

Loss Draft Process Overview

Thank you for your recent notification concerning the damage to your property. We understand that this is a difficult time for you, and would like to take this opportunity to explain the disposition of funds and procedures utilized to complete the repairs on your home.

As the servicer of your loan, we are the named mortgagee on any insurance claim check you may receive. The interest we hold in the property makes it necessary for us to specify the process by which the Total Loss Proceeds (TLP) will be administered.

Based on your account status at the time of the loss event and in conjunction with the amount of the TLP, we will disburse the TLP in a manner as outlined in the enclosed disbursement schedules.

PLEASE ENSURE TO READ THIS COMMUNICATION IN ITS ENTIRETY.

Disbursement schedule for **CURRENT** loans⁶:

TLP is:	When you submit:	We will:
Less than or equal to \$40,000	Insurance Claim Check ¹ Full Insurance Adjusters Report	Endorse and mail the Insurance Claim Check to you. ³
Exceeds \$40,000	Initial Disbursement	
	<u>Initial Disbursement</u> Full Insurance Adjusters Report Insurance Claim Check ^{1,2} Current phone number of each borrower	<u>Initial Disbursement</u> Assign a DPOC to assist you through the process. Please use the DPOC information found on page 1 of the letters. Disburse from the TLP, the amount of \$40,000.00 or 33% of the TLP, less a minimum of 10% holdback for final inspection, whichever is greater, issued to you. ^{3,5}
	Supplemental Disbursements	
	Call or email your DPOC to request a supplemental disbursement	Order an inspection, at our expense, to determine the completed percentage of the repairs before additional funds will be released. Following the inspection, a review of the progress of the repairs will be conducted. Based on this assessment a disbursement will be issued to you. ⁴ All disbursements will not exceed the cumulative total of 90% of the TLP.
	Final Disbursement	
Notify your DPOC that the repairs are complete	When the repairs are complete, the remaining balance of the TLP will be issued to you. ³	
¹ ² ³ ⁴ ⁵ ⁶	<p>¹ For identification purposes please include your mortgage loan number on the Insurance Claim Check, but do not include any other numbers such as a bank account or routing number.</p> <p>² Insurance Claim Checks must be endorsed by all parties included on the check.</p> <p>³ All disbursements are issued and mailed within five business days.</p> <p>⁴ If the loan is current or less than 31 days delinquent at the time of the loss event, you may request the inspection to be conducted by method other than in person inspection. Details will be provided by the inspector upon scheduling.</p> <p>⁵ If a contractor is used, you must submit their W-9 form and may also submit their current license if applicable. A Contractor(s) Estimate must include detail of all the work to be completed, beginning deposit amount, and the contractor's license number if applicable. Disbursements will be issued jointly to you and the contractor. For each contractor involved in the project, please provide this information for each. A Contractor's Notarized Lien Waiver must be completed and signed by each contractor involved in the repairs.</p> <p>⁶ If your account status is current or less than 31 days past due at the time of the loss event, it will be considered current for the purpose of processing your claim</p>	

Disbursement schedule for **DELINQUENT** loans¹¹:

TLP is:	When you submit:	We will:
less than or equal to \$5,000	Insurance Claim Check ⁷ Full Insurance Adjuster's Report	Endorse and mail the Insurance Claim Check to you. ⁹
greater than \$5,000	Initial Disbursement	
	Full Insurance Adjusters Report Insurance Claim Check ^{7,8} Current borrower phone numbers	Assign a DPOC to assist you through the process. Please use the DPOC information found on page 1 of the letters. Disburse 25% of the TLP not to exceed \$10,000, issued to you. ^{9,10}
	Supplemental Disbursements	
	Call or email your DPOC to request a supplemental disbursement	Order an inspection, at our expense, to determine the completed percentage of the repairs before additional funds will be released. Following the inspection, a disbursement will be issued to you based on the progression of repairs, but not exceeding 25% of the TLP. ⁹
	Final Disbursement	
Notify your DPOC that the repairs are complete	Order an inspection at our expense to inspect the repairs. When inspection results show 100% complete, the remaining balance of the TLP will be issued to you. ⁹	
7 8 9 10	<p><i>For identification purposes please include your mortgage loan number on the Insurance Claim Check, but do not include any other numbers such as a bank account or routing number.</i></p> <p><i>Insurance Claim Checks must be endorsed by all parties included on the check.</i></p> <p><i>All disbursements are issued and mailed within five business days.</i></p> <p><i>If a contractor is used, you must submit their W-9 form and may also submit their current license if applicable. A Contractor(s) Estimate must include detail of all the work to be completed, beginning deposit amount, and the contractor's license number if applicable. Disbursements will be issued jointly to you and the contractor. For each contractor involved in the project, please provide this information for each. A Contractor's Notarized Lien Waiver must be completed and signed by each contractor involved in the repairs.</i></p>	
11	<p><i>If your account status is delinquent and 31 or more days past due at the time of the loss event, it will be considered delinquent for the purpose of processing your claim.</i></p>	

CONTACT INFORMATION

If you have questions, concerns, or to order an inspection, contact our Loss Draft Department at **1-877-592-0192**.

Submission of Documents: Include the name of your DPOC and your Loan Number on all correspondence that you submit. You must mail the Insurance claim checks to the following street address. You may submit all other required documents to either our street address, fax, or e-mail address:

E-mail: LossDraft@YourMortgageOnline.com

Mail: Attention: Loss Draft Department MS1180
1 Corporate Drive, Suite 360
Lake Zurich, IL 60047-8945

Fax:
1-847-574-7617

Remember that the Loss Draft Department is here to help you during regular business hours, Monday through Friday.

IMPORTANT INFORMATION

Delinquent Account: An account is considered delinquent for the purposes of TLP disbursement if they have mortgage payments that are 31 days or more overdue at the time of the loss event. Accounts in Bankruptcy or Foreclosure will require additional time for disbursements to be released.

Licensed Contractor: The contractor licensing requirements in your state may differ from our requirements. As a result, you are responsible for adhering to your state's requirements. Accordingly, the use of a licensed contractor for the repairs will be at your discretion.

If the TLP exceeds your Outstanding Loan Balance: If the TLP exceeds the current outstanding balance of your loan, you have the option to pay off your loan. Please submit a written request to pay off your loan, along with the endorsed check, to us. The written request must be signed by all borrowers listed on the loan and the check must be endorsed by each payee listed on its face. If you choose not to pay off your loan and the insurance proceeds exceed the unpaid principal balance, accrued interest and advances, we will issue a check to you for the amount by which the TLP exceeds the aforementioned. The adjusted TLP amount will then be used to determine the disbursement method for repairs.

Communication with a Third Party: We must receive your written authorization if you wish for us to work with any third party during the claim process.

IMPORTANT INFORMATION (CONTINUED)

Public adjuster, private attorney and all other third party fees: Please be aware that you are responsible for paying all associated fees and these fees cannot be paid out of the TLP. If you are being reimbursed for any of these fees, please request that the insurance company issue a separate check solely to you and that party. If the public adjuster's fee is included in the loss draft check, this will cause a delay in processing the reimbursement of the funds.

Retention of Documents: Please remember to retain copies of all your records as original documents provided to us will not be returned. It is also important to keep copies of all documents pertaining to your claim for possible review by the inspector.

Mailing of Disbursement Funds: All checks are returned via regular mail through the U.S. Postal Service. If you wish to have checks sent to you via an overnight courier, you must supply an overnight envelope and pre-paid overnight air bill. The sender and receiver information on the air bill must reflect your mailing information.

Home Inspections: Please refer to the attached disbursement schedule for information regarding the requirements for home inspections.

ACH Deposit of Disbursement Funds: Your loan must be current. You, any other borrowers and our mortgage company must be the only parties listed on the insurance claim check. All borrowers must be on the checking account. We will need a copy of a voided check with your ABA routing and checking account numbers, name and address of the financial institution including city, state and zip code. Note that this option is not available on disbursements issued jointly with a contractor.

THIS DOCUMENT IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. IF YOU ARE IN BANKRUPTCY OR HAVE BEEN DISCHARGED IN BANKRUPTCY, THIS LETTER IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE A DEMAND FOR PAYMENT IN VIOLATION OF THE AUTOMATIC STAY OR THE DISCHARGE INJUNCTION OR AN ATTEMPT TO RECOVER ALL OR ANY PORTION OF THE DEBT FROM YOU PERSONALLY.