



PROPERTY REPORT SERVICE AGREEMENT

Section 1.0. PRODUCTS, SERVICES AND USAGE:

- 1.1. Property Report:** A "Property Report" is defined as a current owner real estate report exclusively compiled from public records that includes the current owner vesting information, legal description of the property, and all open mortgages, judgments, liens and encumbrances, and that is delivered by _____, ("Provider") to _____, a lender, for a fee and which is subject to this Property Report Service Agreement ("Agreement").
- 1.2. Transfers of Loans or Servicing:** Provider's obligation and liability under this Agreement passes with the loan if a transfer of the loan or its servicing occurs. Advance notice to Provider of such transfer is not required. Lender and transferee are referred to herein as the "Lender" except that "Initial Lender" refers only to the lender identified in item 1.1 above.
- 1.3. Use of Property Report (Eligible Mortgage Loans):** The Property Report may be used only by the Initial Lender to evaluate and underwrite Refinance First Mortgage, Second Mortgage, and Home Equity Mortgage loans that meet the following criteria. Such loans are referred to herein as "Eligible Mortgage Loans".
- A. Home Equity Lines and Loans not to exceed \$500,000 loan amount
 - B. Refinancing Loans not to exceed \$500,000 loan amount
 - C. Credit report must be obtained on all borrowers and minimum credit score is 580
 - D. Loan-to-value and combined Loan-to-value not to exceed 100%
 - E. Loan must close within thirty (30) days of the credit report date
 - F. Loan must close within thirty (30) days of the date of the Property Report
 - G. Documents must be submitted for recordation within fifteen (15) days of funding
 - H. Residential properties only
 - I. Property must be located in the United States of America
- 1.4. Ineligible Mortgage Loans:** The following loans are excluded from Eligible Mortgage Loans.
- A. Loans on Commercial properties
 - B. Loans on Residential properties of five (5) units or more
 - C. Loans on Properties located outside of the United States
 - D. Purchase Money Loans

Section 2.0. OBLIGATIONS AND LIABILITIES:

- 2.1. Obligation:** The Provider shall (1) provide a Property Report to the Initial Lender that is materially accurate based on the most current public data available and that discloses all open mortgages, judgments, liens and encumbrances on the property so that if the Lender's security interest in the property is correctly recorded, the security interest will be in the order of priority indicated by the Property Report; and (2) if the Provider assumes the obligation to record the security interest, it will do so correctly, consistent with the information contained in the property report.
- 2.2. Liability:** In the event Provider fails to meet the Obligation, Provider shall reimburse Lender for any direct financial loss ("Loss") incurred by Lender as a result of such failure; however, (a) Provider's total liability shall be limited to the least of the Remedies set forth in Section 4.0 below; and (b) Provider shall not have any liability for Loss actually or allegedly arising out of Property Report SA 11/10

of inaccurate information contained in the Property Report if Lender was aware of the inaccuracy of the information based upon information independently developed by Lender through such means as a borrower credit report, loan application or other means.

Section 3.0. CONDITIONS:

In the event Provider fails to meet its Obligation resulting in Loss to Lender, Lender may seek Remedies under this Agreement if all of the following conditions are met:

- 3.1. The Lender has a financial interest in the property pursuant to a loan agreement that is secured by a deed of trust or similar recorded security instrument;
- 3.2. The Lender has documented that the loan is an Eligible Mortgage Loan;
- 3.3. The Lender has timely paid all fees for the Property Report to Provider;
- 3.4. The Lender has:
 - A. Foreclosed upon and sold the secured property to a disinterested third party; or
 - B. Exhausted all efforts to collect any portion of the outstanding mortgage balance owed by the mortgagor on the secured property. Lender will have exhausted all efforts to collect any portion of the outstanding balance owed by a mortgagor when:
 1. The Eligible Mortgage Loan is in default; and
 2. The Lender has made every reasonable attempt to collect, work out, or mitigate the deficiency in a manner consistent with their collection and loss mitigation practices and procedures; and
 3. The Lender has presented to the Provider a written determination, signed by an authorized representative of Lender, that the Eligible Mortgage Loan is commercially uneconomical to foreclose upon; and
 4. Lender has charged-off the Eligible Mortgage Loan.
- 3.5. Neither the Lender nor any party submitting the claim for Loss on behalf of the Lender has committed fraud or misrepresentation with respect to any of the terms or conditions of the Agreement; otherwise, the Agreement is void with respect to the loan for which the claim for Loss is submitted.

Section 4.0. REMEDIES:

In the event Provider has failed to meet its Obligation under this Agreement, Lender has suffered a Loss, and Lender has satisfied the Conditions and complied with the Claim Process, Provider will reimburse Lender the least of:

- 4.1. The amount of the Loss directly attributable to the specific item(s) of information inaccurately contained in or missing or omitted from the Property Report; or
- 4.2. The original loan amount, or
- 4.3. The Lender's "Actual Financial Loss", as determined by:
 - A. The sum of:
 1. The mortgagor's unpaid principal mortgage balance; and
 2. Accrued and unpaid interest pursuant to the loan up to one hundred eighty (180) days; and
 3. Outstanding escrow advances, if any; and
 4. Reasonable attorney fees, not including fees or estimates of fees from Lender's staff counsel, and costs, not including Lender's overhead, incurred during foreclosure.
 - Less:
 - B. The sum of:
 1. The amount collected as a result of the sale of the secured property to a disinterested third party; and

2. Proceeds received by the Lender from any source, to include but not limited to, credit life, accident and health, involuntary unemployment or hazard insurance serving to reduce the unpaid debt; and
3. Non-applied escrowed balances; and
4. Any other amounts collected or collectible and applied to, or that could be applied to, the repayment of the Eligible Mortgage Loan.

Section 5.0. CLAIM PROCESS:

In order to submit a claim for Loss under this Agreement, Lender or its duly authorized representative shall comply with all of the following procedures and conditions. The failure to strictly comply shall render the claim for Loss void.

- 5.1. Submit a written claim for Loss to the Provider within sixty (60) days of foreclosure sale, or within one-hundred eighty (180) days from the last loan payment if Lender has satisfied the conditions demonstrating the property is uneconomic to foreclose upon; and
- 5.2. Submit a signed proof of Loss to the Provider within ninety (90) days of the claim for Loss.
- 5.3. Include the following documents and information in the proof of Loss:
 - A. Documents and calculations evidencing the Lender's Actual Financial Loss;
 - B. Copy of the original Property Report;
 - C. Copy of the borrower credit report(s), application and loan file documents used to underwrite the loan;
 - D. Documents and evidence demonstrating that the Property Report contains inaccurate information causing Loss, and;
 - E. The amount of the Loss
- 5.4. Cooperate with Provider or its authorized representative in the investigation and settlement of the claim for Loss. Lender shall make every effort to mitigate its Loss to the greatest extent possible including taking actions to enforce its lien and/or correct any inaccuracies in the information contained in the Property Report or in the security instrument recorded by Provider.

Section 6.0. SETTLEMENT AND PAYMENT:

Payment due under the terms of this Agreement shall be made within thirty (30) days after the Lender's claim for Loss, and the amount payable under the Agreement, has been validated by Provider and the Lender has executed release documents appropriate to concluding the claim.

Section 7.0. TERMINATION:

This Agreement may be terminated by either party for any reason upon sixty (60) days advance written notice.

Executed by and between:

Provider: _____

Lender: _____

By: _____

By: _____

Date: _____

Date: _____