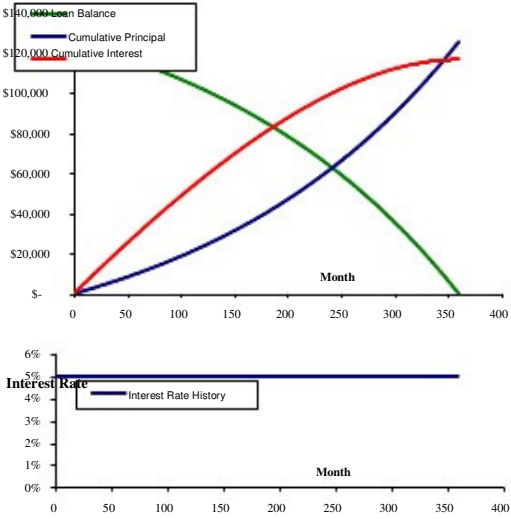
Loan Information		
Loan amount\$	125,500	
Costs For APR Calc\$	2,591	
Term (years)	30	
Starting interest rate	4.990%	
First payment date	12/1/2009	
Interest-Only Period	0	
Starting monthly payment (PI)	\$672.94	
Mortgage Insurance (MI)		
Sales Price/Appraisal	227,000.00	
Max Principal \$	125,500.00	
Rate remains fixed for	30.00	
Months between adjustments		
Expected adjustment	0.000%	
1st Change Cap	0.000%	
Fully Indexed Rate	0.000%	
Max. Limit	144,325.00	
Est. Max rate	4.99%	
Total payments (no MI)	\$	\$242,262.03
Total interest		\$116,762.03
Total payments with MI		\$242,262.03
APR (no MI)		5.174%
APR (w/MI)		5.174%



No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
184	3/1/2025	4.990%	672.94		350.11	322.83	83,871.31	82,192.27	41,628.69	0.00	672.94
185	4/1/2025	4.990%	672.94		348.76	324.18	83,547.13	82,541.03	41,952.87	0.00	672.94
186	5/1/2025	4.990%	672.94		347.42	325.52	83,221.61	82,888.45	42,278.39	0.00	672.94
187	6/1/2025	4.990%	672.94		346.06	326.88	82,894.73	83,234.51	42,605.27	0.00	672.94
188	7/1/2025	4.990%	672.94		344.70	328.24	82,566.49	83,579.21	42,933.51	0.00	672.94
189	8/1/2025	4.990%	672.94		343.34	329.60	82,236.89	83,922.55	43,263.11	0.00	672.94
190	9/1/2025	4.990%	672.94		341.97	330.97	81,905.92	84,264.52	43,594.08	0.00	672.94
191	10/1/2025	4.990%	672.94		340.59	332.35	81,573.57	84,605.11	43,926.43	0.00	672.94
192	11/1/2025	4.990%	672.94		339.21	333.73	81,239.84	84,944.32	44,260.16	0.00	672.94
193	12/1/2025	4.990%	672.94		337.82	335.12	80,904.72	85,282.14	44,595.28	0.00	672.94
194	1/1/2026	4.990%	672.94		336.43	336.51	80,568.21	85,618.57	44,931.79	0.00	672.94
195	2/1/2026	4.990%	672.94		335.03	337.91	80,230.30	85,953.60	45,269.70	0.00	672.94
196	3/1/2026	4.990%	672.94		333.62	339.32	79,890.98	86,287.22	45,609.02	0.00	672.94
197	4/1/2026	4.990%	672.94		332.21	340.73	79,550.25	86,619.43	45,949.75	0.00	672.94
198	5/1/2026	4.990%	672.94		330.80	342.14	79,208.11	86,950.23	46,291.89	0.00	672.94
199	6/1/2026	4.990%	672.94		329.37	343.57	78,864.54	87,279.60	46,635.46	0.00	672.94
200	7/1/2026	4.990%	672.94		327.95	344.99	78,519.55	87,607.55	46,980.45	0.00	672.94
201	8/1/2026	4.990%	672.94		326.51	346.43	78,173.12	87,934.06	47,326.88	0.00	672.94
202	9/1/2026	4.990%	672.94		325.07	347.87	77,825.25	88,259.13	47,674.75	0.00	672.94
203	10/1/2026	4.990%	672.94		323.62	349.32	77,475.93	88,582.75	48,024.07	0.00	672.94
204	11/1/2026	4.990%	672.94		322.17	350.77	77,125.16	88,904.92	48,374.84	0.00	672.94
205	12/1/2026	4.990%	672.94		320.71	352.23	76,772.93	89,225.63	48,727.07	0.00	672.94
206	1/1/2027	4.990%	672.94		319.25	353.69	76,419.24	89,544.88	49,080.76	0.00	672.94
207	2/1/2027	4.990%	672.94		317.78	355.16	76,064.08	89,862.66	49,435.92	0.00	672.94
208	3/1/2027	4.990%	672.94		316.30	356.64	75,707.44	90,178.96	49,792.56	0.00	672.94
209	4/1/2027	4.990%	672.94		314.82	358.12	75,349.32	90,493.78	50,150.68	0.00	672.94
210	5/1/2027	4.990%	672.94		313.33	359.61	74,989.71	90,807.11	50,510.29	0.00	672.94
211	6/1/2027	4.990%	672.94		311.83	361.11	74,628.60	91,118.94	50,871.40	0.00	672.94
212	7/1/2027	4.990%	672.94		310.33	362.61	74,265.99	91,429.27	51,234.01	0.00	672.94
213	8/1/2027	4.990%	672.94		308.82	364.12	73,901.87	91,738.09	51,598.13	0.00	672.94
214	9/1/2027	4.990%	672.94		307.31	365.63	73,536.24	92,045.40	51,963.76	0.00	672.94
215	10/1/2027	4.990%	672.94		305.79	367.15	73,169.09	92,351.19	52,330.91	0.00	672.94
216	11/1/2027	4.990%	672.94		304.26	368.68	72,800.41	92,655.45	52,699.59	0.00	672.94
217	12/1/2027	4.990%	672.94		302.73	370.21	72,430.20	92,958.18	53,069.80	0.00	672.94
218	1/1/2028	4.990%	672.94		301.19	371.75	72,058.45	93,259.37	53,441.55	0.00	672.94
219	2/1/2028	4.990%	672.94		299.64	373.30	71,685.15	93,559.01	53,814.85	0.00	672.94
220	3/1/2028	4.990%	672.94		298.09	374.85	71,310.30	93,857.10	54,189.70	0.00	672.94
221	4/1/2028	4.990%	672.94		296.53	376.41	70,933.89	94,153.63	54,566.11	0.00	672.94
222	5/1/2028	4.990%	672.94		294.97	377.97	70,555.92	94,448.60	54,944.08	0.00	672.94
223	6/1/2028	4.990%	672.94		293.40	379.54	70,176.38	94,742.00	55,323.62	0.00	672.94
224	7/1/2028	4.990%	672.94		291.82	381.12	69,795.26	95,033.82	55,704.74	0.00	672.94
225	8/1/2028	4.990%	672.94		290.23	382.71	69,412.55	95,324.05	56,087.45	0.00	672.94
226	9/1/2028	4.990%	672.94		288.64	384.30	69,028.25	95,612.69	56,471.75	0.00	672.94
227	10/1/2028	4.990%	672.94		287.04	385.90	68,642.35	95,899.73	56,857.65	0.00	672.94
228	11/1/2028	4.990%	672.94		285.44	387.50	68,254.85	96,185.17	57,245.15	0.00	672.94
229	12/1/2028	4.990%	672.94		283.83	389.11	67,865.74	96,469.00	57,634.26	0.00	672.94

AMORTIZATION SCHEDULE

Loan Information		
Loan amount\$	125,500	
Costs For APR Calc\$	2,591	
Term (years)	30	
Starting interest rate	4.990%	
First payment date	12/1/2009	
Interest-Only Period	0	
Starting monthly payment (PI)	\$672.94	
Mortgage Insurance (MI)		
Sales Price/Appraisal	227,000.00	
Max Principal \$	125,500.00	
Rate remains fixed for	30.00	
Months between adjustments		
Expected adjustment	0.000%	
1st Change Cap	0.000%	
Fully Indexed Rate	0.000%	
Max. Limit	144,325.00	
Est. Max rate	4.99%	
Total payments (no MI)	\$	\$242,262.03
Total interest		\$116,762.03
Total payments with MI		\$242,262.03
APR (no MI)		5.174%
APR (w/MI)		5.174%



No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
230	1/1/2029	4.990%	672.94		282.21	390.73	67,475.01	96,751.21	58,024.99	0.00	672.94
231	2/1/2029	4.990%	672.94		280.58	392.36	67,082.65	97,031.79	58,417.35	0.00	672.94
232	3/1/2029	4.990%	672.94		278.95	393.99	66,688.66	97,310.74	58,811.34	0.00	672.94
233	4/1/2029	4.990%	672.94		277.31	395.63	66,293.03	97,588.05	59,206.97	0.00	672.94
234	5/1/2029	4.990%	672.94		275.67	397.27	65,895.76	97,863.72	59,604.24	0.00	672.94
235	6/1/2029	4.990%	672.94		274.02	398.92	65,496.84	98,137.74	60,003.16	0.00	672.94
236	7/1/2029	4.990%	672.94		272.36	400.58	65,096.26	98,410.10	60,403.74	0.00	672.94
237	8/1/2029	4.990%	672.94		270.69	402.25	64,694.01	98,680.79	60,805.99	0.00	672.94
238	9/1/2029	4.990%	672.94		269.02	403.92	64,290.09	98,949.81	61,209.91	0.00	672.94
239	10/1/2029	4.990%	672.94		267.34	405.60	63,884.49	99,217.15	61,615.51	0.00	672.94
240	11/1/2029	4.990%	672.94		265.65	407.29	63,477.20	99,482.80	62,022.80	0.00	672.94
241	12/1/2029	4.990%	672.94		263.96	408.98	63,068.22	99,746.76	62,431.78	0.00	672.94
242	1/1/2030	4.990%	672.94		262.26	410.68	62,657.54	100,009.02	62,842.46	0.00	672.94
243	2/1/2030	4.990%	672.94		260.55	412.39	62,245.15	100,269.57	63,254.85	0.00	672.94
244	3/1/2030	4.990%	672.94		258.84	414.10	61,831.05	100,528.41	63,668.95	0.00	672.94
245	4/1/2030	4.990%	672.94		257.11	415.83	61,415.22	100,785.52	64,084.78	0.00	672.94
246	5/1/2030	4.990%	672.94		255.38	417.56	60,997.66	101,040.90	64,502.34	0.00	672.94
247	6/1/2030	4.990%	672.94		253.65	419.29	60,578.37	101,294.55	64,921.63	0.00	672.94
248	7/1/2030	4.990%	672.94		251.91	421.03	60,157.34	101,546.46	65,342.66	0.00	672.94
249	8/1/2030	4.990%	672.94		250.15	422.79	59,734.55	101,796.61	65,765.45	0.00	672.94
250	9/1/2030	4.990%	672.94		248.40	424.54	59,310.01	102,045.01	66,189.99	0.00	672.94
251	10/1/2030	4.990%	672.94		246.63	426.31	58,883.70	102,291.64	66,616.30	0.00	672.94
252	11/1/2030	4.990%	672.94		244.86	428.08	58,455.62	102,536.50	67,044.38	0.00	672.94
253	12/1/2030	4.990%	672.94		243.08	429.86	58,025.76	102,779.58	67,474.24	0.00	672.94
254	1/1/2031	4.990%	672.94		241.29	431.65	57,594.11	103,020.87	67,905.89	0.00	672.94
255	2/1/2031	4.990%	672.94		239.50	433.44	57,160.67	103,260.37	68,339.33	0.00	672.94
256	3/1/2031	4.990%	672.94		237.69	435.25	56,725.42	103,498.06	68,774.58	0.00	672.94
257	4/1/2031	4.990%	672.94		235.88	437.06	56,288.36	103,733.94	69,211.64	0.00	672.94
258	5/1/2031	4.990%	672.94		234.07	438.87	55,849.49	103,968.01	69,650.51	0.00	672.94
259	6/1/2031	4.990%	672.94		232.24	440.70	55,408.79	104,200.25	70,091.21	0.00	672.94
260	7/1/2031	4.990%	672.94		230.41	442.53	54,966.26	104,430.66	70,533.74	0.00	672.94
261	8/1/2031	4.990%	672.94		228.57	444.37	54,521.89	104,659.23	70,978.11	0.00	672.94
262	9/1/2031	4.990%	672.94		226.72	446.22	54,075.67	104,885.95	71,424.33	0.00	672.94
263	10/1/2031	4.990%	672.94		224.86	448.08	53,627.59	105,110.81	71,872.41	0.00	672.94
264	11/1/2031	4.990%	672.94		223.00	449.94	53,177.65	105,333.81	72,322.35	0.00	672.94
265	12/1/2031	4.990%	672.94		221.13	451.81	52,725.84	105,554.94	72,774.16	0.00	672.94
266	1/1/2032	4.990%	672.94		219.25	453.69	52,272.15	105,774.19	73,227.85	0.00	672.94
267	2/1/2032	4.990%	672.94		217.37	455.57	51,816.58	105,991.56	73,683.42	0.00	672.94
268	3/1/2032	4.990%	672.94		215.47	457.47	51,359.11	106,207.03	74,140.89	0.00	672.94
269	4/1/2032	4.990%	672.94		213.57	459.37	50,899.74	106,420.60	74,600.26	0.00	672.94
270	5/1/2032	4.990%	672.94		211.66	461.28	50,438.46	106,632.26	75,061.54	0.00	672.94
271	6/1/2032	4.990%	672.94		209.74	463.20	49,975.26	106,842.00	75,524.74	0.00	672.94
272	7/1/2032	4.990%	672.94		207.81	465.13	49,510.13	107,049.81	75,989.87	0.00	672.94
273	8/1/2032	4.990%	672.94		205.88	467.06	49,043.07	107,255.69	76,456.93	0.00	672.94
274	9/1/2032	4.990%	672.94		203.94	469.00	48,574.07	107,459.63	76,925.93	0.00	672.94
275	10/1/2032	4.990%	672.94		201.99	470.95	48,103.12	107,661.62	77,396.88	0.00	672.94

Rate remains fixed for	30.00
Months between adjustments	
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	144,325.00
Est. Max rate	4.99%
Total payments (no MI)	\$ 242,262.03
Total interest	116,762.03
Total payments with MI	242,262.03
APR (no MI)	5.174%
APR (w/MI)	5.174%

No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
276	11/1/2032	4.990%	672.94		200.03	472.91	47,630.21	107,861.65	77,869.79	0.00	672.94
277	12/1/2032	4.990%	672.94		198.06	474.88	47,155.33	108,059.71	78,344.67	0.00	672.94
278	1/1/2033	4.990%	672.94		196.09	476.85	46,678.48	108,255.80	78,821.52	0.00	672.94
279	2/1/2033	4.990%	672.94		194.10	478.84	46,199.64	108,449.90	79,300.36	0.00	672.94
280	3/1/2033	4.990%	672.94		192.11	480.83	45,718.81	108,642.01	79,781.19	0.00	672.94
281	4/1/2033	4.990%	672.94		190.11	482.83	45,235.98	108,832.12	80,264.02	0.00	672.94
282	5/1/2033	4.990%	672.94		188.11	484.83	44,751.15	109,020.23	80,748.85	0.00	672.94
283	6/1/2033	4.990%	672.94		186.09	486.85	44,264.30	109,206.32	81,235.70	0.00	672.94
284	7/1/2033	4.990%	672.94		184.07	488.87	43,775.43	109,390.39	81,724.57	0.00	672.94
285	8/1/2033	4.990%	672.94		182.03	490.91	43,284.52	109,572.42	82,215.48	0.00	672.94
286	9/1/2033	4.990%	672.94		179.99	492.95	42,791.57	109,752.41	82,708.43	0.00	672.94
287	10/1/2033	4.990%	672.94		177.94	495.00	42,296.57	109,930.35	83,203.43	0.00	672.94
288	11/1/2033	4.990%	672.94		175.88	497.06	41,799.51	110,106.23	83,700.49	0.00	672.94
289	12/1/2033	4.990%	672.94		173.82	499.12	41,300.39	110,280.05	84,199.61	0.00	672.94
290	1/1/2034	4.990%	672.94		171.74	501.20	40,799.19	110,451.79	84,700.81	0.00	672.94
291	2/1/2034	4.990%	672.94		169.66	503.28	40,295.91	110,621.45	85,204.09	0.00	672.94
292	3/1/2034	4.990%	672.94		167.56	505.38	39,790.53	110,789.01	85,709.47	0.00	672.94
293	4/1/2034	4.990%	672.94		165.46	507.48	39,283.05	110,954.47	86,216.95	0.00	672.94
294	5/1/2034	4.990%	672.94		163.35	509.59	38,773.46	111,117.82	86,726.54	0.00	672.94
295	6/1/2034	4.990%	672.94		161.23	511.71	38,261.75	111,279.05	87,238.25	0.00	672.94
296	7/1/2034	4.990%	672.94		159.11	513.83	37,747.92	111,438.16	87,752.08	0.00	672.94
297	8/1/2034	4.990%	672.94		156.97	515.97	37,231.95	111,595.13	88,268.05	0.00	672.94
298	9/1/2034	4.990%	672.94		154.82	518.12	36,713.83	111,749.95	88,786.17	0.00	672.94
299	10/1/2034	4.990%	672.94		152.67	520.27	36,193.56	111,902.62	89,306.44	0.00	672.94
300	11/1/2034	4.990%	672.94		150.50	522.44	35,671.12	112,053.12	89,828.88	0.00	672.94
301	12/1/2034	4.990%	672.94		148.33	524.61	35,146.51	112,201.45	90,353.49	0.00	672.94
302	1/1/2035	4.990%	672.94		146.15	526.79	34,619.72	112,347.60	90,880.28	0.00	672.94
303	2/1/2035	4.990%	672.94		143.96	528.98	34,090.74	112,491.56	91,409.26	0.00	672.94
304	3/1/2035	4.990%	672.94		141.76	531.18	33,559.56	112,633.32	91,940.44	0.00	672.94
305	4/1/2035	4.990%	672.94		139.55	533.39	33,026.17	112,772.87	92,473.83	0.00	672.94
306	5/1/2035	4.990%	672.94		137.33	535.61	32,490.56	112,910.20	93,009.44	0.00	672.94
307	6/1/2035	4.990%	672.94		135.11	537.83	31,952.73	113,045.31	93,547.27	0.00	672.94
308	7/1/2035	4.990%	672.94		132.87	540.07	31,412.66	113,178.18	94,087.34	0.00	672.94
309	8/1/2035	4.990%	672.94		130.62	542.32	30,870.34	113,308.80	94,629.66	0.00	672.94
310	9/1/2035	4.990%	672.94		128.37	544.57	30,325.77	113,437.17	95,174.23	0.00	672.94
311	10/1/2035	4.990%	672.94		126.10	546.84	29,778.93	113,563.27	95,721.07	0.00	672.94
312	11/1/2035	4.990%	672.94		123.83	549.11	29,229.82	113,687.10	96,270.18	0.00	672.94
313	12/1/2035	4.990%	672.94		121.55	551.39	28,678.43	113,808.65	96,821.57	0.00	672.94
314	1/1/2036	4.990%	672.94		119.25	553.69	28,124.74	113,927.90	97,375.26	0.00	672.94
315	2/1/2036	4.990%	672.94		116.95	555.99	27,568.75	114,044.85	97,931.25	0.00	672.94
316	3/1/2036	4.990%	672.94		114.64	558.30	27,010.45	114,159.49	98,489.55	0.00	672.94
317	4/1/2036	4.990%	672.94		112.32	560.62	26,449.83	114,271.81	99,050.17	0.00	672.94
318	5/1/2036	4.990%	672.94		109.99	562.95	25,886.88	114,381.80	99,613.12	0.00	672.94
319	6/1/2036	4.990%	672.94		107.65	565.29	25,321.59	114,489.45	100,178.41	0.00	672.94
320	7/1/2036	4.990%	672.94		105.30	567.64	24,753.95	114,594.75	100,746.05	0.00	672.94
321	8/1/2036	4.990%	672.94		102.94	570.00	24,183.95	114,697.69	101,316.05	0.00	672.94

Loan amount\$	125,500
Costs For APR Calc\$	2,591
Term (years)	30
Starting interest rate	4.990%
First payment date	12/1/2009
Interest-Only Period	0
Starting monthly payment (PI)	\$672.94
Mortgage Insurance (MI)	
Sales Price/Appraisal	227,000.00
Max Principal \$	125,500.00

Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.00%
1st Change Cap	0.00%
Fully Indexed Rate	0.00%
Max. Limit	144,325.00
Est. Max rate	4.99%
Total payments (no MI)	\$ 242,262.03
Total interest	\$ 116,762.03
Total payments with MI	\$ 242,262.03
APR (no MI)	5.174%
APR (w/MI)	5.174%

No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
322	9/1/2036	4.990%	672.94		100.56	572.38	23,611.57	114,798.25	101,888.43	0.00	672.94
323	10/1/2036	4.990%	672.94		98.18	574.76	23,036.81	114,896.43	102,463.19	0.00	672.94
324	11/1/2036	4.990%	672.94		95.79	577.15	22,459.66	114,992.22	103,040.34	0.00	672.94
325	12/1/2036	4.990%	672.94		93.39	579.55	21,880.11	115,085.61	103,619.89	0.00	672.94
326	1/1/2037	4.990%	672.94		90.98	581.96	21,298.15	115,176.59	104,201.85	0.00	672.94
327	2/1/2037	4.990%	672.94		88.56	584.38	20,713.77	115,265.15	104,786.23	0.00	672.94
328	3/1/2037	4.990%	672.94		86.13	586.81	20,126.96	115,351.28	105,373.04	0.00	672.94
329	4/1/2037	4.990%	672.94		83.69	589.25	19,537.71	115,434.97	105,962.29	0.00	672.94
330	5/1/2037	4.990%	672.94		81.24	591.70	18,946.01	115,516.21	106,553.99	0.00	672.94
331	6/1/2037	4.990%	672.94		78.78	594.16	18,351.85	115,594.99	107,148.15	0.00	672.94
332	7/1/2037	4.990%	672.94		76.31	596.63	17,755.22	115,671.30	107,744.78	0.00	672.94
333	8/1/2037	4.990%	672.94		73.83	599.11	17,156.11	115,745.13	108,343.89	0.00	672.94
334	9/1/2037	4.990%	672.94		71.34	601.60	16,554.51	115,816.47	108,945.49	0.00	672.94
335	10/1/2037	4.990%	672.94		68.84	604.10	15,950.41	115,885.31	109,549.59	0.00	672.94
336	11/1/2037	4.990%	672.94		66.33	606.61	15,343.80	115,951.64	110,156.20	0.00	672.94
337	12/1/2037	4.990%	672.94		63.80	609.14	14,734.66	116,015.44	110,765.34	0.00	672.94
338	1/1/2038	4.990%	672.94		61.27	611.67	14,122.99	116,076.71	111,377.01	0.00	672.94
339	2/1/2038	4.990%	672.94		58.73	614.21	13,508.78	116,135.44	111,991.22	0.00	672.94
340	3/1/2038	4.990%	672.94		56.17	616.77	12,892.01	116,191.61	112,607.99	0.00	672.94
341	4/1/2038	4.990%	672.94		53.61	619.33	12,272.68	116,245.22	113,227.32	0.00	672.94
342	5/1/2038	4.990%	672.94		51.03	621.91	11,650.77	116,296.25	113,849.23	0.00	672.94
343	6/1/2038	4.990%	672.94		48.45	624.49	11,026.28	116,344.70	114,473.72	0.00	672.94
344	7/1/2038	4.990%	672.94		45.85	627.09	10,399.19	116,390.55	115,100.81	0.00	672.94
345	8/1/2038	4.990%	672.94		43.24	629.70	9,769.49	116,433.79	115,730.51	0.00	672.94
346	9/1/2038	4.990%	672.94		40.62	632.32	9,137.17	116,474.41	116,362.83	0.00	672.94
347	10/1/2038	4.990%	672.94		38.00	634.94	8,502.23	116,512.41	116,997.77	0.00	672.94
348	11/1/2038	4.990%	672.94		35.36	637.58	7,864.65	116,547.77	117,635.35	0.00	672.94
349	12/1/2038	4.990%	672.94		32.70	640.24	7,224.41	116,580.47	118,275.59	0.00	672.94
350	1/1/2039	4.990%	672.94		30.04	642.90	6,581.51	116,610.51	118,918.49	0.00	672.94
351	2/1/2039	4.990%	672.94		27.37	645.57	5,935.94	116,637.88	119,564.06	0.00	672.94
352	3/1/2039	4.990%	672.94		24.68	648.26	5,287.68	116,662.56	120,212.32	0.00	676.57
353	4/1/2039	4.990%	672.94		21.99	650.95	4,636.73	116,684.55	120,863.27	0.00	0.00
354	5/1/2039	4.990%	672.94		19.28	653.66	3,983.07	116,703.83	121,516.93	0.00	0.00
355	6/1/2039	4.990%	672.94		16.56	656.38	3,326.69	116,720.39	122,173.31	0.00	0.00
356	7/1/2039	4.990%	672.94		13.83	659.11	2,667.58	116,734.22	122,832.42	0.00	0.00
357	8/1/2039	4.990%	672.94		11.09	661.85	2,005.73	116,745.31	123,494.27	0.00	0.00
358	9/1/2039	4.990%	672.94	8.34	664.60	1,341.13	116,753.65	124,158.87	0.00	0.00	
359	10/1/2039	4.990%	672.94	5.58	667.36	673.77	116,759.23	124,826.23	0.00	0.00	
360	11/1/2039	4.990%	676.57	2.80	673.77	0.00	116,762.03	125,500.00	0.00	0.00	

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## **RESPA LAW**

### **Sec. 3500.6 Special information booklet at time of loan application**

(a) Lender to provide special information booklet. Subject to the exceptions set forth in this paragraph, the lender shall provide a copy of the special information booklet to a person from whom the lender receives, or for whom the lender prepares a written application for a federally related mortgage loan. When two or more persons apply together for a loan, the lender is in compliance if the lender provides a copy of the booklet to one of the persons applying.

(1) The Lender shall provide the special information booklet by delivering it or placing it in the mail to the applicant not later than three business days (as that term is defined in 3500.2 after the application is received or prepared. However, if the lender denies the borrower's application or credit before the end of the three-business day period, then the lender need not provide the booklet to the borrower. If a borrower uses a mortgage broker, the mortgage broker shall distribute the special information booklet and the lender need not do so.

(2) In the case of a federally related mortgage loan involving an open-ended credit plan, as defined in 226.2(a) (20) of Regulation Z (12 CFR), a lender or mortgage broker that provides the borrower with a copy of the brochure entitled "When Your Home is On the Line: What You Should Know About Home Equity Lines of Credit", or any successor brochure issued by the Board of Governors of the Federal Reserve System, is deemed to be in compliance with this section.

(3) In the categories of transactions set forth at the end of this paragraph, the lender or mortgage broker does not have to provide the booklet to the borrower. Under the authority of section 19(a) of RESPA (12 U.S.C. 2617(a)), the Secretary may choose to endorse the forms or booklets of other Federal agencies. In such an event, the requirements for delivery by lenders and the availability of the booklet or alternate materials for these transactions will be set forth in a Notice in the Federal Register. This paragraph shall apply to the following transactions:

- (i) Refinancing transactions;
- (ii) Closed-end loans, as defined in 12 CFR 226.2(a)(10) of Regulation Z, when the lender takes a subordinate lien;
- (iii) Reverse mortgages; and
- (iv) Any other federally related mortgage loan whose purpose is not the purchase of a 1-to-4 family residential property.

(b) Revision. The Secretary may from time to time revise the special information booklet by publishing a notice in the Federal Register.

(c) Reproduction. The special information booklet may be reproduced in any form, provided that no change is made other than as provided under paragraph



(d) of this section. The special information booklet may not be made a part of a larger document for purposes of distribution under RESPA and this section. Any color, size and quality of paper, type of print, and method of reproduction may be used so long as the booklet is clearly legible.

(d) Permissible Changes.

(1) No changes to, deletions from, or additions to the special information booklet currently prescribed by the Secretary shall be made other than those specified in this paragraph (d) or any others approved in writing by the Secretary. A request of the Secretary for approval of any changes shall be submitted in writing to the address indicated in 3500.3, stating the reasons why the applicant believes such changes, deletions or additions are necessary.

(2) The cover of the booklet may be in any form and may contain any drawings, pictures or artwork, provided that the words "settlement costs" are used in the title.

Names, addresses and telephone numbers of the lender or others and similar information may appear on the cover, but no discussion of the matters covered in the booklet shall appear on the cover.

(3) The special information booklet may be translated into languages other than English.

#### **Section 2605 (b), (1)**

The servicer shall not have more than 30 days to notify borrower of any transfer of the servicing of their loan.

#### **2605 (b), (3), (F)**

Any information concerning the effect the transfer may have, if any, on the terms of or the continued availability of mortgage life or disability insurance or any other type of optional insurance and what action, if any, the borrower must take to maintain coverage.

#### **2605 (b), (3), (G)**

Also, a statement must be included that the assignment, sale, or transfer of the servicing of the mortgage loan does not affect any term or condition of the security instruments other than terms directly related to the servicing of such loan.

## **TILA LAW**

### **Regulation Z**

Regulation Z (12 CFR 226) implements the Truth in Lending Act (TILA) (15 USC 1601 et seq), which was enacted in 1968 as title I of the Consumer Credit Protection Act. Since its implementation, the regulation has been amended many



times to incorporate changes to the TILA or to address changes in the consumer credit marketplace.

In the 1990's, Regulation Z was amended to implement the Home Ownership and Equity Protection Act of 1994, which imposed new disclosure requirements and substantive limitations on certain higher-cost closed-end mortgage loans and included new disclosure requirements for reverse mortgage transactions.

The Truth in Lending Act is intended to ensure that credit terms are disclosed in a meaningful way so that consumers can compare credit terms more readily and more knowledgeably.

#### Determination of the Finance Charge and the APR

A. The finance charge (226.4) is a measure of the cost of consumer credit represented in dollars and cents. Along with the APR disclosures, the disclosure of the finance charge is central to the uniform credit cost disclosure envisioned by the TILA. One of the more complex tasks under Regulation Z is determining whether a charge associated with an extension of credit must be included in or excluded from the disclosed finance charge. The finance charge initially includes any charge that is, or will be, connected with a specific loan. Charges imposed by third parties are finance charges if the institution requires use of the third party. Charges imposed by settlement or closing agents are finance charges if the institution requires the specific service that gave rise to the charge and the charge is not otherwise excluded.

B. A prepaid finance charge (226.18(b)) is any finance charge that (1) is paid separately to the financial institution or to a third party, in cash or by check, before or at closing, settlement, or consummation of a transaction or (2) is withheld from the proceeds of the credit at any time. Prepaid finance charges effectively reduce the amount of funds available for the consumer's use, usually before or at the time the transaction is consummated.

C. For certain transactions consummated on or after September 30, 1995, the finance charge tolerances are as noted below:

1. Credit secured by real property or a dwelling, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than \$100.00. Also overstatements are not violations.

**CASE:** N.D. Illinois, Eastern Division. Willie C. MURRY and Wylodean Murry, Plaintiffs, v. AMERICA'S MORTGAGE BANC, Inc., Defendants

The statutory tolerance for error for statutory damages claims does not require a case-by-case analysis. 15 U.S.C. § 1605 f 1 A states that if the amount disclosed as the finance charge does not vary from the actual finance charge by more than \$100.00, it shall be treated as accurate under TILA. Based on the particular facts of the cases before the Court, it is clear that the amounts disclosed as the finance charge varied from the actual finance charge by much more than \$100.00.

The post-1995 TILA statutory damage provision provided as follows:

“(2)(A)(i) in the case of an individual action twice the amount of any finance charge in connection with the transaction, (ii) in the case of an individual action relating to a consumer lease ... 25 per centum of the total amount of monthly payments

under the lease, except that the liability under this subparagraph shall not be less than \$100 nor greater than \$1,000, or (iii) in the case of an individual action relating to a credit transaction not under an open end credit plan that is secured by real property or a dwelling, not less than \$200 or greater than \$2,000 ....”

2. Rescission rights after the three-business-day rescission period, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than one-half of 1 percent of the credit extended.

3. Rescission rights in foreclosure, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than \$35.00. Also Overstatements are not considered violations and the consumer is entitled to rescind if a mortgage broker fee is not included as a finance charge.

D. Credit costs may vary depending on the interest rate, the amount of the loan and other charges, the timing and amounts of advances, and the repayment schedule (226.22). The Annual Percentage Rate (APR), which must be disclosed in nearly all consumer credit transactions, is designed to take into account all relevant factors and to provide a uniform measure for comparing the costs of various credit transactions

E. The APR is a measure of the total cost of credit, expressed as a nominal yearly rate. It relates the amount and timing of value received by the consumer to the amount and timing of payments made by the consumer. The disclosure of the APR is central to the uniform credit cost disclosure envisioned by the TILA.

F. The disclosed annual percentage rate (APR) on a closed-end transaction is considered accurate if for regular transactions (including any single-advance transaction with equal payments and equal payment periods or transaction with an irregular first or last payment and/or an irregular first payment period), the APR is within one-eighth of 1 percentage point of the APR calculated under Regulation Z (section 226.22(a)(2).

G. If for irregular transactions (i.e. ARM), the APR is within one-quarter of 1 percentage point of the APR calculated under Regulation Z (section 226.22(a)(3).

H. If for mortgage transactions, the APR is within one-eighth of 1 percentage point for regular transactions or one-quarter of 1 percentage point for irregular transactions and the rate results from the disclosed finance charge and the disclosed finance charge would be considered accurate under section 226.18(d)(1) or section 226.23(g) or (h) of Regulation Z (section 226.22(a)(4).

#### **Variable-Rate Loans (226.18(f))**

If the terms of the legal obligation allow the financial institution, after consummation of the transaction, to increase the APR, the financial institution must furnish the consumer with certain information on variable rates. Some of the

more important transaction specific variable-rate disclosure requirements under section 226.18 are:

A. Disclosures for variable-rate loans must cover the full term of the transaction and must be based on the terms in effect at the time of consummation.

B. IF the variable-rate transaction includes either a seller buydown that is reflected in a contract or a consumer buydown, the disclosed APR should be a composite rate based on the lower rate for the buydown period and the rate that is the basis for the variable-rate feature for the remainder of the term.

C. If the initial rate is not determined by the index or formula used to make later interest rate adjustments, as in a discounted APR must reflect a composite rate based on the initial rate for as long as it is applied and, for the remainder of the term, the index or formula at the time of consummation (that is, the fully indexed rate).

D. If a loan contains a rate or payment cap that would prevent the initial rate or payment, at the time of the adjustment, from changing to the fully indexed rate, the effect of that rate or payment cap needs to be reflected in the disclosure.

E. For the TILA to be in compliance for a variable rate mortgage loan, the current index must be used and that is the index available at time of consummation. This will also be used to calculate the current APR for all TILA testing and disclosure purposes.

§ 226.19(2), If the annual percentage rate at the time of consummation varies from the annual percentage rate disclosed earlier as defined in §226.22, the creditor shall disclose all the changed terms no later than consummation or settlement.

### **Rescission**

The rescission right is absolute for 3 days, but it is extended for up to 3 years if certain material TILA disclosures were not provided correctly at the time of the original credit transaction or a proper notice of the right to cancel was not given. The creditor must give each consumer 2 copies of a notice of the right to rescind. The Federal Reserve Board's regulations specify the content of this notice. Many courts have held that errors of omissions in the notice, or failure to provide the proper number of copies, extends the right to rescind. Once notice of rescission is given, the lien on the consumer's home becomes void, taking away the creditor's foreclosure remedy, and its leverage. The homeowner is entitled to a return, or a credit against the balance of the debt, of all finance, interest, and other charges, such as closing costs and broker fees.

### **Recoupment**

Although, the a borrower cannot rescind after the 3 year window has closed, they may still be able to sue for damages (via a debt recovery/recoupment suit or counter-claim). This recoupment damage amount could be equivalent to all

finance, interest, and other charges, such as closing costs and broker fees paid to the lender to-date.

**Case:** Beach v. Ocwen Fed. Bank, 523 U.S. 410 (1998) “And the distinction thus indicated makes perfectly good sense. Since a statutory right of rescission could cloud a bank’s title on foreclosure, Congress may well have chosen to circumscribe that risk, while permitting recoupment damages regardless of the date a collection action may be brought.”

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### **Special Rules for Certain Home Mortgage Transactions**

The requirements of section 226.32 apply to a consumer credit transaction secured by the consumer’s principal dwelling in which either:

A. The APR at consummation will exceed by more than 8 percentage points for first lien mortgage loans, or by more than 10 percentage points for subordinate-lien mortgage loans, the yield on Treasury securities having periods of maturity comparable to the loan’s maturity (as of the 15<sup>th</sup> day of the month immediately preceding the month in which the application of the extension of credit is received by the creditor).

B. The total points and fees payable by the consumer at or before loan closing will exceed the greater of 8 percent of the total loan amount or a dollar amount that is adjusted annually on the basis of changes in the consumer price index.

The following are exempt from section 226.32:

A. Residential mortgage transactions (generally purchase money mortgages)

B. Reverse mortgage transactions subject to section 226.33 of Regulation Z

C. Open-end credit plans subject to subpart B of the regulation.

## **TILA LAW**

### **Regulation B**

#### **Sec. 202.9 Notifications**

(g) Disclosure of Credit Scores by Certain Mortgage Lenders

(1) In general. Any person who makes or arranges loans and who uses a consumer credit score, as defined in subsection (f), in connection with an application initiated or sought by a consumer for a closed end loan or the establishment of an open end loan for a consumer purpose that is secured by 1 to 4 units of residential real property (hereafter in this subsection referred to as the ‘lender’) shall provide the following to the consumer as soon as reasonably practicable:

(A) Information Required under Subsection (f)

(i) In General. A copy of the information identified in subsection (f) that was obtained from a consumer reporting agency or was developed and used by the user of the information.

(ii) Notice under subparagraph (D). In addition to the information provided to it by a third party that provided the credit score or scores, a lender is only required to provide the notice contained in subparagraph (D)

**(B) Disclosures in Case of Automated Underwriting System**

(i) In general. If a person that is subject to this subsection uses an automated underwriting system to underwrite a loan, that person may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

(ii) Numerical credit score. However, if a numerical credit score is generated by an automated underwriting system used by an enterprise, and that score is disclosed to the person, the score shall be disclosed to the consumer consistent with subparagraph (C).

(iii) Enterprise defined. For purposes of this subparagraph, the term “enterprise” has the same meaning as in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

**(C) Disclosures of credit scores not obtained from a consumer reporting agency.** A person that is subject to the provisions of this subsection and that uses a credit score, other than a credit score provided by a consumer reporting agency, may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

**(D) Notice to home loan applicants.** A copy of the following notice, which shall include the name, address, and telephone number of each consumer reporting agency providing a credit score that was used:

**“Notice To The Home Loan Applicant”**

“In connection with your application for a home loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores.

“The credit score is a computer generated summary calculated at the time of the request and based on information that a consumer reporting agency or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

“Because the score is based on information in your credit history, it is very

important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another. “If you have questions about your credit score or the credit information that is furnished to you, contact the consumer reporting agency at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score.

The consumer reporting agency plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application.

“If you have questions concerning the terms of the loan, contact the lender.”

(E) Actions not required under this subsection. This subsection shall not require any person to-

(i) explain the information provided pursuant to subsection (f);

(ii) disclose any information other than a credit score or key factors, as defined in subsection (f);

(iii) disclose any credit score or related information obtained by the user after a loan has closed;

(iv) provide more than 1 disclosure per loan transaction;

(v) or provide the disclosure required by this subsection when another person has made the disclosure to the consumer for that loan transaction

(F) No Obligation for Content

(i) In general. The obligation of any person pursuant to this subsection shall be limited solely to providing a copy of the information that was received from the consumer reporting agency.

(ii) Limit on liability. No person has liability under this subsection for the content of that information or for the omission or any information within the report provided by the consumer reporting agency.

(G) Person defined as excluding enterprise. As used in this subsection, the term “person” does not include an enterprise (as defined in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992).

(2) Prohibition on Disclosure Clauses Null and Void

(A) In general. Any provision in a contract that prohibits the disclosure of a credit score by a person who makes or arranges loans or a consumer

reporting agency is void.

(B) No liability for disclosure under this subsection- A lender shall not have liability under any contractual provision for disclosure of a credit score pursuant to this subsection.

## **GLB LAW (Gramm, Leach, Bliley Act)**

### **IV. Consumers and Customers**

#### **A. Consumers**

Definition: A 'consumer' is an individual who obtains or has obtained a financial product or service from a financial institution that is to be used primarily for personal, family, or household purposes, or that individual's legal representative.

#### **Examples of Consumer Relationships:**

- Applying for a loan
- Obtaining a cash from a foreign ATM, even if it occurs on a regular basis
- Cashing a check with a check-cashing company
- Arranging for a wire transfer

#### **General Obligations to Consumers**

Provide an initial (or "short-form") notice about the availability of the privacy policy if the financial institution shares information outside the permitted exceptions.

Provide an opt-out notice, with the initial notice or separately, prior to a financial institution sharing nonpublic personal information with nonaffiliated third parties. Provide consumers with a 'reasonable opportunity' to opt out before disclosing nonpublic personal information about them to nonaffiliated third parties, such as 30 days from the date the notice is mailed.

If a consumer elects to opt out of all or certain disclosures, a financial institution must honor the opt-out direction as soon as is reasonably practicable after the opt-out is received.

If you change your privacy practices such that the most recent privacy notice you provided to a consumer is no longer accurate (e.g., you disclose a new category of NPI to a new nonaffiliated third party outside of specific exceptions and those changes are not adequately described in your prior notice), you must provide new revised privacy and opt-out notices.

## **Uniform Commercial Code (UCC)**

### **UCC § 9-210**

The UCC allows for a request for accounting (not amortization) for a security instrument once every 6 months. A borrower may potentially use this request to compel the lender to produce an accounting (as it applies to generally accepted accounting principles) to validate the outstanding obligation. In order for a proper audit of a borrower's account, an auditor will need the accounting ledger only as it applies to the borrower's subaccount. This ledger would then be reconciled against any payment reports the lender has internally generated to track the borrower's account.

Because many mortgages have been routinely sold, most lenders are not able to produce a "true" accounting of the borrower's account (i.e., debits and credits). Consequently, the borrower may successfully use this request to delay foreclosure indefinitely because the lender is not met its obligation to allow the borrower to validate the outstanding debt obligation so the obligation remains in dispute or unverified.

### **UCC § 9-604. Procedure If Security Agreement Covers Real Property Or Fixtures.**

The Uniform Commercial Code has jurisdiction over security instruments associated with 'real property' when the real property is entangled with personal property or fixtures. This is usually the case with most real estate transactions.

This portion of the UCC provides the foundation for how a mortgage backed real estate transaction can be considered a security instrument covered under the UCC.

## **Mortgage Deed of Trust Section 17 or 22 Violations**

MOST mortgage deeds have a clause 17 or 22 that gives specific instructions/directions on how the lender should notify the borrower that they are in default. Additionally, the lender also must inform the borrower of certain rights they have as it relates to curing the default and disputing the default.

This clause has been grossly ignored by many lenders and with a little due diligence most borrowers are able to file an affidavit with the court indicating that the lender did not provide a "proper notice of default". This simple but very effective affidavit can derail the foreclosure proceedings for an indefinite time period.



## Unfair & Deceptive Acts or Practices

The FTC has specifically held that certain violations of Federal Reserve Board Regulation Z (mortgage transactions subject to RESPA) and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

**Citation:** The FTC has specifically held that violations of Federal Reserve Board Regulation Z and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

**CASES:** 2004 WL 5010145 (N.D.Ill.) Only the Westlaw citation is currently available. United States District Court, N.D. Illinois, Eastern Division. Willie C. MURRY and Wylodean Murry, Plaintiffs, v. AMERICA'S MORTGAGE BANC, INC.; the Loan Arranger, Inc.; Clearwater Title Company; Paragon Home Lending, LLC; Homecomings Financial Network, Inc., Michael Robins; and John Does 1-5, Defendants. No. 03 C 5811. July 6, 2004

However, even if there may have not been any technical violations found in your loan through the audit process, there may still be a cause of action against the lender. There are a number of areas of law that address the predatory lending and unfair trade practices. The availability of these subsequent causes of action will depend greatly on the specific facts of your case.

## Breach of Fiduciary Duty - Reid v. Key Bank, 821 F.2d 9, 18 (1st Cir. 1987).

Traditionally, a credit transaction has been considered an arm's length transaction in which there has been no special duty read into the creditor-debtor relationship. Most courts, however, have held that the presence of certain factors in the creditor-debtor relationship may give rise to a fiduciary duty.

Borrower can allege a cause of action for breach of fiduciary duty, if they can prove that they relied upon the lender's superior position and skills and placed their trust and confidence in the lender to act in a fair and reasonable manner for their best interests. For this to be a valid cause of action borrower must also show that they had a confidential relationship with the lender. The essential element of a confidential relationship is there be actual placing of trust or confidence in fact, by one party in another and a great disparity of position and influence between the parties to the relation. Such a "duty of confidence" arguably can arise if a lender acts in the role of advisor and knows or should have known the borrower tested him. When such a relationship exists it creates a duty to disclose. A plaintiff bears a heavy burden in establishing such a relation. A creditor-debtor relationship, by itself, does not create a fiduciary duty. Such a relationship may be created, however, by circumstances such as a "diminished emotional or physical capacity or of the letting down of all guards and bars that defines disparity of position in the context of a confidential relation."

If established, the existence of a fiduciary duty gives rise to a duty of fair and honest disclosure of all facts which might be presumed to influence the consumer to act. Barrett v. Bank of Am. 229 Cal. Rptr. 16 (Ct. App. 1986). When there is a duty to disclose, failure to do so should give rise to a tort cause of action for nondisclosure, or the silence may be deemed a misrepresentation. Such claims can be used to invalidate the underlying mortgage transaction or to recover money damages to offset any delinquency.

## **Fraud/Misrepresentation**

The traditional elements of fraud are frequently more difficult to establish than a deception claim under an Unfair Deceptive Acts and Practices (UDAP) statute. However, in some instances fraud causes of action can be used quite effectively. *People Trust & Saving Bank v. Humphrey*, 451 N.E. 2d 1104 (Ind. Ct. App. 1983).

In this case, the consumers went to their own bank for a home construction loan. The bank promised them a “good loan” at a 9.5% rate. That was merely the initial rate. The permanent financing was actually a variable rate loan and included a clause that allowed the bank to demand full payment at their discretion. The court held that “when parties to a contract have prior understanding about the contract terms, and the party responsible for drafting the contract includes contrary terms and then allows the other party to sign it without informing him of the changes, the drafter’s conduct is fraudulent.” The court in *Humphrey* dismissed the lender’s foreclosure, reformed the contract by deleting the demand and variable rate clauses, and awarded \$1000 actual and \$40,000 punitive damages. *Greene v. Gibraltar Mortgage Investment Corp*, 488 F. Supp. 177 (D.D.C. 1980), 839 F.2d 680 (D.C. Cir. 1980).

This was another misrepresentation case. The court found the failure to disclose an unconscionably high broker fee and the lender’s charging of interest on that fee to be a misrepresentation. The lender also falsely represented the loan amount and claimed to offer a market interest rate. Accordingly, the court voided the promissory note and deed of trust and permanently enjoined foreclosure proceedings.

*Mahaffe v. Investors National Security*, 747 P.2d 890 (Nev. 1987).

This case involved a common home improvement fraud. The borrowers were promised home insulation which would cut fuel consumption in half, the borrower’s home would be used for promotional purposes, and the total cost would be \$5300. work was begun before the 3 day cooling off period, but never completed; what was done was done improperly. The contractors induced the borrowers to sign a completion certificate despite the incomplete work by threatening them with “skyrocketing interest rates” and “troubles.” The assignee tried to foreclose but the Nevada Supreme Court found the contract to be null and void because of the fraudulent inducement and failure of consideration on the contractor’s part.

*First Charter National Bank v. Ross*, 29 Conn. App. 667, 617 A.2d 909 (1992). Fraud may also be available as a defense when a borrower is tricked by a family member into signing mortgage documents. In this case a wife was allowed to assert fraud as a special defense to foreclosure action when her husband had given her loan documents to sign with the signature page on top, had discouraged her from looking at the documents, and had told her that the documents had nothing to do with their home. The court ruled that the defense of

fraud was not barred by the general rule that a person has a duty to read what they sign and that notice of the content of signed documents is imputed. The court said the official rule does not apply when there is fraud and only applies if nothing is said to mislead the person signing. It should be noted, however, that some courts have refused to invalidate a mortgage when the fraud was committed by a party other than the lender and the lender was not involved in or aware of the fraud. *Family First Fed. Sav. Bank v. De Vincentis*, 284 N.J. Super. 503, 665 A.2d 1119 (1995).

## **Invalid Security Instruments**

If the mortgage (or the deed of trust) is not a legally enforceable instrument then there can be no valid foreclosure. In *re Hudson*, 642 S.E. 2d 485 (N.C. Ct. App. 2007). A deed or mortgage that is forged is presumptively invalid. *Ex Parte Floyd*, 796 So. 2d 303 (Ala. 2001). As a result, forgery of a mortgage is generally an absolute defense to foreclosure. Similarly, where a deed has been forged and the new title holder then encumbers the property, courts have held both the deed and the mortgages are null. *Flagstar v. Gibbons*, 367 Ark. 225 (2006).

The validity of security instruments in some community property states may require both spouses to execute instruments encumbering a homestead. For example, under Wisconsin law, a court found that a mortgage on a married couple's homestead that was not signed by both spouses was void as to both spouses, regardless of their respective ownership interests. In *re Larson*, 346 B.R. 486 (Bankr. E.D. Wis. 2006).

The failure to follow the formal requisites in acknowledging deeds and mortgages may also result in a void instrument. Many deed and mortgage fraud cases involve situations in which the person whom the notary certified as having appeared did not, in fact, appear. In *re Fisher*, 320 B.R. 52 (E.D. Pa. 2005). In fraudulent mortgage cases, borrowers are often instructed to sign a stack of documents that are then taken elsewhere for notarization. *Goldone Credit Corp. v. Hardy*, 503 So. 2d 1227 (Ala. Civ. App. 1987). Alternatively, improper notarization may result from the taking of an actual acknowledgment from an imposter, incompetent person, or over the telephone. Regardless, of the reason for the defective acknowledgment, practitioners should investigate whether such defects may render the instrument invalid.

## **Unconscionability**

The common law contract defense of unconscionability may be applied to stop a foreclosure, when either the mortgage terms are unreasonable favorable to the lender or certain aspects of the transaction render it unconscionable. In *re Maxwell*, 281 B.R. 101 (Bankr. D. Mass. 2002); *Hager v. American Gen. Fin. Inc.*, 37 F.Supp. 2d 778 (1999).

For example, a Connecticut court found a second mortgage contract to be unconscionable based on the facts that:

The defendant had limited knowledge of English, was uneducated and did not read very well.

The defendant's financial situation made it apparent she could not reasonably expect to repay the mortgage.

At the closing, the defendant was not represented by an attorney and was rushed by plaintiff's attorney to sign the loan documents.

The defendant was not informed until the last minute that, as a condition of credit, she was required to pay one year's interest in advance.

And there was an absence of meaningful choice on the part of the defendant. In addition, the court found that the contract was substantively unconscionable, because it contained a large balloon payment that the borrower had no means of paying, and that the borrower had no reasonable opportunity to understand the terms of the contract. *Family Fin. Servc. V. Pencer*, 677 A.2d 479, (Conn. Ct. App. 1996); *Emigrant Mortg., Co., Inc., v. D'Angostino*, 896 A.2d 814 (Conn. App. Ct. 2006).

## **Estoppel**

When various and conflicting promises in the loan origination process were made by a lender, a court may find that the effect of some of the promises is to estop the lender from enforcing others. In *First State Bank v. Phillips*, 13 Ark. App. 157, 681 S.W.2d 408 (1984), the court held that a bank was estopped from enforcing a balloon payment clause in a note and dismissed the foreclosure.

The consumer in *Phillips* had assumed a mortgage extended by the bank to the person from whom the consumer bought the house. The mortgage indicated it would be fully paid with monthly payments. A separate promissory note provided that after a period of regular monthly payments, the balance of the note would be due in a single lump-sum balloon payment. The mortgage which the consumer saw did not contain the balloon payment. When the consumer talked to bank employees about assuming the mortgage, the balloon payment was not disclosed. In dismissing the foreclosure, the court found that the nondisclosure of the balloon payment forfeited the bank's right to enforce it.

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- All ARM Loans
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After reviewing the mortgage audit, if it is determined that you have been overcharged by your lender, you will receive a copy of our professional Lender Refund Request Letter with a copy of the check.

#### How long does it take to get the results back for my audit?

You will have the results of your mortgage audit in approximately 5 business days.

#### What documents are needed?

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