

## **EXHIBIT "A"**

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7           IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON  
8           IN AND FOR THE COUNTY OF KING

9           AMARJIT SINGH, an individual

10           Plaintiff,

11           vs.

12           BANK OF AMERICA N.A a corporation,  
13           BAC HOME LOAN SERVICING LP a  
14           corporation, TRUSTEE CORPS, a  
15           corporation.

16           Defendants.

17           NO. 14-2-12865-3 KWT.

18           COMPLAINT FOR, QUIET TITLE,  
19           DECLARATORY JUDGMENT,  
20           PERMANENT INJUNCTION.

21           1. INTRODUCTION

22           COMES NOW, Amarjit Singh plaintiff, complains and alleges as follows:

23           2. PARTIES

24           1. Plaintiff, at all times relevant herein, is the owner of real property located in in  
25           King County, State of Washington.

26           2. Defendant Bank of America N.A. is a corporation authorized to do business in the  
27           State of Washington.

28           3. Defendant, BAC Home Loan Servicing LP, is a corporation authorized to do  
business in the State of Washington.

DEARBONN LAW OFFICES PLLC 4232  
129<sup>TH</sup> PLACE SE BELLEVUE WA 98006  
619-246-1069

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ajibolaoladapo@gmail.com

- 1

complaintComplaint and Injunction  
5/6/2014 5:46 AM

1           4. Defendant, Trustee Corps, is a corporation authorized to do business in the State  
2 of Washington.

3  
4           Plaintiff is the owner of certain real property located at and commonly described as  
5 29525 125<sup>th</sup> Avenue SE Auburn, WA 98092 and more specifically described as Lot 60  
6 Vintage Hills VI, according to the Plat thereof, recorded in Volume 218 of Plats Pages 71  
7 through 75 in King County Washington hereinafter referred to as the "Property".  
8  
9

10  
11           **3. JURISDICTION AND VENUE**

12           The transactions and events that are the subject matter of this Complaint all  
13 occurred within the County of King, State of Washington.

14           The Subject Property is located within the County of King, State of Washington.

15           The superior court is the proper venue for this action pursuant to RCW 4.12.010.  
16 The superior court has original jurisdiction in this matter as it involves the title or  
17 possession of real property See RCW 2.08.10.

18  
19           **4. STATEMENT OF RELEVANT FACTS.**

20  
21           Plaintiff re-alleges and incorporates by reference all preceding paragraphs as  
22 though fully set forth herein.

23  
24           On March 07, 2007, Plaintiff executed a Deed of Trust and a fixed adjustable rate  
25 rider with then Countrywide bank which deed was recorded on 9<sup>th</sup> March 2007 in King  
26 County , Washington under King County Recorder's No. 20070314000864 between Amarjit  
27

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1 Singh as borrower, LS Title of Washington as Trustee, FNMA ACT/ACT ( Fannie Mae) as  
2 the investor/beneficiary.

3 A copy of the Deed of Trust is hereinafter attached as Exhibit A. A copy of the adjustable  
4 rate rider is herein attached as Exhibit B accordingly.  
5

6 On June 13, 2011, The Deed of Trust was assigned to BAC home loan servicing FK  
7 Country wide Home loan Servicing and electronically recorded as 20110616001004 page  
8 001 of 001, King County, State of Washington. The assignment is hereinafter referred to as  
9 Exhibit C.

10 Unfortunately, Plaintiff was one of the victims of the Mortgage fraud scheme master  
11 minded by Alan David Tikal. On 4th of December 2010, plaintiff executed a substitution of  
12 trustee document recorded as 20070314000864 with and a promissory note, substituting  
13 LS Title of Washington with KATN Revocable living trust in which Tikal Alan David was the  
14 beneficiary of KATN revocable living trust. The substitution of trustee document is  
15 attached as Exhibit D. The Promissory note is attached as Exhibit E. Upon payment of  
16 valuable consideration in the amount of \$89,134 to Tikal Alan David, and upon reasonable  
17 information and belief that property had been fully reconveyed to him, (see Exhibit F  
18 plaintiff wrote Bank of America a cease and desist letter attached as Exhibit G.  
19

20 With Bank of America refusing to cease and desist, plaintiff thereafter applied for a  
21 loan modification with the hopes of resolving the issues once and for all. The loan  
22 modification was denied for the main reason that he does not reside on the property.  
23 Please see attached letter from Bank of America, hereinafter attached as Exhibit H.  
24

25  
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27 129<sup>th</sup> PLACE SE BELLEVUE WA 98006

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## 5. ARGUMENT.

i. FIRST CAUSE OF ACTION  
(QUIET TITLE).

*"Any person having a valid and subsisting interest in real property and a right to possession thereof, may recover the same by action in the superior court of the proper county and may have judgment in such action quieting or removing a cloud from Plaintiff's title". RCW 7.28.010.*

Plaintiff re alleges the statement of relevant facts contained in paragraph 4, as though set forth in full here. Plaintiff is the sole owner of that real property commonly known as 29525 125<sup>th</sup> Avenue SE Auburn, WA 98092 more fully described in paragraph 4 of the complaint, such property being the subject property. The basis of plaintiff's title to real property is the quit claim deed from plaintiff's spouse attached as Exhibit L, the recorded Statutory warranty Deed attached as Exhibit J, the deed of trust fully described in paragraph 4 supra, and upon reasonable information and belief, the full reconveyance document recorded as 20110119001120 in official records of King County State of Washington. Attached hereto as Exhibit K. *See Durrah v Wright, 115 Wn. App. 634, 648, 63 P. 3d 184, 150 Wn.2d 1004 (2003).*

Plaintiff has no other property. Plaintiff has a right to bring a quiet title action in this case even though the property is tenant -occupied. See *Brown v Baldwin*, 46, Wash, 106, 89 P, 483 (1907).

Plaintiff is the owner in fee and is in possession and control of real property and improvements located at 19525 125<sup>th</sup> avenue SE Auburn WA 98092. Plaintiff obtained fee simple title to real property as fully and legally described in paragraph 4 supra. See *Queen City Savings and Loan Assn v Mannhardt* 49, Wn. App. 290, 297, 742 P. 2d 754 (1987).

Plaintiff is informed and believes on this basis alleges, that defendants claim an interest adverse to the plaintiff's title. Plaintiff reasonably believes defendant's claims are without merit and have no legally cognizable estate, claim, title, lien or interest in the real property or any portion thereof.

A notice of trustee sale date June 13, 2014 has been recorded against this property. Plaintiff seeks a cancellation of the trustee's sale pending a resolution of all facts as alleged therein. Plaintiff further seeks a determination of fee simple title in this action as of May 06, 2014.

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ii. SECOND CAUSE OF ACTION.  
(INJUNCTION)

Plaintiff incorporates by reference, paragraph's 1 through 5 (i) of this complaint as set forth in full.

Once a non-judicial foreclosure has commenced, an interest party may halt the proceedings in one of two ways, curing the default or restraining the sale. *Woolworth v. Micol Land Co., 780 P.2d 264, 266 (Wash. Ct. App. 1989)* Plaintiff is by this suit seeking to restrain the trustee's sale scheduled for June 13, 2014. By virtue of a permanent injunction. See also RCW 61.24.130.

Defendant is threatening to interfere with the plaintiff's ownership and control of the property, unless until enjoined by order of this court to resolve all disputes and controversies arising therein, it will cause grave and irreparable injury to plaintiff in that plaintiff will be deprived of his title as well as his use of the real property in question. See Walcker v Benson & McLaughlin, P.S. 79 Wn. App. 739, 742 904 P. 2d. 1176 (1995), 129 Wn. 2d, 1008 (1996)

Plaintiff has no adequate remedy at law if the property is foreclosed. It will be impossible to determine the type of damage plaintiff will suffer of defendants' conduct is not restrained. Plaintiff will be deprived of the use of real property which cannot be compensated in damages.

Whereof plaintiff seeks a temporary restraining order, a preliminary injunction and a permanent injunction prohibiting defendant from continuing with the purported sale scheduled for June 13, 2014.

III. THIRD CAUSE OF ACTION  
(DECLARATORY JUDGMENT).

Plaintiff re alleges paragraphs 1 through 5 (I, and II) of this complaint as though fully set forth here.

An actual controversy exists between plaintiff and defendant's regarding their respective rights and obligations. A declaration of rights and obligations of the parties of the parties is appropriate in that the early determination of this controversy will avoid a multiplicity of litigation and would be in the interest of justice.

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IV. FOURTH CAUSE OF ACTION  
(CONSUMER PROTECTION VIOLATION)

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3.1. Violation of RCW 19.86. Defendants have engaged in unfair and deceptive acts  
and practices. In order to show a violation of the Washington Consumer Protection Act  
("CPA"), a plaintiff must show the existence of (1) an unfair or deceptive act or practice, (2)  
occurring in trade or commerce, (3) public interest impact, (4) injury to plaintiff in his or  
her business or property, and (5) causation. Hangman Ridge Training Stables, Inc. v. Safeco  
Title Ins. Co., 719 P.2d 531, 533 (Wash. 1986). A plaintiff must establish all five elements.

9  
10 Id.

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Defendants have breached all five elements. Supplemental Directive March 09, 2012 MHA  
extension and expansion provides for the HAMP Tier II attached as Exhibit L , specifically  
makes provision for a review of non-owner occupied property for HAMP TIER II. This is a  
Fannie Mae loan. Defendant's failed and or omitted to follow the HAMP tier II guidelines.  
Therefore, defendants' concluding that plaintiff does *not "live in the property as your  
primary residence"* (See Exhibit H supra) is in direct violation of this policy, an unfair  
business practice.

20  
RIGHT TO AMEND

21  
22 Plaintiff reserves the right to Amend this Complaint with new Claims and new  
23 Parties as is dictated by the evidence.

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PRAYER FOR RELIEF

WHEREFORE, plaintiffs Amarjit Singh pray for judgment as follows:

1. For Permanent Injunctive relief barring Defendants' from seeking an eviction or otherwise seeking to dispossess Plaintiff of the property.
2. For Compensatory Damages in an amount to be determined by proof at trial.
3. for General Damages in an amount to be determined by proof at trial.
4. For determination as to title in fee simple to the property.
5. For any pre-judgment or other interest according to law
6. For permanent injunction restraining the trustee sale.
7. For Punitive Damages against the Defendant.
8. For Treble Damages in an amount to be determined by proof at trial
9. Statutory attorney's fees and costs.

For such other and further relief as the Court deems just and equitable.

DATED this 6<sup>th</sup> day of May, 2014.

DEARBONN LAW OFFICES PLLC

By \_\_\_\_\_

Ajibola O. Oladapo WSBA#41461  
Attorney for Plaintiff, Amarjit Singh,

DEARBONN LAW OFFICES PLLC 4232  
129TH PLACE SE BELLEVUE WA 98006

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7           **IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON**  
8           **IN AND FOR THE COUNTY OF KING**

9           AMARJIT SINGH,  
10           Plaintiff

11           No. 14-2-12805-3KNT

12           Vs

13           BANK OF AMERICA N.A. AND  
14           BANK OF AMERICA HOME LOAN  
15           SERVICING LP AND  
16           TRUSTEE CORPS

17           Defendants

18           **DECLARATION OF PLAINTIFF**  
19           **AMARJIT SINGH IN SUPPORT OF**  
20           **SUMMONS AND COMPLAINT**

21        1.1. I, Amarjit Singh hereby declares as follows:

22        1.2. I am the plaintiff in the above captioned matter.

23        1.3. I am the owner of the property located at 29525 125<sup>th</sup> Avenue Auburn WA  
24        98092 more particularly described as Lot 60 Vintage Hills VI, volume 218, Pages 71 through  
25        75 recorded in King County Washington. I have no other property.

26        1.4. On March 07, 2007, I executed a deed of Trust in which Countrywide N.A. was  
27        the original lender and LS Title of Washington was the original trustee.

28        1.5. This Deed of Trust was assigned to Bank of America.

29        1.6. On the 4<sup>th</sup> day of December 2010 I executed a note in favor of KATN revocable  
30        living trust which note was secured by a Deed of Trust all attached as exhibits to the

31           I - Plaintiff's declaration.

1  
2 complaint. The substitution of Trustee document was recorded as 20110119001119 in King  
3 County, State of Washington.

4 1.7. On the 4<sup>th</sup> day of December 2010 a full reconveyance of title was recorded as  
5 20110119001120 in my favor. Defendant's had notice or should have had notice of these  
6 recordings but failed to act, whereupon I wrote the Bank a letter dated January 18, 2011  
7 attached as EXHIBIT G to the complaint wherein I informed them to the effect that "there is  
8 no valid debt owed, further that "they have no secured interest with me"". I never received  
9 any responses to my letter addressed to Bank of America.

10 1.8. Rather than contact me to try to resolve the matter with me, Bank of America  
11 continued to attempt to collect from me. I hired my attorney on 06/12/2013 to negotiate a loan  
12 modification and/or other home retention options with Bank of America since I have tried so  
13 many times to work out a resolution with them on my own, but they still have refused to assist  
14 me which in my opinion, is a violation of the National Mortgage Settlement guidelines as well  
15 as violation of the HAMP guidelines.

16 1.9. I am appalled at the fact that despite the fact that this loan is a Fannie Mae Loan,  
17 (government loan) Bank of America has failed and/ or omitted to co-operate with me.  
18 Even though the HAMP tier II guidelines attached as EXHIBIT K to this complaint clearly  
19 allows for a review and approval of a restructure for non-owner occupied property, more so  
20 for a government loan, bank of America denied my application mainly because of the fact that  
21 I do not "live on the property", in flagrant disregard for THE HAMP TIER II guidelines for a  
22 government Loan. I am very sure of the fact that the government will rather have Bank of  
23 America work with me than sell the property. Bank of America is one of the worst servicers  
24 to deal with. Bank of America lacks human empathy. It will only take them a matter of weeks  
25 to offer a loan modification if they claim they still have an interest in the property or

1  
2 relinquish title altogether after having received copies of the substitution of trustee documents  
3 and all other relevant documents.

4       1.10. On 8<sup>th</sup> November 2004, upon reasonable belief that the trustee has been  
5 substituted, with Bank of America failing to respond to all my correspondences regarding the  
6 recording, a statutory warranty deed was recorded as 20041112001624 in King County  
7 Washington, attached as EXHIBIT J to the complaint.

8       1.11. Bank of America recorded a notice of trustee sale for June 13, 2014. I am asking  
9 this honorable court to enter an injunction barring Bank of America from selling this property.

10      This property belongs to me. I am the owner in fee simple in this property, I  
11 reasonably believe Bank of America is clouding the title and has not been acting equitably  
12 with me from inception. Bank of America should acknowledge the recordation of the  
13 statutory warranty deed recorded on 12<sup>th</sup> November 2004 and be estopped from further  
14 interference with this property. Even though they claim an interest in the property in response  
15 to my attorney's Qualified Written request dated June 21, 2013, their claims have no merit in  
16 light of the evidence presented.

17      1.12. I am now the sole owner of this property, My wife quit claimed the property to  
18 me (attached as EXHIBIT I to this complaint). There is a genuine controversy as to Title  
19 whereupon I brought this suit to remove the cloud on my title to the property accordingly.

20  
21      I declare under the penalty of Perjury under the laws of the State of Washington that  
22 the foregoing is true and correct.

23                   Dated this 8<sup>th</sup> day of May 2014

24                   Amarjit Singh

25                   Amarjit Singh

DECLARANT

**EXHIBIT A**

Deed of TRUST.

000005200 SINGH A  
  
610 138612370 D2 001 002

After Recording Return To:  
COUNTRYWIDE HOME LOANS, INC.  
MS SV-79 DOCUMENT PROCESSING  
P.O. Box 10423  
Van Nuys, CA 91410-0423

Assessor's Parcel or Account Number: 8946710600  
Abbreviated Legal Description:  
LOT 60, VINTAGE HILLS VI, VOLUME 218, PAGES 71-75

[Include lot, block and plot or section, township and range]  
Full legal description located on page 3

Trustee:  
LS TITLE OF WASHINGTON

Additional Grantees located on page:

[Space Above This Line For Recording Data]

00013861237003007  
(Doc ID #)

## DEED OF TRUST

MIN 1001337-0001926791-6

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated MARCH 07, 2007, together with all Riders to this document.  
(B) "Borrower" is AMARJIT SINGH, AS HIS SOLE AND SEPARATE PROPERTY

Borrower is the trustee under this Security Instrument.  
(C) "Lender" is Countrywide Bank, N.A.  
Lender is a NATL. ASSN.  
organized and existing under the laws of THE UNITED STATES

WASHINGTON Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS

Page 1 of 11

VMP-S6A(WA) (0012).01 CHL (08/05)(d) VMP Mortgage Solutions, Inc. (800)521-7291  
CONV/VA

Print 30481/01



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\* 1 3 8 6 1 2 3 7 0 0 0 0 0 0 2 0 0 6 A \*

Lender's address is  
1199 North Fairfax St. Ste. 500, Alexandria, VA 22314  
(D) "Trustee" is  
LS TITLE OF WASHINGTON  
2707 COLBY AVENUE, SUITE 118, EVERETT, WA 98201  
(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.  
(F) "Note" means the promissory note signed by Borrower and dated MARCH 07, 2007. The Note states that Borrower owes Lender THREE HUNDRED FIFTY SEVEN THOUSAND SEVEN HUNDRED and 00/100

Dollars (U.S. \$ 357,700.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than APRIL 01, 2037

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

<input checked="" type="checkbox"/> Adjustable Rate Rider	<input type="checkbox"/> Condominium Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Balloon Rider	<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> 1-4 Family Rider
<input type="checkbox"/> VA Rider	<input type="checkbox"/> Biweekly Payment Rider	<input type="checkbox"/> Other(s) [specify]

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

COUNTY [Type of Recording Jurisdiction]	of	KING [Name of Recording Jurisdiction]
--	----	--

Lot(s) 60, VINTAGE HILLS VI, according to the plat thereof recorded in Volume 218, of Plats, Page(s) 71 through 75, in King County, Washington.

which currently has the address of

29525 125TH AVE SE, AUBURN  
[Street/City]

Washington 98092-3246 ("Property Address"):  
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the

late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees, and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent

the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"); (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Scrutability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party here to a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous

Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**22. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property at public auction at a date not less than 120 days in the future. The notice shall further inform Borrower of the right to reinstate after acceleration, the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale, and any other matters required to be included in the notice by Applicable Law. If the default is not cured on or before the date specified in the notice, Lender at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and/or any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee and Lender shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as Applicable Law may require. After the time required by Applicable Law and after publication of the notice of sale, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of the Property for a period or periods permitted by Applicable Law by public announcement at the time and place fixed in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

**23. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and the Trustee's fee for preparing the reconveyance.

**24. Substitute Trustee.** In accordance with Applicable Law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

**25. Use of Property.** The Property is not used principally for agricultural purposes.

**26. Attorneys' Fees.** Lender shall be entitled to recover its reasonable attorneys' fees and costs in any action or proceeding to construe or enforce any term of this Security Instrument. The term "attorneys' fees," whenever used in this Security Instrument, shall include without limitation attorneys' fees incurred by Lender in any bankruptcy proceeding or on appeal.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

DOC ID #: 00013861237003007

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Amarjit Singh \_\_\_\_\_ (Seal)  
AMARJIT SINGH \_\_\_\_\_ -Borrower

Savinder Kaur \_\_\_\_\_ (Seal)  
SAVINDER KAUR \_\_\_\_\_ -Borrower

\_\_\_\_\_ (Seal)  
\_\_\_\_\_ -Borrower

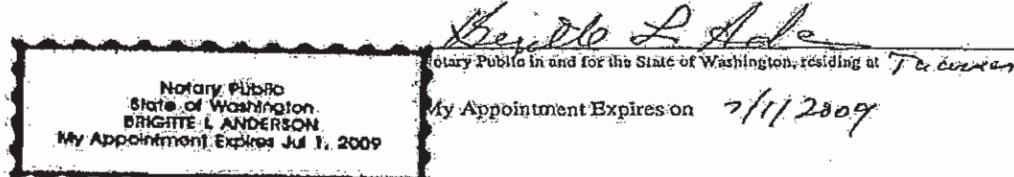
\_\_\_\_\_ (Seal)  
\_\_\_\_\_ -Borrower

STATE OF WASHINGTON  
County of King

On this day personally appeared before me \_\_\_\_\_ } ss:  
Amarjit Singh and  
Savinder Kaur

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she they signed the same as his/her their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 9<sup>th</sup> day of March 2007.



**EXHIBIT B**  
**ADJUSTABLE RATE RIDER**

LOAN #: 138612370

## FIXED/ADJUSTABLE RATE RIDER

(LIBOR One-Year Index (As Published In *The Wall Street Journal*) - Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this SEVENTH day of MARCH, 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to Countrywide Bank, N.A.

("Lender") of the same date and covering the property described in the Security Instrument and located at:  
29525 125TH AVE SE  
AUBURN, WA 98092-3246  
[Property Address]

THE NOTE PROVIDES FOR A CHANGE IN BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial fixed interest rate of 5,625 %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

**4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of APRIL, 2012, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

\*FIXED/ARM Rider

Interest First/Only LIBOR One-Year Index

1E460-US (10/05)(d)

Page 1 of 5



\* 2 8 9 9 1 \*



\* 1 3 8 6 1 2 3 7 0 0 0 0 0 1 E 4 6 0 \*

LOAN #: 138612370

(B) The Index

Beginning with the First Change Date, my adjustable interest rate will be based on an Index. The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO & ONE-QUART percentage points ( 2.250 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment. For payment adjustments occurring before the First Principal and Interest Payment Due Date, the amount of my monthly payment will be sufficient to repay all accrued interest each month on the unpaid principal at the new interest rate. If I make a voluntary payment of principal before the First Principal and Interest Payment Due Date, my payment amount for subsequent payments will be reduced to the amount necessary to repay all accrued interest on the reduced principal balance at the current interest rate. For payment adjustments occurring on or after the First Principal and Interest Payment Due Date, the amount of my monthly payment will be sufficient to repay unpaid principal and interest that I am expected to owe in full on the Maturity Date at the current interest rate in substantially equal payments.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.625 % or less than 2.250 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 10.625 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

Before the effective date of any change in my interest rate and/or monthly payment, the Note Holder will deliver or mail to me a notice of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

1. Until my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument shall read as follows:

\* FIXED/ARM Rider

Interest First/Only LIBOR One-Year Index

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LOAN #: 138612370

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

2. When my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B.1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

LOAN #: 138612370

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

LOAN #: 138612370

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this  
Fixed/Adjustable Rate Rider.

Amarjit Singh \_\_\_\_\_ (Seal)  
AMARJIT SINGH \_\_\_\_\_ -Borrower

Bawinder Kaur \_\_\_\_\_ (Seal)  
\_\_\_\_\_ -Borrower

\_\_\_\_\_ (Seal)  
\_\_\_\_\_ -Borrower

\_\_\_\_\_ (Seal)  
\_\_\_\_\_ -Borrower

• FIXED/ARM Rider  
Interest First/Only LIBOR One-Year Index  
1E460-US (10/05) Page 5 of 5



## DEFINITION OF TRUTH-IN-LENDING TERMS

### ANNUAL PERCENTAGE RATE

This is not the Note rate for which the borrower applied. The Annual Percentage Rate (APR) is the cost of the loan in percentage terms taking into account various loan charges of which interest is only one such charge. Other charges which are used in calculation of the Annual Percentage Rate are Private Mortgage Insurance or FHA Mortgage Insurance Premium (when applicable) and Prepaid Finance Charges (loan discount, origination fees, prepaid interest and other credit costs). The APR is calculated by spreading these charges over the life of the loan which results in a rate higher than the interest rate shown on your Mortgage/Deed of Trust Note. If interest was the only finance charge, then the interest rate and the Annual Percentage Rate would be the same.

### PREPAID FINANCE CHARGES

Prepaid Finance Charges are certain charges made in connection with the loan and which must be paid upon the close of the loan. These charges are defined by the Federal Reserve Board in Regulation Z and the charges must be paid by the borrower only, and not the seller if applicable. Non-inclusive examples of such charges are: Loan origination fee, "Points" or Discount, Private Mortgage Insurance or FHA Mortgage Insurance, Tax Service Fee. Some loan charges are specifically excluded from the Prepaid Finance Charge such as appraisal fees and credit report fees.

Prepaid Finance Charges are totaled and then subtracted from the Loan Amount (the face amount of the Deed of Trust/Mortgage Note). The net figure is the Amount Financed as explained below.

### FINANCE CHARGE

The amount of interest, prepaid finance charge and certain insurance premiums (if any) which the borrower will be expected to pay over the life of the loan.

### AMOUNT FINANCED

The Amount Financed is the loan amount applied for less the prepaid finance charges. Prepaid finance charges can be found on the Good Faith Estimate. For example if the borrower's note is for \$100,000 and the Prepaid Finance Charges total \$5,000, the Amount Financed would be \$95,000. The Amount Financed is the figure on which the Annual Percentage Rate is based.

### TOTAL OF PAYMENTS

This figure represents the total of all payments made toward principal, interest and mortgage insurance (if applicable).

### PAYMENT SCHEDULE

The dollar figures in the Payment Schedule represent principal, interest, plus Private Mortgage Insurance (if applicable). These figures will not reflect taxes and insurance escrows or any temporary buydown payments contributed by the seller.

**EXHIBIT C**  
**ASSIGNMENT OF DEED OF TRUST**

**Electronically Recorded****20110616001004**

INGEO SYSTEMS INC

AOT

14.00

Page 001 of 001  
06/16/2011 03:57  
King County, WA

When recorded mail to:  
**CoreLogic**  
**450 E. Boundary St.**  
**Attn: Release Dept.**  
**Chapin, SC 29036**

This space for Recorder's use

 DocID# <b>15213861237010685</b>	Recording Requested By: <b>Bank of America</b> Prepared By: <b>Kathy Orland</b> <b>888-603-9011</b> <b>450 E. Boundary St</b> <b>Chapin, SC 29036</b>
Tax ID: <b>8946710600</b>	
Property Address: <b>29525 125TH AVE SE</b> <b>Auburn, WA 98092</b> <small>WA007 1341011 2/10/2011</small>	

MEN # 1001337-0001926791-6 MERS Phone # 888-679-6377

**ASSIGNMENT OF DEED OF TRUST**

For Value Received, the undersigned holder of a Deed of Trust (herein "Assignor") whose address is 3300 S.W. 34TH AVENUE, SUITE 101 OCALA, FL 34474 does hereby grant, sell, assign, transfer and convey unto BAC HOME LOANS SERVICING, LP FKA COUNTRYWIDE HOME LOANS SERVICING LP whose address is 13150 WORLD GATE DR, HERNDON, VA 20170 all beneficial interest(s) under that certain Deed of Trust described below together with the note(s) and obligations, therein described and the money due and to become due thereon with interest and all rights accrued or to accrue under said Deed of Trust.

Original Lender: **COUNTRYWIDE BANK, N.A.**  
 Made By: **AMARJIT SINGH, AS HIS SOLE AND SEPARATE PROPERTY**  
 Original Trustee: **LS TITLE OF WASHINGTON**  
 Date of Deed of Trust: **3/7/2007**  
 Original Loan Amount: **\$357,700.00**

Recorded in King County, WA on 3/14/2007, book N/A, page N/A and instrument number 20070314000864

IN WITNESS WHEREOF, the undersigned has caused this Assignment of Deed of Trust to be executed on  
6-13-11

MORTGAGE ELECTRONIC REGISTRATION  
SYSTEMS, INC.

By:   
 Luis Roldan, Assistant Secretary

State of California  
County of Ventura

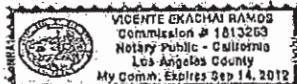
On JUNE 13, 2011, before me, Vicente Ekachai Ramos, Notary Public, personally appeared Luis Roldan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(is), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
 Notary Public: Vicente Ekachai Ramos  
 My Commission Expires: 9/14/2012

(Seal)



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**EXHIBIT D**  
**SUBSTITUTION OF TRUSTEE DOCUMENT**

## SUBSTITUTION OF TRUSTEE

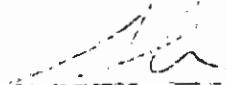
WHEREAS, Amarjit Singh, owned property subject to the Deed of Trust referred hereto naming LS Title of Washington, as the original Trustee and Mortgage Electronic Registration Systems, Inc. ("MERS") Acting Solely As Nominee For Countrywide Bank, N.A., the Beneficiary, under that certain Deed of Trust for Amarjit Singh, As His Sole and Separate Property, and recorded on March 14, 2007 under King County Auditor's Recording No. 20070314000864, and affecting the land described in said Deed of Trust, and

WHEREAS, the undersigned beneficiary desires to substitute a new Trustee under said Deed of Trust in place and stead of LS Title of Washington, now therefore, the undersigned hereby substitute Alan-David-Tikal, Trustee of the KATN Revocable Living Trust, as Trustee under said Deed of Trust.

DATED this 11 day of December, 2013.

KATN TRUST

By

  
Alan-David-Tikal  
BENEFICIARY / NEW TRUSTEE

STATE OF Nevada )  
 )  
COUNTY OF Clark )

On this 11 day of December, 2013, I personally appeared before me, Janice M. Lafazan, known to be the Notary Public in and for the State of Nevada, who exceeded the foregoing instrument, and acknowledged that said instrument to be the free and voluntary act and deed of said Agency, for the uses and purposes therein mentioned.

Witness my hand and official seal hereunto affixed the day and year first above written.



JANICE M. LAFAZAN  
Notary Public in and for the State of Nevada  
No. 05 100313-1  
My appl. exp. Jan. 4, 2013

  
Janice M. Lafazan  
Notary Public in and for the State of Nevada  
Print Name: Janice M. Lafazan  
My Commission Expires: 1/4/2013

**EXHIBIT E**  
**NOTE SECURED BY DEED OF TRUST**

# NOTE SECURED BY DEED OF TRUST

## STRAIGHT NOTE

\$ 89,134.00

Washington

December 4, 2010

In installments as herein stated, for value received, Amerjit Singh, undersigned, promise to pay to KAIN Revocable Living Trust, or order, at CAA, Inc. Las Vegas, NV, 89103 or as directed the sum of (\$ Eighty-nine Thousand One Hundred Thirty-four) (\$ 89,134.00), with interest at the rate of SEVEN AND 50/100 per cent per annum (7.50%), for 5 years with a Balloon Payment in 5 years. Payable in monthly interest only installments of \$ 557.09, on the first day of each month and first payment to commence on February 1, 2011.

Taxes and Insurance are the responsibility of the Client.  
(Five (5) year renewable option available at Beneficiaries discretion)

Late Charge: A late charge of \$25.00 shall be assed for any payment received by Payee more than 10 calendar days after the due date. Loan is in default after 30 days past due and default rate is 9.00% per annum.

The privilege is reserved of paying this Note in full or in part any time prior to maturity date, without penalty.

Deed of Trust securing this note contains an Acceleration Clause.

Buyer is aware this Note contains a Balloon payment at maturity and is Due January 1, 2016.

Each payment shall be credited first on accrued interest, remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment of principal or interest or in performance of any obligation contained in the Deed of Trust by which this note is secured, the whole sum of principal and interest shall become immediately due at the option of the holder hereof. Principal and Interest payable in lawful money of the United States. Should the payee or his assigns be required to engage an attorney to enforce any provision of this note or Deed of Trust securing same, or in any proceeding brought by the undersigned in Court of Equity or law, or under the Bankruptcy Act, the undersigned promises to pay said sums as the court may fix as attorneys fees. This note is secured by a DEED OF TRUST, of even date, to CAA, Inc. a Nevada corporation.

Amarjit Singh  
Amarjit Singh

DO NOT DESTROY THIS NOTE: When paid, this note with Deed of Trust securing same must be surrendered to Trustee for cancellation before reconveyance will be made.

**EXHIBIT F**  
**FULL RECONVEYANCE DOCUMENT**

Return Address

CONFORMED COPY

CAA, Inc.  
6767 W. Tropicana Ave., #101  
Las Vegas, NV 89103

20110119001120  
CANDACE WALKER, FR  
PAGE 001 OF 003  
01/19/2011 12:08

64.00

FULL RECONVEYANCE

Indexing information required by the Washington State Notary Public Law Officer, WAC 411-147 (print and name first)  
Reference# (if applicable):

Grantor(s) (Borrower): (1) Amarjit Singh (2) Add'l on pg \_\_\_\_\_  
Grantee(s) (Beneficiary): (1) Mortgage Electronic Registration Systems, Inc. ("MERS") Acting Solely As Nominee For Countrywide Bank, N.A. (2) Add'l on pg \_\_\_\_\_  
Add'l on pg \_\_\_\_\_ Legal Description (Abbreviations): Village Hills VII T 00 Vol 218 Pages 71-75  
Add'l legal is on pg \_\_\_\_\_ Assessor's Property Tax Parcel Account: 894671-0600

The undersigned Trustee under that certain Deed of Trust dated this 7<sup>th</sup> day of March, 2007, in which Amarjit Singh, As His Sole and Separate Property, Grantor(s), and Mortgage Electronic Registration Systems, Inc. (MERS) Acting Solely As Nominee For Countrywide Bank, N.A., Beneficiary(ies), having received from the Beneficiary(ies), a written request to reconvey the real property described in said instrument, and requesting that the obligations secured by said Deed of Trust have been fully paid, I, the undersigned, do hereby reconvey, without warranty, to the person(s) named thereunder, all title and interest now held by said Trustee, in and to the real property described in said Deed of Trust recorded on the 14<sup>th</sup> day of March, 2007, under Auditor-Recorder's File No. 200703100004 in Volume \_\_\_\_\_ of Mortgages, page(s) \_\_\_\_\_, in the City of King County, Washington, as follows:

See Exhibit "A" attached hereto and made a part hereof.

Subscribed and sworn to before me this 1<sup>st</sup> day of April, 2011, by \_\_\_\_\_  
John M. C. \_\_\_\_\_

Dated this 1<sup>st</sup> day of April, 2011, at \_\_\_\_\_, Washington.

# northpoint escrow + title

## Property Profile Report

### Owner and Property

Address: 29525 125th Ave Auburn, WA 98092  
Mail Address: 29525 125th Ave Auburn, WA 98092  
Owner: Singh, Amarjeet  
County: King  
Parcel Number: 8946710600  
Account Num: 894671060008  
Property ID: 8946710600  
Census: 0312-06  
Owner Occ.: Yes  
Lot: 60 Block:

Subdivision: VINTAGE HILLS VII  
Legal Description: VINTAGE HILLS VII TGW UND JNT IN S.A.T. TRACTS

### Formal Legal Description:

### Property Characteristics

Property Type: SINGLE FAMILY	Bsmt. Sq. Ft: 800
House Style:	Fin. Bsmt SF: 800
Year Built: 2004	Bsmt Type:
Square Feet: 3,760	Lot Size: 4,655
Bedrooms: 7	Acres: 0.11
Bathrooms: 3.50	Heat: GFA
Garage Type: ATTACHED	Cooling:
Car Spaces: 2.00	Roof Style:
Exterior:	Roof Cover:
Fireplaces: 1	

### Assessment Information

Assessed Year: 2011	Tax Year: 2011
Assessor Value: \$ 283,000	Taxes: \$ 3,942.55
Land Value: \$ 109,000	

### Previous Sale Information

Sale Amount: \$ 273,736	Sale Date: 11/2/2004 12:00:00 AM
Document Date:	Document Num: 20041112001624

All information provided by ValueCheck, Inc. is deemed reliable, but not guaranteed. Accuracy of the information may vary by county.

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**Return Address:**  
CAA, Inc.  
6767 W. Tropicana Avenue, #101  
Las Vegas, NV 89103

CONFORMED COPY

**20110119001119**  
CANDACE WALKER AST 15.00  
PAGE-001 OF 002  
01/19/2011 12:08

**Document Title(s) or transactions contained herein:**

Substitution of Trustee

**Reference Number(s) of related documents:**

20070314000864

**Grantor:**

Amarjit Singh

**Beneficiary:**

Alan-David Tikal, Trustee of the KATN Revocable Living Trust

**Abbreviated Legal Description:**

VINTAGE HILLS VI LT 60 VOL 218 PAGES 71-75

**Assessor's Tax Parcel Number:**

894671-0600

**Commonly Known Address:**

29525 – 125<sup>th</sup> Avenue SE, Auburn, WA 98092

**EXHIBIT G**  
**CEASE AND DESIST LETTER**

Notice to Agent is Notice to Principal  
and  
Notice to Principal is Notice to Agent

January 18, 2011  
Amarjit Singh  
29525 125<sup>th</sup> Ave.  
Apt#100, WA 98023

Bank of America  
100 N. Tryon St.  
Charlotte, NC 28265

Re: 118612374

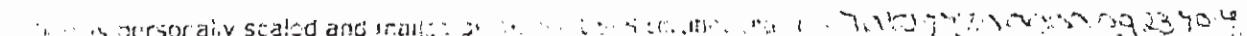
Chase Bank of America

Pursuant to my rights under federal Fair Debt Collection Practices Act (FDCPA), I am demanding that you Cease and Desist all forms of communication with me, as well as my family and friends, in relation to this and all other alleged debts you claim I owe.

This is a valid debt owed. You have no right to interest with me. We have to work this out with me.

Under the auspices of FDCPA 15 U.S.C 1692f(b)(1) and 1692f(3)(C)(ii), you must provide a written validation of this disputed alleged debt to me. You have 30 days.

You are hereby notified that if you do not comply with this document, I will file a complaint against you for \$1,000.00 (One Thousand U.S. Dollars) in damages and costs. I will also contact the Consumer Protection Bureau, the Federal Trade Commission and the (Washington) Attorney General's office.

This is personally sealed and mailed by me on the 8th day of January, 2011. 

AMARJIT SINGH  
Printed Name

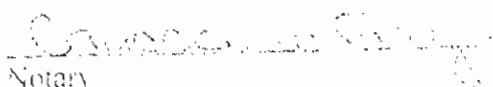
Amarjit - Singh  
Signature

Printed Name

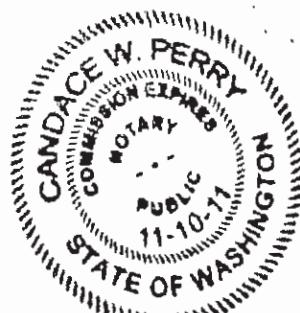
Signature

WITNESS my hand and official seal

S. M.

  
Notary

My commission expires on 11-10-11



**EXHIBIT H**  
**LOAN MODIFICATION DENIAL LETTER**



April 4, 2014

Amarjit Singh  
29525 125th Ave SE  
Auburn, WA 98092

Loan Number: 138612370

Dear Amarjit Singh:

Thank you for contacting us to discuss available loan assistance options. While we realize this decision comes at a difficult time in your life, we regret to inform you that based on careful review of the information provided, you do not meet the eligibility requirements to qualify for a loan modification or other payment assistance program, but you are qualified to pursue a short sale. More information about your short sale option and reason(s) why your loan is not eligible for a modification is included in the enclosed *Results of Your Evaluation* section.

A short sale will provide you time to transition out of the property. While you are attempting to short sale your property, we will suspend the foreclosure process and postpone any foreclosure sale until the close of the short sale or until the end of the marketing period, whichever occurs sooner. If you have a scheduled foreclosure sale date, as long as you are complying with the requirements of this short sale program, we will make every effort to postpone the foreclosure sale. However, in some cases, the court with jurisdiction over the foreclosure proceeding (if any) or public official charged with carrying out the sale may not halt the scheduled sale. **Please do not disregard or ignore any foreclosure notifications or letters.** If you do not sell the property within the marketing period, we will initiate or continue with existing foreclosure proceedings according to the terms and conditions of this short sale program and applicable law.

#### About a short sale

A short sale is the sale of your property for less than the amount you owe on your mortgage loan. With a short sale, we will release our mortgage lien on your property once we receive the proceeds from the sale of the property, even though the proceeds are less than the amount you owe. Benefits to you may include:

- Avoiding foreclosure and eviction
- Eliminating or reducing your mortgage debt (please consult with a tax professional to discuss potential tax consequences)
- Having more control over the timing and manner in which you transition out of the property

#### What you need to do next

- Your customer relationship manager will be contacting you to discuss your next steps and will continue to be your single point of contact during this process. Additionally, if you have any questions please reach out to him or her at 1-800-669-6650.
- If you are interested in pursuing a short sale, please contact a licensed real estate professional who has experience with short sales, which are more complex than traditional sales, to list your property if it is not currently listed. Bank of America requires you to list your property with a licensed real estate professional of your choice to complete a short sale. You will not have to pay the cost of the real estate professional, as he or she will be paid from the proceeds of the sale of the house. We will work with your licensed real estate professional during the process to help you complete the short sale.

If you need assistance locating a licensed real estate professional in your area, please visit the Short Sale Professional Locator at bankofamerica.com/agentlocator. The purpose of this tool is to facilitate contact information with professionals who have had experience with Bank of America short sales. Bank of America does not endorse or recommend any professional appearing on the tool or require that a professional on this list be used for a short sale transaction. You are free to use any licensed real estate professional or attorney of your choice, unless you are related to or have a close personal or business relationship with that person.

- Once you have selected a real estate professional, we will need your consent to discuss the short sale with him/her. Please let us know when you have selected a real estate professional and we will send you an authorization form that will provide us permission to discuss the short sale with that individual.
- Once a potential buyer's offer is received, contact us immediately at 1.866.880.1232 and we will work with the investor on your loan and review the offer.

Please note that program qualification is conditional until the investor on your loan and any mortgage insurers agree to accept a short sale on your property. The final approval also depends upon any offers you receive on the property, the valuation of the property and the release of any subordinate liens, such as a home equity loan, if applicable. We may require additional information prior to final approval.

#### How we evaluated your request

In an effort to find the best available loan assistance program for which you are eligible, we evaluate your financial information against the list of assistance programs available to you in the order required by your investor. Once we determine that you qualify for a particular program, we offer it to you. Depending upon where the offered program is in that order, there may be other programs lower in the list that we are unable to offer you under investor requirements. We are required under applicable law to identify these programs for you. The attachment to this letter lists the program you are approved for (if any), those that you did not qualify for after we reviewed your information, and any programs in the order that we are unable to offer you.

#### We are here to help

If you have questions, please contact us at 1.800.669.6650 Monday - Friday 7 a.m. to 12 a.m. and Saturday 8 a.m. to 6 p.m. Eastern. We want to help you avoid foreclosure, so please consider this opportunity.

Michelle Evans-El  
Home Loan Team  
Bank of America, N.A.

#### Enclosed: (1) Results of Your Evaluation (2) Servicemembers Civil Relief Act Notice

Notices of error, requests for information and qualified written requests (QWR, as defined in RESPA) must be sent to:

Bank of America  
Attn: Notice of Error & Request for Information  
P.O. Box 942019  
San Jose, CA 95094-2019

Bank of America, N.A. is required by law to inform you that this communication is from a debt collector.

If you are currently in a bankruptcy proceeding, or have previously obtained a discharge of this debt under applicable bankruptcy law, this notice is for information only and is not an attempt to collect the debt, a demand for payment, or an attempt to impose personal liability for that debt. You are not obligated to discuss your home loan with us or enter into a loan modification or other loan-assistance program. You should consult with your bankruptcy attorney or other advisor about your legal rights and options.

Mortgages funded and administered by an  Equal Housing Lender.  
Protect your personal information before recycling this document.

## Results of the Evaluation

As part of the evaluation process, we reviewed your loan for programs for which you are eligible.

### What you are qualified for

You are qualified for the following program:

- **A traditional short sale with an offer.** In a traditional short sale with an offer, you work with a local, licensed real estate agent of your choice. If you receive an offer to buy your house and we accept that offer, the proceeds from the sale are used to pay off your mortgage debt, even if the proceeds are less than the amount owed on the mortgage.

Your customer relationship manager will be contacting you to discuss your next steps. If you have any questions please reach out to him or her at 1-800-669-6650 Monday - Friday 7 a.m. to 12 a.m. and Saturday 8 a.m. to 6 p.m. Eastern.

### Programs you did not qualify for

We determined that you do not meet the eligibility requirements for the following program(s). You may request to be re-evaluated for any loan modification program(s) listed below if you believe our decision is incorrect. Below each reason is a list of required documents (if applicable) we need you to submit with your request if you wish to be re-evaluated. We have also provided instructions in this enclosure on how to request a re-evaluation.

- **Home Affordable Modification Program:** Your loan is not eligible for the reason(s) stated below.
  - You do not live in the property as your primary residence.

**Required document to dispute this finding:**

  - Copy of your most recent utility bill
- **Fannie Mae Modification 24 Program:** Your loan is not eligible for the reason(s) stated below.
  - You do not live in the property as your primary residence.

**Required document to dispute this finding:**

  - Copy of your most recent utility bill
  - Your modified monthly housing expense would be either less than 10% or more than 55% of your monthly gross income of \$7,696.20 (before taxes and other deductions), which falls outside the program guidelines that we must follow.
- **Fannie Mae Standard Modification Program:** Your loan is not eligible for the reason(s) stated below.
  - Your post-eligibility monthly mortgage payment (including insurance) would be more than your existing payment (including insurance).
- **Fannie Mae Alt Mod 3.0 Program:** Your loan is not eligible for the reason(s) stated below.
  - Your loan does not meet the delinquency requirements of this program.
- **Fannie Mae Capitalization and Extension Modification Program:** Your loan is not eligible for the reason(s) stated below.
  - Your financial hardship is not resolved.
  - Your loan does not meet the delinquency requirements of this program.
  - Your loan is not a fixed-rate mortgage.
- **Fannie Mae Streamlined Modification Program:** Your loan is not eligible for the reason(s) stated below.

- Your loan does not meet the delinquency requirements of this program.

#### **Programs that are not available to you**

We evaluate your financial information against the list of assistance programs available to you in the order required by your investor. Once we determine that you qualify for a particular program, we offer it to you. Depending upon where the offered program is in that order, there may be other programs lower in the list that we are unable to offer you under investor requirements. We are required under applicable law to identify these programs for you.

- Deed in lieu of foreclosure programs where you agree to transfer ownership of your home to us in partial or full satisfaction of the outstanding loan balance.

#### **How to request a re-evaluation**

**If you believe our review of your eligibility for a loan modification was incorrect, you have 30 calendar days from the date of this letter to contact us at 1.800.854.6885 and provide information to show why our determination of eligibility was in error.**

Please fax any required documents to 1.800.658.9351. Address your fax cover sheet to the attention of **Bank of America Appeals Intake** and write your loan number on all pages submitted. Also, keep a copy of all documents you fax to us and proof of your fax submission for your records. Please note that all requests to reconsider the reason(s) for non-approval must be made within 30 calendar days. Any information or documentation we receive from you after this timeframe will not be reviewed.

**Note that during the period referenced above in which you may contact us and provide information which you believe shows our decision is incorrect, we will not move for a judgment of foreclosure or order of sale, or conduct a foreclosure sale. If you have a foreclosure sale already scheduled, we will make every effort to postpone the sale during this period. However, in some cases, the court with jurisdiction over the foreclosure proceeding (if any) or public official charged with carrying out the sale may not halt the scheduled sale. Do not ignore any legal notices about your house.**

#### **Additional assistance available to you**

You can also seek assistance at no charge from U.S. Department of Housing and Urban Development-approved housing counselors by calling the HOPE Hotline Number (1.888.995.HOPE). Assistance in understanding this notice is available through the HOPE Hotline by asking for MHA HELP.

#### **Required Disclosures**

Bank of America, N.A. is required by law to inform you that we are unable to fulfill your request for a loan modification and the Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20552.

Our credit decision was based in whole or in part on information obtained from an affiliate or from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request, no later than 60 days after you receive this notice, for disclosure of the nature of this information. If you have any questions regarding this notice, you should contact us at:

Bank of America, N.A.  
5401 N Beach St.  
Mail Stop: TX2-977-01-34  
Fort Worth, TX 76137

Our credit decision was based in whole or in part on information in a report from the consumer reporting agencies listed below. While the information was provided by these agencies, these agencies played no part in our decision and are unable to supply specific reasons for our decision. You have a right under the Fair Credit Reporting Act to obtain a copy of your credit report from the agencies below. The report will be free if you request it within 60 days after you receive this notice. You also have the right to dispute with the agencies below the accuracy or completeness of any information in your report.

Equifax Credit Information Services (EFX)  
P.O. Box 740241, Atlanta, GA 30374  
Phone: 1.800.685.1111  
(for credit report orders)  
Phone: 1.800.685.5000 (for disputes)

TransUnion Corporation (TUC)  
P.O. Box 1000, Chester, PA 19022  
Phone: 1.800.888.4213  
(for credit report orders)  
Phone: 1.800.916.8800 (for disputes)

Experian (XPN)  
P.O. Box 2002, Allen, TX 75013  
Phone: 1.888.397.3742  
(for credit report orders)

## The Servicemembers Civil Relief Act (SCRA)

### *Important Notice for Military Servicemembers Considering a Short Sale or Deed in Lieu of Foreclosure*

If you or your spouse is a member of the military, please carefully review this document and notify your bank representative immediately. You may qualify for benefits and protections afforded by law.

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The Servicemembers Civil Relief Act, 50 U.S.C. App. §§501 et seq. (the "SCRA") provides military personnel and their dependants with a wide range of legal and financial protections. SCRA benefits and protections:

- Limit the maximum rate of interest that may be charged on debt incurred by an eligible servicemember before the servicemember began military service.
- May prevent the sale, foreclosure, or seizure of real estate, except when a valid court order exists that approves the sale, foreclosure, or seizure of the real estate.
- May stop a landlord or lender from evicting a servicemember from his/her residence.

Depending upon your military status and when your loan was originated, the SCRA may prevent the lender from foreclosing on your property. However, we understand that despite this protection, Servicemembers may still want to be relieved of the debt obligation associated with a home loan.

If you would like to discuss foreclosure alternatives such as a short sale or a deed in lieu of foreclosure, please contact us. Any negotiation for a short sale or a deed in lieu of foreclosure is not a threat of current or future litigation or an action to foreclose on the property, and should not be considered as such.

#### Our Military Assistance Team is Here to Help

For further assistance and to obtain information about the many benefits and protections available to military servicemembers, please contact the Bank of America Military Assistance Team at:

1.877.430.5434 (1.817.685.6491 outside the U.S.)  
Bank of America, N.A. – Military Assistance Team  
1515 W. 14th Street  
Mail Code: AZ1.807.01.19  
Tempe, AZ 85281

#### For Additional Information

There are a number of other resources you can use to gain a better understanding of your SCRA rights and protections. Use these helpful sources to get started.

- **CONSULT AN ATTORNEY.** To fully understand your rights under the law, and before waiving your rights or voluntarily surrendering property, please consult an attorney.
- **JAG / LEGAL ASSISTANCE:** Servicemembers and dependents with questions about the SCRA should contact their unit's Judge Advocate or their installation's Legal Assistance Officer. A military legal assistance office locator for all branches of the Armed Forces is available at <http://legalassistance.law.af.mil/content/locator.php>.
- **MILITARY ONESOURCE:** "Military OneSource" is the U. S. Department of Defense's information resource. Go to [www.militaryonesource.com/scra](http://www.militaryonesource.com/scra) or call 1.800.342.9647 (toll free from the United States) to find out more information. Dialing instructions for areas outside the United States are provided on the website.

**EXHIBIT I**  
**QUITCLAIM DEED**

## AFTER RECORDING MAIL TO:

Amarjit Singh  
11260 SE 224th Pl  
Kent, WA 98031



20041112001625

TIGER NATIONAL O&O  
PAGE001 OF 001  
11/12/2004 14:43  
KING COUNTY, WA

E2083302

11/12/2004 14:43  
KING COUNTY, WA  
TAX \$0.00  
SALE \$0.00

PAGE001 OF 001

Filed for Record at Request of TICAC Title Of Washington, Inc.

TICAC

6328845-1

QUIT CLAIM DEED

## THE GRANTOR(S)

Davinder Kaur, wife of Amarjit Singh

for and in consideration of To Establish Separate property conveys and quit claims to

Amarjit Singh, married at his separate estate

the following described real estate, situated in the County of Pierce, State of Washington, together with all after acquired title of the grantor(s) therein:

LOT(S) 60 VINTAGE HILLS VI, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 218, OF PLATS, PAGE(S) 71 THROUGH 75, IN KING COUNTY, WASHINGTON.

Assessor's Property Tax Parcel/Account Number: ER46710FA0 L 360

Dated 11/12/04

Davinder Kaur  
Davinder Kaur

## STATE OF WASHINGTON

## COUNTY OF PIERCE

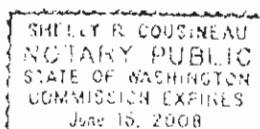
On this day personally appeared before me Davinder Kaur to me known to be the above Grantor(s) described above who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same at his/her/their free and voluntary act and deed, for the uses and purposes hereinabove mentioned.

Given under my hand and affixed seal, this the 11/12/04.

Shelly R. Cousineau  
Notary Public in and for the State of Washington SHELLY R. COUSINEAU  
residing at Pierce

My Commission Expires: 05/16/08

(SEAL)



**EXHIBIT J**  
**STATUTORY WARRANTY DEED**

AFTER RECORDING MAIL TO:

Amarjit Singh  
11260 SE 224th Pl  
Kent, WA 98031



Filed for Record at Request of: Title Title Of Washington, Inc.

TITLE

6328845-1 STATUTORY WARRANTY DEED

THE GRANTOR(S)

BG Land, LLC, a Washington Limited Liability Company

for and in consideration of Ten Dollars and Other Good and Valuable Consideration in hand paid, conveys, and warrants to

Amarjit Singh, married as his separate estate

the following described real estate, situated in the County of ~~Pierce~~, State of Washington:

LOT(S) 60, VINTAGE HILLS VI, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 218, OF PLATS PAGE(S) 7 THROUGH 75, IN KING COUNTY, WASHINGTON.

Subject to:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREWITH BY THIS REFERENCE

Address of Property Tax Parcel/Account Number: BP4610300 L 160

Dated:

BG Land, LLC

By:

STATE OF Washington

COUNTY OF Pierce

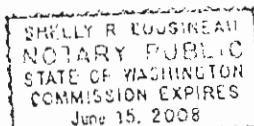
On this day 11 of November 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Shelly R. Cousineau, known to me to be the Manager/Member respectively, of BG Land, LLC the limited liability company that executed the foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that authorized to execute the said instrument.

Witness my hand and official seal, this day 11 of November 2004.

Shelly R. Cousineau Notary Public

My Commission Expires: 06/15/08

(SEAL)



Escrow No.: 9005934-

LPB-10 7/97

**EXHIBIT K**

**SUPPLEMENTAL DIRECTIVE 12-02 MARCH 09, 2012 HOME  
AFFORDABLE PROGRAM MHA EXTENSION AND EXPANSION**

*Supplemental Directive 12-02*

*March 9, 2012*

***Making Home Affordable Program – MHA Extension and Expansion***

In February 2009, the Obama Administration introduced the Making Home Affordable (MHA) Program to stabilize the housing market and help struggling homeowners obtain relief and avoid foreclosure. In March 2009, the U.S. Department of the Treasury (Treasury) issued uniform guidance for loan modifications by participants in MHA across the mortgage industry and subsequently updated and expanded that guidance. On December 15, 2011 Treasury issued version 3.4 of the *Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages (Handbook)*, a consolidated resource for guidance related to the MHA Program for mortgage loans that are not owned or guaranteed by Fannie Mae or Freddie Mac (Non-GSE Mortgages).

In an effort to continue to provide meaningful solutions to the housing crisis, the Obama Administration is extending the deadline for the MHA Program to the end of 2013, and is expanding the population of homeowners that may be eligible for the Home Affordable Modification Program (HAMP) under a new “HAMP Tier 2” alternative, enabling more struggling homeowners to take advantage of affordable mortgage payment relief. This Supplemental Directive also expands the population of homeowners that may be eligible for the Home Affordable Unemployment Program (UP), the Home Affordable Foreclosure Alternatives (HAFA) Program, and the Second Lien Modification Program (2MP), and clarifies servicer requirements with respect to establishing right party contact and issuance of borrower notices.

On and after the Effective Date (defined below), HAMP will include an additional evaluation or “Tier” intended to extend modification opportunities to borrowers that do not meet the eligibility or underwriting requirements of the existing HAMP guidelines including, subject to certain limitations described herein, loans secured by properties that are not owner-occupied. For clarity, the existing HAMP modification is referred to as “HAMP Tier 1” and will continue to provide an affordable modification option for a loan secured by a property which is the borrower’s principal residence. All references herein to HAMP Tier 1 will refer both to HAMP modifications completed under guidance in effect prior to the Effective Date and HAMP Tier 1 modifications completed after the Effective Date. The additional modification evaluation will be referred to as “HAMP Tier 2”. Except as indicated herein, HAMP guidelines existing as of the date of this Supplemental Directive will be applicable to both HAMP Tier 1 and HAMP Tier 2 modifications.

This Supplemental Directive provides guidance to servicers for implementation of the extension and expansion of HAMP for Non-GSE Mortgages. This Supplemental Directive amends and supersedes the notated portions of the *Handbook*. The mapping of the *Handbook* is expected to be issued by mid-March and will delineate the changes thereto attributable to the guidance provided in this Supplemental Directive.

Servicers that are subject to the terms of a servicer participation agreement and related documents (SPA) must follow the guidance set forth in this Supplemental Directive. Except where noted, the guidance set forth in this Supplemental Directive is effective June 1, 2012 ("Effective Date"). This guidance does not apply to mortgage loans that are owned or guaranteed by Fannie Mae or Freddie Mac, insured or guaranteed by the Veterans Administration or, except as specifically noted herein, insured or guaranteed by the Department of Agriculture's Rural Housing Service (RHS) or the Federal Housing Administration (FHA).

This Supplemental Directive covers the following topics:

- Extension of MHA
- Owner Occupancy Definition
- UP Expansion
- HAMP Tier 2 Eligibility
- Borrower Solicitation
- Request for Mortgage Assistance
- Income Verification
- Net Present Value (NPV) Model
- Single Evaluation Process for Owner Occupants
- Underwriting HAMP Tier 2
- Investor Solicitation
- Non-Approval Notices
- Incentive Compensation
- HAFA
- 2MP
- Safe Harbor
- Servicing Transfers
- Annual Certifications
- Reporting

#### Extension of MHA

This Supplemental Directive extends the deadline for eligibility in MHA and all of its component programs through December 31, 2013.

- In order for a loan to be eligible for modification under HAMP an Initial Package, as defined in Section 4, Chapter II of the *Handbook*, must be submitted by the borrower on or before December 31, 2013.
- In order for a loan to be eligible for UP, a written (mail, fax or e-mail) request for UP must be submitted by the borrower on or before December 31, 2013.
- In order for a loan to be eligible for HAFA, either (i) a fully executed Short Sale Agreement (SSA) or Deed-in-lieu (DIL) agreement (DIL Agreement) from the borrower, or (ii) a written request (mail, fax or e-mail) requesting consideration for a SSA, DIL

Agreement or Alternative Request for Approval of Short Sale (Alternative RASS) must be submitted by the borrower on or before December 31, 2013.

- In order for a loan to be eligible for 2MP, the 2MP servicer must receive notification of a match with a permanent first lien modification that satisfied the deadline eligibility criteria described herein.
- In order for a loan to be eligible for incentive compensation under Treasury HFA-HAMP or Rural Development-HAMP (RD-HAMP), a request for modification assistance as defined by the FHA or the RHS must be postmarked by the borrower on or before December 31, 2013.

Evidence of borrower submission referenced above must be provided by postmark or other independent indicator such as a date and time stamp (electronic or otherwise) evidencing submission by the borrower on or before December 31, 2013.

In addition to the deadline definitions described above, in order for any MHA loss mitigation option to be eligible for incentive compensation, the transaction must be completed on or before September 30, 2014 (e.g., the HAMP or 2MP permanent modification must have a modification effective date on or before September 30, 2014 or the HAFA short sale or deed-in-lieu of foreclosure must have a transaction closing date on or before September 30, 2014). Although not eligible for incentive compensation, an UP forbearance plan must have a forbearance effective date on or before September 30, 2014. Additional guidance regarding requirements for timely processing of MHA assistance requests will be provided in a subsequent Supplemental Directive nearer the end of the MHA Program.

When a servicer has had contact with a borrower in connection with any of the above MHA programs, but is not in receipt of the minimum program participation documentation described above by December 31, 2013, or has determined it will be unable to complete (as described above) the HAMP, UP, 2MP or HAFA transaction on or before September 30, 2014, the servicer must notify the borrower in writing that he/she cannot be considered for the applicable MHA program and provide information about other available loss mitigation options.

All references to borrower in this Supplemental Directive refer to the primary borrower and any co-borrowers who are parties to the loan transaction.

#### Owner Occupancy Definition

This Supplemental Directive amends the eligibility criteria category of "Owner Occupied Single Family Property" in Section 1.1, Chapter II of the *Handbook*. Specifically, in addition to the current criteria, a property may be considered to be an owner-occupied property if the borrower has been displaced (e.g., military deployment, permanent change of station orders, out of area job transfer, foreign service assignment), but was occupying the property as a principal residence immediately prior to the displacement, intends to re-occupy the property as a principal residence in the future and the current occupant is not a tenant. Notwithstanding this amended definition

of what constitutes an owner-occupied property, a borrower is entitled to only one modification under HAMP Tier 1.

### UP Expansion

#### UP Extension

As described in Chapter III of the *Handbook* and subject to the guidelines described therein, UP generally requires servicers to offer 12 months of forbearance assistance to borrowers who are unemployed, with the expectation that when the borrower has regained employment or the period of unemployment forbearance has expired, the borrower will be evaluated for HAMP. While servicers must consider borrowers for UP eligibility through the December 31, 2013 deadline, borrowers in UP who do not meet the HAMP, 2MP or HAFA deadlines described herein will not be eligible for those programs and, upon re-employment or the expiration of the UP forbearance period, must be considered for other available loss mitigation options.

#### UP Eligibility

This Supplemental Directive expands eligibility for UP unemployment forbearance as follows:

- Section 2.2, Chapter III of the *Handbook* is amended to provide that servicer may grant UP assistance to a borrower whose loan is secured by a vacant or tenant-occupied property. Servicers continue to be required to consider for UP forbearance mortgages secured by owner-occupied properties as defined in this Supplemental Directive.
- Section 2.2, Chapter III of the *Handbook* is amended to require a servicer to consider a borrower for UP assistance regardless of the borrower's monthly mortgage payment ratio.
- Sections 2.1 and 2.3, Chapter III of the *Handbook*, are amended to require a servicer to consider a borrower for UP assistance regardless of whether the borrower had a payment default on a HAMP trial period plan or lost good standing on a permanent HAMP modification.

Servicers may implement these changes prior to the effective date of this Supplemental Directive.

### HAMP Tier 2 Eligibility

#### Expanded Eligibility Criteria

This Supplemental Directive expands eligibility for a HAMP modification to various borrowers previously ineligible for HAMP by establishing a second level HAMP evaluation protocol referred to herein as HAMP Tier 2.

A loan may be eligible for HAMP Tier 2 if the loan has not previously been modified under HAMP Tier 2 and the loan satisfies the HAMP basic eligibility criteria (origination date on or

before January 1, 2009<sup>1</sup>, documented hardship, one to four-unit property, unpaid principal balance (UPB) limitations and not condemned). In addition, one or more of the following may apply:

- The borrower is evaluated for HAMP Tier 1 following the Effective Date but fails to satisfy the eligibility requirements for a HAMP Tier 1 modification (e.g., the loan is not secured by an owner-occupied property or the borrower's pre-modification monthly mortgage payment is below the minimum 31 percent front end debt-to-income (DTI) ratio) or underwriting requirements for a HAMP Tier 1 modification (e.g., the servicer cannot achieve the target monthly mortgage payment ratio without excessive forbearance or the result of the NPV test is negative).
- The borrower was evaluated for, but not offered, a HAMP modification prior to the Effective Date; provided, however, the non-approval was not due to borrower fraud or non-compliance with Section 1481 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, in which case the borrower would not be eligible for HAMP Tier 2.
- The borrower had a payment default on a HAMP Tier 1 trial period plan entered into before or after the Effective Date.
- The borrower lost good standing under a HAMP Tier 1 permanent modification entered into before or after the Effective Date and, at the time of evaluation for HAMP Tier 2, at least 12 months have passed since the HAMP Tier 1 modification effective date or the borrower has experienced a change of circumstance.
- The mortgage is secured by a rental property (described below).

Additionally, this Supplemental Directive amends Section 1.2, Chapter II of the *Handbook*, to clarify that only natural persons are eligible for assistance under MHA. Loans made to, or secured by properties owned by, corporations, partnerships, limited liability companies or other business entities are not eligible for assistance under MHA.

#### Rental Property

A "rental property" is a property that is used by the borrower for rental purposes only and not occupied by the borrower, whether as a principal residence, second home, vacation home or otherwise ("rental property"). A rental property may be eligible for HAMP Tier 2 if:

- Two or more mortgage payments are due and unpaid (rental properties are not eligible for imminent default consideration);
- The borrower certifies that he or she does not own more than five single family properties;

<sup>1</sup> The term "origination date" refers to the date on which the loan was first originated (i.e., not the date a loan may have been modified).

- The rental property is currently occupied by a tenant as a principal residence or is vacant; and
- The borrower certifies in writing that he or she intends to rent the property to a tenant or tenants for at least five years following the effective date of any permanent modification and that he or she will make reasonable efforts to rent the property on a year-round basis if the property is or becomes vacant during such period. Notwithstanding the foregoing, during such five year period the borrower may sell the property, occupy it as the borrower's principal residence, or permit any dependent, parent or grandparent to occupy the property as such party's principal residence with no rent charged or collected.

If a property is occupied as a principal residence by a legal dependent, parent or grandparent of the borrower but the borrower does not charge or collect rent, the property is considered a "rental property" that is occupied by a tenant for purposes of any HAMP Tier 2 requirement.

A property that is or will be offered for rent on a seasonal basis and is available for use by the borrower when it is not rented is not eligible for a HAMP modification. Furthermore, a borrower must certify that he or she does not intend to use the property as a secondary residence for at least five years following the effective date of any permanent modification.

The certifications described above are referred to in this Supplemental Directive as the borrower's "rental property certifications."

#### Updated Forms

Updated forms of the Request for Mortgage Assistance (RMA) and Hardship Affidavit, to be posted on HMPAdmin.com, will include a distinct rental property certification section. The rental property certification of the RMA must be completed in conjunction with all requests for modification of rental property loans and will provide the servicer with information about the current occupancy and income status of the rental property or the borrower's intent to rent the property on a year-round basis and to make reasonable efforts to market such property.

Servicers are not required to obtain third party verification of the borrower's rental property certifications when evaluating a borrower for HAMP, unless it is necessary to resolve inconsistencies with other information provided by the borrower or is required by the investor or the servicer's internal underwriting policies. The servicer must use good business judgment in reconciling any such inconsistencies and in accordance with Section 5.5, Chapter II of the *Handbook*, should not modify a mortgage loan if there is reasonable evidence that the borrower has made false or misleading statements in connection with the modification request. If, following the effective date of a permanent HAMP Tier 2 modification of a loan secured by a rental property, it is determined that the borrower misrepresented or is non-compliant with representations made in the Rental Property Certification, Treasury or its agents may enforce all available rights and remedies against such borrower. The servicer will be held responsible for compliance with its obligations under MHA guidelines, but will not be held responsible for the borrower's misrepresentation or non-compliance.

### Limitation on Multiple Modifications

A borrower may receive only one modification under HAMP Tier 1 and may not be reconsidered for HAMP Tier 1 with respect to the subject property or any other property after failing a HAMP Tier 1 trial period plan or losing good standing on a HAMP Tier 1 permanent modification. A borrower who fails a HAMP Tier 1 trial period plan or loses good standing under a HAMP Tier 1 permanent modification may be considered for a HAMP Tier 2 modification of the same mortgage loan.

No mortgage loan may be modified more than once in either Tier 1 or Tier 2. A borrower who fails a HAMP Tier 2 trial period plan, or loses good standing under a HAMP Tier 2 permanent modification (whether on a principal residence or a rental property), is not eligible to receive another HAMP Tier 2 modification or a HAMP Tier 1 modification on the same mortgage loan.

A borrower is eligible to receive up to a total of three permanent modifications of three different mortgages under HAMP Tier 2. A borrower that rejects a modification offer for a mortgage loan under either HAMP Tier 1 or HAMP Tier 2 is not eligible for future consideration under HAMP Tier 1 or HAMP Tier 2 for such mortgage loan unless the borrower experiences a change in circumstance. Borrowers who reject a HAMP modification offer must be considered for other available loss mitigation options, including HAFA.

### Additional Factors Impacting HAMP Eligibility

Section 1.2, Chapter II of the *Handbook* is amended to state that servicers are not required to consider for HAMP a mortgage loan that has been charged off if the servicer has released the borrower from liability for the debt and provided a copy of such release to the borrower or the servicer has determined that a mortgage loan is secured by a property that is in such poor physical condition that it is not habitable even if it has not been condemned.

### Borrower Solicitation

#### Pre-screening

The pre-screening requirements in Section 2.2, Chapter II of the *Handbook*, are amended to include borrowers who are potentially eligible for HAMP based on the expanded eligibility criteria for HAMP Tier 2. Servicers must pre-screen all first lien mortgage loans where two or more payments are due and unpaid after the Effective Date to determine if they meet the following basic criteria for consideration under HAMP:

- One-to-four unit residential property;
- Not condemned;
- Loan originated on or before January 1, 2009;
- UPB does not exceed HAMP limits; and
- Not previously modified under HAMP.

Servicers must proactively solicit for HAMP any borrower whose loan passes the pre-screen unless the servicer has documented that the investor is not willing to participate in HAMP pursuant to the requirements of Section 1.3, Chapter I of the *Handbook*, except that servicers are not required to solicit borrowers who, prior to the Effective Date:

- Were two or more payments delinquent and did not occupy the mortgaged property as a principal residence;
- Were two or more payments delinquent and were already solicited in accordance with the reasonable effort requirement;
- Were evaluated and determined to be ineligible for HAMP; or
- Had a payment default on a trial period plan or lost good standing on a permanent HAMP modification.

Though proactive solicitation is not required, all of these classes of borrowers may request consideration for HAMP after the Effective Date, and, upon submission of an Initial Package, must be evaluated for the appropriate Tier based on their eligibility. In addition, in the event any of these borrowers cure the original delinquency but subsequently re-default, servicers must rescreen them as appropriate and in accordance with Section 2.2.1, Chapter II of the *Handbook*. Solicitation is for general assistance under the MHA Program and need not be specific as to HAMP Tier 1 or Tier 2. The form of solicitation letter posted on HMPadmin.com will be updated to take into account the guidance in this Supplemental Directive.

#### Solicitation of Borrowers Following a HAMP Tier 1 Trial Period Plan Payment Default

Servicers may, but are not required to, proactively solicit for HAMP Tier 2 a borrower who defaulted on a HAMP Tier 1 trial period plan prior to the Effective Date. However, upon receipt of an Initial Package, a servicer must evaluate for HAMP Tier 2 any borrower who previously defaulted on a HAMP Tier 1 trial period plan.

With respect to borrowers who default on a HAMP Tier 1 trial period plan after the Effective Date, servicers may, but are not required to, automatically evaluate such borrowers for HAMP Tier 2 prior to sending a non-approval notice. In conducting an evaluation within 30 calendar days of a HAMP Tier 1 payment default, the servicer may rely on the income documentation used in the HAMP Tier 1 evaluation, unless the servicer has reason to believe that the income documentation is no longer accurate (e.g., the borrower is now unemployed).

If the HAMP Tier 1 trial period plan was based on an analysis done using NPV 5.0 (as described below) or subsequent NPV version, the servicer will use the results of the original NPV analysis in making the decision to offer HAMP Tier 2. If the HAMP Tier 1 trial period plan was based on an analysis prior to the release of NPV 5.0, the servicer must complete a new NPV analysis using the borrower income documentation used in the HAMP Tier 1 evaluation. In either case, in addition to satisfying the guidelines for a HAMP Tier 2 set forth herein, the NPV analysis must indicate that the borrower is eligible for HAMP Tier 2 and the servicer must ensure that the

borrower's HAMP Tier 2 post-modification monthly principal and interest (P&I) payment must be at least 10 percent less than the monthly payment that was payable under the HAMP Tier 1 trial period plan.

If, as a result of an evaluation conducted within 30 calendar days of a HAMP Tier 1 trial payment default, a borrower is determined to be eligible for a HAMP Tier 2 trial period plan, rather than sending a non-approval notice for default under the HAMP Tier 1 trial period plan, the servicer should send written notice to the borrower that, due to the payment default on the HAMP Tier 1 trial period plan, the servicer is offering the borrower a new HAMP Tier 2 trial period plan. If a servicer elects not to automatically evaluate borrowers for HAMP Tier 2 following a HAMP Tier 1 trial period plan default, the required non-approval notice must describe all available loss mitigation options, including HAMP Tier 2.

If a servicer is evaluating a borrower for HAMP Tier 2 (either automatically or upon a borrower's request) after the failure of the HAMP Tier 1 trial period plan, the servicer cannot refer the loan to foreclosure or conduct a scheduled foreclosure sale until such evaluation is completed and only if the borrower is determined to be ineligible for HAMP Tier 2.

Even if a servicer elects to automatically evaluate borrower as described herein, whenever there is a payment default on a trial period plan, the servicer must first complete a re-calculation of the trial period payment in accordance with Section 5, Chapter II of the *Handbook*.

#### Solicitation and Eligibility of Borrowers Following Loss of Good Standing in a Permanent Modification

Servicers may, but are not required to, proactively solicit a borrower for HAMP Tier 2 if the borrower has lost good standing under a HAMP Tier 1 permanent modification. Borrowers who have lost good standing are eligible for reconsideration for HAMP Tier 2 on the earlier of (i) 12 months after the HAMP Tier 1 modification effective date or (ii) when the borrower has experienced a change of circumstance.

#### Request for Mortgage Assistance

Borrowers requesting HAMP assistance must submit an Initial Package consisting of the RMA, IRS Form 4506-T or 4506T-EZ and evidence of income. If the subject property is a rental property, the new rental property certification section of the RMA must be completed and evidence of rental income or loss provided. Servicers may substitute a proprietary modification application form that is substantially similar to the updated RMA, but in that event must use the Treasury Hardship Affidavit that includes the Dodd-Frank Certification required by Treasury under Section 1481 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) and a rental property certification. For purposes of clarity all references to the RMA herein also include servicer proprietary modification application forms.

### Incomplete Initial Packages

Section 2.2.2, Chapter II of the *Handbook* states that if a servicer has established right party contact with a borrower, the servicer must send written communications describing the Initial Package, and if the borrower submits an incomplete Initial Package, the servicer must send an Incomplete Information Notice as described in Section 2.3.3, Chapter II of the *Handbook*, requesting the documents required to complete the Initial Package.

Section 2.3.3, Chapter II of the *Handbook*, also states that if a servicer receives an incomplete Initial Package, the servicer must send an Incomplete Information Notice as defined in that section requesting the documents required to complete the Initial Package.

This Supplemental Directive amends both of these sections to provide that a servicer may, but is not required to, send an Incomplete Information Notice if the borrower has not, at a minimum, submitted an RMA. Section 2.2.2, Chapter II of the *Handbook* is amended to require that if the servicer makes right party contact and the borrower does not, at a minimum, submit the RMA, the servicer must resend the Initial Package communication. If the borrower submits an RMA but not the other components of the Initial Package, the servicer must send an Incomplete Information Notice in accordance with Section 2.3.3, Chapter II of the *Handbook*.

In addition, Sections 2.3 and 2.3.3, Chapter II of the *Handbook* are amended to clarify that a servicer's requirement to send borrower notices and Incomplete Information Notices as described in those Sections applies when the borrower has submitted either an Initial Package or an RMA.

### Review of Initial Package

Currently, Section 4.6, Chapter II of the *Handbook* provides that within 30 calendar days of receipt of an Initial Package (RMA, IRS Form 4506-T or 4056T-EZ, evidence of income) the servicer must send an Incomplete Information Notice, a trial period plan notice or a Non-Approval Notice. It is Treasury's expectation that in most cases, a servicer will be able to reach a decision and send one of these notices within the 30 calendar day requirement.

However, in the event the servicer is unable to reach a timely decision because it does not have documentation required from a party other than the borrower, such as a taxing authority or homeowner's association, the borrower's relationship manager, where applicable, or other servicer representative must contact the borrower by mail, e-mail or phone, within 30 calendar days of receipt of the Initial Package to describe the cause of the delay and provide a date, which shall be no more than 30 calendar days thereafter, by which the servicer expects to complete the evaluation and issue a HAMP decision. If by that later date, the servicer still has not received necessary third-party documentation, the servicer must contact the borrower every 30 days with an updated status and the expected date of resolution until a decision is reached. All such communication must be documented in the servicer's file.

### Income Verification

Except as amended in this Supplemental Directive, the rental income or loss verification guidance in Section 5, Chapter II of the *Handbook* applies to consideration of all borrowers being evaluated for HAMP including borrowers being evaluated only for HAMP Tier 2. Section 5.1.6, Chapter II of the *Handbook*, is amended to provide different standards for documentation of rental income that is used in calculating a borrower's gross income depending on whether the property that secures the mortgage being modified is the borrower's principal residence or is a rental property.

All net income or loss from a rental property that is the security for the loan being modified, as well as income from any other rental property owned by the borrower, must be documented and included in the calculation of the borrower's gross income. As in the case of a proposed modification of an owner-occupied property, such rental income would be documented on IRS Form 1040 Schedule E (Supplemental Income and Loss) of the borrower's tax return for the most recent tax year or, when IRS Form 1040 Schedule E is not available because the rental property was not rented in the most recent tax year, a current lease or other rental agreement and bank statements or evidence of damage deposits.

### Monthly Income or Loss on Rental Property

The monthly net income or loss on a rental property is calculated as 75 percent of the monthly gross rental income, reduced by the monthly principal and interest payment, plus 1/12<sup>th</sup> of annual real property taxes, annual property insurance premiums and annual homeowners' associations dues, if applicable (i.e., PITIA). Section 5.1.8, Chapter II of the *Handbook* is hereby amended to exclude from the passive income guidance rental income from a rental property that secures the loan being evaluated for a HAMP Tier 2.

If the monthly net income of a rental property securing the mortgage loan being evaluated for modification under HAMP Tier 2 is equal to or greater than the pre-modification PITIA of that property, the servicer must verify and document the cause of the borrower's hardship as delinquency alone is not considered a hardship.

### Net Present Value Model

An updated NPV model (NPV 5.0) that incorporates the applicable guidance in this Supplemental Directive is under development. The software application for NPV 5.0 will be available on the HAMP servicer web portal accessible at [www.HMPadmin.com](http://www.HMPadmin.com) on or before the Effective Date. In addition to the current NPV Data Input Fields and Values required for HAMP Tier 1, a small number of additional input values will be required. When available, these input values and descriptions will also be posted at [www.HMPadmin.com](http://www.HMPadmin.com). Following the Effective Date, all loans that meet HAMP eligibility criteria for HAMP Tier 1 or Tier 2 must be evaluated using NPV 5.0.

### Prohibitions on Waterfall Steps

If investor guidelines or applicable law restricts or prohibits a step in either the HAMP Tier 1 or Tier 2 standard modification waterfall and the servicer partially performs it or skips it, the modification may still qualify for HAMP. Section 6.5, Chapter II of the *Handbook* is amended to state that if an investor or applicable law has such lesser restrictions (i.e., limits on capitalization, interest rate or term extension) the servicer should attempt to complete the waterfall steps subject to such restrictions as described below:

- If capitalization is not permitted by the investor or applicable law, the servicer should, if allowable, forgive the amount that would otherwise be capitalized or establish a non-interest bearing balloon payment (i.e., forbearance) due at maturity equal to the amount that would have been capitalized. Negative amortization after the modification effective date is prohibited.
- If the investor or applicable law does not permit the note rate of the mortgage to be modified below a certain value, the servicer should:
  - With respect to HAMP Tier 1, adjust the rate to the greater of the restriction rate or the rate required to achieve the target monthly mortgage payment.
  - With respect to HAMP Tier 2, adjust the rate to the greater of the restriction rate or the HAMP Tier 2 rate.
- If the investor or applicable law does not permit the note rate of the mortgage to be permanently modified, the servicer should:
  - With respect to HAMP Tier 1, adjust the rate to the rate required to achieve the target monthly mortgage payment for the maximum period allowed by the investor or under applicable law and then, as allowed by the investor or applicable law, step up to the note rate.
  - With respect to HAMP Tier 2, convert the note interest rate to a fixed rate if permitted and move to the next waterfall step.
- If the investor or applicable law does not permit an adjustable rate to be converted to a fixed rate, the loan is not eligible for HAMP modification in either HAMP Tier.
- If a term extension is limited or not permitted by the investor or applicable law, the servicer should extend the term as far as allowable and/or re-amortize the mortgage loan based upon the remaining term.
- If the current remaining term of the loan is greater than 480 months, the servicer should skip the term extension step.

Servicers must maintain evidence in the loan file documenting the nature of any deviation from the HAMP Tier 1 or Tier 2 standard modification waterfall steps and the fact that investor guidelines or applicable law restricted or prohibited the servicer from fully performing the modification step. The documentation must show that the servicer made a reasonable effort to seek a waiver from the investor and whether that waiver was approved or denied.

#### HAMP Tier 2 Alternative Modification Waterfall

Under HAMP Tier 2, the NPV model will evaluate any mortgage loan with a pre-modification mark-to-market LTV ratio greater than 115 percent using both the HAMP Tier 2 standard modification waterfall and the HAMP Tier 2 alternative modification waterfall that includes principal reduction down to the lesser of (i) an amount that would create a post modification mark-to-market LTV ratio of 115 percent using the interest bearing principal balance or (ii) 30 percent of the post-modified UPB (inclusive of arrearages), essentially replacing the required forbearance with principal forgiveness in the model. As in HAMP Tier 1, principal forgiveness in HAMP Tier 2 is optional; however investors who offer deferred principal forgiveness in accordance with the Principal Reduction Alternative (PRA) in HAMP Tier 2 are eligible for the same increased investor PRA incentives recently announced in Supplemental Directive 12-01.

Servicers may elect to forgive principal below 115 percent but in accordance with Section 13.3.4, Chapter 2 of the *Handbook*, will only be entitled to investor PRA incentives for amounts of forgiveness that result in a mark-to-market LTV ratio equal to or greater than 105 percent.

#### Investor Solicitation

Servicers are not required to re-solicit all investors for participation in MHA. However, in accordance with the provisions of Section 1.3, Chapter I of the *Handbook*, within 30 days of identifying an investor as unwilling to extend its participation in MHA or identifying a servicing agreement that limits or prohibits a servicer from offering HAMP Tier 2 (i.e., prohibition against modification of non-owner occupied mortgages or limits on multiple modification of the same mortgage), the servicer must contact the investor at least once, encouraging the investor to permit modifications under the extended and expanded MHA program. Within 30 days of identification of any change in investor participation, servicers must update their Investor Participation List.

#### Non-Approval Notices

Section 2.3, Chapter II of the *Handbook* describes conditions under which a non-approval notice must be sent to a borrower and discusses the contents of such notices. A borrower evaluated, but determined to be ineligible for HAMP Tier 2, must be sent a non-approval notice. The model clauses for borrower notices attached as Exhibit A to the *Handbook* will be amended to be consistent with the terms of HAMP Tier 2. Additionally, the current guidance in the *Handbook* is amended as follows:

- The offer of either a HAMP Tier 1 or HAMP Tier 2 trial period plan is considered a HAMP offer. Therefore, if an owner occupant borrower is evaluated, but determined to be ineligible for HAMP Tier 1, and is offered a HAMP Tier 2 trial period plan, the

refer to Section 201 of the Act, which sets forth the specific requirements that must be satisfied. For example, these requirements include, among other items, that:

- The servicer must implement the qualified loss mitigation plan prior to December 31, 2012;
- Default on the payment of the related mortgage must have occurred, be imminent, or be reasonably foreseeable;
- The mortgagor must occupy the property securing the mortgage as his or her principal residence; and
- The servicer must reasonably determine that the qualified loss mitigation plan will likely provide an anticipated recovery on the outstanding principal mortgage debt in excess of the anticipated recovery through foreclosure.

### Servicing Transfers

As set forth in Section 1.4.1, Chapter I of the *Handbook*, when a participating servicer transfers or assigns mortgage loans, or servicing rights relating to mortgage loans, that constitute Eligible Loans pursuant to the SPA, the transferee servicer must assume the transferor servicer's obligations under the SPA with respect to the Eligible Loans involved in the transfer. An "Eligible Loan" is defined in the SPA to include, among other things, any mortgage loan which is 60 days or more delinquent and otherwise eligible for consideration or process under one or more of the MHA programs at the time of transfer or assignment.

When determining whether a loan is an "Eligible Loan", servicers are reminded to take into consideration the expanded eligibility criteria described herein.

### Annual Certification

As set forth in Section 2.6.2, Chapter I of the *Handbook*, servicers are required to certify on an annual basis as to their compliance pursuant to activities performed and obligations satisfied during the period from the effective date of the most recent prior certification through and including the subsequent certification effective date. This Supplemental Directive provides that a subsequent certification for HAMP is inclusive of HAMP Tier 2 for all subsequent certifications with an effective date on or after September 30, 2012. The due date for a servicer to deliver a subsequent certification to MHA-C is not later than 90 calendar days after the subsequent certification effective date.

### Reporting

#### Reason Code Reporting

Section 11.4.1, Chapter II of the *Handbook* requires servicers to report a reason code for each loan that is evaluated for but not offered a trial period plan or where the borrower does not accept

the offered trial period plan. Currently only one reason code may be reported for each loan. With the introduction of HAMP Tier 2, servicers must now report a reason code for each loan that is evaluated for but not offered HAMP Tier 1 (i.e., income less than 31 percent DTI; excessive forbearance; or NPV negative for Tier 1) and, if applicable, a separate reason code for HAMP Tier 2. An updated list of reason codes will be available in the HAMP Additional Data Requirements Data Dictionary at [www.HMPadmin.com](http://www.HMPadmin.com).

#### Reporting HAMP Tier 2 Transactions

The reporting and payment processes are currently being updated by the Program Administrator to implement the terms of this Supplemental Directive. Servicers will be notified when such update is complete and the HAMP Reporting Tool is capable of processing HAMP Tier 2 transactions under this Supplemental Directive. Servicers should not report HAMP Tier 2 trial period plans or permanent modifications until the functionality to process HAMP Tier 2 incentives has been implemented in the HAMP Reporting Tool.

During the interim period, servicers must enter into HAMP Tier 2 trial period plans and permanent modifications in accordance with the guidance set forth herein and in the *Handbook* and collect and store information regarding such HAMP Tier 2 trial period plans and permanent modifications so that they can be reported when the updated processes become available. Incentives for HAMP Tier 2 permanent modification on such loans will be paid on permanent HAMP Tier 2 modifications when the updated reporting and payment processes are in place. Servicers should continue to report all HAMP Tier 1 trial period plans and permanent modifications in accordance with the procedures currently in place; the reporting and payment processes for such loans are not impacted by this Supplemental Directive.

Servicers are reminded that they must report NPV inputs and outputs used for evaluation through SD0906 Schedule III and the applicable NPV fields for loan setup. When the reporting processes are available, for owner occupant borrowers who are evaluated under both HAMP Tier 1 and HAMP Tier 2, servicers will be required to report NPV data for both Tiers. Furthermore, for borrowers who are only evaluated under HAMP Tier 2, servicers will be required to report NPV data for HAMP Tier 2.

#### Reporting 2MP Modifications Associated with HAMP Tier 2 First Lien Modifications

The reporting and payment processes for 2MP modifications associated with a first lien modified under HAMP Tier 2 are currently being updated by the Program Administrator. Servicers will be notified when the update is complete and the HAMP Reporting Tool is capable of processing 2MP modifications associated with HAMP Tier 2 first lien modifications. 2MP servicers should not report 2MP permanent modifications associated with HAMP Tier 2 modifications until notified by the Program Administrator that this functionality has been implemented in the HAMP Reporting Tool.

During the interim period, 2MP servicers must enter into 2MP modifications associated with a permanent HAMP Tier 2 modification in accordance with the guidance set forth herein and in the *Handbook* and must collect and store information regarding such 2MP modification so that

they can be reported when the updated processes become available. Incentives for 2MP modifications on such loans will be paid on 2MP modifications when the updated reporting and payment processes are in place. 2MP servicers should continue to report all 2MP modifications, associated with HAMP Tier 1 permanent modifications in accordance with the procedures currently in place; the reporting and payment processes for such loans are not impacted by this Supplemental Directive.

#### Reporting HAFA Transactions

The reporting and payment processes are currently being updated by the Program Administrator to implement the HAFA changes described in this Supplemental Directive. Servicers will be notified when such update is complete and the HAMP Reporting Tool is capable of processing HAFA transaction incorporating the HAFA changes described herein. During the interim period, submissions that are tied to a HAMP Tier 2 cancelled trial period plan or permanent modification should be held for reporting until such time that the reporting and payment processes are updated and the related incentives will be paid when the updated reporting and payment processes are in place. All other HAFA transactions can continue to be reported and incentives will be paid thereon based on the current HAFA incentive schedule. During the interim period, for submissions where the payoff to the subordinate mortgage holder is in excess of \$6,000, the servicer should report a payoff of \$6,000.