

Aura Mortgage Advisors, LLC. Originating Mortgage Loans

Table of Contents

Description	Page
AURA Mortgage Advisors, LLC. Background Information	3
Regulatory Oversight, Compliance, Exceptions to Policy, Fair Lending, the SAFE Act and Document Retention Practices	4
Preparing for and Taking the Loan Application	7
• Preparing Mortgage Applicants for the Application Interview	7
• Establishing a Clear Application Date and Complying with Disclosure Requirements	8
Documents in the Application Package	10
• Disclosure Acknowledgement Form	11
• Standard Mortgage Loan Application (Form 1003)	12
• Credit Authorization Form	13
• Credit Score Disclosure	14
• Good Faith Estimate	15
• Good Faith Estimate/HUD-1 Aura's Standard Closing Costs/Fees	16
• Truth-in-Lending Disclosure	17
• HUD Special Information Booklet	18
• Servicing Disclosure	19
• Notice of Right to Receive a Copy of the Appraisal	20
• Massachusetts Chapter 184 17B Notice	21
• AURA Privacy Policy	22
• Borrower's Certification and Authorization	23
• Form 4506-T Form	24
• Early Disclosure regarding Bi-Weekly Payment Agreement	25
Additional Required Documents	26
Conducting the Loan Application Interview	29
• Rate Lock Options	30
• Customer Identification and Complying with the USA Patriot Act	31
• Complying with Truth-in-Lending's Higher Priced Mortgage Loan Provisions	32
• Refinance Transactions and Demonstrating that the New Loan is in the Borrower's Best Interest (complying with Massachusetts Regulatory Requirements)	33
Post-Application File Review	34
• Post 48 Hour Review and Sending an Additional Needs Letter (when applicable)	34
• Borrower Communication Log	35
• Complying with OFAC Requirements	35
Processing the Loan	36
• File Order and Checklist	36
• Credit Reports and Fraud/Active Duty Alerts	37

Aura Mortgage Advisors, LLC. Originating Mortgage Loans Table of Contents (Continued)

Description	Page
• Complying with ECOA's Appraisal Notifications	38
• Complying with the Flood Disaster Protection Act	38
• Preliminary Closing Attorney Notification	39
Making the Loan Decision – Underwriting Criteria	40
• General Requirements (Ownership Interest, Citizenship, LTV)	41
• Qualifying Requirements – Borrower Repayment Capacity	42
• Qualifying Ratios	43
• Types of Income and Associated Requirements	44
• Self-Employed Borrowers	47
• Rental Income	48
• Non-Taxable Income	49
• Collateral Documentation Requirements – Purchase Transactions	50
• Refinance Transactions	50
• Construction-Rehabilitation Transactions	50
• Construction-Rehabilitation Advance Schedule	51
• Credit History and Documentation	52
• Foreclosure and Bankruptcy	53
• Denials and Counteroffers	54
Pre-Closing Preparation and Review and Clearing a Loan to Close	57
• Earliest Possible Closing Date (TILA Wait Period Requirements)	58
• Late Charge practices, disclosures and quality control process	58
• Preparation of Final Disclosures (Final TILA and Initial Escrow Disclosure)	59
• At Closing Documentation Checklist	61
• Refinance Transactions and Right of Rescission	62
Post-Closing Procedures and File Order	63
• Handoff to Loan Servicing	63
• Internal Quality Control Review and Process	63
• External/Third Party Review Process	65
Loan Servicing Procedures	66
• Payment Processing, Timing, and Set-Up	66
• Client Monitoring, Support, Communication and Coaching	67
• Annual Credit Monitoring, Review and Rating Process	70
• Credit Rating Definitions	74
• Complying with Servicing Requirements of the Real Estate Settlement Procedures Act	76
• Maintaining Insurance Coverage (Hazard, Flood)	76
• Defaults, Collections and the Fair Debt Collection Practices Act	77
• Sample Collection Letters (to be customized based on individual circumstances)	84

AURA Mortgage Advisors, LLC.

Background Aura Mortgage Advisors, LLC. (Aura) is an affiliate of Boston Community Capital, Inc. (BCC), a nonprofit organization founded in Boston in 1984 and serving communities across the United States. BCC has lived up to its Mission Statement of “...Improving the communities in which low income people live and work” through a wide range of innovative programs and entities developed in response to the evolving needs of low income people and their neighborhoods. From a modest \$3,500 in startup Community Loan funds, BCC has grown into one of the largest and most successful Community Development Financial Institutions in the country. BCC has over \$500 million currently under management. In the 25 years since it was founded, BCC has made more than 400 loans and investments totaling more than \$435 million to support organizations and businesses that benefit underserved communities.

Corporate Governance Aura’s was established as a Limited Liability Company under the laws of the Commonwealth of Massachusetts in 2006. The sole member of the LLC is BCLF Ventures Inc., an affiliate of Boston Community Capital, a nonprofit 501C(3) corporation. Aura received its Massachusetts Mortgage Lender and Broker’s License in June of 2009 (License #MC5382) under Massachusetts’ General Law 255C (MGL 255C). Prior to that time, Aura operated as a licensed Massachusetts Mortgage Broker.

Regulatory Supervision As a licensed Massachusetts Mortgage Lender, Aura complies with the provisions of MGL 255C and its implementing regulation 209 CMR 42.00. This manual is designed to highlight the policies and procedures that Aura has in place to ensure compliance with the governing state and federal laws and regulations. It is intended to serve as the backbone for our commitment to providing our clients with ethical access to mortgage loan products and services.

Aura will notify the Division of Banks immediately, and in writing within one business day, of the occurrence of any of the following significant developments:

- (a) Filing for bankruptcy or reorganization of the Licensee.
- (b) Filing of a criminal indictment any way related to the mortgage lender or or brokerage
- (c) Receiving notification by the institution of license denial, cease and desist, suspension or revocation procedures, or other formal or informal regulatory action, in any state against the licensee, and the reasons thereof.

**Regulatory
Supervision
Continued**

- (d) Receiving notification of the initiation of any action by the Attorney General of the Commonwealth or any other state, pursuant to MGL C 93A, or any other comparable consumer protection statute, and the reasons thereof.
- (e) Expiration, termination or default, technical or otherwise, of any existing line of credit or credit agreement.
- (f) Suspension or termination of the Licensee's status as an approved seller or Seller/Servicer by the Federal National Mortgage Association, Federal National Home Loan Mortgage Corporation, Government National Mortgage Association or an investor approved under 209 CMR 42.11A(1)(a).
- (g) Exercise of recourse rights by Investors or subsequent assignees of mortgage Loans if such loans, in the aggregate, exceed the licensee's net worth exclusive of real property and fixed assets.
- (h) Initiation of Trustee Process or any other form of attachment on any of the Licensee's assets.
- (i) Issuance of an interest rate lock in violation of 209 CMR 42.11A.
- (j) Existence of negative balances, exceeding \$100, in any operating account at any time or the return of checks, exceeding \$100, for insufficient funds.
- (k) Any change to net worth resulting from market valuation or future loss liability or any other change which causes the net worth of the licensee to fall below the requirements of 209 CMR 42.03, 209 CMR 42.08A, and 209 CMR 42.11A(1)(a).

Aura will notify the Division of Banks immediately, and in writing within five business days, of the occurrence of any of the following significant developments:

- a) Filing for bankruptcy or reorganization of any of a Licensee's officers, directors, principal stockholders, or affiliates.
- b) Criminal felony indictment or conviction of any of a Licensee's officers, directors, principal stockholders, or affiliates.

Aura will notify the Division of Banks (DOB) 15 days prior to any proposed change in the membership of the LLC. A notice shall forthwith be filed with the DOB who may thereupon cause such investigation to be made as he deems necessary, as if it were a new license. In the case of a corporation, control is defined as a change of ownership by a person or group acting in concert to acquire ten percent of the stock, or the ability of a person or group acting in concert to elect a majority of the directors or otherwise effect a change in policy of the corporation.

The notice of change in personnel or ownership will contain the following information: the name, address and occupation of each proposed officer, partner, director or shareholders; and provide such other information as the DOB may require.

	Aura Mortgage Advisors, LLC	Revised Date:	August, 2011
	Procedures Manual		
Title:	Originating and Servicing Mortgage Loans		Page 5 of 78

Exceptions to Policy and Standard Procedure This Manual provides clear guidelines for originating, processing, decisioning, closing and servicing mortgage loans. On occasion, a situation may warrant an exception to one or more of our standard procedures. We will consider and evaluate exceptions to our standard policies and procedures, such as Loan-to-Value limitations, documentation requirements, etc. All exceptions to standard procedure will be documented with an exception memo outlining the specific details of the exception and providing the rationale for approving the exception.

Exceptions to policy and procedure will be approved by management and tracked and included on a quarterly Lending Policy and Procedure Exception Report. .

Fair Lending Practices We are committed to following the spirit and the letter of all applicable Fair Housing and Fair Lending Laws, including but not limited to the Fair Housing Act (FHA) and the Equal Credit Opportunity Act (ECOA). We understand that it is unlawful to discriminate on a prohibited basis in any aspect of a housing transaction. These prohibited factors include:

Age	Race	Ethnicity
Color	Religion	Sexual Orientation
Disability/Handicap	Sex	Marital Status

Familial status (defined as children under the age of 18 living with a parent or legal custodian, pregnant women, and people securing custody of children under 18)

Receipt of Public Assistance

The fact that the client exercised a right under Consumer Protection Laws

SAFE ACT The federal Housing and Economic Recovery Act of 2008 included the Secure and Fair Enforcement for Mortgage Licensing Act, or SAFE Act. The SAFE Act raised minimum Lender and Loan Officer Licensing standards throughout the United States. The Law required that each state pass laws related to the licensing of loan originators. These requirements include the use of the National Mortgage Licensing Standards (NMLS).

Aura Mortgage Advisors, LLC. maintains a Massachusetts Lender's License and ensures that each of the company's Loan Officers complies with the standards established by the SAFE Act and the associated Massachusetts' requirements.

	Aura Mortgage Advisors, LLC	Revised Date: August, 2011
	Procedures Manual	
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 6 of 78

Annual Reports Aura will file an annual report with the Division of Banks by March 1 of each calendar year. The Annual Report will be completed in such form and manner as prescribed by the Division.

Annual Audit As part of the Certified Audit of Boston Community Capital and Affiliates, Aura undergoes a full and complete audit by Certified Public Accountants on an annual basis. A stand alone audit document is produced for submission to the Division of Banks by March 31 of each calendar year,

Record Retention Boston Community Capital (BCC) preserves Aura's books and records for inspection for a minimum of three years. Specific documents maintained under this policy include, but are not limited to the categories listed below.

Loan Related Documents:

Denied and Withdrawn Loans: For a minimum of 25 months after a mortgage loan application is denied or withdrawn, Aura will maintain the loan documentation, including the completed loan application form, income verification, credit information **Applications** and any other documentation considered in the loan underwriting process.

Closed Loans: Documentation for closed loans will remain on file for 5 years following the loan payoff and release. All documents will be scanned and retained in electronic storage. Original, hard copies will be retained for the following documents:

- Final Signed Loan Application (1003)
- Loan Note
- HUD-1
- Final Truth-in-Lending Disclosure
- Title Policy
- Bi-Weekly Payment Agreement

Preparing for and Taking the Loan Application

Introduction Residential mortgage loan customers are required to complete and sign Aura's Uniform Residential Loan Application (Form 1003) and provide other personal material before AURA can start the mortgage process. These documents are required for all loan applications. The foundation for a sound loan process is a fully completed application.

Preparing the Applicants for the Application Interview AURA strives to make the mortgage loan process as clear and predictable for the borrowers as possible. This is especially important since the majority of clients AURA serves have experienced difficulty in the financing of real estate property in the past.

Mortgage Applicant Documentation and Responsibilities Checklist One of the tools that AURA utilizes to guide applicants through the process and help them to prepare for the initial application meeting is a *Mortgage Applicant Documentation and Responsibilities Checklist*. This checklist, which is depicted below, will also clarify any items necessary to be provided by the applicants at the time of the upcoming application meeting. The form addresses borrower responsibilities such as obtaining a current Smoke Certificate, Estimated Cash Needed to Close and requirements related to hazard insurance coverage for the property.

Aura Mortgage Advisors, LLC.
Mortgage Applicant Document and Responsibilities Checklist

It is our goal to try to make your application process as easy as efficient as possible. We are providing this list of required documents so that you may assemble the required information and bring as much of it as possible with you to the Application Meeting on _____ (date). This form has been completed by Aura Mortgage. Any items checked as "Needed" have been determined to be relevant to your application. Those not checked as "Needed" are not required. Items checked as "Needed" but not finished at the time of the application meeting, must be provided by the borrower as soon as possible in order to expedite the loan.

Needed	Received
	Income:
<input type="checkbox"/>	<input type="checkbox"/> Pay stubs for all applicants for the last 30 days.
<input type="checkbox"/>	<input type="checkbox"/> W-2 forms for all employment for all borrowers for the previous 2 years.
<input type="checkbox"/>	<input type="checkbox"/> Self-employed borrowers (If you own more than 25% of a business):
<input type="checkbox"/>	<input type="checkbox"/> Personal tax returns for the last 2 years (including all schedules).
<input type="checkbox"/>	<input type="checkbox"/> Business tax returns for Corporations, LLC's, Partnerships (for past 2 years).
<input type="checkbox"/>	<input type="checkbox"/> Year-to-Date Profit and Loss (if self-employed and application date is later than March 31).
<input type="checkbox"/>	<input type="checkbox"/> 1099's if applicable.
	If you receive pension or social security and/or disability payments:
<input type="checkbox"/>	<input type="checkbox"/> Pension award letter, pay stubs, and any forms showing duration of payments.
<input type="checkbox"/>	<input type="checkbox"/> Provide a copy of your award letter along with a recent check stub or copy of a bank statement if the funds are deposited electronically through direct deposit.
	Property:
<input type="checkbox"/>	<input type="checkbox"/> If the subject property is a rental property:
	<input type="checkbox"/> Copies of current rental agreements (leases/tenant at wills), fully executed.
	<input type="checkbox"/> If you are purchasing:
	<input type="checkbox"/> Offer to Purchase or Purchase and Sales Agreement
	<input type="checkbox"/> Smoke Detector Certificate
<input type="checkbox"/>	<input type="checkbox"/> If you are refinancing:
	<input type="checkbox"/> Copy of your deed
	<input type="checkbox"/> For Credit/Underwriting:
	<input type="checkbox"/> Copies of Credit/Underwriting Documents (Deed, Declaration, No-Lien, Budget, Marine Insurance Policy, Flood Policy, Marine Flood Policy (if necessary), AD Certificate)
<input type="checkbox"/>	<input type="checkbox"/> Asset verification:
	<input type="checkbox"/> Copy of the past 2 months bank statements (including account names, account numbers, addresses, and balances). We have estimated the amount of funds you will need to close this loan as: \$ _____
	Liabilities:
<input type="checkbox"/>	<input type="checkbox"/> Divorce Decree or Separate Maintenance Agreement
<input type="checkbox"/>	<input type="checkbox"/> Property Settlement Agreement
<input type="checkbox"/>	<input type="checkbox"/> Credit explanation letter (if applicable)
	Other:
<input type="checkbox"/>	<input type="checkbox"/> Proof of Homeowner's Insurance Coverage (prepaid and in effect as of mortgage closing date).
<input type="checkbox"/>	<input type="checkbox"/>

Aura Representative Signature _____ Date _____
Borrower's Signature _____ Date _____ Co-Borrower's Signature _____ Date _____

Preparing for and Taking the Loan Application continued

Establishing a Clear Application Date

Aura's Loan Officers must establish a clear Application Date. This date is used to determine compliance with several regulatory timing and notification requirements.

Aura's definition of Application Date is the date AURA receives the following:

- Borrower's Name (s)
- Borrower's Monthly Income and Associated Income Documentation;
- Borrower's Social Security Number (to obtain a credit report)
- Property Address
- Purchase and Sales Agreement or Offer to Purchase and an Estimate of the Value of the Property
- Loan Amount
- Signed and Dated Application (Form 1003)
- Signed Disclosure Acknowledgement Form

Application Fees

AURA does not collect any fees at the time of application. The Truth-in-Lending Act includes provisions associated with the timing of early fees. AURA collects all fees at the time of closing.

Compliance with State and Federal Consumer Protection Laws and Disclosure Requirements

The Loan Officer must sign and date the application in the *Interviewer Section*. This date will be considered the actual application date and will be used to track compliance with the provisions of the Equal Credit Opportunity Act (related to the timing of the loan decision and communication of the decision to the applicants) as well as provisions of other consumer protection laws such as the Truth-in-Lending Act and the Real Estate Settlement Procedures Act.

The Encompass system will automatically establish the application date in the system when the *Borrower's Name, Monthly Income, Social Security Number, Property Address, Estimated Property Value, and Loan Amount* are input into the system. This date cannot be changed once established.

AURA Loan Officers and Processors are responsible for ensuring that they utilize current disclosure forms and follow Aura's standardized process with each loan applicant with whom they interact. The vast majority of current disclosure templates are maintained using the *Encompass 360* Loan Origination and Processing System. Changes to these standard forms and disclosures must be approved by management.

Preparing for and Taking the Loan Application, continued

In addition to Encompass' Standardized Forms, there are a small number of customized forms that must be used by the Loan Officers. These include:

- *Aura Mortgage Disclosure Acknowledgement Form*
- *Applicant Document and Responsibilities Checklist*
- *Rate Lock and Floating Rate Lock Disclosure*
- *Additional Needs Letter*
- *Notice to Mass Property Applicants*
- *Borrowers Certificate & Authorization*
- *Lead Paint Acknowledgement*
- *Bi-Weekly Agreement Disclosure*

In order to comply with the early disclosure timing requirements of the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, and Massachusetts' disclosure requirements, AURA Loan Officer and/or Processors complete the following steps:

- Meets with all loan applicants for the application interview (face-to-face or by telephone);
- Enters the loan application into the Encompass System (generally at the time of the interview);
- Prepares the Initial Disclosures (Initial Truth-in-Lending Disclosure and Good Faith Estimate/Good Faith Estimate Itemization) as well as the other disclosures itemized on the Disclosure Acknowledgement form.

Aura Mortgage Advisors, LLC complies with the Office of Consumer Affairs and Business Regulations, 209 CMR 41.00, requirement that the loan officer license number appear on all custom application forms.

Preparing for and Taking the Loan Application, continued

Documents included in the Application package

The application package given to customers includes the following forms and disclosures:

- Aura Mortgage Advisors Disclosure Acknowledgement Form
- Completed, signed and dated Mortgage Loan Application (1003)
- Credit Authorization
- Notice to Home Applicant Credit Score Disclosure
- Good Faith Estimate with Good Faith Estimate Itemization
- Rate Lock (floating rate lock) form
- Truth-in-Lending Disclosure Statement and Itemization of Amount Financed Addendum
- HUD's Special Information Booklet – Buying Your Home Settlement Costs Guide
- Servicing Disclosure Statement
- Appraisal Disclosure
- Lead Paint form
- Privacy Policy Disclosure
- Borrower's Certification and Authorization
- Tax Return Authorization Form 4506-T
- Bi-Weekly Agreement Disclosure
- Mortgage Applicant Documentation and Responsibilities Checklist
- Disclosure Notices form
- Acknowledgement of receipt of Good Faith Estimate
- Notice to Mass Property Applicants

Note: As procedural or regulatory changes occur, application package material may change.

Pages eleven through twenty five of this manual include sample copies of each of the *At-Application* disclosure forms and templates.

Documents in the Application Package

Aura Mortgage Disclosure Acknowledgment

AURA MORTGAGE ADVISORS, LLC.

Initial Disclosure Acknowledgement

I/We hereby acknowledge receipt of the following items and disclosures as part of the application package provided by Aura Mortgage Advisors, LLC:

- ☐ 1. Patriot Act Customer Information Documentation Form
- ☐ 2. Completed, signed and dated Mortgage Loan Application
- ☐ 3. Credit Authorization and Notice to Home Applicant Credit Score Disclosure
- ☐ 4. Good Faith Estimate with Good Faith Itemization
- ☐ 5. Acknowledgement receipt of Good Faith Estimate
- ☐ 6. Truth-in-Lending Disclosure and Itemization of Amount Financed Addendum
- ☐ 7. HUD's Special Information Booklet –*Buying Your Home Settlement Costs Guide*
- ☐ 8. Servicing Disclosure Statement
- ☐ 9. Appraisal Disclosure
- ☐ 10. Notice to Mass Property Applicants
- ☐ 11. Privacy Policy Disclosure
- ☐ 12. Borrower's Certification and Authorization
- ☐ 13. Tax Return Authorization Form IRS 4506T
- ☐ 14. Bi-weekly Payment Agreement Early Disclosure
- ☐ 15. ACH Withdrawal Authorization

The following disclosures were provided if checked.

- ☐ 16. Rate Lock Disclosure/Floating Rate Lock Disclosure
- ☐ 17. Lead Paint Disclosure and Acknowledgement
- ☐ 18. Disclosure Notice

Other: _____

Borrower Signature

Borrower Signature

Date: _____ Loan Officer License # _____

License Number: 23467

Description: The purpose of this form is to document every applicant's receipt of the required disclosures and documents at the time of application.

Continued on next page

Documents in the Application Package, continued

Uniform Residential Loan Application (URLA) -1003



1003 – Original Application:

- The loan application form 1003 is generated by the Encompass System. It must be fully completed, printed, signed and dated by all borrowers at the time of application. For loan applications taken by telephone, the Application and all 'At Application Disclosures' must be printed and mailed to the applicants within three business days of the application date. The borrowers will need to sign, date and return all documents. A second set should be provided so that the applicants may retain them for their records.
- Under no circumstances are blank signed applications to be accepted.
- The AURA Loan Officer should check each section of the application for accuracy and completeness. When possible, all supporting documentation (such as paystubs, W-2s, Tax Returns, Asset Verification) should be collected at the time of application.
- The Loan Officer must sign and date the Interviewer's Section of the 1003. This date will be used as the actual *Application Date*.
- In the event additional information is required for a loan decision, the Loan Officer will send an Additional Needs Letter to the customer within five (5) business days of the application.

1003-Final Application:

- A final application, reflecting all updated and accurate information (including the borrowers' actual income, housing and mortgage loan payment information) must be signed and dated by the borrowers at the closing. The AURA Processor must ensure that the final 1003 sent to closing reflects all correct and complete information concerning all borrowers.

Documents in the Application Package, Continued

Credit Authorization

Credit Authorization

1. To all consumer-reporting agencies and to all creditors and depositories of the undersigned:
Please be advised that the undersigned, and each of them, has made application to:

requesting an extension of credit to the undersigned. Therefore, the undersigned, and each of them, hereby authorizes you to provide credit report and/or a disclosure to Lender or any agent or balance. The undersigned also authorizes you to disclose your deposit or credit experiences with the undersigned to Lender or to third parties.

2. In addition, the undersigned, and each of them, hereby authorizes Lender to disclose to any third party, or any agent or employee thereof, information regarding the deposit or credit experience with any of the undersigned.

3. A photographic or carbon copy of this authorization bearing a photographic or carbon copy of the signature(s) of the undersigned may be deemed to be equivalent to the original hereof and may be used as a duplicate original.

_____ Borrower	_____ Date	_____ Co-Borrower	_____ Date
-------------------	---------------	----------------------	---------------

Credit Authorization 0404 - Encompass™ form ERM - www.alliance.com

Credit Authorization

- The Credit Authorization Form is generated by the Encompass System. The purpose of this form is to document the customer's authorization to allow AURA to obtain a credit report and/or obtain credit or deposit information from a creditor or financial institution.
- The date provided on this form should generally match the application date and should precede or match the date that AURA orders a credit report from a credit reporting agency.

Documents in the Application Package, Continued

Credit Score Disclosure

The consumer reporting agencies listed below provided a score that was used in connection with your home loan application.

Consumer Reporting Agency #1 Experian Attn: NCAC PO Box 2106 Allen, TX 75012 (P) 888-557-8688 Model Used: Fair Isaac Range of Possible Scores: 300 to 850	Borrower: Jonathan Consumer Score: 700 Created: 04/09/2006 Co-Borrower: Score: Created:	Factors: 22: Serious delinquency, derogatory public record, or collection filed 13: Time since delinquency is too recent or unknown 18: Number of accounts with delinquency 34: Amount owed on delinquent accounts is too high Factors:
Consumer Reporting Agency #2 Trans Union Consumer Solutions PO Box 2000 Chesler, PA 15022 (P) 800-910-9800 Model Used: Equifax Range of Possible Scores: 300 to 850	Borrower: Jonathan Consumer Score: Created: Co-borrower: Score: Created:	Factors: Factors:
Consumer Reporting Agency #3 Equifax Customer Service PO Box 400241 Atlanta, GA 30374 (P) 800-685-1111 Model Used: Decision Range of Possible Scores: 300 to 850	Borrower: Jonathan Consumer Score: Created: Co-Borrower: Score: Created:	Factors: Factors:

I/We have received a copy of this disclosure.

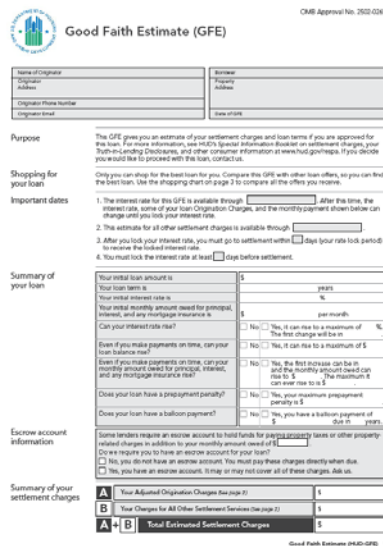
Applicant _____ Date _____ Applicant _____ Date _____

Credit Score Disclosure

- FACTA (the Fair and Accurate Credit Transactions Act) requires that lenders that use credit reports in connection with loans secured by residential real estate provide applicants with a Credit Score Disclosure. The Credit Score Disclosure Form is generated by the Advantus Credit (after the credit information has been input into the system and a credit score has been requested and generated). The purpose of this disclosure is to notify the applicant(s) of their credit score.
- Typically Aura's Loan Officers will provide this disclosure at the time of the application interview as part of the 'at application' disclosure package. In the event the application is taken by telephone, this disclosure should be sent to the borrower as part of the *Application Disclosure Package* that is sent within three business days of the application date.
- The disclosure also provides the applicant(s) with information on how credit scores are calculated and informs them of their right to contact the Credit Reporting Agency in the event they have questions or concerns regarding their credit score.

Documents in the Application Package, Continued

Good Faith Estimate



The image shows a Good Faith Estimate (GFE) form. At the top left is the HUD logo and the text "Good Faith Estimate (GFE)". At the top right is "OMB Approval No. 2502-0245". The form is divided into several sections: "Borrower" (Name, Address, City/State/Zip, Phone Number, Email), "Lender" (Name, Address, City/State/Zip, Phone Number, Email), "Purpose", "Shopping for your loan", "Important dates", "Summary of your loan", "Escrow account information", and "Summary of your settlement charges". The "Summary of your loan" section contains a table with fields for: Your initial loan amount (\$), Your initial interest rate (%), Your initial monthly amount owed for principal, interest, and any mortgage insurance (\$), Can your interest rate rise? (Yes/No), Even if you make payments on time, can your loan balance rise? (Yes/No), Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise? (Yes/No), Does your loan have a prepayment penalty? (Yes/No), Does your loan have a balloon payment? (Yes/No), and Some lenders require an escrow account to hold funds for payment of taxes or other property-related charges in addition to your monthly amount owed (Yes/No). The "Summary of your settlement charges" section contains a table with fields for: A Your Adjusted Origination Charges (see page 1), B Your Charges for All Other Settlement Services (see page 1), and A+B Total Estimated Settlement Charges.

The Good Faith Estimate, Itemization, and Designated Service Provider Disclosures

- The Good Faith Estimate (GFE) Disclosure is required to be provided to applicants within three business days of application. This disclosure recently underwent significant revisions for compliance with changes to the Real Estate Settlement Procedures Act (RESPA). The new GFE form is required to be used for all applications dated as of 1/1/2010. This disclosure is generated through the *Encompass System* and provided to the borrowers at the time of application for face to face applications and mailed within the required three business days for telephone applications.
- The purpose of the GFE is to provide clear and accurate disclosure of the fees, terms and costs associated with the mortgage transaction.
- Provisions of RESPA now include limitations on changes to closing costs. All changes to closing costs must be evaluated to ensure they do not exceed prescribed tolerances. Any change in fee must be approved by the Supervisor prior to closing to ensure that it does not result in a RESPA violation.
- Under some limited circumstances (Valid Changed Circumstances), AURA may adjust charges and must reissue a revised GFE (if any charges will increase). The new disclosure must be mailed within 3 business days of the changed circumstance (e.g. Purchase Price change). In addition, the loan must not close for three business days for revised GFE's that are mailed to the borrowers. This three day wait period can be eliminated if the revised GFE is hand-delivered to the applicant(s). In this case a new Disclosure Acknowledgement must be signed to evidence the borrowers' receipt of the disclosure.
- Prior to loan closing, the GFE and the HUD-1 Settlement Statement must be reviewed by the supervisor to ensure accuracy.

Documents in the Application Package, Continued

Preparing the Good Faith Estimate

Aura's Standard Closing Costs are listed below in order to assist the Processor and the Settlement Agent in complying with RESPA's disclosure and closing cost change tolerances.

- Point (Either ½ point or 1 point, depending on the option selected by the applicant)
- Appraisal fee
- Credit report fee
- AURA Processing Fee
- Flood Zone Determination Fee (includes life of loan service)
- Odd-Days (per diem) Interest (based on a 360 day calculation)
- Settlement Agent Fee (including any courier fees)
- Title Insurance (Lender and Owner Coverage)
- Abstract/Title Search
- Recording Fees
- One Year's Pre-Paid Hazard Insurance (POC to Insurer)
- Municipal Lien Certificate (in some cases)
- The State Tax Stamps Fee is also disclosed on the GFE and HUD-1 (this is calculated at \$4.56 per \$1,000.00)
- Initial escrow payments for taxes, insurance and HOA (for condominiums)

Documents in the Application Package, Continued

Truth-in-Lending Disclosure

Federal Truth-in-Lending Disclosure Statement					
Mortgage Loan Number		Mortgage Interest Rate		Loan Origination Date	
<input type="checkbox"/> APPLICABLE TO ALL LOANS <input type="checkbox"/> THIS DISCLOSURE STATEMENT IS NOT APPLICABLE					
ANNUAL PERCENTAGE RATE		FINANCE CHARGE		Amount Financed	
<small>APR is the rate that is used to calculate the finance charge. It is expressed as a percentage rate and is rounded up to the nearest hundredth of a percent.</small>		<small>Finance charge is the cost of borrowing money, expressed as a dollar amount.</small>		<small>Amount financed is the amount of money that is borrowed.</small>	
%	\$	\$	Total of Payments		
<small>APR is the rate that is used to calculate the finance charge. It is expressed as a percentage rate and is rounded up to the nearest hundredth of a percent.</small>		<small>Finance charge is the cost of borrowing money, expressed as a dollar amount.</small>		<small>Amount financed is the amount of money that is borrowed.</small>	
<small>APR is the rate that is used to calculate the finance charge. It is expressed as a percentage rate and is rounded up to the nearest hundredth of a percent.</small>		<small>Finance charge is the cost of borrowing money, expressed as a dollar amount.</small>		<small>Amount financed is the amount of money that is borrowed.</small>	
Monthly Payment Schedule					
Monthly Payment		Monthly Payment		Monthly Payment	
<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>	
<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>	
<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>		<small>Monthly payment is the amount of money that is paid each month.</small>	
Other Fees					
<input type="checkbox"/> Origination Fee <input type="checkbox"/> Processing Fee <input type="checkbox"/> Inspection Fee <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee <input type="checkbox"/> Notary Fee <input type="checkbox"/> Title Insurance <input type="checkbox"/> Survey Fee <input type="checkbox"/> Appraisal Fee <input type="checkbox"/> Underwriting Fee <input type="checkbox"/> Legal Fee <input type="checkbox"/> Escrow Fee <input type="checkbox"/> Transfer Tax <input type="checkbox"/> Recording Fee					

Truth-in-Lending Act Disclosure – Early Disclosure

- The early Truth-in-Lending Act (TILA) disclosure is required to be provided to applicants within three business days of application. The disclosure is generated by the *Encompass System* and provided to the borrowers at the time of application for face-to-face interviews. It is mailed within three business days for loans taken by telephone. The Disclosure Acknowledgement is signed by the applicants to evidence their timely receipt of these important disclosures. The borrower must be in receipt of this disclosure prior to the collection of any fees by AURA. Please note, it is Aura's practice to collect all fees at the time of closing. An (e), indicating 'estimate' should be inserted beside each of the figures in the top four boxes of the TILA Disclosure (APR, Finance Charge, Amount Financed and Total Payments).
- **Earliest Possible Closing Date:** Based on recent changes to the Truth-in-Lending Act (TILA), in no event may a closing occur until the seventh business day after the mailing of the initial disclosures.
- Provisions of the TILA also require that additional TILA disclosures be provided whenever the APR changes within certain tolerances ($1/8^{\text{th}}$ of one percent for fixed rate mortgage loans and $1/4$ of one percent for ARM or Construction mortgage loans). It is the Policy of Aura Mortgage to provide re-disclosure in cases where the APR increases by $1/4\%$ or more. In the event new disclosures are required based on an APR change outside of the tolerance:
 - AURA will hand deliver or mail new disclosures to the applicants (if mailed, we must presume that the consumer receives the disclosures three business days after the mailing date). The closing will not be able to occur until the third business day after the consumer has received the disclosures (provided the seventh business day period for the initial disclosures has ended).

A final TILA will be signed at closing. All timing requirements outlined above will be followed to ensure that any changes to the APR have been disclosed as per the requirements of the Truth-in-Lending Act. The Itemization Disclosure highlights the fees/costs that are considered Prepaid Finance Charges (and therefore included in the APR calculation).

Documents in the Application Package, Continued

HUD Special Information Booklet



HUD Special Information Booklet

- RESPA requires that borrowers purchasing a home be provided with the HUD Special Information Booklet, which contains consumer information regarding various real estate settlement services. This booklet has been revised as of January 2010. The new version of the booklet provides prospective borrowers with information on shopping for a mortgage, how to read the new GFE form and the HUD-1. AURA orders a supply of these booklets for distribution to new applicants with the application package. The Disclosure Acknowledgement is signed by the applicants to evidence their timely receipt of these important disclosures.

Documents in the Application Package, Continued

Servicing Disclosure

Servicing Disclosure Statement

Lender:

Date:

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. Section 2601 et. seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow account payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advanced notice before a transfer occurs.

Check the appropriate box under "Servicing Transfer Information."

Servicing Transfer Information

☐ We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.

or

☐ We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.

or

☐ The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

Acknowledgment of Mortgage Loan Applicant(s)

I/We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below. I/We understand that this acknowledgment is required as part of the mortgage loan application.

Borrower

Date

Borrower

Date

Borrower

Date

Borrower

Date

Servicing Transfer Disclosure

RESPA requires that lenders provide applicants with a Servicing Transfer Disclosure Statement within three business days of the application. This form discloses to the borrower whether the lender intends to service the loan or transfer it to another lender. It also provides information about complaint resolution. AURA provides this disclosure at the time of application for face-to-face interviews. It is mailed within three business days for loans taken by telephone. The receipt of this form is evidenced by the applicant's signature on the Disclosure Acknowledgement form.

Documents in the Application Package, Continued

Availability of Appraisal Report The Equal Credit Opportunity Act (ECOA) requires that applicants for mortgage loans receive a copy of the Appraisal Disclosure, which informs the applicants of their right to receive a copy of the appraisal report. The Home Valuation Code of Conduct (HVCC) requires that a copy of the report be provided to borrowers at least three days prior to closing. Aura's practice is to provide all borrowers a copy of the report at least 3 days prior to closing. In the event the loan application is denied or withdrawn and an appraisal report has been obtained, Aura's practice is to mail a copy of the report to the applicants within 30 days of the decision or withdrawal notification.

Documents in the Application Package, Continued

Notice to Massachusetts Property Applicants Massachusetts MGL Chapter 184, 17B Disclosure



NOTICE TO MASSACHUSETTS PROPERTY APPLICANTS

1. The responsibility of the attorney for the mortgagee is to protect the interest of the mortgagee.
2. The mortgagor may, at his or her own expense, engage an attorney of his/her own selection to represent his/her own interest in the transaction.
3. The approximate expiration date of the loan will be 10, 15, 20, 25 or 30 years from the date of the note and will be established by the mortgagee prior to the closing. Monthly payments will be structured so as to provide for repayment of the loan and all interest by the expiration date.
4. The interest rate to be charged will be set by the mortgagee at the time of application, when the mortgage commitment is issued, or may be established 14 business days prior to closing.
5. As of the expiration date of the loan, the mortgagee may demand payment of it, may rewrite it by agreement at a greater or lesser rate of interest, or may by agreement allow payments to be made on it at the same, or a lesser, or a greater rate of interest.

APPLICANTS ACKNOWLEDGE

1. That if the property is newly constructed or a dwelling of more than one unit, the Lender will require a Certificate of Occupancy at settlement indicating compliance with the state building code, sanitary code and local ordinances.
2. That the lead paint requirements of the mortgage are: Owner-Occupied Single Units: The Lender will require a lead paint waiver indemnifying it for any judgments, costs or liability that may result from lead paint in the property. All dwellings with more than One Unit: The Lender will require at closing certification that the property is free of lead paint in compliance with Massachusetts General Laws, Chapter 111, Sections 190-199.
3. That the mortgagee's policy regarding smoke detectors is satisfactory proof of compliance with Massachusetts General Laws Chapter 148, Section 26F must be provided to the Lender at closing.
4. The Federal Equal Credit opportunity Act and comparable provisions of Massachusetts law prohibit creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income derives from any public assistance program. The Federal Equal opportunity Act also prohibits creditors from discriminating against credit applications because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the Federal law concerning this credit is the Federal Trade Commission, Washington, D.C. 20580. The State agency that administers compliance with the state law is the Massachusetts Commission Against Discrimination, 1 Ashburton Place, Boston, Massachusetts 02108.

Borrower Signature _____ Date _____

Co-Borrower Signature _____ Date _____

Massachusetts MGL Chapter 184, 17B Notice

- The MGL Chapter 184 17B Notice is a Massachusetts required disclosure which must be provided to applicants at the time of application for face-to-face applications and within three business days for applications received by telephone, internet or mail. The purpose of this disclosure is to inform applicants that the closing attorney represents the lender and to inform the applicants of their right to engage a lawyer to represent their interests in the transaction. AURA provides this disclosure at the time of application. This is evidenced by the signed Disclosure Acknowledgement form.

Documents in the Application Package, Continued

Privacy Policy Disclosure

Aura Mortgage Advisors, LLC
Privacy Policy Disclosure

We take our clients' financial privacy very seriously. During the course of processing your application, we accumulate non-public personal financial information from you and from other sources about your income, your assets, and your credit history in order to allow us to make an informed decision about granting your credit. We restrict access to non-public personal information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

Information Collected:

We collect non-public personal information about you from the following sources:

- Information we received from you on the applications or other forms, such as your name, address, social security number, assets, and income
- Information about your transactions with us, our affiliates, or others, such as your account balance payment history
- Information we received from a consumer reporting agency, such as your creditworthiness and credit history

Information Shared:

We may disclose the above information about you to the following types of third parties:

- Financial service providers, such as other mortgage bankers, securities broker-dealers, and insurance agents
- Non-financial companies such as title and escrow companies, appraisal companies, etc.
- Others such as non-profit organizations

We may disclose the above information to companies performing marketing services on our behalf or to other financial institutions with which we have joint marketing agreements. By sharing this information, we can better understand your financial needs and offer products to help you better reach your financial goals.

The information sharing described above is subject to your right to direct that we do not make the disclosures, and this opt out right is described below. We may disclose non-public personal information about you, including consumer report type information that relates solely to our transactions and experiences with you, to our affiliates, and this information sharing is not subject to an opt out right. We may wish to share consumer report type information that does not relate solely to our transactions and experiences with you ("Other Information") with our affiliates who may have products or services that are of interest to you, or who may be able to offer assistance in connection with your transaction. You have the right to opt out of our sharing of Other Information with our affiliates.

Opting Out:

If you prefer that we do not disclose non-public personal information about you to non-affiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make these disclosures (other than disclosures permitted by law).

As noted above, you also have the right to opt out of our share of other information, that is, direct us not to share Other Information, with our affiliates.

License Number MCS382

Privacy Policy Disclosure

- Aura's Privacy Policy Disclosure discloses to the applicants that AURA takes their customer's financial privacy seriously. It also provides information to the applicant(s) regarding the types of information and under which circumstances, AURA will share information concerning the applicants. This disclosure is provided to applicants at the time of the application. This is evidenced by the signed Disclosure Acknowledgement form.

Documents in the Application Package, Continued

Borrower's Certification and Authorization

BORROWERS CERTIFICATION AND AUTHORIZATION

The undersigned certify the following:

1. I/We have applied for a mortgage loan from **Aura Mortgage Advisors, LLC**, a licensed mortgage lender in the Commonwealth of Massachusetts.
1. In applying for the loan, I/we completed a loan application containing information on the purpose of the loan, the loan amount, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentation in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/We understand and agree that **Aura Mortgage Advisors, LLC** reserves the right to request additional information to process my/our loan application. This may include verifying the information provided on the application with an employer or financial institution.
3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.
4. If two or more names are set forth below, one or more applicants have stated that this is an application for joint credit. To confirm the intent to apply for joint credit, both applicants must sign and date below. If both applicants do not intend to apply for joint credit, please contact your Loan Specialist immediately at the phone number listed above.

AUTHORIZATION TO RELEASE INFORMATION

TO WHOM IT MAY CONCERN:

1. I/We have applied for a mortgage loan from **Aura Mortgage Advisors, LLC**. As part of the application process, **Aura Mortgage Advisors, LLC** may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
1. I/We authorize you to provide to **Aura Mortgage Advisors, LLC** or any investor that purchases the mortgage loan any and all information and documentation that they request. Such information includes, but is not limited to, employment history, and income, bank, money market, or similar account balances, credit history and copies of income tax returns.
2. A copy of this authorization may be accepted as an original.
3. Your prompt reply to **Aura Mortgage Advisors, LLC** or the investor that purchased the mortgage is appreciated.

Applicant's Signature _____ Date _____

Applicant's Signature _____ Date _____

License Number: MC5582

Borrower's Certification and Authorization

- The Borrower's Certification and Authorization is a disclosure serves several purposes. The form asks the applicants' to certify that the application provides true and accurate information. It also addresses ECOA's requirement that joint applicants affirmatively confirm that they intended to apply for a loan. In addition, the form provides AURA with the ability to use the disclosure to request information concerning credit or employment. A copy of this form may be used when sending VOE's or requesting credit.
- This form is signed by the borrower at the time of application for face-to-face interviews. It is mailed for borrower's signature within three business days of the application for loans taken by telephone.

Documents in the Application Package, Continued

Tax Form 4506-T

Form 4506-T (Rev. January 2008) Department of the Treasury Internal Revenue Service		Request for Transcript of Tax Return ▶ Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2. ▶ Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.	OMB No. 1545-1872
Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-429-1040 to order a transcript. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.			
1a Name shown on tax return. If a joint return, enter the name shown first.		1b First social security number on tax return or employer identification number (see instructions)	
2a If a joint return, enter spouse's name shown on tax return		2b Second social security number if joint tax return	
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code			
4 Previous address shown on the last return filed if different from line 3			
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.			
Caution: DO NOT SIGN this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.			
6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶			
a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120A, Form 1120A, and Form 1120B. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days. <input type="checkbox"/>			
b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days. <input type="checkbox"/>			
c Record of Account, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days. <input type="checkbox"/>			
7 Verification of Nonfiling, which is proof from the IRS that you did not file a return for the year. Most requests will be processed within 10 business days. <input type="checkbox"/>			
8 Form W-2, Form 1099 series, Form 1088 series, or Form 1448 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide tax transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2008, filed in 2007, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days. <input type="checkbox"/>			
Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.			
9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.			
Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.			
Sign Here ▶ Signature (see instructions)		Telephone number of taxpayer on line 1a or 2a ()	
Title (if line 1a above is a corporation, partnership, estate, or trust)			
Spouse's signature		Date	

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 37007N Form **4506-T** (Rev. 1-2008)

Tax Form 4506-T

- The IRS Form 4506-T should be collected whenever a borrower submits tax returns for the purpose of income verification. The 4506-T authorizes AURA to independently obtain verification of tax return information received by the IRS. While this form is typically utilized for self-employed applicants or those with unusual income patterns or income sources, it is required to be signed by all borrowers at time of application. Many secondary market investors (such as Fannie Mae) require that this form be signed by all borrowers. The form is intended to prevent and detect fraud.
- AURA obtains this signed form at the time of application. A signed and dated 4506-T expires after 60 days.
- A Form 4506 is required in cases where the applicant has filed amended tax returns.

Documents in the Application Package, Continued

Aura Mortgage Advisors Bi-Weekly Agreement Early Disclosure

AURA MORTGAGE ADVISORS, LLC.
BIWEEKLY PAYMENT DISCLOSURE

Borrower(s) Name: _____ Disclosure Date: _____

The Borrower acknowledges that the Lender has disclosed and explained the biweekly payment requirement and the annual election for application of payments as follows:

1. BIWEEKLY PAYMENTS. Borrower shall pay principal and interest by making a payment every fourteen days (the "Biweekly Payments"), beginning on the first bi-weekly payment due date and every fourteen days thereafter.

Based on your anticipated closing date of: _____ your first Bi-Weekly Payment will be due on: _____

2. PAYMENTS:

Time and Place of Payments. Borrower agrees to make Biweekly Payments. In the event the fourteenth day does not fall on a business banking day, the payment date shall be the following business day. Borrower agrees to make Biweekly Payments every fourteen days until all of the principal and interest and any other charges due and owing under the Note are paid in full. Biweekly Payments shall be applied first to any late fees, charges, costs related to collateral and advanced by the Lender, then to interest, and then to principal. Borrower shall make all payments to Lender at 56 Warren Street, Roxbury, MA 02119.

Biweekly Payments shall be held by the Lender until a full monthly payment amount has accrued, at which time the full monthly payment due under the Note shall be applied first to any late fees, charges, costs related to collateral and advanced by the Lender, then to interest, and then to principal. Based on your anticipated closing date of: _____ Your first monthly payment will be applied on: _____

(B) Manner of Payment. Biweekly Payments will be made by an automatic deduction from an account Borrower agrees to maintain at a state or federally chartered and insured financial institution. Borrower agrees to maintain funds in the account sufficient to pay the full amount of such Biweekly Payment on the date each said payment is due.

The first twenty-four (24) of the twenty-six (26) Biweekly Payments called for hereunder shall be automatically applied to the loan amount as provided for herein. So long as Borrower is not in default under the terms of the Note and Loan Documents and has not been late with any payment provided for under the Note and Loan Documents in the preceding twelve (12) months, Lender shall provide Borrower with the option of applying the twenty-fifth (25th) and twenty-sixth (26th) Biweekly Payments to: (1) the principal balance of the Note; or (2) a capital reserve account to be held by Lender for capital improvement/and/or unexpected expenses for the property securing the loan. In the event Borrower elects to apply the 25th and 26th Biweekly Payments to

AuraMortgageAdvisors,LLC Early Disclosure: Bi-Weekly Payment Agreement 10-13-2009

Early Disclosure of Bi-Weekly Payment Agreement

- One of the unique elements of Aura's lending programs is its focus on assisting homeowners with budgeting and financial management. A key component in this process is the requirement that borrowers enter a bi-weekly payment arrangement. Loan payments are collected on a bi-weekly basis and held by AURA until a full payment is received. Payments are then applied to the interest, principal, any late charges and the escrow account. Because the payments are made on a bi-weekly basis, a total of 26 payments or 13 monthly payments are collected.
- Aura's Biweekly Agreement provides the applicant with the option (assuming a timely payment history) to apply the thirteenth payment to the loan balance, or as a deposit to a Capital Improvement Account for the subject property. Because of the potential for the loan to amortize on a 30 year term, the loan is disclosed as a thirty year loan.
- The Bi-Weekly Payment Agreement Disclosure is provided to the applicants at the time of application for face-to-face interviews, in order to provide early disclosure of their requirement to sign this agreement at the loan closing. The signed Disclosure Acknowledgement form evidences the borrower's receipt of the disclosure. It is mailed within three business days of the loan application for loans taken by telephone.

**Additional
Required
Documents**

Additional Required Documents

Aside from completing the application and other required documents found in the Application Disclosure Package, borrowers are required to furnish additional documents when applying for a loan. The additional documentation required can differ depending on the type of transaction, the property, and/or the applicants' income and employment situation. Below are some specific requirements related to various types of transactions.

Purchases:

A copy of the Offer to Purchase or a copy of the Purchase and Sale Agreement is required by the Aura Mortgage at the closing. A Purchase and Sale Agreement is a signed document by the seller and buyer specifying the terms and conditions of the sale. When the Loan Officer reviews the agreement, he/she needs to pay special attention to the:

- Financing contingency – the date that the applicants must receive their mortgage financing or risk losing their deposit.
- Date of closing – the date that the applicants must be prepared to close on the real estate.

The Loan Officer should review these dates to ensure that the Aura Mortgage can complete the process by the required dates of the P&S.

Refinance:

A copy of the deed is required by the Aura Mortgage at application. When a homeowner is refinancing, he/she is asked to provide a copy of the Deed. When a homeowner is refinancing, he/she is asked to provide a copy of the Deed. The deed provides the Aura Mortgage with the name of the owner(s) and the property location.

Standard-Employed Borrowers: Borrowers who are employed by a company must provide two year's most recent W-2 Forms and 30 days income verification via paystubs evidencing income and employment history. Prior to closing, Aura Mortgage will verify the borrower's employment by telephone or written verification.

A verification of Employment Form (Form 1005) will be included in the application package for all standard employed applicants. Part I of the form will be completed by the Loan Originator and the borrower's signature obtained (section 8 of Part I) at the time of application. For loan applications that are taken by telephone, the Loan Originator will complete Part I and mail the form to the applicants' employer along with the borrower's signed authorization form.

Additional Required Documents, Continued

Non-Standard Income Sources: Sometimes an applicant's income is from sources not considered standard. In these cases, Aura's Loan Officers may need to work with the applicants to ensure that their income sources are adequately documented. Examples of non-standard income sources include:

- Bonuses
- Commissions
- Seasonal Employment
- Contract Employment
- Boarder Income (borrower's residence)
- Alimony/Child Support/Separate Maintenance
- Retirement/Social Security
- Auto Allowance

Self-Employed Borrowers: Applicants who own a 25 percent or greater share of a business are considered self-employed. A copy of the most recent two years' personal tax returns, including all schedules evidencing income and expenses related to a borrower-owned business will be required. For loans taken after the first quarter of a new tax year, a Year-to-Date Profit and Loss Statement should also be provided. The grid below highlights the basic documentation required for each type of business structure a borrower might own. See [pages 47 and 48](#) for further information on qualification of self-employed applicants and the schedules used as well as lines to refer to on the IRS Individual Tax Return.

<u>Type Business</u>	<u>Required Schedules</u>
• Interest Income	Schedule B
• Sole Proprietorships:	Schedule C
• Capital Gains	Schedule D
• Corporations:	W-2s and Corporate Returns
• Partnership	Schedule E, Schedule K-1 and Partnership Returns
• Limited Liability Corporation	Schedule E, Schedule K-1 and Partnership Returns or Corporate Returns (in some cases)
• Sub-Chapter S Corporations	Schedule E, S Corporate Returns, Schedule K-1
• Income From Real Estate	Schedule E Copies of Leases or Tenant-at-Will Letters

Additional Required Documents, Continued

Condominium Loans: The ‘at application’ documentation for loans to be secured by a condominium unit must include *Condominium Documents*, including:

- Master Deed [including Recorded Declarations, By Laws, Amendments Covenants, Easements and Restrictions]
- Survey
- Budget
- Evidence of insurance coverage/Master Insurance Policy
- Evidence of H06 Unit Policy (‘walls-in’ coverage)

Conducting the Loan Application Interview

Introduction

Aura's Loan Originators may receive an application via:

- Telephone
- In person by the customer
- Mail

The majority of loans originated by AURA Mortgage will be the result of a referral from NSP. In order to utilize the information gathered from the borrower during NSP's intake process, NSP will request that each applicant sign the *Authorization to Release Information* section of the NSP Transmittal form. The information shared is pertinent to the mortgage loan process.

Receiving an application from a customer directly

Typically, applicants will meet face-to-face or by telephone with an AURA Loan Officer to begin the application process. This is a good practice because it serves to ensure that the information provided is complete and accurate. It also provides the applicants with the opportunity to ask questions and gain a complete understanding of the loan process and terms of the loan.

The Loan Officer assists the applicants in the completion of the application to ensure that it is accurate, complete and includes any necessary supporting documentation (as outlined on pages 19 through 21). The Loan Officer also introduces the applicants to the Mortgage Loan Processor at this time. The Loan Processor will act as the Applicants primary contact from this point through the Loan Closing.

ECOA Requirements Related to Signatures

If an application is received and filled out by one spouse, the application will be underwritten based on the applicants' income and debts. If the applicant qualified for the mortgage on their own, the mortgage application would be approved.

If the title to the property is in the spouses' name also, the spouse's signature would only be required on the documents necessary to perfect Aura's lien on the property. Only if an application is filled out jointly by both spouses, would we consider it their intention to apply jointly for credit.

Conducting the Loan Application Interview, continued

Collecting the GMI

Once the application is considered complete, the Loan Officer ensures that all applicants have signed and dated the application. The GMI (Government Monitoring Information) section of the Application must be completed. This section includes Ethnicity, Race, and Gender. This information must be collected for applications that are closed as well as for loans that do not result in an origination.

Loan applicants must be provided the standard disclaimer about the reasons for collection of data on ethnicity. This information must be stated orally if the application is taken by telephone or in person and in written form if the application is by mail or over the Internet.

Disclosure to applicant(s): The loan officer shall inform the applicant(s) that the information regarding race or national origin, sex, marital status, and age is being requested by the federal government for the purpose of monitoring compliance with federal statutes that prohibit creditors from discriminating against applicants on those bases. The Loan Officer should inform the applicant(s) that if the applicant(s) chooses not to provide the information, the creditor is required to note the race or national origin and sex on the basis of visual observation or surname.

Establishing a Clear Application Date

The Loan Officer then signs and dates the application in the *Interviewer Section*. This date will be used to track compliance with the provisions of the Equal Credit Opportunity Act (related to the timing of the loan decision and communication of the decision to the applicant(s)).

Rate Options and Rate Lock Process

Aura Mortgage locks all its mortgage loan rates at the time of application for a period of forty-five days. The rate disclosed at the time of application reflects the current rate and any associated points for the product the borrower is applying under. Aura offers two rate lock options for applicants to choose from, a half-point option and a one point option. The Loan Officer should provide the Rate Lock Disclosure and explain the terms of Aura Mortgage's rate/point options as well as rate lock procedures to all applicants at the time of application.

Conducting the Loan Application Interview, continued

Customer Identification and the USA Patriot ACT

When a customer applies, it is the responsibility of the Loan Officer accepting the application to obtain appropriate customer identification. In addition, the Closing Attorney will complete a *USA Patriot Act Information Form* at the closing in order to verify and authenticate each of the borrower's identities and customer information. The internal form shown below must be used by the Loan Officer or Loan Processor to document source-documents reviewed to authenticate each borrower's identity at the time of application.

Aura Mortgage Advisors, LLC.
USA Patriot Act Customer Information Documentation

INSTRUCTIONS: Please complete a separate one of these forms for each applicant. You must demonstrate appropriate due diligence with respect to determining each applicant's identity. This form is for internal use.

Provide information for two separate *identification source documents*. At least one of the documents must be from the Primary list. The second may be from either the Primary or Secondary lists.

Primary Document List	Country Doc Originated	State Doc Originated	Applicant Date of Birth	Document Expiration Date	Comments
<input type="checkbox"/> State Issued Driver's License					
<input type="checkbox"/> State Issued ID Card					
<input type="checkbox"/> Military ID Card					
<input type="checkbox"/> Passport					
<input type="checkbox"/> US Alien Registration Card					
Secondary Document List					
<input type="checkbox"/> Social Security Card					
<input type="checkbox"/> Non-US Driver's License					
<input type="checkbox"/> Government Issued Visa					
<input type="checkbox"/> Voter Registration Card					
<input type="checkbox"/> Recent Signed Tax Returns					
<input type="checkbox"/> W-2 or Recent Paystub with Name					
<input type="checkbox"/> Recent Utility Bill					
<input type="checkbox"/> Bank or Investment Statements					

Comments: _____

I have personally viewed the documentation checked above and certify that the information has been reviewed and validated.

Aura Mortgage Advisors, LLC. Representative Signature

Date

AuraMortgageadvisors/created3-22-2010

**TILA and
Higher Priced
Mortgage Loan
(HPML)
Provisions**

Conducting the Loan Application Interview, continued

In October of 2009, the Truth-in-Lending Act was amended to include a new category of loan. **Purpose:** Congress felt that HOEPA's ("Section 32") 'high-cost mortgage' loan definitions did not substantially deter predatory, unsafe/unsound consumer mortgage lending practices like "fee harvesting". As a result, a new category: "*Higher-priced*" mortgage loans (HPMLs) ("Section 35") was created. A loan is considered to be a HPML if the APR for the loan is greater than or equal to the Average Prime Offer Rate plus 1.5 percent (for first lien properties).

Loans that fall into this category are required to adhere into the following requirements and/or restrictions:

- We Must verify income and borrower's ability to repay loan based on income/cash flow;
- No Prepayment Penalty in first 4 years
- Must establish escrow accounts for taxes, hazard insurance and flood insurance (HOA fees are not required to be escrowed if the Condominium's HOA covers this cost and is paid directly to the HOA);
- No coercion of appraiser
- Prompt crediting of payments

Lenders that are required to report under the Home Mortgage Disclosure Act (HMDA), need to report transactions that fall into the HPML category. Because Aura is a non-profit lender with a tax exempt status, we are exempted from HMDA reporting.

The Processor will follow the steps below to determine and, when appropriate address any loan that is considered an HPML.

1. Check each loan's HPML status using the FFIEC's Rate Spread Calculator (www.ffiec.gov/ratespread/newcalc.aspx) whenever:
 - A new loan application is received
 - At the time of rate lock (if not locked at time of application)
 - Anytime the rate or fees change for any reason.
2. Print the FFIEC sheet to show the HPML Status (the sheet will state either N/A for non-HPML rates or will state the rate spread if it is at or over 1.5% for first lien transactions).
3. Ensure that no exceptions to income verification and qualifying ratios or escrows are made whenever the rate is determined to be in the HPML category.

Conducting the Loan Application Interview, continued

Refinances Massachusetts requires that lenders determine that a refinance loan secured by a borrower's primary residence be determined to be in the borrower's best Borrower's interest, (for example, the interest rate and/or payment is being lowered by the transaction).

Aura utilizes the worksheet depicted below is an internal form to be completed by the processor for purposes of demonstrating compliance with this Massachusetts requirement. The borrower does not need to be given this document. The document should be kept on file until the loan is paid off.

AURA Mortgage Advisors, LLC.

DETERMINATION OF BORROWER'S BEST INTEREST WORKSHEET

For Refinance Transactions Only

Part A:

	YES	NO
Property located in Massachusetts?		
Property will be owner-occupied and is a 1-4 family dwelling?		
Borrower is a natural person?		
Subject loan will pay off a current lien (in whole or part) that was originated in the last 60 months (based on the application date for the new loan)?		
Loan term is in excess of 12 months?		

☐ Check here if the answer to every question above is "YES". AURA must determine that the loan is in the borrower's best interest by completing the worksheet below. If one or more answers above is/ are "No", no further calculations are necessary. Simply sign and date the worksheet.

Part B: Safe Harbor Limits:

If the box in Section A above is checked, the following calculations must be made in order to determine whether the APR on the new transaction is within the safe harbor limits:

The APR of the new loan at the time of commitment must not exceed the yield on U.S. Treasury securities of a comparable maturity (20 year constant maturity for loans with 20-30 year terms; 10 year constant maturity for loans with 10-19 year terms); as of the 1st of the preceding month by more than:

- 2.50% percentage points for closed-end first lien home loans;
- 3.50% percentage points for closed-end second lien home loans;
- Prime rate index as published in the Wall Street Journal plus a margin of one percentage point.

The APR calculation should be done at the time of both the initial and final TILA disclosures.

3 Day Disclosure Calculation

APR at the time of Early (3 Day) TILA: Fully Indexed Rate at time of 3 Day Disclosures (margin plus index rounded to the nearest one eighth of one percent): _____ %

Does calculation exceed safe harbor calculation: Circle one: Yes No

Final Disclosure Calculation

Fully Indexed Rate at time of Final TILA Disclosure (margin plus index rounded to the nearest one eighth of one percent): _____ %

Does calculation exceed safe harbor calculation: Circle one: Yes No

Loan Processing and the Initial Application Meeting

The Loan Processor will join the Loan Officer in meeting the new loan customer(s) at the application interview. This will provide for a smooth transition to loan processing and should serve to create a sense of rapport between the customer and the Loan Processor.

Loan Processing and Post Application File Review

Reviewing required documents

Within 48 hours of receiving the application, the AURA Loan Processor should review new applications and associated documents for completeness and accuracy. This is an important step in the loan process as it serves to ensure that a timely closing can occur. If at this time, the Loan Processor determines that any other information or documentation is required, they will send an *Additional Needs Letter* to the borrowers. This document identifies any information or documentation that is necessary for the borrower to provide in order for AURA to make a loan decision.

AURA Mortgage Advisors, LLC.
Additional Needs Letter

_____ (date)

Joseph Borrower
123 Borrower Street
Anytown, MA 02345

RE: Mortgage Loan Application Secured by the Property Located at: _____

Dear: _____ (Applicant's Name):

Thank you for your mortgage loan application, which we received on _____ (application date). We have determined that additional information or documentation is required to complete your loan application. In order for us to consider your application complete and make a loan decision, we need to receive the following documents and/or information:

-
-
-

Please do not hesitate to contact me if you would like to discuss this request further.

Sincerely,

_____ (Loan Officer Name)

Loan Officer Phone #
Email address
Fax Number

Loan Processing and Post Application File Review, continued

Completing the Borrower Communication Log

A **Borrower Information Sheet and Communication Log** will be initiated by the Loan Processor after the borrower interview. The communication log is to be used by the Loan Processor to record information concerning customer conversations and the loan application process:

- Summary of borrower communications
- Documentation requests
- Income calculations and supporting information
- Changes to terms or conditions of the loan
- Dates of receipt of requested documentation
- Qualification ratios with information estimated mortgage payment, income and expenses.
- Loan status information
- Any requested Loan Policy exceptions

OFAC Screening

The Office of Foreign Assets Control (OFAC) is a U.S. government agency that maintains a list of names and aliases of individuals, organizations and companies that the U.S. government has classified as potentially dangerous and a potential threat to national security. The U.S. government updates these lists periodically and maintains the blocking program. This requirement falls under the USA PATRIOT Act, the anti-terrorism legislation that was signed into law on October 25, 2001 as a result of the events of September 11.

Each of Aura's approved credit reporting agencies automatically runs OFAC scans matching borrower names, addresses and federal tax ID numbers against the OFAC database of Specially Designated Nationals (SDNs) and Blocked Persons. The results of the scans are stated in the report.

In the event the scan results in a match on the OFAC listing, the loan file should be referred to a Supervisor. The Supervisor will make a determination as to whether or not to go forward. In order to move forward on the application, a determination that the OFAC 'hit' was false is required. A memo referencing the process to determine this and the decision should be placed in the loan file.

Processing the Loan

Introduction Once the Loan Officer completes the initial interview with the applicant(s), the Processor will conduct an initial review of the application and supporting documents, he/she will process the application from this point on.

Processing the application The Mortgage Processor completes the following steps in order to process the mortgage application:

- Enters the application into the Encompass system
- Files copies of the Early Disclosures and the Disclosure Acknowledgement Form
- Obtains the credit report (if not obtained during the interview)
- Orders the appraisal
- Orders the Legal Work (notifies Closing Attorney of anticipated closing/date).

Processing the Loan, Continued

Obtaining Credit Reports	Aura Mortgage requests a Credit Report for each applicant on a mortgage application. Credit reports are obtained through an electronic request from the Encompass system to Advantus Credit Services.
Credit reports And the Fair Credit Reporting Act	Aura adheres to all provisions of the Fair Credit Reporting Act (FCRA). The FCRA, Public Law 91-508. All information received from Credit Reporting Agencies is held in the strictest confidence and will be for the Aura's exclusive use. The information contained in credit reports includes personal financial information about individual consumers and, as such, requires that we treat such information responsibly and take reasonable steps to assure that such Credit reports are not misused. AURA uses the reports to determine the credit history and payment habits of the applicant(s). Information contained in the credit report is verified with the credit application provided by the applicant. Information is recorded in the Encompass mortgage system and uploaded to the loan Application (1003)
New Inquiries	The Loan Officer should review the Inquiry Section of the Credit Report. All inquiries dated within 90 days of the application must be explained in writing by the borrower. Evidence that no new trade lines were opened as a result of the inquiry (or these new trade lines will be carried in the debt ratio calculation).

Fraud and Active Duty Alerts	Under Provisions of the FACT Act, consumers can add a fraud alert message to their credit reports to help protect their credit information. Fraud alert messages notify potential credit grantors to verify the consumer's identification before extending credit in their name in case someone is using their information without their consent. Active Duty Alerts are available to members of the military who are on active duty. This service is designed to prevent thieves from opening accounts in their names while they are overseas.
-------------------------------------	---

In order to comply with the Identity Theft and Fraud Alert Provisions of the FACT Act The following procedure will be adhered to:

- The Loan Processor will review the credit report(s) and verify whether there are any *Fraud Alerts* or *Active Duty Alerts* on applicant(s) credit.
- If a Fraud Alert is found on the credit report, the Loan Processor must call the telephone number indicated to confirm that the person has applied for credit with the mortgage corporation.

- The Loan Processor must document the customer conversation and confirm that the person reporting the Fraud Alert has applied for a mortgage loan. If no phone number was provided on the credit report a written letter must be sent to the person(s) who is reporting the Fraud Alert.

Processing the Loan, Continued

Appraisal Reports	Appraisals are ordered for all new mortgage applications as soon as possible, but in all cases within 48 hours of the application date. Appraisals are assigned to one of the Aura-approved appraisal company. An appraisal is ordered by e-mailing the Appraisal Request Sheet to the appraisal company.
Complying with ECOA's provisions regarding Appraisals	<p>Borrowers will be mailed a copy of the appraisal for all loan transactions for which an appraisal report is obtained.</p> <p>Note: Under the Equal Credit Opportunity Act (Regulation B), Aura Mortgage is required to provide applicants with copies of appraisal reports used in connection with credit transactions upon their request. In order to satisfy this requirement, it is Aura's policy to provide applicants a copy of the appraisal report prior to closing or at the time of closing.</p>
Complying with the Flood Disaster Protection Act	<p>If a collateral property has been determined to be in a special flood hazard zone, flood insurance must be obtained prior to closing. The insurance policy must accurately describe the collateral property, the flood zone code, and list the institution (<i>Aura Mortgage Advisors, LLC, 56 Warren St. Boston, MA</i>) as loss payee and indicate the coverage amount as follows: The amount of the flood insurance must be at least equal to the <u>lesser</u> of the outstanding principal balance of the loan or the replacement cost value (RCV), up to the maximum allowable coverage (generally \$250,000).</p>
Flood Coverage and Condos	<p>The flood insurance amount for a loan on a condominium unit located in a special flood hazard zone must be at minimum the lowest of the following:</p> <ul style="list-style-type: none">• The outstanding balance of the loan(s); or• The insurable value (replacement cost value) of the unit; or• The maximum amount of insurance available under the NFIP for this type of property. <p>The Residential Condominium Building Association Policy ("RCBAP") must include the number of units in the building and its Replacement Cost Value. This information is on the RCBAP declarations page for all new or renewed policies.</p>

Aura Mortgage Advisors, LLC		Revised Date: August, 2011
Procedures Manual		
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 40 of 78

Page intentionally left blank

Making the Loan Decision – Underwriting and Approvals

Preparing the Loan for Submission Prior to submitting the loan to Underwriting for a loan decision, the Loan Processor will ensure that all documentation necessary to make the loan decision is included in the file. All documentation will be organized in the loan file according to the ‘stacking order’ checklist

Completing the Transmittal Form 1008 The Loan Processor will complete the Fannie Mae Transmittal Form 1008. This form provides a summary of all key loan information necessary to make the loan decision, including loan amount, appraised value, purchase price, LTV, CLTV, payment information, housing and total debt ratios.

Documenting Loan Approvals The Loan Processor and/or Underwriter should use the *Underwriting Comments* section of the Transmittal to explain any compensating factors, policy exceptions or unusual issues, such as non-standard income calculations, higher than standard housing or total debt ratios, higher than Standard LTV or CLTV ratios, etc. In addition, any conditions of approval that are not standard conditions already stated on Aura’s Commitment Letter should be listed on the Transmittal in the Underwriter Comments section.

Once the loan decision is made, the Underwriter should sign and date the Transmittal Form evidencing the loan approval. In the event changes to figures stated on the Transmittal are deemed necessary, the changes should be made in Encompass and an updated Transmittal printed, signed and dated by the Underwriter or other AURA approving authority.

Making the Loan Decision – Underwriting Criteria

**See Underwriting
Guidelines updated 5/2012**

Making the Loan Decision – Denials and Counter-Offers

- Introduction** In the event an application does not meet Aura’s underwriting criteria, the Underwriter will determine whether a Counter Offer or Denial is warranted. In the event the loan is denied, an Adverse Action Letter must be sent to the applicant(s) within 30 days of the application date.
- Second Review** Aura utilizes a second tier review process to review any loan denials or counteroffers in order to ensure that all possible solutions have been evaluated prior to denial. The person conducting the second tier review must also have loan approval authority.
- Adverse Action Letter** Regulation B and the Fair Credit Reporting Act include provisions related to applicant notification of Adverse Action. In the event a loan application is denied based on the initial and second tier review, the Loan Processor prints out the **Adverse Action Letter** and the **Mortgage Review Board Letter and Notice** from the *Encompass System*. The Adverse Action letter outlines the reasons for the denial of credit. All reasons for the denial must be noted on the adverse action.
- A copy of the Adverse Action Notice is printed. However, the Adverse Action Notice should not be mailed to the applicants until a face-to-face meeting or telephone conversation informing the applicants of the decision and the underlying reasons for the denial. The purpose of this phone call or meeting is to ensure that no Aura applicant receives negative notice without the benefit of being able to ask questions and gain an understanding about the loan decision.
- Denials and the Mass Mortgage Review Board Letter** All denial notices for mortgage loans (with the exception of pre-approvals that a property has not been identified) must be accompanied with a Mortgage Review Board Notice. This notice provides the applicants with a notice of their right to have their application reviewed by an independent review board. The Notice ensures compliance with the Massachusetts Mortgage Loan Review Board requirements. See the images of the Review Board Letter and associated Appeal form on page 56 of this guide.
- In the event a counteroffer is determined to be necessary, the Loan Officer will contact the applicant(s) via face-to-face meeting or telephone conversation to inform them of the loan decision and determine whether the applicants would like to proceed. In the event the applicant declines the counteroffer, an Adverse Action Notice must be sent, informing the applicants that their original loan request has been denied.

Making the Loan Decision – Denials and Counter-Offers Continued

Adverse Action Notice

Statement of Credit Denial, Termination, or Change

Borrower: **Maria M. Rodriguez** Date: **08/01/11**
Address: **123 Main St., Boston, MA 02118** Phone: **617-555-1234**
Loan #: **123456789** Lender: **Aura Mortgage Advisors, LLC**

Reason(s) for Denial, Termination, or Change:

1. Credit Score: The borrower's credit score is **650**, which is below the minimum required score of **680**.

2. Debt-to-Income Ratio: The borrower's debt-to-income ratio is **45%**, which is above the maximum allowed ratio of **40%**.

3. Employment History: The borrower has been employed for **12** months, which is less than the required **24** months.

4. Credit History: The borrower has a history of late payments on credit cards, which is a negative factor in the credit review.

5. Other: The borrower's credit report shows a recent bankruptcy, which is a significant negative factor.

6. Income Verification: The borrower's income verification documents are incomplete, making it difficult to verify the reported income.

7. Property Information: The property being financed is located in a high-risk area, which increases the lender's risk.

8. Other Factors: The lender has identified other factors that may affect the borrower's ability to repay the loan.

9. Final Decision: Based on the information provided, the lender has decided to deny the loan application.

10. Next Steps: The borrower may wish to contact the lender to discuss the reasons for denial and explore options for improving their credit profile.

11. Contact Information: The lender's contact information is provided below for further inquiries.

12. Signature: The borrower's signature is required to acknowledge the denial.

13. Date: The date of the denial is **08/01/11**.



14. Lender Information: The lender is **Aura Mortgage Advisors, LLC**, located at **123 Main St., Boston, MA 02118**.

15. Disclaimers: This document is for informational purposes only and does not constitute an offer of credit.

16. Footer: The document is labeled **123456789** and is dated **08/01/11**.

- ECOA (Regulation B) and the FCRA include provisions related to applicant notification of Adverse Action. Under Regulation B, the loan applicant(s) must receive notification of a loan decision, whether approval or denial, within thirty days of the application date. The regulation also stipulates certain disclosures and information that must be included in the form (such as; reason(s) for denial, names and addresses of the regulatory agencies that oversee Aura with respect to Regulation B).
- The FCRA also includes provisions related to any adverse action that occurs in whole or in part as a result of any information from the credit report.

Mortgage Review Board Letter and Appeal Form



Date: _____
Name: _____
Address: _____

Dear :

You have the right to appeal this denial of your loan application to a Mortgage Review Board composed of lenders and citizens from your area. The Board members are appointed by the Massachusetts Commissioner of Banks whose staff co-ordinated this review process as provided by law.

The Board will review the application to determine if it was declined for valid reasons or because the property is located in a specific neighborhood or geographic area. If the Board determined that your loan was, in fact, declined because of the property's location then the Board will refer the application back to the lender with the recommendation that the loan be made.

If you wish to have your application reviewed, you may do so by affixing your signature to the statement below, and returning the statement in the enclosed addressed envelope to:

Administrative Secretary
Mortgage Review Boards
Division of Banks
1000 Washington Street – 10th Floor
Boston, MA 02118

The confidential information in your mortgage application and appeal to the Board will be released only to members of the Mortgage Review Board and the Administrative Secretary. All copies are collected at the end of the review and destroyed.

If you have any questions concerning this process, please contact the Administrative Secretary of the Board at the Division of Banks at (617) 956-1500, who will, if you request, put you in touch with representatives of consumer credit organizations. The Board will notify you if the disposition of your appeal.

Massachusetts Appeal Letter for Denied Loans

Notice of Appeal:

In accordance with the provisions outlined above, I/We wish to appeal the denial of my/our mortgage application to the appropriate mortgage review board, and I/We hereby authorize the release of the confidential material in my/our application solely for the purpose of this review.

To be completed by Mortgagee:	To be signed by Applicants:
Mortgagee: _____	_____
Address: _____	_____
Contact Person: _____	Telephone: _____
Telephone: _____	Date: _____
Address of property: _____	

Applicants: _____	

Date: _____	

Pre-Closing, Continued

At Closing Documentation Checklist

Aura Mortgage Advisors, LLC.
At Closing Documentation Checklist

Borrower(s): _____

Closing date: _____ **Time:** _____

Property Address: _____

_____ HUD-1/HUD-1A Settlement Statement

_____ Executed Note and Riders

_____ Executed Mortgage and Riders

_____ Executed Bi-Weekly Payment Agreement

_____ Auto Debit Authorization Form

_____ Title Commitment/Title Policy

_____ Survey or Survey affidavit

_____ Escrow Authorization and Agreement

_____ Compliance Agreement

_____ Signature/Name Affidavit

_____ Lead Paint, Smoke Cert and UFFI Indemnification

_____ Tax Certification & Executed W-9

_____ USA Patriot Act Form

_____ Executed Final Loan Application (1003)

_____ Truth-In-Lending Act Disclosure (final)

_____ Other: _____

_____ Other: _____

N/A _____ Contract for Construction/Rehab Agreement (when applicable)

_____ Closing Attorney _____ Date _____

_____ Processor _____ Date _____

Pre-Closing, Continued

Refinance Transactions and Rescission Periods

Introduction In compliance with Truth-in-Lending Act provisions, Aura Mortgage observes the three business (3) day right of rescission before funding an owner-occupied mortgage refinance transaction.

Right of Rescission Regulation Z – Truth in Lending specifies that customers who use their home for collateral on a loan have a three (3) business day right of rescission if he/she chooses to, without penalty from the lending institution. This means that the customer may terminate the loan no later than midnight of the third business day from the closing date by returning and signing the **Notice of Right to Cancel**. This is intended to give consumers enough time to reconsider the potential consequences of using a home to secure a loan.

The Closing Attorney shall prepare the Right of Rescission Notice and have each of the borrowers sign as applicable.

Note: The Right of Rescission is not applicable for purchases of new homes, investment properties, or second homes.

Disclosure of Late Charge Aura adheres to and discloses its late charge in accordance with the requirements of Massachusetts Law. Accordingly, no borrower will be required to pay a penalty or late charge for any payment made within 15 days (or in the case of a bi-weekly mortgage payment, for a payment made within 10 days), of the due date. The late charge will be no more than three percent of the amount of principal and interest that is past due.

Aura's initial and final Truth-in-Lending disclosure notices and Mortgage Note, disclose the late charge penalty as follows: *Three (3) percent of the overdue payment when a payment is more than 15 days late,. Late charges will be applied no more than once on each late payment.*

Post-Closing

Post Closing Receipt of Loan File

The closing attorney will make every effort to return the final, executed loan closing documents within 3 business days of the closing. Recorded documents will be provided as soon as they are returned from the Registry.

Servicing Department Handoff

The Closing/Quality Control Coordinator will provide the Loan Servicing area with a copy of the Note, Mortgage, Initial Escrow Disclosure Statement, Bi-Weekly Payment Agreement and HUD-1 Settlement Statement as well as any checks provided by the Closing Attorney.

A Loan Servicing Handoff Worksheet for each closed loan is provided to the Controller in order to ensure that the loan is properly accounted for and all proceeds and checks are properly applied. *

AURA Mortgage Advisors, LLC. Loan Servicing Handoff Sheet			
Borrower Name(s): _____		Closing Date: _____	
NSP Purchase Price: _____ X 1.25% =	\$ _____		
Acquisition Cost	+ \$ 2,000.00		
Carrying Cost (if applicable)	+ \$ _____		
Capital Reserves	+ \$ _____		
Allowance for Closing Costs	+ \$ _____		
TOTAL Sales Price Amount:	= \$ _____		
GFE/Tolerance Reimbursement (if applicable):			
NSP Sales Price	+ \$ _____		
Closing Cost Credit (if applicable)	+ \$ _____		
Mortgage Loan Amount:	\$ _____		
Total Proceeds to NSP	\$ _____		
Other Adjustments (credits or debits)	+/- \$ _____		
Other Adjustments (credits or debits)	+/- \$ _____		
Net Proceeds (should match figure on line 603 of HUD page 1)	= \$ _____		
Closing Cost Summary: Closing Attorney Name: <u>Shoshana A. Potts, Esq.</u>			
Cash brought to closing by Borrower:	\$ _____		
Payments/Reimbursements to be made to Closing Attorney:			
Lender's Title Insurance (HUD Line #1101):	\$ _____		
Owner's Title Insurance (HUD Line #1103):	\$ _____		
Govt Recording Charges (HUD Line #1201):	\$ _____		
Main Transfer Taxes (HUD Line #1206):	\$ _____		
Other:	\$ _____		
Total Check to Attorney:	\$ _____		
NSP Closing Costs:			
Point _____ %:	\$ _____		
Processing Fee:	\$ _____		
Appraisal:	\$ _____		
Credit Report:	\$ _____		
Flood Determination:	\$ _____		
Other:	\$ _____		
Pre-Paid Interest:			
Initial Hazard Escrow: _____ mo @ \$ _____/mo	\$ _____		
Initial Tax Escrow: _____ mo @ \$ _____/mo	\$ _____		
Initial HOA Escrow: _____ mo @ \$ _____/mo	\$ _____		
Aggregate Escrow Adjustment (\$0 or -\$)	\$ _____		
Total Closing Costs:	\$ _____		
Other Adjustments (credits or debits)	\$ _____		
Seller Closing Cost Credit (if applicable)	\$ _____		
Net Closing Costs:	\$ _____		
Net Closing Costs \$ _____ + Cash From Borrower \$ _____ = Cash Disbursements \$ _____			

Post-Closing, continued

Internal Post Closing Review

An internal post-closing quality review will be conducted by the Quality/Closing manager on all closed loans within 30 days of the closing. This review will include, at a minimum:

- HUD-1 Settlement Statement Comparison with GFE
- Final TILA review for accuracy of all disclosures with emphasis on APR accuracy and inclusion of all required prepaid finance charges.
- Confirmation that Early Disclosures and at application disclosures were provided in a timely manner (at application or within 3 days of the established application date).
- Note (to ensure accuracy of closing date, first payment due date, maturity date, borrower's names/signatures, payment amount, witness signature etc.)
- Mortgage (to ensure accuracy of closing date, maturity date, property address correct and same as title/title policy, borrower names/signatures, etc.)
- Bi-Weekly Payment Agreement (to ensure accuracy of closing date, first bi-weekly payment due date, first monthly payment application, borrower's names and signatures, etc.).
- Title insurance policy to ensure borrower's names, property address, coverage, and acceptable title is insured.
- Shared Appreciation Note and Mortgage to ensure accurate buyer names, dates, maturity dates, and accurate statement of buyer/lender share in appreciation is stated.
- Registry check to ensure that the subject mortgage and the shared appreciation mortgage have been properly recorded.

The Closing/Quality Control Coordinator will utilize the Documentation and File Order Checklist as well as the Key Document Checklist depicted on the next page.

Any findings will be identified and stated on the Post Closing Findings Report. Any findings requiring corrective action will be reported to management at the close of each month. Findings will be monitored and should be resolved within 30 days of the review.

Post-Closing, continued

AURA Mortgage Advisors, LLC.
Post-Closing File Order Quality Control Performed By: _____

Borrower Name(s): _____ Closing Date: _____

Document - Closing Documents	REC	N/A	Document - Credit/Collateral Documents	REC	N/A
File Order /Q/C Checklist			Additional Needs Letter (if applicable)		
HUD-1/HUD-1A Settlement Statement			Commitment Letter		
Final, Executed Application			Rate Lock Disclosure		
Closing Notification Worksheet (Cleared to Close Attorney Instructions)			Borrower Communications Summary		
Final Truth-in-Lending Disclosure			Final Fannie Mae Transmittal (1008)		
Remission of Closing Costs (GFE Addend)			Original Loan Application (completed, signed, dated)		
Initial Escrow Disclosure Statement			Verbal Confirmation of Employment (prior to closing)		
Executed Promissory Note and Riders (photocopy in file/original stored)			Income documentation (Paystubs, W-2's, Tax Returns, VOF's, Leases)		
Executed Mortgage and Riders			Credit Report(s) and any debt repayment plans/letters if applicable		
Condo Riders (if applicable)			Asset verification (bank statements, VOF's, etc.)		
Quitclaim Deed			Other Borrower documentation (Divorce Decrees, etc.)		
Executed Bi-Weekly Payment Agreement			Signed Disclosure Acknowledgement		
Title Commitment/Title Insurance Policy and Plot Plan			Original TILA /GFE Disclosures& any disclosures resent after initial		
Municipal Lien Cert/Mechanic's Lien Cert/Seller's Affidavit			Copies of Early Bi-Weekly Payment Disclosure		
Important Information Re: Payment for Real Estate Taxes (disclose Agreement)			Copies of other signed, retained disclosures		
Compliance Agreement and Signature/Name Affidavit			Flood Zone Determination		
Owner Occupancy Affidavit/Agreement			Appraisal Report		
Certificate of Non-Foreign Status/USA Patriot Act Disclosure			Purchase and Sales Agreement (NSP and Borrowers)		
Lead Paint, Smoke/Carbon Monoxide Cert and UFFI Combined Certification and Indemnification Agreement			Offer to Purchase/NSP HUD-1		
Auto Debt Authorization Form			Canceled Docs (EO, Use Debt, Evidence of Insurance, HOA Policy, Association Doc (Master Deed, Bi-Laws, Survey, Budget)		
Tax Certification & Enclosed W-9			Other:		
Contract for Construction/Rehab (if appl)			Other:		
Current Homeowners Policy/Binder					
Endorsing Home Insurance					

Comments: _____

Follow-up needed? Yes/No (circle one): List items necessary to complete/correct file below: _____

Reviewer Signature: _____ Date: _____ REV 2-18-2010

Document -Closing	REC	N/A	Document - Credit/Collateral	REC	N/A
CLOSING DOCUMENTS			BORROWER DOCUMENTS		
File Order /Q/C Checklist/Key Doc Checklist			Additional Needs letter (if applicable)		
Servicing Handoff Sheet			Commitment Letter		
HUD-1/HUD-1A Settlement Statement			Rate lock Disclosure		
Final, Executed Application			Commitment Letter		
Request to Close Form (to Closing Agent)			Borrower Communications Summary		
Closing Document Checklist			Final Fannie Mae Transmittal (1008)		
Final Truth-in-Lending Disclosure			Original Loan Application (completed, signed, dated		
Remission of Closing Costs (TILA)			Verbal Confirmation of Employment (prior to closing)		
Initial Escrow Disclosure Statement			Income documentation (Paystubs, W-2's, Tax Returns, VOF's, Leases)		
Executed Mortgage/Note and Riders			Credit reports		
Condo Riders (if applicable) and/or 1-4 Rider (for income generating prop)			Credit Reports and any debt repayment plans/letters		
Quitclaim Deed			Asset verification (bank statements, VOF's, etc.)		
Executed Bi-Weekly Payment Agreement			Other Borrower documentation (Divorce Decrees, etc.)		
Initial Escrow Disclosure Statement			Signed Disclosure Acknowledgement		
Important Information Re: Payment for Real Estate Taxes Form AND Agreement re: Real Estate Taxes and Utilities			Signed Disclosure Acknowledgement		
Compliance Agreement/ USA			Original TILA /GFE Disclosures& any disclosures resent after initial		
			Print out Confirming HPML status		
			Bi-Weekly		
			Copy of Early Bi-Weekly Payment Disclosure		
			Copies of other signed, retained disclosures		
			APPRAISAL DOCS		

Third Party Post-Closing Review

In addition to the internal review of each closed loan, a comprehensive review of 25% of closed loans will be reviewed by a third party for quality, regulatory compliance and adherence to Aura's Policies and Procedures. This review will be conducted monthly within 90 days of month-end. A report will be developed highlighting findings, recommended corrective actions, if applicable and trend information concerning cumulative findings. The report will be provided to management within 10 days of the completion of the review.

The Closing Manager will review and respond to the report, highlighting planned action steps, within two weeks of the date of the report. All corrective actions should be received and documented for follow up review within 30 days of the report date.

Aura Mortgage Advisors, LLC Procedures Manual		Revised Date: August, 2011
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 51 of 78

Loan Servicing Procedures

General

Aura strives to have a smooth customer transition at every phase of the process, including the transition from the loan closing to the loan servicing stage. The Loan Servicing Handoff Worksheet that is depicted on page 62 of this guide is utilized for every closed loan. *

This sheet is provided to the Controller in order to ensure that the loan is properly accounted for and all proceeds and checks are properly applied. A copy of the worksheet is also retained in the loan file.

Payment Processing

In order to help clients succeed in their new mortgage, Aura mortgage payments are required to be made by ACH, are debited on a bi-weekly basis and are set up to be coincident with the client's salary deposits. Since the standard loan documents Aura issues are for a 30 year fixed rate mortgage, the bi-weekly payments offer the client the opportunity to either pay down the principle balance more quickly, or make contributions to a separately held Capital and Emergency Reserve Account which can be accessed throughout the life of the loan for capital repairs to the property or during a times of financial distress (see below).

Payment Timing and Setup

Aura's Loan Booking Procedures are begun with the *Loan Servicing Handoff Sheet* contained on page 62 of the Procedures Manual. A transmittal memo specifying the date of first payment and timing of future payments is sent along with an ACH Authorization Form completed and signed by the borrower. This form also provides information on the Aura escrow accounts to be established and funded. In addition, information on the NSP held Capital and Emergency Reserve account are provided for future reference.

	Aura Mortgage Advisors, LLC	Revised Date:	August, 2011
	Procedures Manual		
Title:	Originating and Servicing Mortgage Loans		Page 52 of 78

Loan Servicing Procedures, continued

Client Support and Planning for Success

One of Aura Mortgage's goals is to help clients improve their credit scores and credit and financial management skills. Towards this end, we provide ongoing credit monitoring and counseling. This support is provided through the procedures and programs below.

Client Communications

Aura Mortgage communicates with clients throughout the year. These communications focus on keeping clients on track with their payments and with improving their financial management skills. Examples of these communications include those described and depicted below:

Post Closing Calendar

A personalized thank you note and payment calendar are sent to each borrower within 2 weeks of closing.

Dear Client,

On behalf of Boston Community Capital and Aura Mortgage, I would like to tell you how happy we are to be a part of this joyous occasion for you and your family. We look forward to a long and personal relationship with all of you in the years ahead. We know that the recent hardships you've experienced have been difficult and draining. We sincerely hope you see this as a new beginning. We at BCC and Aura are more than simply your mortgage lender; we are part of your community and are working to improve our neighborhoods and quality of life. Please call us anytime—if problems arise or just to let us know how you are doing. We'll keep in touch with you through the year to let you know about our work and your mortgage.

Enclosed please find a calendar which marks the dates of your first three months of payments. We hope this will serve as a reminder for you. Please feel free to call us with any questions.

Best of luck,

Loan Servicing Procedures, continued

Third Payment Reminder The bi-weekly payment schedule required by our mortgage products requires three payments during 2 months each year. Reminders with a quarterly calendar are sent during the month prior to each of the “3rd payment” months.

Dear Ms. _____,

This is a reminder that your mortgage requires three payments during the month of June. This is based on your payment schedule outlined in your mortgage documents.

Please see the enclosed calendar which highlights your payment dates for the next three months.

If you have any questions regarding your payments or payment schedule, please contact your loan officer.

Sincerely,



President
Aura Mortgage Advisors

Residential Tax Exemption In January, new clients are reminded of their ability to file for a residential tax exemption which will lower their annual real estate assessment.

Periodic Seminars & Events A variety of events and financially oriented seminars are planned for clients including car buying and financing education, planned savings and budgeting programs, energy savings and efficiency programs, etc.

Loan Servicing Procedures, continued

Credit Coaching Aura has developed relationships with several non profit credit counseling and coaching agencies. Clients are evaluated on a regular basis to determine if referral to one of these agencies is merited. If a referral is recommended, the Loan Officer meets with the client and the agency to provide an introduction and any information which may be needed.

	Aura Mortgage Advisors, LLC	Revised Date:	August, 2011
	Procedures Manual		
Title:	Originating and Servicing Mortgage Loans		Page 55 of 78

Loan Servicing Procedures, continued

Credit Monitoring, Review and Rating Process

Aura reviews each client's performance on an annual basis and completes an *Annual Credit Review* for each account.

The Credit File Memo is done within 45 -90 days of the anniversary date of the first payment due date. The following steps are completed as part of the review:

- Generate and analyze an updated credit report;
- Evaluate payment performance for the past year;
- Conduct a telephonic "check-in" with the each client:
 - During this discussion current employment and income status are discussed, as well as the credit management improvements or challenges the client has faced in the past year.
 - The current balance in the Capital Reserve Account is discussed, as well as the disposition of the 13th annual payment and the remaining outstanding balance of the mortgage.
- Recommendations for appropriate actions or client support are made. The recommendations are reviewed with management and an action plan initiated, when applicable.
- The reviewer provides a recommended credit rating based on the file review and client discussion. The recommendation is reviewed and either affirmed or changed by management.

A sample of the Annual Credit Review form is provided on the next page. This form is completed by Aura staff and inserted in the Credit File once the review is completed.

Loan Servicing Procedures, continued

Aura Mortgage Annual Credit Review

Review Date	11/30/2010
Client Name	James Client
Property Address	1234 Massachusetts Ave
Loan Closing Date	9/2009
First Payment Date	11/1/2009
Payment Status	Current
No. of Delinquencies	0
Recommended Credit Rating	2: A loan Rated as 2 is: Paid as Agreed for not less than 12 months Borrower has consistently paid on time with no delinquencies or late payments. No ACH debit issues have arisen in the previous 12 months.

Credit Report Review and Financial Status

Credit Report Date	11/30/2010
General Finances and Mortgage Performance	There has been no issue with any of the payments made. Client has paid on time since inception and has never had a payment bounce.
Credit Report and Activity	<p>In comparing the credit report used to underwrite the original loan and the report pulled for this first annual review, we see that James' credit scores have improved (increases for each of the 3 scores range from 4 points to +50).</p> <p>The amount of derogatory credit has decreased indicating that James has been paying down his credit lines while maintaining timely mortgage payments. A pre-existing, large student loan (\$51,000) is showing some derogatory payments over the past year (mostly 30 day lates).</p> <p>There are no new accounts opened since the time this mortgage was opened.</p>
Overall Credit Status	James' credit score has increased and derogatory credit lines have decreased.
Recommendations	It appears that James may benefit from financial coaching related to managing the student loan debt. The financial coach may be able to negotiate a better payment plan for Mr. Client's large student loan or possibly negotiate a lower balance owed.
Additional notes/comments	None.

Reviewer Initials: YZ

Mortgage Payment Monitoring Every client payment is closely tracked. If a bi-weekly electronic debit is rejected, the Controller or Receivables Clerk will notify the Aura Collections Officer. The CO will immediately contact the client to determine if the problem is a/an:

Nature of Problem	Collections Officer	Resolution Timeframe
ACH processing problem	Explain technical aspects of ACH	1-7 days
Deposit timing issue	Discuss salary and payment timing to evaluate if payment schedule should be adjusted	1-7 days
Financial and/or cash flow problem	Schedule a meeting with client to discuss financial difficulties; evaluate if modification to payment schedule is needed	1-14 days
Delinquency	Collections Officer	Delinquency Level
Financial/cash flow problem	Evaluate client for possible modification of loan. Evaluation of credit for future rating downgrade to 5.	30+ Days
Financial/cash flow problem or Unwillingness to pay issue	Attempts at modification unsuccessful and/or client is unwilling or unable to resolve delinquency. Borrower is notified of default and offered opportunities to provide a Deed in Lieu of Foreclosure or place the property for sale. Evaluation of credit for future rating downgrade to 6.	60+ Days

Aura's practice is to work with its clients during the early phases of delinquency. While state and federal law allow for late payment charges, we make every attempt to work with clients to avoid penalties and identify strategies to help the client stay on track or get back on track for timely repayment. Please refer to the Collections and Defaults section of this guide for additional information.

Loan Servicing Procedures, continued

Credit Rating System Aura recognizes that a meaningful internal risk rating system is a useful means for proactively identifying and managing issues within the loan portfolio. Consistent use of the system improves the likelihood of early detection and increase our ability to assist our clients with problem resolution strategies.

While every rating system involves subjective judgment and experience, a properly designed rating system will allow this judgment to be applied in a structured manner.

Every loan that Aura Mortgage originates is assigned a risk-rating at the time of initial Underwriting. This rating is updated each year as part of the *Annual Credit Review* within 90 days of the first payment anniversary date.

Aura uses a 1 to 7 point rating system. Definitions for each of the Ratings are provided on the next page.

Loan Servicing Procedures, continued

Credit Rating Definitions

- 1 Rated Loan** **Strong LTV with High Credit Score and Liquidity:** Paid as Agreed since inception, and at origination the loan was approved with the following characteristics: Credit Score ≥ 720 , $\leq 80\%$ LTV no prior mortgage delinquencies, no liens or judgments, liquid assets in reserve equal to 6 months PITI.
- 2 Rated Loan** **Paid as Agreed for not less than 12 months:** Borrower has consistently paid on time with no delinquencies or late payments. No ACH debit issues have arisen in the previous 12 months. The default credit rating at origination is a 2 if a loan meets all Underwriting Criteria. The default credit rating remains in place until an Annual Review is completed.
- 3 Rated Loan** **Paid as Agreed:** Payments are paid and processed on time, but on rare occasions an issue may occur with the debiting of the account due to timing of a deposit. All debiting issues have been resolved within 3 business days. The default credit rating at origination is a 3 if a loan has an Underwriting Criteria Policy Exception. The default credit rating remains in place until an Annual Review is completed.
- 4 Rated Loan** **Generally Pays as Agreed:** Payments are generally paid and processed on time, but there is a pattern of ACH rejections due to timing of deposits and/or fluctuating account balances. No 30 day delinquency has occurred in the preceding 12 months.
- 5 Rated Loan** **Payments are 45 Days Delinquent**
Despite attempts to correct or address late payments and processing issues, (see Servicing Procedures) borrower is unwilling or unable to resolve the delinquencies. A payment modification plan may be recommended at this time to prevent default. While 30+ day delinquencies have occurred, there have been no 60 day delinquencies.
- 6 Rated Loan** **Payments are 60 - 90 Days Past Due (Loan is Placed on Non Accrual):**
Despite attempts to correct or address late payments, borrower is unwilling or unable to resolve the delinquencies. A payment modification plan has been recommended to prevent default, but was unsuccessful. Borrower is notified of default and the offered opportunities to provide a Deed in Lieu of Foreclosure or place the property for sale. An appraisal or Broker's Price Opinion are ordered; a loss reserve recommendation is made based on the documented value of the property. Loan is put on Non Accrual and written down to 80% of Fair Market Value.
- 7 Rated Loan** **Charge Off and/or Property Taken Into REO**

Loan Servicing Procedures, continued

Real Estate Settlement Procedures Act Requirements

The Federal Real Estate Settlement Procedures Act (RESPA) includes several provisions related to loan servicing. Aura services its loans in compliance with all prescribed requirements. Procedures have been designed to ensure that the requirements associated with this Law are adhered to and implemented according to the provisions of this Law. RESPA Requirements include:

Escrow Accounts

Aura establishes escrow accounts for each of its mortgage loan customers. The following processes are included in Aura's escrow account management:

- **Establishing Escrow Accounts** and providing an **Initial Escrow Account Disclosure** at time of closing. See page 58 for more information regarding Initial Escrow Disclosure Statements.
- Payment of Taxes, Homeowners Insurance, Flood Insurance and HOA Dues (when applicable) in a timely manner to ensure no penalties are incurred as long as the borrower(s) are not in default of the terms of the terms of their loan note and mortgage agreement.
- Annual Escrow Account Disclosure Statements and Annual Escrow Analysis (presently, Aura's escrow year runs from May 1 through April 30th of each year. Statements are sent within 30 days of the end of the escrow period.
- Escrow Account Record Retention (for five years after the loan is no longer serviced by Aura).

A sample *Annual Escrow Disclosure Statement* is depicted below.

Aura Mortgage Advisors
56 Warren Street
Roslindale, MA 02119

May 29, 2010

Annual Escrow Account Disclosure Statement Short Year Statement
Account History

This is a statement of actual activity in your escrow account from December 1, 2009 to April 30, 2010. Compare it to the Annual Escrow Account Projection for Coming Year which was provided to you on December 21, 2009. For your convenience, a copy of this Account Projection has been included with this letter.

Your monthly mortgage payment for the past year was \$2,241.67 of which \$1,782.43 was the principal and interest and \$459.22 went into your escrow account.

Month	Payments to Escrow Account	Payments from Escrow Account	Description	Escrow Account Balance
Starting Balance				\$1,424.43
April 2009	N/A	N/A	N/A	
May 2009	N/A	N/A	N/A	
June 2009	N/A	N/A	N/A	
July 2009	N/A	N/A	N/A	
Aug 2009	N/A	N/A	N/A	
Sept 2009	N/A	N/A	N/A	
Oct 2009	N/A	N/A	N/A	
Nov 2009	N/A	N/A	N/A	
Dec 2009	N/A	N/A	N/A	
Jan 2010	Collected at Closing	\$459.22		\$1,883.65
Feb 2010	\$459.22	\$111.11	Tax	\$1,817.76
Mar 2010	\$459.22			\$1,368.54
Apr 2010	\$459.22	\$1,017.18	Tax, Hazard Insur	\$1,799.02
April 2010	\$	\$	Interest Paid	\$1,799.02
April 2010	\$	\$	Capital Reserve VB08	\$1,799.02

An Asterisk (*) indicates a difference from a previous estimate either in the date or amount.

Last year, we anticipated that payments from your account would be made during this period equaling \$1,516.52. Under Federal law, your lowest monthly balance should not have exceeded \$912.44 as a % of anticipated payments from the account, unless your mortgage contract or State Law specifies a lower amount. Under your mortgage contract and State law, your lowest monthly balance should not have exceeded \$912.44.

Your actual lowest monthly balance was \$977.44. The items with an asterisk on your Account History may explain this. If you want a further explanation, please call: Judy Pfeiffer at (617) 423-3834

Borrower Name

Aura Mortgage Advisors, LLC		Revised Date: August, 2011
Procedures Manual		
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 61 of 78

Customer Inquiries and Complaints

Aura addresses all inquiries, whether by telephone, email, mail or otherwise promptly. In compliance with provisions of the Real Estate Settlement Procedures Act, Aura responds to all written inquiries, in writing, to the customer within 20 days of receipt of the written inquiry/complaint. Additionally, Aura will ensure that the inquiry or complaint is fully researched and a written summary of the resolution of the inquiry within 60 days of the receipt of the written request from the customer.

Aura maintains contact with its borrowers on a proactive basis throughout the life of the loan (see page 67 for additional information).

Record Retention

Record Retention. Aura adheres to RESPA's requirements related to record retention, including those related to customer inquiries and escrow accounts.

Homeowners Insurance and Flood Disaster Protection Coverage

Aura requires that borrowers maintain current Homeowners Insurance policies on the subject loan property. In addition, Aura requires that the premiums for hazard insurance coverage (including condominiums), be escrowed.

Any property that is determined to be in a Special Flood Hazard area, whether at the time of loan origination or during the life of the loan will be required to have flood insurance coverage.

Aura maintains current policies/binders in each loan file documenting adequacy of hazard and/or flood coverage. Each homeowner's policy includes an endorsement naming Aura Mortgage as the Loss Payee in the event a claim is filed for the property.

IRS and Tax Reporting

Aura maintains records and reports annual interest paid by borrower as well as annual interest earned (escrow accounts) by borrower according to the requirements of the Internal Revenue Service.

	Aura Mortgage Advisors, LLC Procedures Manual	Revised Date: August, 2011
Title:	Originating and Servicing Mortgage Loans	Page 62 of 78

Collections and Defaults We recognize that some of our clients may encounter financial and personal difficulties during the course of their mortgage. Wherever possible, we are committed to working with clients to help them weather these challenges. Utilization of the Capital and Emergency Reserve may help clients maintain their payments during periods of reduced income or emergency outlays. Aura will also consider interim payment modifications to help bridge periods of financial stress. If all else fails, Aura will consider accepting a Deed in Lieu of Foreclosure and, wherever possible, will provide assistance in finding new housing for clients. Aura's procedures in this area are designed to augment local, state and federal laws and regulations governing debt collection and foreclosures. The applicable laws and regulations, and our procedural response to them are outlined below.

Fair Debt Collection Practices Massachusetts Law provides guidelines for fair methods of debt collection. Aura ensures that all communications and efforts to work with its clients are conducted according to the provisions of these laws. The procedures that follow reflect compliance with the Fair Debt Collection Regulations.

Collection and Default Procedures – General	Through the consistent application of collection procedures we can ensure that we treat all clients equally and fairly. Aura, therefore, has established the following procedures for support and management of Aura homeowners who fall delinquent in their mortgage payments.
Finance Department's Role	<p>Aura's Finance Department receives processes and tracks payments and maintains communication with Aura's Collection Specialist regarding payments not received on a timely basis.</p> <p>The Finance Department prepares and sends all 15, 30, 60 and 90 day delinquency letters as well as the <i>Right to Cure</i> letter for borrowers that are approaching foreclosure. In addition, the Finance Department prepares and distributes month-end delinquency reports.</p>
Collection Specialist Role	Aura's Collection Specialist maintains contact with all borrowers that are delinquent in the repayment of their loan. The Specialist maintains a communication log in Encompass (in the archived borrower files). The log must include the date and a description of all communications with each client, whether by telephone, voicemail, email, letter, or face-to-face meeting.

Phone Calls	<p>Aura must follow strict regulatory guidelines when telephoning borrowers in collections attempts. The Collections Specialist must Disclose the name of Aura Mortgage Advisors and their name when making any and all collection calls. In addition, the caller must disclose in the initial communication that he/she is attempting to collect a debt and that any information obtained will be used for that purpose.</p> <p>Aura's Collection Specialist and/or designated staff must inform the client of the amount of the debt at the initial communication or within five days of the contact.</p> <p>NOTE: In the event a loan has been purchased by Aura from another lender, the following applies: Inform the client of the name and address of the original creditor if they request that information in writing within thirty days of the initial contact.</p>
Phone calls made to a residence	<p>Aura may not contact the borrower at his/her residence more than two (2) times a week by telephone in an attempt to collect an overdue payment. Calls can be placed to the borrower's residence Monday through Saturday between the hours of 8:00a.m and 9:00p.m.</p>
Phone calls made to a business	<p>Aura may not contact a borrower at his/her workplace more than two (2) times in 30 days by telephone. Massachusetts regulation requires that a debt collector send the consumer the following notice in writing within 30 days after the first communication to a consumer at his or her place of employment regarding any debt. A copy of the notice shall be sent every six months thereafter so long as collection activity on the debt continues and the consumer has not made a written request</p> <p style="text-align: center;"><u>NOTICE OF IMPORTANT RIGHTS</u></p> <p>YOU HAVE THE RIGHT TO MAKE A WRITTEN OR ORAL REQUEST THAT TELEPHONE CALLS REGARDING YOUR DEBT NOT BE MADE TO YOU AT YOUR PLACE OF EMPLOYMENT. ANY SUCH ORAL REQUEST WILL BE VALID FOR ONLY TEN DAYS UNLESS YOU PROVIDE WRITTEN CONFIRMATION OF THE REQUEST POSTMARKED OR DELIVERED WITHIN SEVEN DAYS OF SUCH REQUEST. YOU MAY TERMINATE THIS REQUEST BY WRITING TO THE DEBT COLLECTOR</p>

Phone calls made to Cell Phones	<p>In order to make collection calls to a client's cell phone you must have the client's express (written) consent to do so. This consent addresses privacy/security issues and provides affirmative consent in case any costs are incurred by the client when receiving a call via cell phone.</p> <p>For these cases, the client's consent should be addressed to Aura Mortgage Advisors LLC., the client should state the cell phone number and their name or names that cell phone calls are authorized to.</p> <p>Presently Massachusetts is evaluating the acceptability of utilizing text messaging for collections purposes. Since present requirements include the same disclosures that are required for a telephone call, Aura does not permit collection efforts via text messaging.</p>
Communication Log	<p>When the Collections Specialist or other designated staff attempt to contact a borrower regarding a past due payment, it is important that the contact is documented in the communications log including details of the conversation. The collections communication log for each should be updated after every contact attempt and/or actual contact with the client. This includes calls, letters and face to face meetings.</p>
Missed Bi-Weekly Payment	<p>Finance will notify the Collections Specialist by telephone and/or e-mail as soon as it is apparent that a regular bi-weekly payment (ACH withdrawal for the majority of clients) has been missed. This will typically be two business days after the missed payment.</p> <p>Information provided includes:</p> <ul style="list-style-type: none">• Borrower's Name and Property Address• Due Date and Amount of Payment not received on time; <p>The Collections Specialist contacts the client by telephone when a bi-weekly payment is late (or insufficient to meet the regular bi-weekly payment). The Specialist sends a follow-up letter within two business days of the contact attempt whether or not a direct connection was made to the client (see sample letter in Appendix Section of the Guide). The content of the letter should be adjusted if the client was reached by telephone to confirm any payment arrangements made during the call.</p>

Aura Mortgage Advisors, LLC		Revised Date: August, 2011
Procedures Manual		
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 65 of 78

**Loans
Delinquent
15 or More
Days**

Once a loan becomes 15 or more days delinquent, the Collections Specialist contacts the borrower by telephone and in writing and ideally meets with the client face to face to discuss the situation and develop a plan to bring the loan current.

**Follow Up
Collection
Letters**

In the event a client remains past due, additional letters will be sent by Finance Department staff. These efforts will be in conjunction with the efforts of the Collection Specialist to meet with and talk with the client. The letters will ensure that the client fully understands the situation and will document Aura's process in the event the case needs to be turned over to Aura's attorney.

Samples of various letters can be found in the *Appendix Section* of this Guide. Care should be taken to customize the letter to the situation while retaining the integrity of the key information being communicated to the client (such as amount past due, severity of the delinquency, terms of repayment plan, etc.).

	Aura Mortgage Advisors, LLC	Revised Date:	August, 2011
	Procedures Manual		
Title:	Originating and Servicing Mortgage Loans		Page 66 of 78

Prohibited Practices

- Contact customers directly, if customers have told the creditor or collection agency customers are represented by an attorney.
- Use profane or obscene language.
- Cause expense to customers in the form of long distance calls, express mail charges, wire fees, or other similar charges.
- Falsely threaten to take legal action that the creditor does not take or reasonably intend to take.
- Tell anyone (including the customer's friends, neighbors, relatives, or employers) about the consumer's debt, without written consent.
- Mail to customers any printed or written materials that reveal or imply that customers owe a debt (for example, by using a postcard to contact customers or using a descriptive return address).
- Solicit post-dated checks from customers.
- Visit customer's home at times other than normal waking hours. A collector may not visit customers more than once in any 30-day period for each debt, unless customers give permission for additional visits.
- Call customers at times other than normal waking hours. If the customer's waking hours are unknown, then the collector may only call between 8:00 a.m. and 9:00 p.m.

Other Consumer Rights

A creditor must allow a consumer or his/her attorney to inspect any document on which the creditor is relying to prove that you owe the debt being collected, e.g., a credit card application, account statement, promissory note, ledger, account card, or similar record in the creditor's possession, which reflects the date and amount of payments, credits and charges related to the debt. Failure to do so is an unfair or deceptive act or practice under the Attorney General's Debt Collection Regulations.

Aura Mortgage Advisors, LLC		Revised Date: August, 2011
Procedures Manual		
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 67 of 78

Homeowner's Right to Cure	On August 7, 2010, Governor Patrick signed Chapter 258 of the Acts of 2010, which pertains to 1-4 families that are owner-occupied. The new act provides that a <i>homeowner</i> has 150 days to reinstate before a foreclosure action can be commenced. Any notices sent prior to that date are governed by the prior law, Chapter 206 of the Acts of 2007, which gave 90 days to reinstate.
Foreclosure as a Last Resort	With respect to any potential foreclosure action, Aura Mortgage looks at each case on an individual basis to determine whether the problem stems from illness, unemployment, death, marital or financial problem. We make every good faith effort to negotiate and agree upon some other reasonable alternative. The intention is to reach some resolve, with foreclosure being the last resort.
Notification of Foreclosure Action to the Division of Banks of	The new act continues the requirement of the creditor to notify the Commissioner of the Division of Banks of a foreclosure initiated against any owner-occupied 1-4 family residence. The Collections Specialist will coordinate the initiation of the Foreclosure Complaint with the Foreclosing Attorney and submit the required information to the Division of Banks. The notices are in turn are maintained on the Division of Banks Foreclosure Petition Website.
Tenant Protections in Foreclosed Properties	<p>The new law establishes protections for tenants in foreclosed properties. A foreclosing owner cannot evict until at least 30 days after posting a notice in the building and delivering it to the tenants, telling such tenants the names, addresses, telephone numbers for the foreclosing owner or management responsible for the building, and an address to which rent/use and occupancy payments must be sent.</p> <p>The Collection Specialist will coordinate all action steps related to delinquent loans secured by properties with rental units with the Finance Department and the foreclosing attorney.</p>

	Aura Mortgage Advisors, LLC	Revised Date: August, 2011
	Procedures Manual	
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 68 of 78

**Form of
Notice of
Homeowner's
Right to Cure**

The statute introduced changes in the required form of notice to be given to the homeowner (**see Appendix section**). The new law requires the homeowner be provided with additional information as to:

1. Their right to redeem;
2. Their right to pay off the mortgage;
3. Their right to sell the property; and
4. Their right of occupancy subsequent to a foreclosure (the fact that they may be evicted).

In addition, language is required to inform the mortgagor of the following:

- The nature of the default claimed on such residential mortgage and mortgagor's 'right to cure' the default by paying the sum of money required to cure the default.
- The date by which the mortgagor shall cure the default to avoid acceleration, a foreclosure or other action to seize the home, which date shall not be less than 150 days after service of the notice and the name, address and local or toll free telephone number of a person to whom the payment or tender shall be made.
- The fact that, if the mortgagor does not cure the default by the date specified, the mortgagee (Bank), may take steps to terminate the mortgagor's ownership in the property by a foreclosure proceeding or other action to seize the home.
- The name and address of the mortgagee and the telephone number of a representative of the mortgagee whom the mortgagor may contact if the mortgagor disagrees with the mortgagee's assertion that a default has occurred or the correctness of the mortgagee's calculation of the amount required to cure the default.
- The name of any current and former mortgage broker or mortgage loan originator for such mortgage or note securing the residential property.
- The fact that the mortgagor may be eligible for assistance from the Homeownership Preservation Foundation or other foreclosure counseling agency, and the local or toll free telephone numbers the mortgagor may call to request the assistance.
- The fact that the mortgagor may request from the mortgagee a negotiated agreement to repay the mortgage on terms that are different from or alternative to the original terms of the mortgage and may request a copy of the mortgage, note, disclosure statement, and payment records.
- A declaration on the first page of the notice stating: "THIS IS AN IMPORTANT NOTICE CONCERNING YOUR RIGHT TO LIVE IN YOUR HOME. HAVE IT TRANSLATED AT ONCE".

Title:	Aura Mortgage Advisors, LLC Procedures Manual <i>Originating and Servicing Mortgage Loans</i>	Revised Date: August, 2011 Page 69 of 78
---------------	---	--

- The declaration must be in the language the Bank has regularly used in its communication with the borrower.
- To cure a default prior to acceleration, a mortgagor shall not be required to pay any charge, fee or penalty attributable to the exercise of the 'right to cure' a default. The mortgagor shall pay late fees and per-diem interest to cure such default. The mortgagor shall not be liable for any attorney's fees relating to the mortgagor's default that are incurred by the mortgagee prior to or during the period set forth in the notice required.

Note: There are provisions in the statute which reduce the number of days for the notice to 90 days, where the creditor can certify that it has engaged in a 'good faith' effort to negotiate and agree to a commercially reasonable alternative to foreclosure (i.e. Modification, 'Short Sale' or Deed-in Lieu), that such efforts have involved at least one (1) meeting either in person or by telephone with the creditor's representative and the borrower, or the borrower's attorney, and after such meeting, the creditor was not successful in resolving the dispute. It further provides that nothing shall prohibit the borrower from affirmatively selecting the 150-day 'right to cure', instead of meeting with the creditor.

Acceleration Notice

If the mortgage debt is not paid in full, the foreclosing attorney will send an *Acceleration Notice*, which means that the entire loan is due.

- Notice must be sent by registered or certified mail at least 21 days before the foreclosure sale.
- Notice of intent to sue for deficiency (the difference between the sale price and amount due on the mortgage) must also be sent at least 21 days before the foreclosure sale.

Service Members Civil Relief Act Complaint

Aura must file a complaint under the Service members Civil Relief Act in Land Court or Superior Court stating our intent to foreclose. The foreclosing Attorney files this notice when applicable.

- Homeowner/borrower must be served with a copy of the complaint and has 20 days to file an answer
- The only defense to the complaint is that the homeowner/borrower is in the military service

Aura Mortgage Advisors, LLC		Revised Date: August, 2011
Procedures Manual		
Title:	<i>Originating and Servicing Mortgage Loans</i>	Page 70 of 78

Publication of Sale

Aura must publish notice of sale in the newspaper, including

- Identification of mortgage
- Date, place, time of sale
- Description of property

Notice must be published once a week for 3 consecutive weeks before the sale, beginning at least 21 days before the sale. The Collection Specialist coordinates with the Finance Department and the foreclosing attorney to ensure that these requirements are implemented appropriately.

Foreclosure Sale and Record of Sale

Aura must send notice of foreclosure sale via certified or registered mail at least 14 days prior to the foreclosure sale. The Collection Specialist coordinates with the foreclosing attorney to provide notice.

- Actual sale must take place at the date, time and place specified in the notice of the foreclosure sale.
- Sale must be conducted by a licensed auctioneer
- High bidder wins
- Parties execute a foreclosure deed; deed should be recorded at Registry of Deeds (accessible online).

The Collection Specialist works in conjunction with the Finance Department and the foreclosing attorney, as well as the auctioneer to ensure these requirements are adhered to.

APPENDIX
Collection Specialist Letter #1 – Past Due Bi-Weekly Payment

Insert Aura Logo
First Letter – Follow Up to Phone Contact For past due bi-weekly payment
(Early Default letter) *This template should be adapted based on the details of the situation.*

Date

Borrower Name
Address
City state zip

RE: Mortgage Loan Secured by *(state property address)*:

Dear Name(s):

This letter is to inform you that your mortgage loan is presently ____ days past due. Please contact me as soon as possible to discuss any problems or concerns you are having related to making your mortgage payments. If you are experiencing a problem, we may be able to recommend a solution.

The information below provides you the amount needed to bring your mortgage current as per the terms of your loan agreement:

Bi-Weekly Principal and Interest Payment Due: \$

Bi-Weekly Escrow Payment Due: \$

Total Payment Due: \$

We appreciate your immediate attention to this matter. I look forward to talking with you.
Sincerely,

NAME
Mortgage Loan Collections Specialist
Tel #

Collection Specialist Letter Regarding Place of Employment Telephone Contacts

INSERT AURA LOGO

Date

Borrower Name

Address
City state zip

RE: Mortgage Loan Secured by *(state property address)*:

Dear Name(s)

We recently contacted you at your place of employment to discuss your past due mortgage loan account.

NOTICE OF IMPORTANT RIGHTS

YOU HAVE THE RIGHT TO MAKE A WRITTEN OR ORAL REQUEST THAT TELEPHONE CALLS REGARDING YOUR DEBT NOT BE MADE TO YOU AT YOUR PLACE OF EMPLOYMENT. ANY SUCH ORAL REQUEST WILL BE VALID FOR ONLY TEN DAYS UNLESS YOU PROVIDE WRITTEN CONFIRMATION OF THE REQUEST POSTMARKED OR DELIVERED WITHIN SEVEN DAYS OF SUCH REQUEST. YOU MAY TERMINATE THIS REQUEST BY WRITING TO:

Aura Mortgage Advisors, LLC.
57 Warren Street
Roxbury MA 02119

Attention: Judy Pfeffer
617-933-5856

**Finance Department 15-Day Letter (for loans where monthly payment
has reached 15 days past due)**

Insert AURA LOGO

**Second Letter – Responsive
For Loans Past Due more than 15 days**

Date

Borrower Name

*Address
City state zip*

RE: Mortgage Loan Secured by *(state property address)*:

Dear *Name(s)*

As you know, we have previously contacted you by telephone regarding your mortgage loan past due status. The purpose of this letter is to confirm your agreement to meet with me regarding a plan to bring your account current.

Describe date time and location of meeting.

The information below provides you with current information concerning your past due amount.

Bi-Weekly Principal and Interest Payment Due: \$
Bi-Weekly Escrow Payment Due: \$

Total Payment Due: \$

We appreciate your efforts and look forward to meeting with you on *(insert date)*.

Sincerely,

Anna Delgado
Mortgage Loan Collections Specialist
Tel #

Finance Department 30+ Day Letter

Insert AURA LOGO
**Second Letter – Non Responsive
30 to 60 days**

Date

Borrower Name

*Address
City state zip*

RE: Mortgage Loan Secured by (state property address):

Dear Name(s)

This letter is to inform you that your Aura Mortgage Advisors loan is now _____ days or more past due. We have attempted to contact you by telephone and mail to discuss a repayment plan to bring your account current. If there are special circumstances that make it impossible for you to make your payment please contact me immediately by calling (insert #).

The information below provides you the amount needed to bring your mortgage current as per the terms of your loan agreement:

Bi-Weekly Principal and Interest Payment Due: \$
Bi-Weekly Escrow Payment Due: \$

Total Payment Due: \$

We appreciate your immediate attention to this matter. Please be advised that if you do not submit the payments or agree to a repayment plan by the time your account is 90 days delinquent, we will have to turn your account over to an attorney to initiate foreclosure.

Sincerely,

Anna Delgado
Mortgage Loan Collections Specialist
Tel #

Finance Department Non-Responsive 60 Day Letter

Insert AURA LOGO

**Third Letter – Non Responsive
For Loans Past Due more than 60 days**

Date _____

Borrower Name _____

Address _____
City state zip _____

RE: Mortgage Loan Secured by (state property address): _____

Dear Name(s)

We have made several attempts to contact you by telephone and mail in order to establish a plan to bring your account current. Unfortunately, our efforts to connect with you have not been successful. Your loan is seriously past due and you must take immediate action in order to bring the account current or establish a mutually acceptable repayment plan.

Aura Mortgage Advisors wants to work with you to bring your mortgage loan up-to-date. However, because of your choice not to meet your financial obligations or to communicate with us, we may need to initiate foreclosure proceedings on your house.

Please note, this is your last opportunity to contact Anna Delgado or Judy Pfeffer, to schedule an appointment to meet with her to discuss your financial situation and available options. If we have not heard from you within 7 days of the date of this letter, we will have no choice but to instruct our attorney to begin foreclosure on your home.

The information below provides you the amount needed to bring your mortgage current as per the terms of your loan agreement:

Bi-Weekly Principal and Interest Payment Due: \$
Bi-Weekly Escrow Payment Due: \$

Total Payment Due: \$

Sincerely,

Anna Delgado
Mortgage Loan Collections Specialist
Tel # _____

Finance Department 150 Day Right To Cure Letter (pages 1, 2, 3)

Sent once Payment is 90 days late

Insert AURA LOGO
Right to Cure Letter

Date

BY REGULAR AND CERTIFIED MAIL

THIS IS AN IMPORTANT NOTICE CONCERNING YOUR RIGHT TO LIVE IN YOUR HOME, YOU SHOULD HAVE THIS TRANSLATED AT ONCE, IF NECESSARY

RE: Aura Mortgage Advisors, LLC.
Property Address:

Dear Name(s)

Please be advised that the mortgage and note relating to your loan with Aura Mortgage Advisors (Aura) are presently in default by reason of non-payment.

Your monthly payments in the amount of \$ were due on and have not been paid as of the date of this letter. As of today, the total delinquent amount under your loan ("Arrearage"), including any applicable interest, late charges or other fees, is calculated as follows:

Principal:	\$
Interest:	\$
Late Charge	\$0.00
Escrow:	\$
Total:	\$

You may cure your default by full payment of the Arrearage specified above plus any additional payments and interest that becomes due under the terms of your loan documents, by sending or delivering the same to the undersigned on or before, which is 150 days from this date (insert date:). If the default is not cured by the date referenced in the preceding sentence, of this clause, Aura may take steps to terminate your ownership of the property by a foreclosure proceeding or other action to seize your home.

As referenced above, additional amounts may become due during the period between today's date and the end of the 150 day period referenced above. Accordingly, please contact the undersigned at (617)-_____-_____-_____ to obtain updated payment information to assure the amount tendered to cure your default is accurate.

Payments should be mailed to:

Aura Mortgage Advisors, LLC.
57 Warren Street

Roxbury, MA 02324

To assure your payment is properly credited, please reference your property address in any correspondence sent to Aura.

If you dispute that a default has occurred or the calculation of the amount required to cure the default, please contact me directly at the phone number listed above.

If the default is not cured on or before the date specified in this letter, Aura intends to accelerate the loan, declaring the entire loan balance due without further notice to you, other than that required by law. If the property is sold at a foreclosure sale, you may be evicted from your home. Notwithstanding anything herein to the contrary, you have the right to bring a court action to assert the non-existence of a default or any other defense to any future acceleration of the loan or foreclosure proceeding against the property. In addition, you have the right to sell the property prior to a foreclosure sale and to use the proceeds against full balance of the amount owed the Bank under the Mortgage secured by the property. You may also redeem the property by paying off the loan in full prior to a foreclosure sale. Depending on the terms contained in the documents related to your loan transaction with Aura, you may also have a right to refinance the mortgage by obtaining a loan that fully repays your current mortgage and/or to voluntarily grant a deed to Aura in lieu of a foreclosure, at the option and discretion of Aura.

In addition to the foregoing, I have enclosed and highlighted relevant portions of your mortgage (Paragraphs: _____ and _____) concerning contractual rights you have concerning your right to reinstate your mortgage and cure your default.

Notwithstanding anything to the contrary contained above, as of today, the total indebtedness under the loan is \$ _____ consisting of \$ _____ in principal, \$ _____ in interest and \$ _____ in other charges. Interest accrues at a daily rate of \$ _____ and therefore, the total amount of indebtedness will change after today.

You may be eligible for assistance from the Homeownership Preservation Foundation or another foreclosure-counseling agency. Contact Information is below:

Homeownership Preservation Foundation: (888) 995-HOPE (4673)

HUD-Approved Housing Counseling: (800) 569-4287

US Department of Veterans Affairs: (800) 827-1000

To the extent your obligation has been discharged or is subject to the Automatic Stay in a bankruptcy proceeding, this notice is for informational purposes only and does not constitute a demand for payment or an attempt to collect indebtedness, as your personal obligation. If you are represented by an attorney, please provide the

Insert AURA LOGO
Right to Cure Letter

undersigned with your attorney's name, address and telephone number, immediately. If you represent yourself, kindly indicate that fact in any applicable notice sent to us.

STAT AND FEDERAL LAWS REQUIRE US TO ADVISE YOU THAT THIS IS AN ATTEMPT TO COLLECT A DEBT AND THAT ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

YOUR RIGHT TO CURE THE DEFAULT DESCRIBED IN THIS LETTER WITHIN 150 DAYS APPLIES ONLY TO THE SPECIFIED DEFAULT. AURA MORTGAGE ADVISORS, LLC HAS NO OBLIGATION TO GRANT YOU A 150-DAY CURE RIGHT WITH REGARD TO ANY SUBSEQUENT PAYMENT DEFAULT OCCURRING IN THE NEXT THREE (3) YEARS.

YOU ARE FURTHER ADVISED THAT UNLESS YOU DISPUTE THE VALIDITY OF THE DEBT OR ANY PORTION THEREOF, AND CONTACT _____ AT THE NUMBER LISTED BELOW, THE DEBT WILL BE ASSUMED TO BE VALID. IN SUCH EVENT, I SHALL OBTAIN SUCH VERIFICATION AND WILL MAIL THE SAME TO YOU. FURTHERMORE, ALL EFFORTS TO COLLECT THE DEBT SHALL BE SUSPENDED UNTIL THE INFORMATION YOU HAVE REQUESTED IS MAILED TO YOU.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me at your earliest convenience.

Sincerely,

Mortgage Loan Collections Specialist
Tel #