

## INTRODUCTION

### Overview

Introduction	The Federal Home Loan Bank Servicing Released Guide (Guide) contains information about the Washington Mutual Mortgage Securities Corp (WMMSC) Federal Home Loan Bank (FHLB) Servicing Released Program.
Program Description	The WMMSC FHLB Servicing Released Program offers the ability to sell servicing rights to JPMorgan Chase Bank, NA (Chase) on loans sold to the FHLB.
Program Eligibility	The WMMSC FHLB Servicing Released Program is for the use of FHLB approved Sellers to sell servicing rights to Chase. See Chapter 1, Custodial Documentation for program eligibility requirements.
Audience	This Guide is for the use of the Federal Home Loan Banks, the lenders they purchase loans from and Chase. The lenders are referred to as Participating Financial Institutions (PFIs).

Scope and Organization This Guide contains the following chapters:

Chapter	Contents
01 Custodial Documentation	Factors affecting selling procedures and delivery requirements.
02 Servicing Rights	Servicing rights for which the Seller is responsible.
03 Mortgage Loan Documents	Guidelines for assessing the mortgage, insurance, and mortgaged property.
04 Representations, Warranties and Covenants	Representations, warranties and covenants; and guidelines for assessing the covenants and confidential information as well as the remedies for reaching an agreement.
Appendix A: Schedule of Fees	Schedule of fees for services as custodian (loan review, certification and processing fees).

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**Overview**, Continued

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**Scope and Organization**, Continued

Chapter	Content
Appendix B: Directory	Directory of Chase Custodial Services and Servicing Departments' contact names and mailing addresses (for change of Servicer notices, borrower payments, trailing/final documents, etc.).
Appendix C: Required Document List	A list to be used as a Guide to help ensure that each Custodial and Servicing File delivered for transfer of servicing is complete.

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## CUSTODIAL DOCUMENTATION

### Overview

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**Introduction** This chapter provides Chase custodial documentation information, including selling procedures and delivery requirements.

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**Contents** This chapter contains the following topics:

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Selling Procedures	1-3
Delivery Requirements	1-4

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## Program Description and Eligibility

### Program Description

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The Servicing Released Program offers the ability to sell servicing of FHLB loans to Chase.

### Seller Eligibility

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All requests for approval to participate in this program must be initiated through your FHLB representative.

To participate, the Seller must:

- Be an approved FHLB Seller
- Use JPMorgan Custodial Services
- Have executed the JPMorgan Chase Servicing Purchase and Sale Agreement (Agreement)

Approval for the FHLB Program is determined by FHLB based on but not limited to:

- Loan quality
- Delinquency history
- Seller experience
- Delivery performance
- Good standing with FHLB to which the Seller is selling loans

### Eligible Loans

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Chase will accept for transfer of servicing only those loans purchased by the FHLB that do not require special servicing. Loans must meet the following criteria:

- All loans must meet federal, state and local regulatory requirements.
- All loans delivered for transfer of servicing must be in full compliance with FHLB.

Chase may refuse to accept the transfer of servicing on loans of a type not currently purchased by Chase as whole loans.

### Service Release Premiums

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An SRP is paid according to the schedule outlined in Appendix A: Schedule of Fees, which is subject to change upon 60 day written notice.

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**Fee Schedule:** See Appendix A: Schedule of Fees.

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## Selling Procedures

### Pre-Selling Requirements

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Upon approval to participate in the FHLB Servicing Released Program, the following documents must be executed:

- JPMorgan Chase Servicing Purchase and Sale Agreement (Agreement)
- All custodial documentation as required by JPMorgan Chase Custodial Services

After approval and before the loans are transferred, the Seller and WMMSC's FHLB Coordinator participate in a conference call. The purpose of the conference call is to review procedures and requirements as outlined in these instructions and to address any outstanding questions.

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### General Process

After being accepted into the Chase FHLB SRP program the following process occurs between the Seller and Chase:

Stage	Action
1	The Seller provides monthly volume projection to the Chase Loan Servicing Department Manager.
2	Chase issues a block of loan numbers to the Seller.
3	Custodial files are delivered to JPMorgan Chase Custody Services.
4	Servicing files are submitted to JPMorgan Chase Custody Services.
5	It is preferred that the Seller attaches a check for the escrow funds to the schedule of mortgage. Wires will be accepted no later than the second to the last business day of each month, provided notification is sent to the Loan Servicing Department Manager.
6	Chase reviews and processes the servicing files.
7	Chase wires the SRP to the Seller on the last business day of the month.
8	The Seller submits final follow up documentation to JPMorgan Chase Custodial Services within 1 year.
9	The Seller is solely responsible for the marketing, settlement and delivery of all loans.
10	The servicing file should be in the stacking order of appendix A and put into a legal size folder with the Chase loan number and customer name on the tab or on the front of the folder.

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## **Selling Procedures, Continued**

### **Tax Service Fees**

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Chase charges a Tax Service Fee for each loan. See Appendix A: Schedule of Fees.

Chase will not accept transfer of Tax Service Contracts.

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### **Seller Responsibility after Transfer**

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If there is a shortage in the escrow account based on Seller error (e.g. incorrect PMI coverage, unpaid PMI premium, incorrect tax information), it is the Seller's responsibility to reimburse Chase within 30 days of invoice for costs that are not recoverable from the borrower.

If Chase does not receive payment, the invoice amount is deducted from the Seller SRP.

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## Delivery Requirements

### Custodial Files

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The contents of a custodial file should contain the following:

- The original note, endorsed in blank without recourse.
  - Applicable evidence of assignment via MERS.
  - Certified copy of mortgage sent for recording
  - Certified copy of any additional documents sent for recording (i.e. Deed, Power of Attorney)
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### Use of MERS

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Sellers are required to use Mortgage Electronic Registration System (MERS). Once a Seller uses MERS, all loans delivered to Chase must be MOM (MERS as original Mortgagee) or assigned to MERS.

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### Closing the Loan

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The Seller closes the loan using one of two methods:

**MERS AS ORIGINAL MORTGAGEE (MOM)**

Closing using MERS as the nominee must include the following information on the Security Instrument:

- The MIN (assigned by MERS) must be placed on the Security Instrument to the right of or below the form title but not within the recording margin of the document.

**MERS AS THE ASSIGNEE**

Closing using MERS as the assignee must include the following information on the assignment:

- Add "Mortgage Electronic Registration Systems, Inc., P.O. Box 2026, Flint, MI 48501-2026" as the assignee.
  - Print the MIN on the bottom center of the assignment.
  - The MERS phone number (888-679-6377) should also appear at the bottom of the page.
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## Delivery Requirements, Continued

### JPMorgan Chase Bank, NA MERS ID Number

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The Chase MERS Organization ID number is **1008246**

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### Transfer Servicing Rights

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The Seller must use MERS to transfer servicing rights to Chase:

- The Seller must transfer the servicing and beneficial rights to Chase within 24 hours on or after the date of purchase, using MERS procedures.
  - Chase receives confirmation that the transfer has been completed from MERS.
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### Delivery of Custodial File

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For a list of the documents required in the Custodial File, see Appendix C: Required Document List.

See Appendix B: Directory for the address where Custodial files should be delivered.

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### Servicing File

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The purchase file, referenced herein as the "servicing file" **MUST BE DELIVERED TO CHASE WITHIN 2 DAYS OF THE FHLB SETTLEMENT DATE.**

The servicing file must meet agency standards and be submitted simultaneously with the submission of the custodial file. If the servicing file is late, Chase may impose a late delivery fee on each file not delivered in purchasable form by the expiration settlement date.

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## Delivery Requirements, Continued

### Servicing File Delivery and SRP Payment Schedule

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If the settlement date is scheduled before the 20th of the current delivery month, the SRP is paid at month end.

If the settlement date is scheduled after the 20th of the current delivery month, the SRP is paid at the end of the following month.

#### **Example 1:**

File Received: June 10, 2009  
Settlement Date: June 19, 2009  
SRP Paid: June 30, 2009

#### **Example 2:**

File Received: June 15, 2009  
Settlement Date: June 26, 2009  
SRP Paid: July 31, 2009

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### Contents of Servicing File

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The contents of a servicing file must be complete. Required documents are listed in **Appendix C: Required Document List**. It may be possible for the Seller to advance pay the balances to accommodate the timing of the loan settlement. Chase must be informed if the files are delivered with taxes due within 30 days of the transfer.

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### Loan Balance Requirements

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All loans, the servicing rights to which Chase purchased via this program must be paid through the month of purchase. All balances, including escrow, and principal, should reflect the correct dollar amount as paid through the loan settlement date. The tax information form must include all of the necessary information for the taxes to be paid by the due date without incurring penalties or interest.

**Important:** The Seller is responsible for tax penalties and interest charged due to failure to properly identify a **tax due** delivery file or incorrect/incomplete information on the Tax Information Sheet. A bill is generated for discounts not received due to failure to pay taxes within the discount timeframe.

Some tax authorities may be two years in arrears for assessing penalties.

Chase bills the Seller for the penalties for which they are responsible regardless of the time passed.

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## **Delivery Requirements, Continued**

### **Escrow Account Funds**

All customer-related funds, including escrow amounts, must be received by Chase **NO LATER THAN TWO DAYS PRIOR TO THE SETTLEMENT DATE.**

### **Wire Transfer of Escrow Funds**

It is preferred that all escrow funds be in the form of a check, stapled to the schedule of mortgage and put in the servicing file; although wires will also be accepted.

- Wire the escrow funds to the following:  
JPMorgan Chase Bank  
CHF Payment Clearing  
ABA #021000021  
Account # 1791720973  
REFERENCE: FHLB / Chase Loan #

Separation of funds is not required if funds are wired to Chase. However, the following information **must** be forwarded to the Chase Loan Servicing Department:

- A detailed breakdown of the disposition of the funds must be in the form of an Excel file sent via email, or faxed, on the day that the funds are wired. This facilitates the proper application and set-up of the escrow funds. The following fields are required:
  - Chase Loan number
  - Borrower Name
  - Initial Escrow
  - Additional Escrow
  - Payment Amount
  - Interest Only
  - Principal Curtailment
  - Total Remittance
- A copy of the payment history.

### **Incomplete Servicing Files**

If Chase requests missing documents, they must be delivered no later than 15 days after the request. Chase will not purchase the servicing if the missing documents are not received.

# SERVICING RIGHTS

## Overview

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**Introduction** This chapter provides Chase servicing rights information including change of Servicer notifications to vendors, the Seller's responsibility after transfer of servicing, representations, warranties, and covenants, information regarding the Seller, and information regarding the servicing rights and the mortgage loans.

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## Change of Servicer Notifications to Vendors

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**Hazard and PMI Insurance** The Seller is responsible for notifying all insurance carriers or other vendors for each loan of the change in Servicer. See Appendix B: Directory for applicable address information.

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**Flood Insurance** Chase requires a flood zone determination (FZD) on each loan and deducts a fee per loan from the SRP to facilitate a Life of Loan policy. See Appendix A: Schedule of Fees.

Following the FEMA Best Practice recommendation, Chase requires flood insurance coverage of at least 80% of Replacement Cost Value (RCV).

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**Mortgage Insurance Monthly** The following are the two types of mortgage insurance monthly plans Chase will accept:

**REGULAR MONTHLY PLANS**  
Chase requires that the Seller submit the first month's premium at closing. The Seller should also submit the initial payment to the mortgage insurance Seller to activate the mortgage insurance coverage.

**FOR ALL MONTHLY PLANS**  
The Seller submits the "change of Servicer" notification to the mortgage insurance Seller immediately upon Chase's purchase of the servicing rights to facilitate billing to the proper Servicer.

The monthly mortgage insurance premium must be remitted through the month(s) for which the Seller is responsible for collecting payments for loans purchased by Chase after payments have been applied. This includes loans that are seasoned and loans delayed for funding which result in the Seller collecting payments.

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**Financed Mortgage Insurance Plans** The Financed Mortgage Insurance plan must adhere to FHLB guidelines. The LTV, including loan amount and financed premium, may not exceed maximum allowed LTVs.

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## Change of Servicer Notifications to Vendors, Continued

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MI and  
Servicing  
Issues

If at any time after transfer of servicing, Chase discovers an issue with MI, **including but not limited to** insufficient coverage, inadequate disclosure of premium amount, unpaid initial or subsequent premiums:

- ❑ Chase will correct the situation in a manner that least impacts the borrower, **including but not limited to** purchasing one-time life of loan coverage, amending and paying up the policy to maintain the borrower's current payment amount.

The Seller is responsible for reimbursing Chase for this error correction.

- ❑ The Seller shall be solely responsible to ensure that loans have adequate and correct mortgage insurance and that all premiums are paid to date at time of transfer.

Chase will invoice the Seller for costs that are reimbursable to Chase .

**Note:** If payment is not received by Chase , the invoice amount is deducted from the Seller's SRP.

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Removing  
Mortgage  
Insurance  
Coverage

Chase services all loans in strict compliance with the Homeowners Protection Act of 1998, and the current investor guidelines.

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# Seller Responsibility after Transfer of Servicing

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**Escrow Accounts**      If there is a shortage in the escrow account based on Seller error (incorrect MI coverage, unpaid MI premium, incorrect tax information or penalties, etc.) it is the Seller's responsibility to reimburse Chase within 30 days of invoice for the costs not recoverable from the borrower.

If shortage payments are not received by Chase , the invoice amount is deducted from the SRP.

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**Final Documents**      It is the Seller's responsibility to ensure that all final (trailing) documents are forwarded to Chase. Chase may invoice the Seller for missing final/trailing documents at its sole discretion. See Appendix B: Directory for the mailing address.

Chase requires that all files be complete within 1 year of the settlement date.

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**Specific Provisions**      Specific Provisions Related to FHLB Mortgage Purchase Program ("MPP") means that notwithstanding any other provisions of this Agreement (Guide), Chase acknowledges and agrees that, with respect to Mortgage Loans sold to FHLB under the MPP, Chase is subject to all of the terms and conditions applicable to Servicers under the MPP Guide and related agreements.

Chase represents and warrants that it is qualified to be a Servicer under the requirements of the MPP and that it understands its duties and obligations under such a program.

Chase further acknowledges that any right it may have to withhold payments or otherwise cease services due to the default of the Seller shall not affect the prior rights of FHLB to receive all required payments under the Mortgage Loans and to approve any new Servicer prior to any transfer of servicing with respect to Mortgage Loans sold under the MPP.

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# MORTGAGE LOAN DOCUMENTS

## Overview

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**Introduction** This chapter provides Chase mortgage loan document information including compliance, insurance, and mortgaged property.

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## Mortgage Loan Information and Documentation

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**Mortgage Loans as Described**      The information contained in all commitments, advices, schedules, computer tapes or other documents or media prepared by the Seller or on behalf of the Seller or otherwise furnished to Chase relating to the servicing rights and the mortgage loan is complete, true and correct.

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**Requirements**      The mortgage note and the mortgage are on forms acceptable to the FHLB and the Seller has not made any representation to the mortgagor, which is inconsistent with the mortgage instruments used.

The mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefits of the security provided thereby, including:

- In the case of a mortgage designated as a deed of trust, by trustee’s sale.
- Otherwise, by judicial foreclosure.

Upon default by the mortgagor and foreclosure on, or trustee’s sale of, the mortgaged property pursuant to the proper procedures, the holder of the mortgage loan will be able to deliver good and merchantable title to the mortgaged property.

There is no homestead or other exemption available to the mortgagor which would interfere with the right to sell the mortgaged property at a trustee’s sale or the right to foreclose the mortgage subject to applicable federal, state and local laws and judicial precedent with respect to bankruptcy and right of redemption.

Payments under the mortgage note are due on the first day of each month with interest payable in arrears.

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**Due on Sale**      The mortgage contains an enforceable provision for the acceleration of the payment of the unpaid principal balance of the mortgage loan in the event that the mortgaged property is sold or transferred without the prior written consent of the mortgagee thereunder; by the terms of the mortgage note, however, the provision for acceleration may not be exercised at the time of a transfer if prohibited by federal law.

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## Mortgage Loan Information and Documentation, Continued

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Appraisals	The appraisal obtained in connection with the origination of the mortgage loan, as well as the appraiser who performed it, meet all of the applicable requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as well as the FHLB. The value of the mortgaged property is at least equal to the appraised value stated in the appraisal.
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Original Terms Unmodified	<p>The terms of the mortgage and mortgage note have not been impaired, waived, altered or modified in any respect, except by a written instrument which has been recorded, if necessary, to protect the interests of Chase and the FHLB.</p> <p>The substance of any such waiver, alteration or modification has been approved by any applicable issuer of a title insurance policy or a primary mortgage insurance policy covering the mortgage loan, to the extent required by the policy, and its terms are reflected on the mortgage loan schedule delivered to Chase in connection with its purchase of the servicing rights.</p> <p>No mortgagor has been released, in whole or in part, except in connection with an assumption agreement approved by any applicable issuer of a title insurance policy or a primary mortgage insurance policy covering the mortgage loan, to the extent required by the policy, and which assumption agreement is part of the Servicing File delivered to Chase or its designee and the terms of which are reflected in the mortgage loan schedule delivered to Chase in connection with its purchase of the servicing rights.</p>
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Validity of Mortgage Documents	<p>The mortgage note and the mortgage are genuine, and each is the legal, valid and binding obligation of the maker thereof enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws relating to or affecting the rights of creditors generally, and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).</p> <p>All parties to the mortgage note and the mortgage and any other related agreement had legal capacity to enter into the mortgage loan and to execute and deliver the mortgage note and the mortgage and any other related agreement, and the mortgage note and the mortgage and any other related agreement have been duly and properly executed by such parties.</p>
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**Mortgage Loan Information and Documentation, Continued**

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Validity of  
Mortgage  
Documents,  
Continued

The documents, instruments and agreements submitted for loan underwriting were not falsified and contain no untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the information and statements therein not misleading.

The Seller has reviewed all of the documents constituting the mortgage loan file and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations and warranties set forth herein.

There has been no misrepresentation, error or fraud committed in connection with the origination of the mortgage loan.

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Assignments of  
Mortgage –  
Servicing  
Rights

The assignment of mortgage to the FHLB must be via MERS. JPMorgan Chase Bank, NA must be identified on MERS as the Servicer for each loan.

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Escrow  
Holdback  
Loans

In the event that an escrow holdback was established in connection with the mortgage loan, the Seller represents and warrants that the loan meets all Escrow Holdback requirements as stated in the Seller Guide.

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## Compliance

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### Compliance with Applicable Laws

The mortgage loan was originated, closed and transferred to the FHLB, and the servicing rights transferred to Chase in full compliance with all federal, state, municipal and the local laws, rules and ordinances including, without limitation to usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, fair housing and lending disclosure laws and the Seller shall maintain in its possession, available for Chase's inspection, and shall deliver to Chase upon demand, evidence of compliance with all such requirements.

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### Servicing Performance

Prior to the date on which the servicing rights are purchased, the mortgage loan has been properly serviced in accordance with all applicable laws, the terms of the mortgage, mortgage note and related mortgage loan documents.

With respect to escrow deposits and escrow payments, all such payments are in the possession of the Seller and there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made.

All escrow payments have been collected in full compliance with all applicable laws and the mortgage loan documents.

An escrow of funds has been established in an amount sufficient to pay for every item which remains unpaid and which has been assessed but is not yet due and payable.

All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments, ground rents relating to the mortgage loan have been paid to the extent such items are required to be paid pursuant to prudent mortgage banking standards and as herein provided.

The mortgage loan is covered by a valid and assignable, full fee, life of loan tax service contract and flood services contract, in full force and effect, with a vendor pre-approved by Chase in accordance with the requirements of this Guide.

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**Compliance, Continued**

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**Acceptable  
Investment**

The Seller has no knowledge of any circumstances or conditions with respect to the servicing rights, the mortgage note, the mortgage, the mortgaged property, the mortgagor or the mortgagor's credit standing that could be expected to cause private institutional investors to regard the mortgage loan as an unacceptable investment, cause the mortgage loan to become delinquent, or adversely affect the servicing rights or the value or marketability of the mortgage loan.

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**Agency  
Requirements**

If the mortgage loan was represented by the Seller to be a conventional conforming mortgage loan, the mortgage loan complies with all applicable of the FHLB guidelines, including those relating to underwriting, all FHLB requirements relating to mortgage loans included in FHLB's mortgage-backed securities pools, and complies or shall comply, on or before the prescribed dates, with all FHLB document custodian requirements.

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**Doing Business**

All parties which have had any interest in the mortgage loan, whether as mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were)

- in compliance with any and all applicable licensing requirements of the laws of the state wherein the mortgaged property is located and either
    - Organized under the laws of such state, or
    - Qualified to do business in such state, or
    - A Federal Savings and Loan Association, National Bank or Credit Union having principal offices in such state.
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**Compliance, Continued**

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Origination      The mortgage loan was originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to Sections 203 and 211 of the National Housing Act or a Savings and Loan Association, a Savings Bank, a Commercial Bank, a Credit Union or similar banking institution which is supervised and examined by a federal or state authority.

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Underwriting      The mortgage loan was underwritten in accordance with the underwriting guidelines of FHLB and any underwriting conditions relating to the mortgage loan were fully satisfied, the satisfaction of those underwriting conditions is properly documented in accordance with standard industry practices.

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**Compliance with Applicable Guide Provisions**      The mortgage loan and all documents related thereto, and the transfer of the related servicing rights, comply, in all material respects, to all applicable terms, conditions and requirements set forth in this Guide.

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Prepayment Fees      In the event that the mortgage note requires the mortgagor to pay a fee if the mortgage loan is prepaid in full or part within the time periods specified in the mortgage note, the provision in the mortgage note requiring the payment of such fee (the "Prepayment Provision") complies with all applicable local, state and federal law, all disclosures required under all applicable law in connection with the Prepayment Provision have been properly provided to the mortgagor and the enforcement of the Prepayment Provision in accordance with the terms set forth in the mortgage note will be in compliance with all applicable laws and regulations.

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## Insurance

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Primary  
Mortgage  
Insurance

In the event the mortgage loan was sold by the Seller to FHLB, the mortgage loan is and will be insured as to payment defaults by a primary mortgage insurance policy to the extent required by the FHLB.

Such primary mortgage insurance policy shall be satisfactory to, and issued by a mortgage insurer acceptable by FHLB Guide, as applicable, and Chase. All provisions of such primary mortgage insurance policy have been and are being complied with, such policy is in full force and effect, and all premiums due thereunder have been paid.

If the mortgage loan provides for negative amortization or for the potential for negative amortization, the primary mortgage insurance policy insures any increase in the principal balance from the original balance of the mortgage note.

If the mortgage loan is required to be subject to a primary mortgage insurance policy, the related mortgage obligates the mortgagor thereunder to maintain the primary mortgage insurance policy and to pay all premiums and charges in connection therewith. There has been no act or omission that would or may invalidate any such primary mortgage insurance policy.

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**Insurance, Continued**

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**Title Insurance** The mortgage loan is covered by an ALTA form of Lender's Title Insurance Policy or other generally acceptable form of policy of insurance acceptable to FHLB, as applicable, issued by, and the binding obligation of, a title insurer acceptable to FHLB, as applicable, and qualified to do business in the jurisdiction where the mortgaged property is located, insuring the Seller, its successors and assigns, as to the first priority lien of the mortgage in the original principal amount of the mortgage loan (or the extent that a mortgage note provides for negative amortization, the sum of such original principal amount and the maximum amount of negative amortization in accordance with the mortgage note), and against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions for the mortgage providing for adjustment in the mortgage interest rate and monthly payment.

Where required by state law or regulation, the mortgagor has been given the opportunity to choose the carrier of the required title insurance unless the premium for such insurance was not paid by the mortgagor.

Additionally, such Lender's Title Insurance Policy affirmatively insures ingress and egress, and against encroachments by or upon the mortgaged property or any interest therein.

The Seller is the sole insured of such Lender's Title Insurance Policy, and such Lender's Title Insurance Policy is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by the Agreement and will inure to the benefit of the purchaser of the mortgage loan without any further act.

No claims have been made under such lender's title insurance policy, and no prior holder of the mortgage, including the Seller, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy.

If the mortgage loan has a negative amortization feature, the lender's title insurance policy provides coverage in the amount of 110% of the initial amount of the mortgage loan.

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**Insurance, Continued**

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**Hazard and  
Flood  
Insurance**

The improvements upon the mortgaged property are insured against loss by fire and other hazards as required by the FHLB. The mortgage requires the mortgagor to maintain such casualty insurance at the mortgagor's expense, and upon the mortgagor's failure to do so, authorizes the holder of the mortgage to obtain and maintain such insurance at the mortgagor's expense and to seek reimbursement therefore from the mortgagor.

The hazard insurance policy is the valid and binding obligation of the insurer, and is in full force and effect and will inure to the benefit of the purchaser of the mortgage loan.

All flood insurance and hazard insurance premiums have been paid when due.

Where required by state law or regulation, the mortgagor has been given the opportunity to choose the carrier of the hazard insurance unless either a "master" or "blanket" hazard insurance policy covering the condominium project or planned unit development in which the mortgaged property is located was obtained.

The Seller has not engaged in, and has no knowledge of the mortgagor's or of any prior Servicer of the mortgage loan having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for therein or the validity and binding effect of either.

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**Coverage of  
Insurance**

No action, inaction, or event has occurred and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage under any applicable insurance policy or guarantee including, but not limited to a title insurance policy, a hazard insurance policy, a primary mortgage insurance policy, or a mortgage pool insurance policy obtained in connection with the mortgage loan.

In connection with the placement of any such insurance or guarantee, no commission, fee, other unlawful compensation or value of any kind has been or will be received by the Seller or any designee of the Seller or any corporation in which the Seller or any officer, director or employee of the Seller had a financial interest at the time of placement of such insurance and, to the best of Seller's knowledge, no such commission, fee, other unlawful compensation or value of any kind has been received by any attorney, firm or other person or entity.

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## Mortgaged Property

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No Additional Collateral      The mortgage note is not and has not been secured by any collateral except the lien of the corresponding mortgage.

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Location of Improvements      All improvements which were considered in determining the appraised value of the mortgaged property lay wholly within the boundaries and building restriction lines of the mortgaged property, no improvements on adjoining properties encroach upon the mortgaged property, or the policy of title insurance affirmatively insures against loss or damage by reason of any violation, variation, encroachment or adverse circumstance which is either disclosed or would have been disclosed by an accurate survey.

No improvement located on or being part of the mortgaged property is in violation of any applicable zoning law or regulation.

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Environmental Matters      The mortgaged property is free from any and all toxic or hazardous substances, and there exists no violation of any local, state or federal environmental law, rule or regulation.

As of the date on which Chase purchased the servicing rights, the mortgaged property was not within a one-mile radius of any site listed in the National Priorities List as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or on any similar state list of hazardous wastes that are known to contain any hazardous substances or hazardous wastes.

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Encroachments      No improvements on adjoining properties may encroach upon the mortgaged property in any respect so as to effect the value or marketability of the mortgage loan or the mortgaged property.

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Condominiums/Planned Developments      If the mortgaged property is a condominium unit or a planned unit development such condominium or planned unit development meets FHLB eligibility requirements, as applicable, for sale to the FHLB or is located in a condominium or planned unit development project which has received FHLB project approval and the representations and warranties required by FHLB with respect to such condominium or planned unit developments are deemed to have been made by the Seller to Chase and remain true and correct in all respects.

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*Continued on next page*

**Mortgaged Property, Continued**

No  
Condemnation  
and Mortgaged  
Property  
Undamaged

There is no proceeding pending or threatened for the total or partial condemnation of the mortgaged property. The mortgaged property is undamaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty so as to affect adversely the value of the mortgaged property as security for the mortgage loan or the use for which the premises were intended.

Detrimental  
Conditions

As of the origination date and the purchase date of the servicing rights, the Seller did not know, nor did the Seller have any reason to know, that the mortgaged property and the improvements constructed thereon were subject to any detrimental conditions which could reasonably be expected to adversely affect the market value of the mortgaged property.

The term “detrimental conditions” includes, but is not limited to expansive soils, underground mines, soil subsidence, landfills, superfund sites, special study zones, and other conditions which affect the stability of the improvements erected on the mortgaged property or the drainage on or from the mortgaged property.

Location and  
Type of  
Mortgaged  
Property

The mortgaged property consists of a single parcel of real property with a detached single family residence erected thereon, or a two-to-four family dwelling, or an individual condominium unit in a condominium project, or an individual unit in a planned unit development. No portion of the mortgaged property is used for commercial purposes.

Land Trust  
Loans

If legal and equitable title to the mortgaged property is held by a land trust, the Seller represents the following:

- the mortgaged property must comply with MPP Guide
- the land trust is duly formed and validly existing under state laws
- the loan documents are the binding obligations of the land trust and the Beneficiaries of the land trust and such documents are enforceable against the parties in accordance with their respective terms
- the Beneficiaries of the land trust have covenanted to perform or to cause the land trustee to perform, as applicable, all of the obligations imposed upon the borrower under the security instrument

*Continued on next page*

**Mortgaged Property, Continued**

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Land Trust  
Loans ,  
Continued

- neither the mortgaged property nor the interests of the Beneficiaries in the land trust may be transferred except in accordance with the provisions of the security instrument
  - to the extent permitted by law, the Beneficiaries of the land trust have directed the land trustee to waive, and the land trustee has waived, any and all rights of redemption from sale in accordance with the terms of the security instrument; the interests of the Beneficiaries are deemed personal property under Illinois law
  - the Seller has assigned to Chase the Seller's rights under a binding, valid and enforceable agreement among the trustee of the land trust, the Beneficiaries of the land trust and the Seller pursuant to which the trustee agreed to notify the Seller in writing in the event that any Beneficiary attempts to transfer, assign or otherwise convey a beneficial interest in the land trust to a third party
  - the mortgage loan complies with all of the requirements of the FHLB, as applicable, for land trust loans.
- 

Leasehold  
Loans

If the mortgage loan is secured by a leasehold estate, the Seller represents the following:

- the property subject to the lease is located in an area in which leasehold loans have received market acceptance.
  - the mortgage and the title insurance policy cover the improvements to the property and the mortgagor's leasehold interest in the land.
  - the term of the leasehold estate exceeds the maturity of the mortgage note by at least 10 years unless fee simple title vests in the mortgagor or an owner's association on an earlier date.
  - the leasehold estate, and any purchase option with respect to the land, is assignable or transferable.
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*Continued on next page*

**Mortgaged Property, Continued**

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Leasehold  
Loans,  
Continued

- ❑ the lease does not contain any default provisions that could give rise to termination of the lease except for non-payment of the lease rents.
  - ❑ the lease is valid, and in full force and effect and there is no default under any provision of the lease.
  - ❑ the lease provides that:
    - the mortgagor will pay taxes, insurance and homeowner's association dues related to the land, in addition to those the mortgagor is paying with respect to the improvements.
    - the mortgagor retains voting rights in any homeowner's association.
    - if the lease contains an option for the mortgagor to purchase the fee interest in the land, the purchase is at the mortgagor's sole option, there is no time limit within which the option must be exercised and the purchase price is the lower of (x) the current appraised value of the land and (y) the product of the percentage of the total original appraised value that represented the land alone and the appraised value of the land and improvements.
    - the leasehold can be transferred, mortgaged and sublet an unlimited number of times either without restriction or on payment of a reasonable fee and delivery of reasonable documentation to the lessor.
    - the lessor will provide the mortgagee with at least 30 day's notice of the mortgagor's default under the lease and give the mortgagee the option to (x) cure the default or (y) take over the mortgagor's rights under the lease.
  - ❑ the lessor may not require a credit review or impose other qualifying criteria on any transferee, mortgagee or sublessee.
  - ❑ the leasehold estate and the mortgage may not be impaired by any merger of title between lessor and lessee or by any default of a sublessor.
  - ❑ the lease and the leasehold estate meet all of the requirements of the FHLB, as applicable, for leasehold loans.
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# REPRESENTATIONS, WARRANTIES AND COVENANTS

## Overview

### Introduction

All the representations, warranties, and covenants contained in this Guide are made by the Seller to Chase, its successors and assigns, with respect to such matters, and at such times, as specified below unless expressly waived in writing by Chase.

Each representation, warranty, and covenant is binding on the Seller regardless of whether the subject matter thereof was under the control of the Seller or a third party.

The Seller acknowledges that Chase purchases servicing rights from the Seller in reliance on the representations, warranties and covenants made to Chase by the Seller pursuant to this Guide and the Seller makes such representations, warranties and covenants in order to induce Chase to purchase the servicing rights.

The representations, warranties, and covenants made in this Guide shall survive the sale of the servicing rights to Chase and shall inure to the benefit of Chase notwithstanding any examination of the applicable mortgage loan documentation by Chase.

This chapter provides Chase covenant information including general covenants of the Seller, transferring of servicing covenants, the treatment of confidential information, and the remedies for a breach of agreement.

### Contents

This chapter contains the following topics:

Topic	Page
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## Regarding the Seller

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<b>Purchasing the Servicing Rights</b>	As of the date Chase purchases the servicing rights to a mortgage loan from the Seller; the Seller represents and warrants the information in this chapter and in this Guide.
<b>Organization and Good Standing</b>	The Seller is duly organized, validly existing, and in good standing under the laws of the jurisdiction under which it was organized and is qualified to do business and is properly licensed or registered as a mortgage banker or lender in each jurisdiction in which the Seller does business, or is exempt under applicable law from such qualification or licensing and no demand for such qualification or licensing has been made upon the Seller by any jurisdiction.
<b>Authority and Capacity</b>	<p>The Seller has all requisite corporate power, authority, and capacity to enter into the Agreement and to perform the obligations required of it thereunder. The Agreement (assuming the due authorization and execution of the Agreement by Chase constitutes a valid and legally binding agreement of the Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, conservatorship and similar laws and by equitable principles affecting the enforceability of the rights of creditors.</p> <p>No consent, approval, authorization or order of or registration or filing with, or notice to, any governmental authority or court is required, under state or federal law prior to the execution, delivery and performance of, or compliance by the Seller with, the Agreement or the consummation by the Seller of any other transaction contemplated thereby. If the Seller is a depository institution, the Agreement shall be maintained in the Seller's official records.</p>
<b>No Conflict</b>	Neither the execution and delivery of the Agreement nor the consummation of the transactions contemplated by the Agreement nor compliance with its terms and conditions, shall conflict with or result in the breach of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon the properties or assets of the Seller, any of the terms, conditions or provisions of the Seller's charter or by-laws or any similar corporate documents of the Seller or any mortgage, indenture, deed of trust, loan or credit agreement or other agreement or instrument to which the Seller is now a party or by which it is bound.

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## Regarding the Seller, Continued

**Compliance with Laws**

There is no action, suit, proceeding or investigation pending, or to the Seller's knowledge threatened against the Seller before any court, administrative agency or other tribunal:

- asserting the invalidity of the Agreement
- seeking to prevent the consummation of any of the transactions contemplated
- which might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, the Agreement

**Performance**

The Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in the Agreement.

**Ordinary Course Transaction**

The consummation of the transactions contemplated by the Agreement are in the ordinary course of business of the Seller, and the sale, transfer, assignment and conveyance of the servicing rights by the Seller pursuant to the Agreement are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

**Litigation: Compliance with Laws**

There is no litigation, proceeding or governmental investigation pending, or any order, injunction or decree outstanding that might materially and adversely affect the servicing rights to be sold pursuant to the Agreement or the related mortgage loans.

Additionally, there is no litigation, proceeding or governmental investigation existing or pending or to the knowledge of the Seller threatened, or any order, injunction or decree outstanding against or relating to the Seller, that has not been disclosed by the Seller to Chase in writing that could have an adverse effect upon the servicing rights, the related mortgage loans or the other assets to be purchased by Chase under the Agreement, nor does the Seller know of any basis for any such litigation, proceeding or governmental investigation.

The Seller has not violated any applicable law, regulation, ordinance, order, injunction or decree, or any other requirement of any governmental body or court, which may materially and adversely affect the servicing rights to be sold pursuant to the Agreement or the related mortgage loans.

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## Regarding the Seller, Continued

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**Statements Made**

No representation, warranty or written statement made by the Seller in the Agreement or in any schedule, written statement or certificate furnished to Chase by the Seller in connection with the Agreement or the transactions contemplated thereunder contains or will contain any untrue statement of a material fact or omits or with statements contained herein or therein not misleading.

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**Approved Seller**

The Seller meets all of the eligibility requirements set forth in the Seller Guide. The Seller is:

- a Bank, Savings and Loan Association or Credit Union. The deposits are insured by the FDIC, or supervised by a federal or state agency, **and**
- an FHLB-approved Seller/Service.

See Chapter 1, Custodial Documentation for additional requirements.

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## Regarding the Servicing Rights and the Mortgage Loans

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**Mortgage Loan Characteristics**

As of the date Chase purchases the servicing rights to a mortgage loan from the Seller; the Seller represents and warrants the following terms and descriptions with respect to such servicing rights and the related mortgage loan.

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**Valid First Lien**

The mortgage is a valid, subsisting, enforceable and perfected first lien on the mortgaged property, including all buildings on the mortgaged property and all installations and mechanical, electrical, plumbing, heating and air conditioning systems located in or annexed to such buildings, and all additions, alterations and replacements made at any time with respect to the foregoing, and such mortgaged property is owned by the mortgagor in fee simple or is a leasehold estate, subject only to:

- the lien of current real property taxes and assessments not yet due and payable;
- covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording acceptable to mortgage lending institutions generally and specifically referred to in the lender's title insurance policy delivered to the originator of the mortgage loan and
  - referred to or otherwise considered in the appraisal made for the originator of the mortgage loan, or
  - which do not adversely affect the appraised value of the mortgaged property set forth in such appraisal; and
- other matters to which like properties are commonly subject to which do not individually or in the aggregate materially interfere with the benefits of the security intended to be provided by the mortgage or the use, enjoyment, value, or marketability of the related mortgaged property.

Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the mortgage loan establishes and creates a valid, subsisting and enforceable first lien and first priority security interest on the property described therein and the Seller has full right to sell and assign the same.

All tax identifications and property descriptions are legally sufficient; tax segregations, where required, have been completed.

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## Regarding the Servicing Rights and the Mortgage Loans, Continued

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**Deeds of Trust** In the event the mortgage constitutes a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the deed of trust, and no fees or expenses are or will become payable to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgagor.

---

**Buydown Loans** In the event that the mortgage loan is a "buydown loan", the amount of the buydown is fully funded, the period of the buydown does not exceed three years, the change in the mortgagor's interest rate will not exceed 1% per annum as a result of the buydown and the terms of the buydown provisions are in accordance with the requirements of the FHLB, as applicable.

---

**Full Disbursement of Proceeds** The mortgage loan has been closed and the proceeds of the mortgage loan have been fully disbursed and there is no requirement for future advances thereunder, and, except as specifically permitted by the FHLB, any and all requirements as to completion of any on-site or off-site improvement and as to disbursements of any escrow funds therefore have been complied with.

All costs, fees, and expenses incurred in making or closing the mortgage loan and the recording of the mortgage were paid, has been paid and the mortgagor is not entitled to any refund of any amounts paid or due under the mortgage note or mortgage.

There is no obligation on the part of the Seller, or of any other party, to make supplemental payments in addition to those made by the mortgagor.

Any future advances that were made in connection with the mortgage loan have been consolidated with the outstanding principal amount secured by the mortgage, and the secured principal amount, as consolidated, bears a single interest rate and single repayment term.

Unless otherwise permitted in the Guide, the consolidated principal amount does not exceed the original principal amount of the mortgage loan.

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## Regarding the Servicing Rights and the Mortgage Loans, Continued

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**No Defenses**

The mortgage loan is not subject to any right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury, nor will the operation of any of the terms of the mortgage note or the mortgage, or the exercise of any right thereunder, render either the mortgage note or the mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto, and no mortgagor was a debtor in any state or federal bankruptcy or insolvency proceeding at the time the mortgage loan was originated, and, as of the date Chase purchased the servicing rights, the mortgage loan was not subject to a bankruptcy plan, nor had the related mortgage filed bankruptcy.

---

**Soldiers' and Sailors' Civil Relief Act**

The mortgagor has not notified the Seller or any prior Servicer of the mortgage loan, and the Seller has no knowledge, of any relief requested or allowed to the mortgagor under the Soldiers' and Sailors' Civil Relief Act of 1940.

---

**Payments Current**

All payments due on the mortgage loan have been made by the related mortgagor, the mortgage loan has not been delinquent (i.e. was more than thirty days past due).

---

**No Defaults**

There is no default, breach, violation or event of acceleration existing under the mortgage or the mortgage note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration, and neither the Seller nor its predecessors have waived any default, breach, violation or event of acceleration.

---

**No Outstanding Charges**

There are no defaults in complying with the terms of the mortgage, and all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents which previously became due and owing have been paid.

All property tax bills, which are, or will become due within 30 days of the date of the delivery of the applicable servicing file to Chase, will have been paid.

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## Regarding the Servicing Rights and the Mortgage Loans, Continued

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**No Outstanding Charges,  
Continued**

The Seller has not advanced funds, or induced, solicited or knowingly received any advance of funds by a party other than the mortgagor, directly or indirectly, for the payment of any amount required under the mortgage loan, except of interest accruing from the date of the mortgage note or date of disbursement of the mortgage loan proceeds, whichever is earlier, to the day which precedes by one month the due date of the first installment of principal and interest.

No subordinate financing was used by the mortgagor to acquire the mortgaged property, other than subordinate financing acceptable to the FHLB pursuant to such agency's requirements in effect at the time the servicing rights were sold by the Seller to Chase.

---

**No Mechanics' Liens**

There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the mortgaged property which are or may be liens prior to, or equal or coordinate with, the lien of the mortgage.

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**Ownership**

Immediately prior to Chase's purchase of the servicing rights and the transfer of the mortgage loan to the FHLB, the Seller was the sole legal, beneficial and equitable owner of record and holder of the servicing rights.

The servicing rights had not been assigned or pledged, and the Seller had good and marketable title thereto, and had full right to transfer and sell the servicing rights to Chase free and clear of any encumbrance, equity, participation interests, lien, pledge, charge, claim or security interest and had full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign the servicing rights pursuant to the Agreement and on the purchase date Chase received good and marketable title to the servicing rights free of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest.

There is no litigation pending or, to the best of the Seller's knowledge, threatened, affecting or relating to the Seller which may in any way effect, by attachment or otherwise, the title or interest of Chase in and to the servicing rights, mortgage loan, the mortgaged property or the related mortgage note or security instrument.

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*Continued on next page*

## Regarding the Servicing Rights and the Mortgage Loans,

Continued

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**Occupancy of the Mortgaged Property**

Except where Chase has specifically agreed to the contrary, the mortgaged property is lawfully occupied by the mortgagor under applicable law.

All inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the mortgaged property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

---

**No Satisfaction of Mortgage**

The mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the mortgaged property has not been released from the lien of the mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission, except as permitted by the FHLB.

The Seller has not waived the performance by the mortgagor of any action, if the mortgagor's failure to perform such action would cause the mortgage loan to be in default resulting from any action or inaction by the mortgagor.

---

**No Servicing Restrictions**

No servicing agreement has been entered into with respect to the mortgage loan, or if any such servicing agreement has been entered into it has been terminated, and there are no restrictions, contractual, statutory or otherwise, which would impair the ability of Chase or Chase's designees to service the mortgage loan.

---

**No Refinance Agreements**

Neither the Seller nor any of the Seller's affiliates have entered into an agreement, formal or informal, with the mortgagor during the initial origination process of the mortgage loan to refinance the mortgage loan at some future date as an inducement for the mortgagor to enter into the original mortgage transaction.

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*Continued on next page*

## Regarding the Servicing Rights and the Mortgage Loans, Continued

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**No Adverse Selection**

The Seller used no adverse selection procedures in selecting the mortgage loan from among the outstanding first lien residential mortgage loans owned by it which were available for sale to the FHLB, as applicable.

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**Right of Rescission**

With respect to refinance loans, the borrower's Right of Rescission has not been waived.

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**No Graduated Payment or Shared Appreciation Feature**

The mortgage loan is not a "graduated payment mortgage loan" and the mortgage loan does not have a shared appreciation or other contingent interest feature.

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**No Construction or Rehab Loan**

Except as may be permitted by the FHLB, no mortgage loan was made in connection with the construction or rehabilitation of a mortgaged property.

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**No Liabilities**

There are no liabilities of the Seller with respect to the mortgage loan, with respect to facts or circumstances prior to the date on which Chase purchased the servicing rights for which Chase would be responsible as a result of its purchase of the servicing rights.

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**No HOEPA Loans**

The mortgage loan does not meet the definition of "mortgage" set forth in Section 1602 (aa) of the Truth-in-Lending Act. In addition, the mortgage loan is not a "high cost" or "predatory" mortgage loan under any federal, state, local or municipal laws, ordinances, rules or regulations.

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## Regarding the Servicing Rights and the Mortgage Loans, Continued

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### Third Party Originations

In addition to all other representations and warranties stated in this Guide, the Seller represents and warrants the following with respect to each mortgage loan which was completely or partially originated, underwritten, closed, funded or packaged by any entity other than the Seller (each such mortgage loan, a “TPO mortgage loan”):

- ❑ the Seller has received written authorization from Chase to sell to Chase TPO mortgage loans which comply with the terms and conditions of the Guide, such authorization has not been rescinded, terminated or revoked by Chase and the sale of such TPO mortgage loan to Chase will not be inconsistent with, or exceed, any limitations or restrictions stated in such authorization;
- ❑ the Seller has implemented, and the TPO mortgage loan was subject to, prudent third-party origination risk management procedures which identify potential deficiencies in TPO mortgage loans including, but not limited to misrepresentations of borrower income and assets and inaccurate appraisal reports;
- ❑ during the time the TPO mortgage loan was being originated, and at the time of the sale of the TPO mortgage loan to Chase, each entity that participated in the origination of the TPO mortgage loan (each, a “TPO”)
  - was duly organized, validly existing and in good standing under the laws of such TPOs state of organization and
  - had all licenses, registrations and certifications in all applicable jurisdictions and such licenses, registrations and certifications were in full force and effect at such times;
- ❑ each TPO complied with all applicable agreements, contracts, laws and regulations with respect to, and the violation of which might adversely affect, the TPO mortgage loan, or result in any cost or liability to Chase;
- ❑ the TPO and the TPO mortgage loan comply with all FHLB requirements for third party originated mortgage loans; and

For purposes of this representation and warranty, the Seller’s use of a “contract underwriter” will not, by itself, cause a mortgage loan to be considered a TPO mortgage loan. In addition, a mortgage loan that is partially originated or funded by the Seller’s parent corporation, or any other affiliate of the Seller, will not be considered a TPO mortgage loan as long as no unaffiliated third party participated in any other aspect of the origination or funding of the mortgage loan.

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## General Covenants of the Seller

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**General Covenants**

The Seller, without limitation and in addition to any other covenants made in the Agreement, with respect to the servicing rights sold to Chase on a servicing released basis and the related mortgage loan covenants the information in this topic.

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**Completion and Delivery of Documents**

The Seller shall properly complete and transmit all of Chase's forms in a timely manner and in accordance with the requirements set forth in this Guide and the instructions provided by Chase. All information contained in any form or communication sent or given to Chase by or on behalf of the Seller shall be true, correct and complete.

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**Use of JPMorgan Chase's Name**

The Seller shall confine its use of the Chase name, logo and the Chase name to those uses specifically authorized in this Guide. In no instance may the Seller disclose to any prospective mortgagor, or the agents of the mortgagor, that such mortgagor's mortgage loan will be offered for sale to Chase.

The Seller may not use Chase's name or logo to obtain any mortgage-related services.

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## General Covenants of the Seller, Continued

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**No Solicitation** Neither the Seller nor any of the Seller's affiliates shall specifically target any mortgage loan relating to servicing rights sold to Chase for refinance or target the mortgagor relating to any such mortgage loan for the sale of any other financial products.

The Seller and the Seller's affiliates may promote the terms they have for refinancings or other financial products by sending letters or promotional materials to the mortgagors for the following:

- all mortgage loans serviced by the Seller or originated by the Seller during a Specified Time Period,
- specific types of mortgage loans (such as conventional fixed rate or conventional adjustable rate) serviced by the Seller or originated by the Seller during a Specified Time Period or
- all mortgage loans with interest rates which fall within specific ranges serviced by the Seller or originated during a Specified Time Period.

For the purposes of "Solicitation", "Specified Time Period" means a period of not less than six months commencing no later than three months prior to origination of the applicable mortgage loans.

Neither the Seller nor any of the Seller's affiliates may, however, treat the mortgage loans relating to the servicing rights sold to Chase as a different class of mortgage loans for the purposes of advertising the availability of refinancing terms or other financial products.

Furthermore, neither the Seller nor any of the Seller's affiliates will transfer or otherwise disclose any information with respect to the mortgage loans relating to the servicing rights sold to Chase, or assist any other person or entity in making a direct solicitation of the related mortgagors.

With respect to each TPO mortgage loan the Seller shall use its best efforts, including the exercise of any available contractual remedies, to cause the applicable TPO to refrain from any action to solicit, directly or indirectly, the prepayment of the TPO mortgage loan by the Mortgagor, in whole or in part, without prior written consent of Chase.

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**Inspection of  
Records**

The Seller shall permit Chase and its agents during normal business hours to inspect all books and records of the Seller pertaining to:

- its mortgage lending operations, and
- any mortgage loan relating to servicing rights purchased by Chase from the Seller.

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## General Covenants of the Seller, Continued

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**Credit Information**

With respect to each mortgage loan related to servicing rights offered for sale to Chase by the Seller, the Seller has full right and authority and is not precluded by law or contract from furnishing Chase with the applicable consumer report (as defined in the Fair Credit Reporting Act, Public Law 91-508) and all other credit information relating to such mortgage loan and Chase shall not be precluded from furnishing such materials to any purchaser or prospective purchaser of servicing rights.

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**Credit Information**

The foregoing shall not be construed to impose any obligation on Chase, or any of Chase's assignees of any servicing rights, to keep the above described materials confidential or to otherwise comply with the Fair Credit Reporting Act or any similar laws

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**No Discrimination**

The Seller has not, and will not, discriminate against credit applicants on the basis of race, religion, national origin, sex, marital status, age (provided that the applicant has the ability to enter into a binding contract) or because all or a part of the applicant's income is derived from any public assistance program. In addition, the Seller has complied with all anti-redlining provisions of state and federal statute and regulation.

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**Additional Information**

Seller shall provide all information required by the applicable Agency in connection with each sale of mortgage loans, including but not limited to the remittance type which must be acceptable to Purchaser.

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**Commencement of Servicing**

If Purchaser agrees to purchase the Servicing Rights, Purchaser shall commence servicing the applicable mortgage loans concurrent with the sale of the mortgage loans to the applicable Agency or the issuance of securities representing ownership of the mortgage loans, as the case may be.

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## General Covenants of the Seller, Continued

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**Settlement**

Seller shall be solely responsible for selling the mortgage loans to the FHLB and having Chase designated as the Servicer of such mortgage loans. Seller shall also be solely responsible for the marketing and settlement of any securities. All mortgage loans must be sold:

- if to the FHLB, without recourse,
- if to the FHLB, under its special servicing option

Seller shall keep Purchaser fully apprised of Seller's forward planning with respect to mortgage loans to be sold via cash deliveries or deliveries and Servicer designation requests that will be made pursuant to this Agreement.

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**Designated Custodian and Fees**

Chase shall specify the Custodian (the "Custodian") for all:

- FHLB pools,
- FHLB cash deliveries

for which, in each case, Chase is designated as the Servicer.

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**File Delivery**

The Seller shall be responsible for the delivery, at Seller's expense, of complete Custodial Files to the Custodian as required by Chase and the FHLB Guides.

Risk of loss during transit for both the Custodial Files and the Servicing Files shall be the responsibility of the Seller. The Seller shall pay such certification costs and expenses. The Seller shall also be responsible for the preparation and recording, at its expense, of the assignment of mortgage via MERs.

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## General Covenants of the Seller, Continued

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**Further Assurances**

The Seller shall, from time to time, upon the request of Chase and without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, documents, instruments, transfers and assurances as Chase may reasonably request to confirm and perfect Chase's right, title, and interest in and to, and possession of, the Servicing Rights and the Servicing Files.

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**Obtaining Documents**

In the event the Seller fails to deliver timely to Chase documents necessary to complete a Servicing File, or if Chase otherwise deems itself insecure with the prospect of timely obtaining such follow-up documents (e.g., assignments, registered deeds, insurance application packages, mortgage insurance certificates) from the Seller, Chase has the right hereunder to present itself during business hours, upon reasonable notice, at the offices of Seller and obtain custody such documents.

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## Transfer of Servicing Covenants

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**Introduction** This topic outlines the requirements with respect to each mortgage loan where servicing rights were sold to Chase.

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**Notice to Mortgagors** On or before the date prescribed under applicable federal, state or local law, the Seller shall, at the Seller's expense, mail to the mortgagor a letter advising the mortgagor of the transfer of the servicing to Chase.

The Seller's notice shall comply with all federal, state and local law requirements. If any notices are returned to the Seller by the postal service for any reason, the Seller shall promptly forward the notice to Chase for disposition.

---

**Notice to Mortgage Insurers** The Seller shall, at the Seller's expense, notify all relevant private mortgage insurance companies no later than 15 days prior to the Transfer Date that all insurance premium billings for the mortgage loan must be sent to Chase following the Transfer Date.

For the purposes of Transfer of Servicing Covenants, "Transfer Date" means, with respect to any mortgage loan, the date on which Chase purchases the servicing rights relating to such mortgage loan.

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**Notice to Taxing Authorities and Hazard Insurance Companies** No later than 15 days prior to the Transfer Date, the Seller shall, at the Seller's expense, transmit to the applicable taxing authorities and hazard insurance companies and/or agents, notification of the assignment of the servicing and instructions to deliver all notices, tax bills and insurance statements, as the case may be, to Chase from and after the Transfer Date.

The Seller shall provide Chase with copies of such notices and instructions within five business days of the Seller's dispatch of such notices and instructions to the foregoing entities.

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**Internal Revenue Service Forms** The Seller shall mail, on or before the date required by law, all Internal Revenue Service required forms to all parties entitled to receive same for the period from January 1 until the Transfer Date. The Seller shall provide copies of such forms to Chase upon request. Chase shall make such Internal Revenue Service filings pertaining to events on and after the Transfer Date.

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*Continued on next page*

## Transfer of Servicing Covenants, Continued

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<b>Insurance Policies</b>	After the Transfer Date, the Seller shall deliver such insurance policies or renewals as it may receive with respect to the mortgage loan or the servicing to Chase within five business days of its receipt of same.
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<b>Payment of Hazard Insurance Premiums</b>	The Seller shall pay, prior to the Transfer Date, all hazard insurance premiums due within 30 days after the Transfer Date, provided that the Seller has received bills for such insurance premiums prior to the Transfer Date. The Seller shall immediately deliver to Chase all bills and correspondence related to the mortgage loan and received by it subsequent to the Transfer Date.
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<b>Property Taxes</b>	<p>The Seller shall cause to be paid prior to the Transfer Date all tax bills (including interest, late charges, and penalties in connection therewith) due within 30 days of the Transfer Date that are issued by a taxing authority and relate to mortgaged property and that are received by the Seller or its tax service provider prior to the Transfer Date.</p> <p>The Seller, or its tax service provider, shall immediately forward to Chase all tax bills received by the Seller after such date.</p> <p>The foregoing shall in no way impose upon the Seller an obligation to pay any taxes (including interest, late charges, and penalties associated therewith) for which a title insurer has an obligation to pay by virtue of the terms of a mortgagee policy of title insurance which is issued in connection with the origination of the mortgage loan and which insures Chase subsequent to the purchase.</p>
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<b>Social Security Numbers</b>	The mortgage loan has a certified Social Security number as required by the Internal Revenue Service or, if the mortgage loan does not have a certified Social Security number, the Seller has exercised due diligence (as defined by Internal Revenue Service regulations) to obtain such a number.
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<b>Internal Revenue Service Forms</b>	All Internal Revenue Service forms, including, but not limited to, forms 1099, 1099A and 1098, as appropriate, which are required to be filed with respect to the mortgage loan for activity occurring on or before year end of the preceding calendar year have been filed.
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## Transfer of Servicing Covenants, Continued

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**Escrow Analysis**

If the mortgage loan was originated more than 12 months prior to the Transfer Date, the Seller has properly conducted such escrow analyses with respect to the mortgage loan as required under applicable law. Any adjustment to the mortgagor's escrow payment, refunds of escrow overages and collections of escrow shortages have been made in accordance with all applicable law.

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**Mortgage Payments Received Prior to Transfer Date**

Prior to the Transfer Date, all payments received by the Seller with respect to each mortgage loan shall be properly applied by the Seller to the account of the related mortgagor.

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**Mortgage Payments Received On or After Transfer Date**

**A NOTE REGARDING DATES:** The Funding Schedule includes both Paid to Dates & Due Dates. The "Paid to Dates" are "interest paid to dates" and are a month behind the "due date" of the next payment. For example: a "paid to date" of 9/1/09 means the next payment due is 10/1/09.

Any payment, with respect to a mortgage loan received by the Seller on or after the Transfer Date, that is before the Scheduled Paid to Date per the funding schedule shall be properly applied by the Seller to the account of the related mortgagor.

**Example:** Scheduled Paid to Date on the Funding Schedule is 10/1/2009 (meaning the payment due 11/1/09 is owed to Chase); any and all payments DUE 10/1/09 or prior should be applied by the Seller to the account of the related mortgagor.

Any payment, with respect to a mortgage loan received by the Seller on or after the Transfer Date, that is for the Scheduled Paid to Date per the funding schedule shall not be processed by the Seller but shall instead be forwarded to Chase at the Seller's expense.

**Example:** Scheduled Paid to Date on the Funding Schedule is 8/1/2009; the payment due 9/1/09 should be forwarded to Chase.

The Seller shall accumulate such payments and forward them to Chase every second business day via overnight mail. After the first day of the third month following the month in which the Transfer Date occurs, any payment received by the Seller with respect to a mortgage loan shall be forwarded by the Seller to Chase by regular mail within five business days of the Seller's receipt thereof.

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**Recording of  
Assignments**

With respect to each mortgage loan the servicing rights to which were purchased by Chase from the Seller, the Seller shall ensure assignment of mortgage is completed via MERs.

## Treatment of Confidential Information

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**Introduction** The Seller shall not use Confidential Information (as defined below) for any purpose other than performing the Seller's obligations under the Agreement and this Guide.

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**Definition** "Confidential Information" shall mean and include information about Chase's Hardware, Software, Screens, Specifications, Designs, Plans, Drawings, Data, Prototypes, Discoveries, Research, Developments, Methods, Processes, Procedures, Improvements, 'know-how', compilations, market research, marketing techniques and plans, business plans and strategies, customer names and all other information related to customers, price lists, pricing policies and financial information or other business and/or technical information and materials in oral, demonstrative, written, graphic or machine-readable form, which is unpublished, not available to the general public or trade, and which is maintained as confidential and proprietary information by Chase for regulatory, customer relations, and/or competitive reasons.

Confidential Information shall also include such confidential and proprietary information or material belonging to Chase or to which the Seller may obtain knowledge or access through or as a result of the performance of its obligations under the Agreement.

Confidential Information also includes any information described above which Chase has obtained in confidence from another party who treats such information as proprietary or designates it as confidential information, whether or not owned or developed by Chase.

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**Privacy** All Confidential Information shall be held in confidence by the Seller to the same extent and in at least the same manner as the Seller protects its own confidential or proprietary information, but in no event less than the extent or manner that a reasonable prudent person would hold such Confidential Information under similar circumstances.

The Seller shall not disclose, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use or benefit of, any person or entity without Chase's written consent.

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## Treatment of Confidential Information, Continued

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### **Gramm-Leach-Bliley Act of 1999**

The Seller may, however, disclose relevant aspects of Confidential Information to the Seller's officers, agents, subcontractors, and employees to the extent that such disclosure is reasonably necessary to facilitate the Seller's performance of its duties and obligations under the Agreement and such disclosure is not prohibited by the Gramm-Leach-Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1138), as it may be amended from time to time (the "GLB Act"), the regulations promulgated thereunder or other applicable law; provided, however, that the Seller shall take all reasonable measures to ensure that Confidential Information is not disclosed or duplicated in contravention of the provisions of the Agreement by such officers, agents, subcontractors and employees.

The Seller shall also advise JPMorgan Chase in writing of any misappropriation, or unauthorized disclosure or use by any person of Confidential Information which may come to the Seller's attention and take all steps reasonably requested by JPMorgan Chase to limit, stop or otherwise remedy such misappropriation, or unauthorized disclosure or use.

If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality with respect to the Confidential Information, such standard shall prevail over the provisions of this Guide.

The Seller shall not make any more copies of JPMorgan Chase's written or graphic materials containing Confidential Information than is necessary for the Seller's use under the terms of the Agreement, and each such copy shall be marked with the same proprietary notices as appear on the originals.

The Seller shall protect Confidential Information in at least the same manner as it protects its own confidential information, but in no event less than the manner Confidential Information would be protected by a reasonable prudent person under similar circumstances.

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## Treatment of Confidential Information, Continued

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### Gramm-Leach-Bliley Act of 1999, Continued

#### EXCEPTIONS TO OBLIGATION TO PROTECT

Notwithstanding anything in the Agreement or this Guide to the contrary, the Seller shall not have any obligation with respect to any Confidential Information, or any portion thereof, which the Seller can establish by competent proof (including, but not limited to, ideas, concepts, 'know-how' techniques and methodologies):

- ❑ is or becomes generally known to companies engaged in the same or similar businesses as JPMorgan Chase on a non-confidential basis, through no wrongful act of the Seller
- ❑ is lawfully obtained by the Seller from a third party which has no obligation to maintain the information as confidential and which provides it to the Seller without any obligation to maintain the information as proprietary or confidential
- ❑ was known prior to JPMorgan Chase's disclosure to the Seller without any obligation to keep it confidential as evidenced by tangible records kept by the Seller in the ordinary course of the Seller's business
- ❑ is independently developed by the Seller without reference to the Confidential Information
- ❑ is the subject of a written agreement whereby JPMorgan Chase consents to the Seller's use or disclosure of such Confidential Information.

If the Seller or any of its representatives becomes subject to a legal obligation in any administrative or judicial circumstance to disclose any Confidential Information, the Seller must give JPMorgan Chase notice thereof so that JPMorgan Chase may seek a protective order and/or waive the duty of nondisclosure; provided that in the absence of such order or waiver, if the Seller or any such representative shall, in the reasonable opinion of its counsel, stand liable for contempt or suffer other censure or penalty for failure to disclose, disclosure pursuant to the order of such tribunal may be made by the Seller or its representative without liability hereunder.

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## Treatment of Confidential Information, Continued

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### Gramm-Leach-Bliley Act of 1999, Continued

#### CONTINUATION OF OBLIGATION UPON TERMINATION OF AGREEMENT

For as long as the Seller continues to possess or control Confidential Information, and for so long as the Confidential Information remains unpublished, confidential and legally protectable as the intellectual property of JPMorgan Chase, except as otherwise specified in the Agreement or this Guide, the Seller shall make no use of such Confidential Information whatsoever, notwithstanding the expiration or termination of the Agreement.

The expiration or termination of the Agreement shall not be deemed to give the Seller a right or license to use or disclose Confidential Information.

Any materials or documents, including copies thereof, which contain Confidential Information, shall be promptly returned by the Seller to JPMorgan Chase upon JPMorgan Chase's request.

Upon termination or expiration of the Agreement, all materials or documents, including copies thereof, which contain Confidential Information shall be promptly returned by the Seller to JPMorgan Chase or destroyed.

The unauthorized disclosure or use of any Confidential Information may cause immediate or irreparable injury to JPMorgan Chase, and JPMorgan Chase may not be adequately compensated for such injury in monetary damages.

Therefore, JPMorgan Chase shall be entitled to seek any temporary or permanent injunctive relief necessary to prevent such unauthorized disclosure or use, or threat of disclosure or use, and consents to the jurisdiction of any federal or state court of competent jurisdiction sitting in Seattle, Washington for purposes of any suit hereunder and to service of process therein by certified or registered mail, return receipt requested.

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## Remedies for Breach of Agreement

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**Introduction** The remedies outlined in this chapter will be available to Chase for any breach of the Agreement, including the representations, warranties and covenants (reps and warrants) or any other requirements stated in this Guide.

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**Repurchase** Upon discovery by the Seller of the or with respect to any such mortgage loan, breach of any representation, warranty or covenant made by the Seller with respect to the servicing rights relating to a mortgage loan, the Seller shall promptly notify Chase in writing.

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**Repurchase Demand for Breach of Agreement** Upon Chase's receipt of such notice or Chase's independent discovery of a breach by the Seller, Chase may, in its sole and absolute discretion, without regard to the Seller's actual or implied knowledge of the breach (except to the extent that the applicable representation, warranty or covenant is expressly conditioned upon the Seller's knowledge) in addition to and without limitation as to any other remedy accruing to Chase, demand that the Seller repurchase the servicing rights.

---

**Receipt of a Repurchase Demand** Within 30 calendar days of the Seller's receipt of a repurchase demand, the Seller shall either:

- cure the breach in all material respects
- without any adjustment on the basis of fees or charges borne by the Seller, repurchase the servicing rights for an amount (the "Servicing Repurchase Amount") equal to the sum of:
  - the purchase price paid for the servicing rights by Chase
  - any accrued interest and other amounts advanced by Chase with respect to the applicable mortgage loan and
  - all out-of-pocket costs and expenses incurred by Chase in connection with the repurchase of the servicing rights, including all documentary stamp taxes, recording fees, transfer taxes, attorneys fees court costs and legal expenses.

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## Remedies for Breach of Agreement, Continued

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### **Investor Repurchase Demand**

In the event the Investor demands that Chase or the Seller repurchase a mortgage loan, and the servicing rights to that mortgage loan were acquired by Chase from the Seller pursuant to the Agreement, the Seller shall repurchase the mortgage loan from Chase or the Investor, as applicable, and the related servicing rights from Chase no later than ten days after the Seller's receipt of written demand from Chase.

The repurchase price shall be an amount equal to the sum of either:

- the applicable Servicing Repurchase Amount and
  - the repurchase amount specified for the mortgage loan by the Investor in the repurchase demand delivered to Chase .
- 

### **Request for Reconsideration**

The Seller may ask Chase to submit further information to the Investor and to request that the Investor reconsider its repurchase request.

Chase may request such reconsideration unless Chase believes in good faith that there is no basis to request reconsideration or that such request would be injurious to its business relationship with the Investor.

Chase's determination with respect to any such request for reconsideration shall be final.

---

### **Early Payment Default after Transfer**

If any of the first four monthly payments payable to Chase after the servicing rights to a mortgage loan are purchased by Chase from the Seller becomes ninety days delinquent, the Seller must, upon receipt of demand from Chase, repurchase the servicing rights of or an amount calculated as provided above.

**Default Definition:** A mortgage loan will be considered "ninety days delinquent" if a payment due on the first day of the month is not received by Chase on or before the last day of the second month following the month in which such payment was due.

**Example:** if the January 1st payment for a mortgage loan were not made on or before March 31st, the mortgage loan would be considered ninety days delinquent.

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## Remedies for Breach of Agreement, Continued

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**Retention Fee** In lieu of requiring the repurchase of servicing rights relating to a mortgage loan obligation under the preceding paragraph for an early payment default, Chase may elect to charge the Seller a Retention Fee.

The "Retention Fee" is equal to the sum of \$2,500 and the servicing release premium paid by Chase in connection with the purchase of the mortgage loan.

---

**Indemnification** The Seller shall indemnify Chase against, and hold Chase harmless from, all losses, liabilities, costs, expenses (including attorney's fees), suits, actions and claims arising out of any breach of a representation, warranty or covenant made by the Seller under the Agreement.

The foregoing indemnification shall include, but not be limited to, costs incurred by Chase in connection with enforcing its rights under the Agreement or defending against any claim, demand or assertion against Chase by a third party arising out of a breach of a representation, warranty or covenant made by the Seller in the Agreement.

The Seller's indemnification obligation under this section shall survive the purchase and delivery of the servicing rights, the liquidation or repurchase of the related mortgage loans and any suspension or termination of the Seller's selling privileges or the termination of this Agreement.

---

**Offset** Chase may offset against the price for any servicing rights delivered for purchase by the Seller, or against any other amounts owed by Chase to the Seller pursuant to the Agreement or any other contract or instrument between the Seller and Chase, any outstanding amounts owed to Chase by the Seller or any affiliate of the Seller including, but not limited to:

- fees, penalties and expenses arising out of the Seller's failure to timely deliver any final documentation
- pair-off fees, penalties or charges relating to delivered or undelivered
- mortgage loans
- costs and expenses arising out of the Seller's breach of any of its representations, warranties or covenants under the Agreement; and

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*Continued on next page*

## Remedies for Breach of Agreement, Continued

**Offset,**  
Continued

- ❑ costs and expenses incurred by Chase as a result of action taken by Chase based on Chase’s reasonable belief that the Seller is no longer able to fulfill its obligations under the Agreement, including its repurchase and indemnification obligations pursuant to this section.

**Suspension or Termination of Selling Privileges**

Chase may, in its sole and absolute discretion, suspend or terminate the Seller’s selling privileges for any reason including, but not limited to, the following:

- ❑ the Seller fails to perform any of its obligations under the Agreement or this Guide within the prescribed time period
- ❑ any representation or warranty made in the Agreement or this Guide is untrue in any material respect
- ❑ the Seller fails to meet the eligibility requirements contained in the Chase FHLB Servicing Released Program and this Guide
- ❑ the Seller’s Fidelity and/or Errors and Omissions Insurance is canceled and no replacement coverage is obtained
- ❑ Chase discovers that excessive delinquencies have occurred with respect to mortgage loans relating to the servicing rights purchased from the Seller
- ❑ Chase considers suspension or termination necessary to protect its interests or enforce its rights

**Ineligible for New Commitments**

During a period of suspension or following termination, the Seller shall be ineligible to obtain new commitments. Unless otherwise specified by Chase, Chase shall purchase servicing rights under commitments outstanding at the time the termination or suspension becomes effective.

Chase shall, in its sole and absolute discretion, determine the duration of any period of suspension and shall prescribe the terms and conditions for reinstatement.

*Continued on next page*

## Remedies for Breach of Agreement, Continued

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**Prior Warning and Notification of Suspension/Termination**

Before notifying the Seller of suspension or termination of the Seller's selling privileges, Chase may, in its sole and absolute discretion, issue a warning to the Seller that it has violated, is violating, or is about to violate one or more of the provisions of the Agreement or this Guide, and that unless corrective action is taken within a specified time period, suspension or termination of the Seller's selling privileges may result. This warning may be given by Chase as part of an audit report or as a result of any other review or investigation of the Seller by Chase.

Chase will generally provide the Seller with at least 30 days prior written notice of its intent to suspend or terminate the Seller's selling privileges.

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**Immediate Suspension or Termination**

Certain violations of the Agreement and this Guide are viewed as particularly serious offenses. In such cases, JPMorgan Chase may determine that a shorter notice period is necessary or advisable to protect JPMorgan Chase's interests, and JPMorgan Chase may act without prior written notice to suspend or terminate the Seller's selling privileges.

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**Seller's Right to Appeal**

If prior written notice is not provided, suspension or termination of the Seller's selling privileges will become effective upon verbal notice from Chase to the Seller. Written confirmation of verbal notice will follow with a statement of the basis for the suspension or termination.

The Seller may file a written statement requesting any action or proposed action by Chase to suspend or terminate the Seller's selling privileges be reversed or modified.

This statement need not be in any particular form, but should specify any mitigating circumstances and other information deemed relevant by the Seller.

The statement must be postmarked or hand delivered to Chase no later than 15 calendar days after the date the Seller receives the above described written notice from Chase.

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## Remedies for Breach of Agreement, Continued

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### **Seller's Right to Appeal, Continued**

If prior written notice is not provided, the Seller's written statement must be postmarked or hand delivered no later than 15 calendar days after the date the Seller receives written confirmation of the decision to suspend or terminate.

If a written statement is received within the required time period, Chase will determine whether the suspension or termination (and the effective date thereof) will be delayed pending review of the Seller's written statement.

The Seller's written statement will be evaluated to determine whether to affirm, reverse or modify the action or proposed action to suspend or terminate.

Written notice of the determination to affirm, reverse or modify will be mailed to the Seller within 30 days of receipt of the Seller's written statement.

---

### **Remedies Cumulative**

All rights and remedies of Chase under the Agreement are in addition to all other rights and remedies available to Chase in law or equity. Chase may exercise its rights and remedies concurrently, independently or in succession and all such rights and remedies shall inure to the benefit of Chase, its successors and/or assigns.

The failure of Chase to exercise any of its remedies under the Agreement with respect to a breach or default of the Seller does not constitute a waiver of such remedy with respect to such breach or default or any subsequent breach or default.

---

### **Servicing Released Premium Protection**

In the event that any mortgage loan relating to servicing rights sold by the Seller to Chase prepays in full during the 90 days following the date on which such servicing rights were purchased by Chase, the Seller shall remit the purchase price received by the Seller for the servicing rights to Chase within 30 days of the payoff date.

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## Appendix A: Schedule of Fees

### Schedule of Fees for Services as Servicer (Loan Review and Processing Fees)

Service	Fees
Tax Service Fees	\$ 81.00
Per Loan Transfer Fee	\$ 40.00
<b>Flood Certification Fees - Chase receives a Life of Loan certificate from:</b>	
• First American/Corelogic	No Charge
Life of Loan from <b>any other</b> company	\$ 5.50 Life of Loan Conversion Fee

**Notes**

## Appendix B: Directory

### Overview

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#### Introduction

This appendix contains a directory of JPMorgan Chase Bank, N.A. Custodial Services and Servicing Departments' mailing addresses (for change of servicer notices, borrower payments, trailing/final documents, and so forth).

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#### Contents

This appendix contains the following information:

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<b>Topic</b>	<b>Page</b>
Custodial / Servicing Mailing Addresses	B-2
Servicer Transfer Notices	B-4



WMMSC

## Mailing Addresses

Address

Phone

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### Custodial Files / Servicing Files

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Deliver custodial files to:

JPMorgan Custody Services

(318) 699-2267

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Chase Records Center  
Attn: FHLB Files  
700 Kansas Lane  
Mail Code LA4-2153  
Monroe, LA 71203

Contact  
Amanda Greer  
Phone: 318-699-2267  
[amanda.l.greer@chase.com](mailto:amanda.l.greer@chase.com)

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### Trailing Documents / Trailing Checks

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- **Trailing/Final Documents**

Chase Records Center  
Attn: Collateral Trailing Documents  
PO Box 8000  
Monroe, LA. 71203

- **Trailing Checks** (Any checks that are not included with the servicing file)

JPMorgan Chase Bank, N.A.  
Attn: Todd Spivey  
3415 Vision Drive  
Mail Code OH4-7382  
Columbus, OH 43219

614.422.1692  
[todd.spivey@chase.com](mailto:todd.spivey@chase.com)



WMMSC

**Other Documentation**

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**Mail the following to:**

Attention: David Joye  
WMMSC  
Mail Stop Code: SC1-2090  
2210 Enterprise Drive  
Florence, SC 29501

- Monthly performance letters and Reports
  - Name changes
  - Merger and acquisition Information
  - Corporate Resolutions
  - Annual Certification
  - Updated financial statements
  - Notices of suspension or termination by an agency or investor
-



WMMSC

**Change of Servicer Notices**

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**Mail Change of Servicer Notices for the following:**

**to these addresses**

Hazard/Flood Insurance

JPMorgan Chase Bank, N.A.  
P.O. Box 100590  
Florence, SC 29501-0590  
**Note:** Loss payee is JPMorgan Chase Bank, N.A.  
It's successors and/or assigns

Private Mortgage Insurance

JPMorgan Chase Bank, N.A.  
3415 Vision Drive  
Columbus, OH 43219

Taxing Authorities

JPMorgan Chase Bank, N.A.  
3415 Vision Drive  
Columbus, OH 43219

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**Transfer Notices**

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Borrowers should mail first payments to:

JPMorgan Chase Bank, N.A.  
P.O. Box 9001871  
Louisville, KY 40290-1871

**Endorse Payments to:**  
JPMorgan Chase Bank, N.A.

Borrower Customer Service phone number

(800) 848-9136

## Appendix C: Required Document List

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**Introduction**

Use the following list as a guide to ensure that each Custodial and Servicing File delivered for transfer of servicing is complete.

Ensure that each file is identified with your company name and a contact name in the event there are questions on the loan. Please also include the Chase loan number and the applicable FHLB district.

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**Required Documents**

This section contains custodial file documents and servicing file documents.

CUSTODIAL FILE DOCUMENTS	
<input type="checkbox"/>	Original Note, endorsed in blank, according to Agency guidelines
<input type="checkbox"/>	Certified true copy of the Mortgage/Deed of Trust sent for recording
<input type="checkbox"/>	Schedule of Mortgages
<input type="checkbox"/>	Name Affidavit if applicable

**Trailing Documents**

COLLATERAL TRAILING DOCUMENTS
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- ❑ Original Trailing documents need to be delivered to Chase on at least a weekly basis.
- ❑ Trailing documents shipment should include a document level transmittal.
- ❑ Documents should be prepared for shipment as follows:
  - Write the Chase loan number at the top right of each document.
  - Do not staple multiple documents together.
- ❑ Outstanding Document Report - Chase will provide a monthly report of all outstanding documents and documents in receipt but with exceptions the first week of every month.

*Continued on next page*

**Require Documents, Continued**

<b>SERVICING FILE DOCUMENTS</b>
<input type="checkbox"/> Schedule of Mortgages
<input type="checkbox"/> Copy of Note sent in Custodial/Collateral package
<input type="checkbox"/> Certified copy of the Recorded Power of Attorney (if applicable)
<input type="checkbox"/> Name Affidavit, (if applicable)
<input type="checkbox"/> Copy of Security Instrument with legal description and PUD/Condo/ARM Riders (if applicable)
<input type="checkbox"/> MI Certificate
<input type="checkbox"/> Request to MI company changing Servicer (Loan Sale Notice)
<input type="checkbox"/> Copy of the Hazard Insurance Policy and paid receipt
<input type="checkbox"/> Copy of Request for Endorsement to Hazard Policy changing mortgagee clause
<input type="checkbox"/> Flood Certification (Flood Zone Determination--FZD)
<input type="checkbox"/> Certified copy of Flood Insurance Application or original Flood Policy
<input type="checkbox"/> Copy of request for endorsement to Flood Policy changing mortgagee clause
<input type="checkbox"/> Tax Information Form
<input type="checkbox"/> Copy of Title Binder or Original Title Policy and Endorsements
<input type="checkbox"/> PUD/Condo/ARM Endorsements
<input type="checkbox"/> Copy of the first payment letter
<input type="checkbox"/> Copy of Loan History (required if any payments or principal curtailments have been made)
<input type="checkbox"/> Copy of Good-bye letter to Borrower which meets Cranston-Gonzalez guidelines
<input type="checkbox"/> HUD-1 Settlement Statement (must include Initial Escrow Account Statement)
<input type="checkbox"/> Final Truth-in-Lending Statement
<input type="checkbox"/> Final Typed Residential Loan Application signed by borrowers
<input type="checkbox"/> Buydown Agreement
<input type="checkbox"/> Executed Right of Rescission, if applicable (Refinance loans only)
<input type="checkbox"/> Copy of current survey
<input type="checkbox"/> Copy of the W-9
<input type="checkbox"/> Final DU Findings Report or LP Feedback Certificate
<input type="checkbox"/> <b>Complete Original</b> Credit Package
<input type="checkbox"/> <b>Complete Original</b> Appraisal Package with original photos

**Notes**

## Contact List

### Relationship Manager

David Joye, AVP Master Servicing  
WMMSC  
2210 Enterprise Drive  
Mail Stop Code: SC1-2090  
Florence, SC 290501  
843-673-4119  
[David.Joye@chase.com](mailto:David.Joye@chase.com)

### Contacts for accounting questions:

Becky Weaver, AVP Master Servicing, Remittances  
WMMSC  
2210 Enterprise Drive  
Mail Stop Code: SC1-2090  
Florence, SC 290501  
843-673-3228  
[Becky.Weaver@chase.com](mailto:Becky.Weaver@chase.com)

Crystal Walker - Investor Reporting/Processing  
WMMSC  
2210 Enterprise Drive  
Mail Stop Code: SC1-2090  
Florence, SC 290501  
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