**INDEMNIFICATION AGREEMENT**

Indemnification Number: [XXXXXX]

Review ID: [XXXXX-XXXX-XXXXXX]

The U.S. Department of Housing and Urban Development (HUD) and

XX-INST, FHA ID XX-INT5, (Mortgagee) agree as follows:

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| 1. | Mortgagee agrees to indemnify HUD, as provided below, for losses which have been or may be incurred related to any FHA-insured mortgage identified in Appendix A if such mortgage went into, or goes into, default within five years from the mortgage's date of endorsement. For purposes of this Indemnification Agreement, the mortgage is in default when the borrower is in arrears by two or more months. |
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| 2. | Where, as of the date HUD executes this Indemnification Agreement, a HUD/FHA mortgage insurance claim has not yet been submitted to HUD, Mortgagee shall submit no claim for insurance. Nevertheless, for any mortgages Mortgagee is still servicing, Mortgagee shall continue to observe HUD requirements for servicing and payment of mortgage insurance premiums with respect to such mortgages. |
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| 3. | In the event that a mortgage insurance claim on any of the mortgages covered by this Indemnification Agreement has already been paid or is paid in the future, Mortgagee shall indemnify HUD as follows. In the case of a non-assignment claim, Mortgagee shall reimburse HUD the full amount of the mortgage insurance claim(s) paid with respect to the mortgage, plus interest, penalties, and administrative fees as may be permitted by law if Mortgagee does not pay HUD timely. In the event of an assignment claim, Mortgagee shall pay HUD the amount of HUD's Investment, as defined below, minus HUD's Recovery, as defined below, plus interest, penalties, and administrative fees as may be permitted by law if Mortgagee does not pay HUD timely. HUD's Investment is the full amount of the claim(s) paid with respect to a mortgage. HUD's investment includes, but is not limited to: the total amount of all insurance claim(s) actually paid with respect to a mortgage, plus all expenses incurred by HUD in conjunction with the servicing, sale, and/or foreclosure of the assigned mortgage and/or in conjunction with the maintenance and sale of real property acquired through foreclosure of the assigned mortgage. Such expenses include all taxes and assessments, rehabilitation and preservation costs, and any other expenses HUD may incur in connection in disposing of real property acquired through foreclosure. HUD's Recovery is the net proceeds HUD receives upon sale of the assigned mortgage or upon sale of the real property acquired through foreclosure of the assigned mortgage, plus any discount (such as under the Good Neighbor Next Door program) provided by HUD to the purchaser of the mortgage or real property. If HUD's Recovery exceeds HUD's Investment, HUD will retain this excess. |
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| 4. | In lieu of paragraph 3, in the event that a claim is paid, HUD may, at its option, assign a mortgage listed in this Indemnification Agreement to Mortgagee. In the event of such assignment, Mortgagee agrees to reimburse HUD the amount of HUD's Investment, as described above. |
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| 5. | Where, after the date that this Indemnification Agreement is signed by HUD, any mortgage included in this Indemnification Agreement is refinanced into another FHA-insured HECM, this Indemnification Agreement will extend to the new mortgage. |
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| 6. | Any material breach of the terms and conditions of this Indemnification Agreement shall constitute independent grounds for imposition of administrative sanctions by the Mortgagee Review Board against Mortgagee pursuant to 24 CFR Part 25. |

WHEREFORE, the parties hereto have duly executed this Indemnification Agreement, effective when signed and dated by the U.S. Department of Housing and Urban Development.

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| **MORTGAGEE** | **UNITED STATES, DEPARTMENT OF** |
|  | **HOUSING AND URBAN DEVELOPMENT** |
|  |  |
|  |  |
| BY: XX-LENDER | BY: XX-FHA |
| Authorized Representative | Federal Housing Administration |
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|  |  |
|  |  |
| DATED: LENDER-DATE | DATED: FHA-DATE |

**APPENDIX A**

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| FHA Case Number | Endorsement Date |
| [Case Number] | [Endorsement Date] |