IN THE SUPREME COURT OF THE STATE OF NEVADA

SATICOY BAY LLC SERIES 133 McCLAREN,

Appellant,

vs.

GREEN TREE SERVICING, LLC; THE BANK OF NEW YORK MELLON F/K/A THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A., AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T,

Respondents.

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Case No. 78661

APPEAL
from the Eighth Judicial District Court, Department XXX
The Honorable Jerry A. Wiese, District Judge
District Court Case No. A-14-693882-C

RESPONDENTS' SUPPLEMENTAL APPENDIX
VOLUME I

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CERTIFICATE OF SERVICE

I certify that I electronically filed on October 30, 2019, the foregoing **RESPONDENTS' SUPPLEMENTAL APPENDIX, VOLUME I** with the Clerk of the Court for the Nevada Supreme Court by using the Court's electronic file and serve system. I further certify that all parties of record to this appeal are either registered with the Court's electronic filing system or have consented to electronic service and that electronic service shall be made upon and in accordance with the Court's Master Service List.

I declare that I am employed in the office of a member of the bar of this Court at whose discretion the service was made.

/s/ Patricia Larsen
An employee of AKERMAN LLP

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Attorneys for The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A, as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T and Green Tree Servicing, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SATICOY BAY LLC SERIES 133 MCLAREN, Plaintiff, vs. GREEN TREE SERVICING LLC; THE BANK OF NEW YORK MELLON FKA THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A., AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST, REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T; NATIONAL DEFAULT SERVICING CORPORATION, CTC REAL ESTATE SERVICES; CHARLES J. WIGHT; AND TARA J. WIGHT, Defendants. AND ALL RELATED CLAIMS.	Case No.: A-14-693882-C Dept. No.: XXX **MOTION FOR SUMMARY JUDGMENT**

Defendant The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A, as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T (**BONY**) and Green Tree Servicing LLC, now known as Ditech Financial LLC (**Green Tree**) (collectively **Defendants**) hereby files its motion for summary judgment on Plaintiff Saticoy Bay LLC Series 113 McLaren (**Plaintiff**) claims

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for quiet title and declaratory relief, as well as Defendants' claims for declaratory relief and quiet title against Plaintiff. This Motion relies upon the Memorandum of Points and Authorities and exhibits attached hereto, and oral argument at hearing.

NOTICE OF MOTION

PLEASE TAKE NOTICE that **DEFENDANTS** will bring the foregoing **MOTION FOR SUMMARY JUDGMENT** for hearing before the Eighth Judicial District Court, located at the Regional Justice Center, 200 Lewis Avenue, Las Vegas, Nevada 89155, on the _____ day of _____, 2018, at the hour of _____:_____o'clock _____.m.

DATED July 16, 2018.

AKERMAN LLP

/s/ Jared M. Sechrist

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INTRODUCTION

First, the Deed of Trust survived the HOA's foreclosure sale because the record evidence shows that Nevada Association Services, Inc. (the **HOA Trustee**), on behalf of Hillpointe Park Maintenance (the **HOA**) intended to conduct a sub-priority foreclosure sale. To the extent the HOA and HOA Trustee intended to conduct a superpriority sale, Bank of America is entitled to summary judgment because the superpriority amount of the HOA's lien was tendered prior to the foreclosure sale, thereby extinguishing that portion of the HOA's lien. Consequently, to the extent the HOA's foreclosure sale was valid, the HOA could only convey an interest in the subject property that was subordinate to the Deed of Trust. Because Plaintiff's property interest is junior to the Deed of Trust, Plaintiff's claims necessarily fail and Bank of America is entitled to summary judgment on its claims for quiet title and declaratory relief against Plaintiff.

Second, Plaintiff alleges that it purchased property at a homeowners' association foreclosure sale (**HOA Sale**), which it contends extinguished a deed of trust then encumbering the property. Plaintiff relies on NRS § 116.3116(2) (**State Foreclosure Statute**), which allows properly conducted HOA Sales to extinguish all junior interests. But at the time of the HOA Sale, Green Tree was beneficiary of record of that deed of trust as a contractually authorized servicer of Federal National Mortgage Association (**Fannie Mae**), which owned the deed of trust and therefore had a property interest in the collateral. A federal statute provides that while Fannie Mae is in conservatorship of the Federal Housing Finance Agency (**FHFA**), none of its property "shall be subject to . . . foreclosure . . . without the consent of [FHFA]." 12 U.S.C. § 4617(j)(3) (the **Federal Foreclosure Bar**).

The Nevada Supreme Court has recently confirmed that the Federal Foreclosure Bar preempts the State Foreclosure Statute. *See Saticoy Bay LLC Series 9641 Christine View v. Fannie Mae*, 417 P.3d 363 (Nev. 2018). Moreover, the Nevada Supreme Court, Ninth Circuit, and many state and federal trial courts—including this Court—have held the same, and further concluded that the Federal Foreclosure Bar protects Fannie Mae's property interests under circumstances, like here, where a servicer appeared as record beneficiary of a deed of trust owned by Fannie Mae. *See, e.g.*, *Nationstar Mortg., LLC v. Guberland LLC-Series 3*, No. 70546, 2018 WL 3025919 (Nev. June 15, 2018) (unpublished disposition); *Berezovsky v. Moniz*, 869 F.3d 923 (9th Cir. 2017); *Elmer v. JPMorgan*

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Chase & Co., 707 F. App'x 426 (9th Cir. 2017); *Saticoy Bay, LLC v. Flagstar Bank, FSB*, 699 F. App'x 658 (9th Cir. 2017). Here, Fannie Mae has been in FHFA conservatorship at all relevant times, and FHFA did not consent to extinguish Fannie Mae's property interest. Under the Supremacy Clause, the Federal Foreclosure Bar preempts the State Foreclosure Statute, and the HOA Sale did not extinguish Fannie Mae's interest

Third, the Nevada Supreme Court recently made clear that association foreclosure sales do not extinguish senior deeds of trust if the inadequacy of the foreclosure-sale price is "palpable and great," and there is "very slight additional evidence of unfairness," in *Nationstar Mortgage, LLC v. Saticoy Bay LLC Series 2227 Shadow Canyon*. Here, additional evidence of unfairness is shown by the HOA Trustee purporting to foreclose on the superpriority amount when the evidence shows that the HOA Trustee intended to conduct a sub-priority sale. Specifically, the HOA Trustee stated in widely disseminated literature that a first deed of trust would survive an HOA foreclosure sale. In addition, the HOA proceeded to foreclose despite the fact that Bank of America tendered the nine-month superpriority amount prior to the HOA Sale and opened bidding at the foreclosure sale at the total amount of the lien.

STATEMENT OF UNDISPUTED FACTS

The Subject Property, Note, and Deed of Trust

1. A deed of trust listing Charles J. Wight and Tara J. Wight as the borrowers (**Borrowers**); Countrywide Home Loans, Inc. as the lender (**Lender**); and Mortgage Electronic Registration Systems, Inc. (**MERS**), as beneficiary solely as nominee for Lender and Lender's successors and assigns, was executed on November 16, 2004, and recorded on November 23, 2004 (**Deed of Trust**). **Exhibit A**. The Deed of Trust granted Lender a security interest in the real property located at 133 McLaren Street, Henderson, Nevada 89074 (**Property**) to secure the repayment of a promissory note (the **Note**) in the original amount of $220,000.00 to the Borrowers (the Note and Deed of Trust together are the **Loan**) *Id.*

2. In December 2004, Fannie Mae acquired ownership of the Loan, thereby becoming successor to the Lender and acquiring ownership of the Deed of Trust. **Exhibit B**. Fannie Mae maintained that ownership at the time of the HOA Sale on November 22, 2013. *Id.*

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3. On May 28, 2013, MERS, as nominee for Lender and Lenders successors and assigns, recorded an assignment of the Deed of Trust to Green Tree. **Exhibit C**.

4. At the time of the HOA Sale on November 22, 2013, Green Tree was the servicer of the Loan for Fannie Mae. *See* **Exhibit B**.

Fannie Mae's Contract with Its Servicers, Including Green Tree

5. The relationship between Fannie Mae, as owner of the Loan, and Green Tree, as servicer of the Loan, and is governed by the Guide, a document central to Fannie Mae's relationship with servicers nationwide. Among other things, the Guide provides that Fannie Mae's servicers may act as record beneficiaries for the deeds of trust Fannie Mae owns and requires that servicers assign these deeds of trust to Fannie Mae upon Fannie Mae's demand. *See* **Exhibit B**, Selling Guide at A2-1-01, Servicing Guide F-1-11.

6. Specifically, the Guide provides that:

> The servicer ordinarily appears in the land records as the mortgagee to facilitate performance of the servicer's contractual responsibilities, including, but not limited to, the receipt of legal notices that may impact Fannie Mae's lien, such as notices of foreclosure, tax, and other liens. However, *Fannie Mae may take any and all action with respect to the mortgage loan it deems necessary to protect its ... ownership of the mortgage loan, including recordation of a mortgage assignment, or its legal equivalent, from the servicer to Fannie Mae or its designee.* In the event that Fannie Mae determines it necessary to record such an instrument, the servicer must assist Fannie Mae by
>
> - preparing and recording any required documentation, such as mortgage assignments, powers of attorney, or affidavits; and
> - providing recordation information for the affected mortgage loans.

Exhibit B, Guide at A2-1-03 (emphasis added).

7. The Guide also provides for a temporary transfer of possession of the note when necessary for servicing activities, such as managing litigation on behalf of Fannie Mae:

> In order to ensure that a servicer is able to perform the services and duties incident to the servicing of the mortgage loan, Fannie Mae temporarily gives the servicer possession of the mortgage note whenever the servicer, acting in its own name, represents the interests

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> of Fannie Mae in foreclosure actions, bankruptcy cases, probate proceedings, or other legal proceedings.
>
> This temporary transfer of possession occurs automatically and immediately upon the commencement of the servicer's representation, in its name, of Fannie Mae's interests in the foreclosure, bankruptcy, probate, or other legal proceeding.

Exhibit B, Guide at A2-1-04.

8. The Guide includes a chapter regarding how and when servicers should pursue foreclosure. *See generally* Guide at E-3 (Managing Foreclosure Proceedings). The chapter includes detailed provisions for how servicers may foreclose on properties when either Fannie Mae, MERS, or the servicer itself is the beneficiary of record of the relevant deed of trust. *See* **Exhibit B**, Guide at E-3.2-09.

9. The Guide also includes a chapter regarding how servicers should manage litigation on behalf of Fannie Mae. *See generally* Guide at E-1 (Referring Default-Related Legal Matters and Non-Routine Litigation to Law Firms). Included among the "non-routine" litigation that servicers are obligated to manage on behalf of Fannie Mae is that concerning "[a]ny issue involving Fannie Mae's conservatorship." **Exhibit B**, Guide at E-1.3-01.

10. Nevertheless, "Fannie Mae is at all times the owner of the mortgage note," and "[a]t the conclusion of the servicer's representation of Fannie Mae's interests in the foreclosure . . . possession automatically reverts to Fannie Mae." **Exhibit B**, Guide at A2-1-04.

11. Pursuant to the Guide, a servicer is required to "maintain in the individual mortgage loan file all documents and system records that preserve Fannie Mae's ownership interest in the mortgage loan." **Exhibit B**, Guide at A2-4-01.

12. Any servicer retaining documents related to a particular loan, such as a deed of trust, has "no right to possess these documents and records except under the conditions specified by Fannie Mae." **Exhibit B**, Guide at A2-5.1-02.

The HOA Foreclosure Sale and Plaintiff's Purported Acquisition of the Property

13. On January 14, 2011, the HOA Trustee, as agent for the HOA, recorded a Notice of Delinquent Assessment Lien. This Notice stated the amount due to the HOA was $1,286.00, which included assessments, dues, interest, and fees. **Exhibit D**.

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14. On September 9, 2011, the HOA Trustee, as agent for the HOA, recorded a Notice of Default and Election to Sell. This Notice stated the amount due to the HOA was $2,149.00, which included assessments, dues, interest, and fees. **Exhibit E**.

15. After the Notice of Default was recorded, Bank of America, through counsel at Miles, Bauer, Bergstrom, & Winters, LLP (**Miles Bauer**), contacted the HOA through the HOA Trustee and requested a payoff statement so that it could satisfy the superpriority amount. **Exhibit F-1**.

16. The HOA Trustee refused to respond to this request. **Exhibit F ¶ 7**.

17. Bank of America used a Statement of Account it previously obtained for another property subject to the same HOA to calculate the superpriority amount. **Exhibit F-2**.

18. The Statement of Account provided that the HOA's quarterly assessment amount was $92.25 ($30.75 per month), meaning nine months of assessments would total $276.75. *Id.*

19. On or about December 16, 2011, Bank of America tendered $276.75 to the HOA, through the HOA Trustee. **Exhibit F-3**.

20. The HOA Trustee refused delivery of the check. **Exhibit F ¶ 10**.

21. On October 29, 2013, the HOA Trustee, on behalf of the HOA, recorded a Notice of Foreclosure Sale. **Exhibit G**. The Notice states that $2,667.87 was due to the HOA and set the sale for November 22, 2013. *Id.*

22. On November 26, 2013, a foreclosure deed was recorded against the Property. **Exhibit H**. The foreclosure deed states that the Property was sold in an HOA foreclosure sale on November 22, 20133, to Plaintiff for $10,200.00. *See id.*

23. At no time did FHFA consent to the HOA Sale extinguishing or foreclosing Fannie Mae's interest in Property. **Exhibit I** (FHFA's Statement on HOA Superpriority Lien Foreclosures (Apr. 21, 2015), www.fhfa.gov/Media/PublicAffairs/Pages/Statement-on-HOA-Superpriority-Lien-Foreclosures.aspx).

24. Bank of America's initial expert report states that the fair market value of the Property at the time of the HOA sale was $140,000.00. **Exhibit J**. The purchase price at the HOA Sale is less than 8% of the Property's fair market value at the time of the sale.

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LEGAL STANDARD

Summary judgment is proper when there is no genuine issue of material fact and the movant is entitled to judgment as a matter of law. NRCP 56(c); *see also Wood v. Safeway, Inc.*, 121 Nev. 724, 730, 121 P.3d 1026, 1030 (2005). After the movant has carried its burden to identify issues where there is no genuine issue of material fact, the non-moving party must "set forth specific facts demonstrating the existence of a genuine issue for trial or have summary judgment entered against him." *Wood*, 121 Nev. at 732. Summary judgment is particularly appropriate where issues of law are controlling and dispositive of the case. *American Fence, Inc. v. Wham*, 95 Nev. 788, 792, 603 P.2d 274, 277 (1979).

LEGAL ARGUMENT

I. The HOA Trustee Conducted a Sub-Priority Sale.

The Deed of Trust survived the HOA's foreclosure sale because the evidence clearly shows the HOA Trustee intended to conduct a sub-priority sale. Under NRS 116.3116, an association's lien is split "into two pieces, a superpriority piece and a subpriority piece. *SFR Investments Pool 1, LLC v. U.S. Bank, N.A.*, 130 Nev. Adv. Op. 75, 334 P.3d 408, 410 (2014). "The superpriority piece" is "prior to a first deed of trust." *Id.* "The subpriority piece, consisting of all other HOA fees or assessments, is subordinate to a first deed of trust." *Id.* The Nevada Supreme Court has made clear that an association can choose to foreclose on either the sub-priority or superpriority portion of its lien. *See Shadow Wood Homeowners Ass'n v. New York Cmty. Bancorp, Inc.*, 132 Nev. Adv. Op. 5, 366 P.3d 1105, 1116 (2016) ("And **if** the association forecloses on its superpriority lien portion, the sale also would extinguish other subordinate interests in the property.") (emphasis added); *Stone Hollow Ave. Trust v. Bank of America, N.A.*, 382 P.3d 911 (Table), 2016 WL 4543202 (Nev. 2016) (vacated on other grounds) (*Stone Hollow II*). An association's foreclosure of its sub-priority lien does not extinguish a senior deed of trust. *See Stone Hollow*, 382 P.3d at 911.

In March 2008, the HOA Trustee sent a letter to its homeowners association clients. **Exhibit K**. The letter explains the three possible outcomes of an HOA foreclosure sale, specifically noting that a lender may still foreclose on a Deed of Trust after an HOA foreclosure sale has been conducted. *Id.* The HOA Trustee advises that the HOA "may wish to make payments to the [lender] only if the

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association wants to keep the property for rental or sale purposes." *Id.* In addition, in November 2010, the HOA Trustee released a newsletter recapping a seminar hosted by the HOA Trustee. **Exhibit L**. The newsletter explains that a common fear among HOAs is that "the HOA will own a property if they foreclose on a homeowner for not paying assessments and will have to make payments to the lender." *Id.* The HOA Trustee's president assured the HOAs as follows: "[T]hat's simply not the case. When HOAs foreclose on a property it is then transferred back to the lender, forcing the lender to pay the assessments." *Id.*

The Nevada Supreme Court's holding in *SFR Investments* that an association's foreclosure of its superpriority lien could extinguish a senior deed of trust does not mean that every association's foreclosure has such an effect – only proper superpriority foreclosures do. Here, the evidence shows the HOA and HOA Trustee conducted a sub-priority foreclosure, which could not extinguish the Deed of Trust. Accordingly, this Court should grant summary judgment in favor of Defendants.

II. Bank of America Tendered the Superpriority Amount of the HOA Lien Prior to the HOA Sale.

To the extent the HOA and HOA Trustee intended to foreclose on the superpriority amount, the superpriority portion of the HOA's lien was extinguished by Bank of America's tender. Under NRS 116.3116(1), an HOA has a lien for unpaid assessments. Generally, the HOA lien is prior to all other liens, with limited exceptions, including a first deed of trust, but, as to the deed of trust, only nine-months of HOA assessments are entitled to this "superpriority" status. NRS 116.3116(2)(b)-(c). The Nevada Supreme Court in *SFR Investments* confirmed this interpretation. "As to first deeds of trust, NRS 116.3116(2) thus splits an HOA lien into two pieces, a superpriority piece and a subpriority piece." *SFR Investments*, 334 P.3d at 411. As explained by the Nevada Supreme Court, "NRS 116.3116 gives a homeowners' association (HOA) a superpriority lien on an individual homeowners' property for up to nine months of unpaid HOA dues." *Id*. at 409 (emphasis added).[1] *SFR Investments* further provides that the beneficiary of record of a deed of trust can preserve its interest by "determining the precise superpriority amount" and tendering it "in advance of the sale." *Id*. at 418.

[1] The superpriority portion of the HOA lien can be limited to six months for loans owned by Freddie Mac or Fannie Mae. Here, Fannie Mae owned the Loan at the time of the HOA Sale. *See* **Exhibit B**.

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Moreover, the Nevada Supreme Court recently clarified the issue of "whether a superpriority lien for common expense assessments pursuant to NRS 116.3116(2)2 includes collection fees and foreclosure costs incurred by a homeowners' association (HOA)." *Horizons at Seven Hills v. Ikon Holdings*, 2016 WL 1704199, at *1 (Nev. April 28, 2016). The *Ikon Holdings* court held that the superpriority amount "does not include an amount for collection fees and foreclosure costs incurred; rather it is limited to an amount equal to the common expense assessments due during the nine months before foreclosure." *Id.* at *6 (emphasis added).

The HOA in *Ikon Holdings* took the position that it was "owed nine months of unpaid assessments totaling $1,657.50 and $1,592 in collection fees and foreclosure costs," which included "fees for collecting past due assessments, such as third-party collection agency charges, and "trustee costs and publication costs in advance of a foreclosure sale." *Id*. at *2. The court rejected this argument, noting that NRS 116.3116(2) does not "mention collection fees and foreclosure costs, and [that] the statute[] specifically provide[s] that the superpriority lien is limited to 'the extent of the assessments for common expenses.'" *Id.* at *3. In rejecting the HOA's argument, the Court noted, "[T]he Legislature has the authority to determine the definition of a superpriority lien and may provide for the recovery of collection fees and costs under different provisions of the statutory scheme." *Id.* The superpriority portion of the HOA's lien is reduced to six months where the Loan is GSE-owned, as this Loan is. *See* NRS 116.3116(2)(c).

In this case, the HOA Trustee refused to provide a payoff statement to Bank of America. **Exhibit F ¶ 7**. Bank of America went to further lengths to tender by using a statement it had previously obtained from the HOA Trustee in relation to a different property subject to the same HOA to calculate the superpriority amount. **Exhibit F-2**. The Statement of Account listed the HOA's quarterly assessment amount as $92.25 ($30.75 per month). *Id.* Thus, the nine months of monthly assessments entitled to superpriority protection would total $276.75. On or about December 16, 2011, Bank of America tendered $276.75 to the HOA Trustee, which was equal to the nine month superpriority amount and almost $100 more than the six-month superpriority amount for a loan owned by Fannie Mae. **Exhibit F-3**.

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The HOA Sale could not extinguish the Deed of Trust because Bank of America tendered an amount in excess of the superpriority portion of the HOA lien prior to the HOA Sale. Consequently, the HOA could only foreclosure on the sub-priority portion of the HOA lien. Because the HOA cannot transfer any greater interest than it possesses, Plaintiff acquired only the sub-priority portion of the HOA lien and took the property subject to the Deed of Trust. Accordingly, Defendants are entitled to summary judgment.

III. The Federal Foreclosure Bar Defeats Plaintiff's Claim to an Interest in the Property Free and Clear of the Deed of Trust.

A. The Secondary Mortgage Market

In the 1930s, Congress chartered Fannie Mae to facilitate the nationwide secondary mortgage market, and thereby to enhance the equitable distribution of mortgage credit throughout the nation. *See City of Spokane v. Fannie Mae*, 775 F.3d 1113, 1114 (9th Cir. 2014). Congress has confirmed that "the continued ability of [Fannie Mae] and [Freddie Mac] to accomplish their public missions is important to providing housing in the United States and the health of the Nation's economy." 12 U.S.C. § 4501. Fannie Mae's federal statutory charter authorizes it to purchase and deal only in secured "mortgages," not unsecured loans. *See* 12 U.S.C. §§ 1717(b), 1719; *see also Lightfoot v. Cendant Mortg. Corp*., 137 S. Ct. 553, 557 (2017) (Fannie Mae "purchases mortgages that meet its eligibility criteria, packages them into mortgage-backed securities, and sells those securities to investors, and it invests in mortgage-backed securities itself."); *FHFA v. Nomura Holding Am., Inc.*, 873 F.3d 85, 105 (2d Cir. 2017) (same); *Perry Capital LLC v. Mnuchin*, 864 F.3d 591, 599-600 (D.C. Cir. 2017) (same).

Fannie Mae has purchased millions of mortgages nationwide, including hundreds of thousands in Nevada. In 2012, "the value of the combined debt and mortgage-related assets of [Fannie Mae and Freddie Mac] along with the Federal Home Loan Banks . . . exceed[ed] $5.9 trillion" nationwide. *Town of Babylon v. FHFA*, 699 F.3d 221, 225 (2d Cir. 2012). Indeed, "[t]he position held in the home mortgage business by Fannie Mae and Freddie Mac make[s] them the dominant force in the market." *Id.* Their dominant position continues to today. *See Nomura*, 873. F.3d at 105; *Perry*, 864 F.3d at 599.

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Although Fannie Mae owns a large number of mortgage loans through its purchases on the secondary market, it is not in the business of managing the mortgages themselves, such as handling day-to-day borrower communications. Rather, like other investors in loans, Fannie Mae contracts with servicers to act on its behalf, and these servicers often are assigned deeds of trust as record beneficiary to facilitate their efficient management of those loans. *See Cervantes v. Countrywide Home Loans, Inc.*, 656 F.3d 1034, 1038-39 (9th Cir. 2011) (describing how loan owners contract with servicers and the servicers' role); Restatement (Third) of Prop.: Mortgages § 5.4 cmt. c (**Restatement**) (discussing the common practice where investors in the secondary mortgage market designate their servicer to be assignee of the mortgage); Fannie Mae's Single-Family Selling Guide at A2-1-01 and Fannie Mae's Single-Family Servicing Guide (**Guide**) at F-1-11 (discussing Fannie Mae's relationship with servicers to manage the loans Fannie Mae purchases).[2] The Nevada Supreme Court has recognized the importance of these relationships by adopting the Restatement approach. *See In re Montierth*, 354 P.3d 648, 650-51 (Nev. 2015). *Montierth* holds that when a loan owner has an agent or contractual relationship with an entity who acts as the beneficiary of record of a deed of trust, the loan owner (though not the recorded beneficiary) maintains a secured property interest. *Id.*

Fannie Mae and its servicers also work with MERS. The Ninth Circuit has noted that while "MERS, as the 'nominee' of the lender and of any assignee of the lender, is designated . . . as the 'beneficiary' . . . under the deed of trust," a "lender *owns* the home loan borrower's . . . promissory note." *In re Mortg. Elec. Registration Sys., Inc.*, 754 F.3d 772, 776 (9th Cir. 2014) (emphasis added). The "obvious advantage" of the system is that "it allows residential lenders to avoid the bother and expense of recording every change of *ownership* of promissory notes." *Id.* at 776-77 (emphasis added); *see also Higgins v. BAC Home Loans Servicing, LP*, 793 F.3d 688, 689 (6th Cir. 2015) (holding that sale of note to new owner while MERS remains beneficiary of record of a mortgage does

[2] The Guide is publicly available on Fannie Mae's website. An interactive version is available at https://www.fanniemae.com/content/guide/servicing/index.html, and archived prior versions of the Guide are available at that URL by clicking "Show All" in the left hand column of that site. While some sections of the Guide have been amended over the course of Fannie Mae's ownership of the Loan, none of these amendments have materially changed the relevant sections. A static, PDF copy of the most recent version of the Guide is available at https://www.fanniemae.com/content/guide/svc061318.pdf. The Court may take judicial notice of the Guide. *See, e.g.*, *Berezovsky*, 869 F.3d at 932, n.9 (taking judicial notice of Freddie Mac's servicing guide); *Charest v. Fannie Mae*, 9 F. Supp. 3d 114, 118 & n.1 (D. Mass. 2014); *Cirino v. Bank of Am., N.A.*, No. CV 13-8829, 2014 WL 9894432, at *7 (C.D. Cal. Oct. 1, 2014).

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not trigger Kentucky recordation requirement). The true owner of the loan is the lender, its successor, or its assignee—not MERS. *See Cervantes*, 656 F.3d at 1039.

B. FHFA and Fannie Mae in Conservatorship

In July 2008, Congress passed the Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, 122 Stat. 2654 (codified as 12 U.S.C. § 4511 *et seq*.), which established FHFA as an independent federal agency with regulatory and oversight authority over Fannie Mae, the Federal Home Loan Mortgage Corporation (**Freddie Mac**), and the Federal Home Loan Banks. In September 2008, FHFA placed Fannie Mae and Freddie Mac (together, the **Enterprises**) into conservatorships "for the purpose of reorganizing, rehabilitating, or winding up [their] affairs." 12 U.S.C. § 4617(a)(2). Congress had authorized the Conservator "to undertake extraordinary economic measures" out of a concern that "a default by Fannie and Freddie would imperil the already fragile national economy." *Perry*, 864 F.3d at 599. Accordingly, Congress granted FHFA an array of powers, privileges, and exemptions from otherwise applicable laws when acting as Conservator. Among these is a section providing that "[n]o property" of FHFA conservatorships "shall be subject to . . . foreclosure . . . without the consent of [FHFA]." 12 U.S.C. § 4617(j)(3).

The Conservator has stated that it supports invocation of the Federal Foreclosure Bar by "authorized servicers" such as Bank of America in litigation such as this one: "FHFA supports the reliance on Title 12 United States Code Section 4617(j)(3) in litigation by authorized servicers of [Fannie Mae] to preclude the purported involuntary extinguishment of [Fannie Mae]'s interest by an HOA foreclosure sale." **Exhibit I**, FHFA, Statement on Servicer Reliance on the Housing and Economic Recovery Act of 2008 in Foreclosures Involving Homeownership Associations (Aug. 28, 2015), http://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/Authorized-Enterprise-Servicers-Reliance.pdf.

C. The Federal Foreclosure Bar Preempts Contrary State Law

As the Nevada Supreme Court and the Ninth Circuit recently held, the Federal Foreclosure Bar preempts the State Foreclosure Statute that would otherwise permit the HOA's foreclosure of its superpriority lien to extinguish the Enterprises' interest in property while the Enterprises are under FHFA's conservatorship. *Christine View*, 417 P.3d at 367-68; *Berezovsky*, 869 F.3d at 930-31; *FHFA*

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v. SFR, 2018 WL 3097719, at *6-7. Indeed, over thirty related cases in the U.S. District Court of Nevada agree.[3] Similarly, Nevada state courts have resolved claims in favor of Freddie Mac, Fannie Mae, and their servicers in over another thirty cases.[4]

The State Foreclosure Statute is preempted either through express or conflict preemption. A federal statute expressly preempts contrary law when it "explicitly manifests Congress's intent to displace state law." *Valle del Sol Inc. v. Whiting*, 732 F.3d 1006, 1022 (9th Cir. 2013). This is the case here: the text of HERA declares that "[n]o property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale." 12 U.S.C. § 4617(j)(3). The Federal Foreclosure Bar automatically bars any nonconsensual limitation or extinguishment through foreclosure of any interest in property held by Fannie Mae while in conservatorship. All of these "adverse actions . . . could otherwise be imposed on FHFA's property under state law. Accordingly, Congress's creation of these protections clearly manifests its intent to displace state law." *Skylights,* 112 F. Supp. 3d at 1153.

The Federal Foreclosure Bar also preempts the State Foreclosure Statute under a theory of conflict preemption because "state law is naturally preempted to the extent of any conflict with a federal statute." *Valle del Sol*, 732 F.3d at 1023 (quoting *Crosby v. Nat'l Foreign Trade Council*, 530

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[3] *See, e.g.*, *Skylights v. Byron*, 112 F. Supp. 3d 1145, 1153 (D. Nev. 2015); *Opportunity Homes, LLC v. Freddie Mac*, 169 F. Supp. 3d 1073 (D. Nev. 2016); *My Glob. Vill., LLC v. Fannie Mae*, No. 2:15-cv-00211-RCJ-NJK, 2015 WL 4523501 (D. Nev. July 27, 2015); *Fannie Mae v. SFR Invs. Pool 1, LLC*, No. 2:14-CV-2046-JAD-PAL, 2015 WL 5723647 (D. Nev. Sept. 29, 2015); *Saticoy Bay, LLC Series 1702 Empire Mine v. Fannie Mae*, No. 2:14-CV-01975-KJD-NJK, 2015 WL 5709484 (D. Nev. Sept. 29, 2015); *FHFA v. SFR Investments Pool 1, LLC*, No. 2:15-cv-1338-GMN-CWH, 2016 WL 2350121 (D. Nev. May 2, 2016); *G & P Inv. Enters., LLC v. Wells Fargo Bank*, N.A., No. 2:15-cv-0907-JCM-NJK, 2016 WL 4370055 (D. Nev. Aug. 4, 2016); *FHFA v. Nevada New Builds, LLC*, No. 2:16-cv-1188-GMN-CWH, 2017 WL 888480 (D. Nev. Mar. 6, 2017); *JP Morgan Chase Bank, N.A. v. Las Vegas Dev't Grp., LLC*, No. 2:15-cv-1701-JCM-VCF, 2017 WL 937722 (D. Nev. Mar. 9, 2017); *Springland Vill. Homeowners Ass'n v. Pearman*, No. 3:16-cv-00423-MMD-WGC, 2018 WL 357853 (D. Nev. Jan. 10, 2018); *MRT Assets LLC v. Nationstar Mortg., LLC*, No. 2:17-cv-0070-JCM-CWH, 2018 WL 1245501 (D. Nev. Mar. 9, 2018); *Nationstar Mortg., LLC v. Tow Props. LLC II*, No. 2:17-cv-01770-APG-VCF, 2018 WL 2014064 (D. Nev. Apr. 27, 2018).

[4] *See, e.g.*, Order, *RLP-Buckwood Court, LLC, v. GMAC Mortg., LLC*, No. A-13-686438-C (Nev. Dist. Ct. May 24, 2016); Order, *Saticoy Bay LLC Series 4930 Miners Ridge v. JPMorgan Chase Bank N.A.*, No. A-13-681090-C (Nev. Dist. Ct. June 27, 2017); Order, *RJRN Holdings, LLC v. Green Tree Servicing LLC*, A-14-704682-C (Nev. Dist. Ct. July 21, 2017); *Hampton & Hampton Collections, LLC v. Pan*, No. 14-A-706519-C, 2017 WL 5660707 (Nev. Dist. Ct. Oct. 6, 2017); *Nationstar Mortg., LLC v. Kincer*, No. 14-A-698443-C, 2017 WL 6940444 (Nev. Dist. Ct. Nov. 27, 2017); *Nevada New Builds, LLC v. JPMorgan Chase Bank*, No. 13-A-690954, 2017 WL 7058170 (Nev. Dist. Ct. Dec. 14, 2017); *J&K USA, Inc. v. BAC Home Loans Servicing, LP*, No. 14-A-702573, 2018 WL 1612075 (Nev. Dist. Ct. Feb. 27, 2018); *Saticoy Bay 10021 Via Toro v. Chase*, A-14-694140-C, 2018 WL 1995672 (Nev. Dist. Ct. March 15, 2018); *NV Eagles, LLC v. BAC Home Loan Servicing*, No. A-16-733337, 2018 WL 1989741 (Nev. Dist. Ct. Mar. 15, 2018); *Renfroe v. Bank of America*, N.A., No. 14-A-701932, 2018 WL 1995668 (Nev. Dist. Ct. Mar. 21, 2018); *Gutierrez v. SFR Investments Pool 1*, LLC, No. 13-A-684715-C, 2018 WL 2336188 (Nev. Dist. Ct. Apr. 11, 2018); *TRP Fund IV, LLC v. Fannie Mae*, No. A-16-735893, 2018 WL 2338239 (Nev. Dist. Ct. Apr. 13, 2018). Bank of America does not cite these cases as precedential authority but rather, consistent with Nev. R. App. P. 36(c)(3), cites them for their persuasive value.

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U.S. 363, 372 (2000)). Congress's clear and manifest purpose in enacting Section 4617(j)(3) was to protect FHFA conservatorships from actions, such as the HOA Sale, that otherwise would deprive them of their property interests. Accordingly, "the [State Foreclosure Statute] is in direct conflict with Congress's clear and manifest goal to protect Fannie Mae's property interest while under the FHFA's conservatorship from threats arising from state foreclosure law." *Christine View*, 417 P.3d at 367; *see also Berezovsky*, 869 F.3d at 930 ("[T]he Federal Foreclosure Bar implicitly demonstrates a clear intent to preempt [the State Foreclosure Statute]."); *FHFA v. SFR*, 2018 WL 3097719, at *6-7 (following *Berezovsky*); *Elmer*, 707 F. App'x at 427-28 (same); *Flagstar*, 699 F. App'x at 658-59 (same).

D. The Federal Foreclosure Bar Protected Fannie Mae's Property Interest

To successfully invoke the Federal Foreclosure Bar's pre-emptive protection, Defendants need to establish two things: (1) Fannie Mae owned the Loan at the time of the HOA Sale; and (2) ownership of the Loan was a property interest covered by the Federal Foreclosure Bar's protection. Defendants satisfy both here.

i. Fannie Mae Had a Property Interest at the Time of the HOA Sale

Berezovsky and *Elmer* confirm that Fannie Mae's property interest may be established by Fannie Mae's business records and a declaration from a Fannie Mae employee explaining that the records show when Fannie Mae owned the Loan. *Berezovsky*, 869 F.3d at 933; *Elmer*, 707 F. App'x at 428. Here, Defendants have submitted materially identical evidence to that found sufficient for summary judgment in those Ninth Circuit decisions. This Ninth Circuit precedent should be highly persuasive here, as federal courts and Nevada courts have adopted the same standard for what evidence is sufficient for summary judgment. *See Wood v. Safeway, Inc.*, 121 P.3d 1026, 1031 (Nev. 2005) (citing *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986) for Nevada's standard for summary judgment).

These business records and employee declarations support the fact that Fannie Mae acquired the Loan in November 2004 and continued to own the Loan at the time of the HOA Sale in November 2013. *See* **Exhibit B**. As explained in Fannie Mae's declaration, Fannie Mae maintains its business records in its Servicer and Investor Reporting (SIR) platform, which Fannie Mae uses in the course of

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its everyday business to manage and record information about the mortgage loans it owns. *Id.* The loan activity history, among other elements in Fannie Mae's records, shows that the servicer continued to report monthly to Fannie Mae about the Loan in November 2013 and that no event ending Fannie Mae's ownership of the Loan had occurred prior to that date. *Id.* The business records and declarations also show that Bank of America was the servicer of the Loan for Fannie Mae at the time of the HOA Sale. The declarations explain how the business records identify the servicer for the Loan and how one can determine that Bank of America, the current servicer, was also the servicer at the time of the HOA Sale in November 2013. *Id.*

Under the applicable rules of evidence, business records are, by their nature, admissible to prove the truth of their contents when introduced by a qualified witness, as they are here. *See* NRS 51.135; Fed. R. Evid. 803 (advisory committee's note to 1972 proposed rules) (noting that business records, including electronic database records, have "unusual reliability"). *Berezovsky* and *Elmer* held that the business records of similarly situated Freddie Mac are admissible. *Berezovsky*, 869 F.3d at 932 & n.8 (holding that Freddie Mac "database printouts" were sufficient to support a "valid and enforceable" property interest under Nevada law); *Elmer*, 707 F. App'x at 428 (finding that a declaration from a Freddie Mac employee and records from Freddie Mac's database were "reliable and uncontroverted evidence of its interest in the property on the date of the foreclosure"). The same analysis applies to the evidence here.

1. Fannie Mae Owned the Note and Deed of Trust Under Nevada Law.

a. Nevada Adopts the Restate Approach that Acknowledges the Loan Owner-Servicer Relationship.

Under Nevada law, when Fannie Mae purchased the Loan in November 2004, Fannie Mae acquired ownership of the note and Deed of Trust. Nevada law incorporates the Restatement, which describes the typical arrangement between investors in mortgages, such as Fannie Mae, and their servicers:

> Institutional purchasers of loans in the secondary mortgage market often designate a third party, not the originating mortgagee, to collect payments on and otherwise "service" the loan for the investor. In such cases the promissory note is typically transferred to the purchaser, but an assignment of the mortgage from the originating mortgagee *to the servicer* may be executed and recorded. This assignment is convenient because it facilitates actions that the servicer might take, such as releasing the mortgage, at the instruction of the purchaser.

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Restatement § 5.4 cmt. c (emphasis added). The Restatement then emphasizes that this arrangement preserves the investor's ownership interest: "*It is clear in this situation that the owner of both the note and mortgage is the investor and not the servicer.*" *Id.* (emphasis added). Thus, the Restatement acknowledges that the assignment of a deed of trust to a servicer does not alter the fact that the loan purchaser remains the owner of the note and deed of trust. The Restatement approach also is a recognition of the realities of the mortgage industry: Fannie Mae and Freddie Mac can more efficiently support the national secondary mortgage market if they can contract with servicers to manage loans without relinquishing ownership of deeds of trust.

The Nevada Supreme Court reaffirmed that it adopted the entirety of the Restatement approach, and specifically cited to the sections cited above. *See Montierth*, 354 P.3d at 650-51. *Montierth* explains that where the record beneficiary of the deed of trust has contractual or agency authority to foreclose on the note owner's behalf, the note owner maintains a property interest in the collateral. *See id.*

In *Montierth*, the Nevada Supreme Court applied the Restatement to a situation where MERS, as nominee for the original lender and its successors and assigns, served as record beneficiary of a deed of trust, while Deutsche Bank had acquired the related promissory note from the original lender. *Id.* at 649. The Nevada Supreme Court concluded that the relationship between MERS and Deutsche Bank, wherein MERS had authority to foreclose on Deutsche Bank's behalf, ensured that Deutsche Bank remained a "secured creditor" with a "fully-secured, first priority deed" that could be enforced. *Id.* at 650-51. Deutsche Bank, like Fannie Mae here, accordingly retained a property interest while another entity was beneficiary of record of the deed of trust.

Indeed, the Nevada Supreme Court recently confirmed that *Montierth*'s holding applies in a case involving materially the same facts and legal issues as here. *Nationstar Mortg., LLC v. Guberland LLC-Series 3*, No. 70546, 2018 WL 3025919 (Nev. June 15, 2018) (unpublished disposition). In *Guberland*, the Nevada Supreme Court cited *Montierth* and the Restatement and "conclude[d] that the district court erred in determining that the Federal Foreclosure Bar does not apply" in a situation when "Fannie Mae was not the beneficiary of the deed of trust" at the time of the HOA foreclosure sale. *Id.* at *2. In so doing, the Nevada Supreme Court emphasized that "different parties may hold the note

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and the deed of trust. Where that is the case, the note remains secured 'if there is *either* a principal-agent relationship between the note holder and the mortgage holder, *or* the mortgage holder 'otherwise has authority to foreclose in the [note holder]'s behalf.'" *Id.* (quoting *Montierth*, 354 P.3d at 650-51) (emphasis and alteration in original); *see also Ohfuji Investments, LLC v. Nationstar Mortg., LLC*, No. 72676, 2018 WL 1448729, at *1 (Nev. Mar. 15, 2018) (unpublished disposition) (characterizing *Montierth* as "recognizing that it is an acceptable practice for a loan servicer to serve as the beneficiary of record for the actual deed of trust beneficiary").

The Ninth Circuit, in addition to various state and federal trial courts, already has recognized that under the approach articulated by *Montierth* and the Restatement, Fannie Mae need not have been beneficiary of record of a deed of trust in order to have a protected property interest. *See, e.g.*, *FHFA v. SFR*, 2018 WL 3097719, at *9; *Flagstar*, 699 F. App'x at 658-59; *Berezovsky*, 869 F.3d at 932; *Elmer*, 707 F. App'x at 427-28. The Ninth Circuit rejected any argument that, under Nevada law, a loan owners' property interest depends on its name appearing in the public property records: "[a]lthough the recorded deed of trust here omitted [Fannie Mae]'s name, [Fannie Mae]'s property interest is valid and enforceable under Nevada law" because Fannie Mae owned the note and its servicer was beneficiary of record of the deed of trust. *Berezovsky*, 869 F.3d at 932; *see also FHFA v. SFR*, 2018 WL 3097719, at *9. This Court should do the same here.

b. Nevada Adopts the Uniform Commercial Code, Which Is Consistent with the Restatement Approach

The Restatement approach, acknowledging that different entities might be *owner* or *record beneficiary* of a Deed of Trust, is consistent with Nevada's adoption of Uniform Commercial Code Article 3, which provides that "[a] person may be a person entitled to enforce [a promissory note] even though the person is not the owner of the [that note]." Nev. Rev. Stat. § 104.3301. A "person entitled to enforce" a note may be a "holder" of the note or even a "nonholder in possession of the [note] who has the rights of the holder." *Id.* Accordingly, "the status of holder merely pertains to one who may enforce the debt and is a separate concept from that of ownership." *Thomas v. BAC Home Loans Servicing, LP*, No. 56587, 2011 WL 6743044, at *3 n.9 (Nev. Dec. 20, 2011). That is because "[o]wnership rights in instruments may be determined by principles of the law of property . . . which

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do not depend upon whether the instrument was transferred." UCC § 3-203 cmt. 1. For that reason, a transfer of a note has no bearing on ownership, but instead "vests in the transferee any right of the transferor to enforce the instrument." Nev. Rev. Stat. § 104.3203.[5]

In fact, the Nevada Supreme Court has applied this principle in a similar circumstance, where Freddie Mac claimed to own a note while BAC was the holder of the note and the record beneficiary of the associated deed of trust. The court held there was nothing inconsistent with this situation under Nevada law. *See Thomas*, 2011 WL 6743044, at *1, 3 & n.9. Here, too, there is nothing inconsistent with Fannie Mae being the owner of the Note and the Deed of Trust, while Green Tree, its servicer, was beneficiary of record of the Deed of Trust.

2. The Guide Confirms that Fannie Mae Retains Ownership of the Deed of Trust While Green Tree Is Record Beneficiary

The Guide serves as a central document governing the contractual relationship between Fannie Mae and its servicers nationwide, including Green Tree. *See* Selling Guide at A2-1-01. The provisions of the Guide demonstrate that Fannie Mae and its loan servicers maintain the type of relationship described in the Restatement and *Montierth* to secure Fannie Mae's ownership interest in the Deed of Trust. *See Berezovsky*, 869 F.3d at 932-33; *Montierth*, 354 P.3d at 651 (looking to whether a loan owner can "compel an assignment of the deed of trust"); *Guberland*, 2018 WL 3025919, at *2 (recognizing Fannie Mae's relationship with its servicers as dictated by the Guide).

For example, the Guide provides that: "Fannie Mae may take any and all action with respect to the mortgage loan it deems necessary to protect its . . . ownership of the mortgage loan, including recordation of a mortgage assignment, or its legal equivalent, from the servicer to Fannie Mae . . . ." Guide at A2-1-03 (emphasis added). Furthermore, the Guide provides that Fannie Mae's servicers "represent[] the interests of Fannie Mae in a foreclosure [action]," *id.* at A2-1-04, and includes an entire chapter regarding how and when servicers should pursue foreclosure, *id.* at E-3 ("Managing

[5] Similarly, Uniform Commercial Code Article 9 provides that "[t]he attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security, mortgage or other lien." NRS § 104.9203(7). Thus, "a transferee of a mortgage note" such as Fannie Mae "whose property right in the note has attached also automatically *has an attached property right in the mortgage* that secures the note." Report of the Permanent Editorial Board for the UCC, Application of the UCC to Selected Issues Relating to Mortgage Notes at 14 (Nov. 14, 2011) (emphasis added).

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Foreclosure Proceedings"). Thus, the provisions of the Guide demonstrate that Fannie Mae and its loan servicers maintain the type of relationship described in the Restatement and *Montierth*.

The Guide confirms that ownership always lies with Fannie Mae. For example, "Fannie Mae is at all times the owner of the mortgage note," and "[a]t the conclusion of the servicer's representation of Fannie Mae's interests in the foreclosure . . . possession automatically reverts to Fannie Mae." Guide at A2-1-04. Any servicer retaining documents related to a particular loan, such as a deed of trust, has "no right to possess these documents and records except under the conditions specified by Fannie Mae." *Id.* at A2-5.1-02. Indeed, "[a]ny of these documents and records in possession of the mortgage loan originator, seller, or servicer, any service bureau, or any other party providing services in connection with selling a mortgage loan to, or servicing a mortgage loan for, Fannie Mae are retained in a custodial capacity only." *Id.*; *see also* A2-4-01.

Thus, the fact that Green Tree was the beneficiary of record of the Deed of Trust at the time of the HOA Sale does not negate the fact that Fannie Mae remained the owner of the note and the Deed of Trust. Accordingly, the Federal Foreclosure Bar protected the Deed of Trust from extinguishment, and Fannie Mae retained its property interest after the HOA Sale.

ii. The Federal Foreclosure Bar's Protection Extends to Fannie Mae's Property Interest Here

1. The Federal Foreclosure Bar Provides Broad Protection to Fannie Mae's Lien Interests

Federal law defines the scope of property interests protected by statutes such as the Federal Foreclosure Bar broadly. *See Matagorda Cty. v. Russell Law*, 19 F.3d 215, 221 (5th Cir. 1994). Courts have repeatedly held that mortgage liens constitute property for purposes of the analogous FDIC statute, 12 U.S.C. § 1825(b)(2).[6] "[T]he term 'property' in § 1825(b)(2) encompasses all forms of interest in property, including mortgages and other liens." *Simon v. Cebrick*, 53 F.3d 17, 20 (3d Cir. 1995). This reflects Congress's intent to provide the greatest possible scope of protection to Freddie Mac and Fannie Mae in the midst of a severe housing crisis. *Cf. Cambridge Capital Corp. v. Halcon*

[6] When analyzing HERA's provisions, courts have frequently turned to precedent interpreting FDIC's analogous receivership authority. *See, e.g.*, *Cty. of Sonoma v. FHFA*, 710 F.3d 987, 993 (9th Cir. 2013); *In re Fed. Home Loan Mortg. Corp. Derivative Litig.*, 643 F. Supp. 2d 790, 795 (E.D. Va. 2009), *aff'd sub nom. La. Mun. Police Emps. Ret. Sys. v. FHFA*, 434 F. App'x 188 (4th Cir. 2011).

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Enters., Inc., 842 F. Supp. 499, 503 (S.D. Fla. 1993) ("This Court need look no further than [Section 1825(b)(2)] itself to determine that Congress has expressed its intent that no property of the FDIC—fee or lien—be subject to foreclosure without the FDIC's consent."); *Trembling Prairie Land Co. v. Verspoor*, 145 F.3d 686, 691 (5th Cir. 1998) ("In deference to the will of Congress, we hold that the tax sale at issue was conducted without the consent of the FDIC . . . [and] violated 12 U.S.C. § 1825(b)(2)."). Therefore, Fannie Mae's interest here—ownership of both the Deed of Trust and the note—was a protected property interest under the Federal Foreclosure Bar.

2. The Federal Foreclosure Bar Extends to Fannie Mae When It Is Under FHFA's Conservatorship

The Federal Foreclosure Bar necessarily protects the Deed of Trust because the Conservator has succeeded by law to all of Fannie Mae's "rights, titles, powers, and privileges," 12 U.S.C. § 4617(b)(2)(A)(i). Accordingly, "Fannie Mae's property interest effectively becomes the FHFA's while the conservatorship exists." *Christine View*, 417 P.3d at 367 (citing 12 U.S.C. § 4617(b)(2)(A)(i)). This interpretation is supported by the text and structure of HERA. *See Skylights*, 112 F. Supp. 3d at 1155. Section 4617 concerns FHFA's "[a]uthority over" Fannie Mae and Freddie Mac when they are "critically undercapitalized" and thus must be placed into conservatorship or receivership. Furthermore, the protections of Section 4617(j)(3) apply in "any case in which [FHFA] is acting as a conservator or a receiver." 12 U.S.C. § 4617(j)(1).

Indeed, courts uniformly have rejected any argument that the immunities provided by Section 4617(j) do not apply to the property of Fannie Mae or Freddie Mac while in FHFA conservatorship. *See Skylights*, 112 F. Supp. 3d at 1155 (collecting cases); *Nevada v. Countrywide Home Loans Servicing, LP*, 812 F. Supp. 2d 1211, 1218 (D. Nev. 2011) ("[W]hile under the conservatorship with the FHFA, Fannie Mae is statutorily exempt from taxes, penalties, and fines to the same extent that the FHFA is."); *FHFA v. City of Chicago*, 962 F. Supp. 2d 1044, 1064 (N.D. Ill. 2013) (argument is "meritless"). Courts have also rejected similar arguments in the context of FDIC receiverships. *See, e.g., In re Cty. of Orange*, 262 F.3d 1014, 1020 (9th Cir. 2001); *Cty. of Fairfax v. FDIC*, Civ. A. No. 92-0858, 1993 WL 62247, at *4 (D.D.C. Feb. 26, 1993).

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E. FHFA Did Not Consent to Extinguishment of the Deed of Trust

While it is not Defendants' burden to establish this fact, it is undisputed that FHFA has not consented to extinguish Fannie Mae's property interest in this case. Because Fannie Mae had a protected property interest at the time of the HOA foreclosure sale, the Federal Foreclosure Bar precluded Plaintiff from acquiring free-and-clear title unless Plaintiff obtained FHFA's consent to extinguish Fannie Mae's interest. Indeed, "[t]he Federal Foreclosure Bar cloaks the FHFA's 'property with Congressional protection unless or until the Agency affirmatively relinquishes it.'" *Christine View,* 417 P.3d at 368 (quoting *Berezovsky*, 869 F.3d at 929).

Plaintiff cannot show that it received such consent. To the contrary, the Conservator has publicly announced that it "has not consented, and will not consent in the future, to the foreclosure or other extinguishment of any Fannie Mae or Freddie Mac lien or other property interest in connection with HOA foreclosures of superpriority liens." *See* **Exhibit I**.[7] Thus, "it is clear that FHFA did not consent to the extinguishment of [the Enterprise's] property interest through the HOA's foreclosure sale." *Alessi & Koenig*, 2017 WL 773872, at *3 (citing and relying on cases in which FHFA's statement was sufficient to show FHFA's lack of consent).

F. Green Tree May Assert the Federal Foreclosure Bar to Protect Its Interest and Fannie Mae's Interest in the Deed of Trust

The Federal Foreclosure Bar works automatically by operation of law, protecting the Deed of Trust and thereby limiting the property rights Plaintiff could have acquired after the HOA Sale. When the Federal Foreclosure Bar prevented the extinguishment of the Deed of Trust, it did not merely preserve Fannie Mae's ownership interest; it also preserved Bank of America's parallel interests.[8] Accordingly, Green Tree has standing because (1) Green Tree's interest in the Deed of Trust as beneficiary of record is preserved when the Federal Foreclosure Bar applies, and (2) Green Tree has a contractual relationship as servicer to protect Fannie Mae's interest in litigation relating to the Loan.

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[7] This public statement on a government website is subject to judicial notice. *See Daniels-Hall v. Nat'l Educ. Ass'n*, 629 F.3d 992, 998-99 (9th Cir. 2010).

[8] For example, in a related case, a federal court granted Fannie Mae's servicer summary judgment against an HOA sale purchaser's claims because, when the "Court determined that Fannie Mae's interest in the Property was not extinguished," this meant that the servicer's interest also "was not affected" by the HOA Sale. *See* Order, *Saticoy Bay, LLC Series 1702 Empire Mine v. Fannie Mae*, No. 2:14-CV-01975-KJD-NJK, slip op. at 3 (D. Nev. Sept. 29, 2015) (ECF No. 129).

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The Nevada Supreme Court adopted this position in *Nationstar Mortgage, LLC v. SFR Investments Pool 1, LLC*, 396 P.3d 754 (2017). Similarly, the Ninth Circuit found *Nationstar* persuasive and held that servicers may raise the Federal Foreclosure Bar to defend property interests of Fannie Mae and Freddie Mac in litigation. *Flagstar*, 699 F. App'x at 658-59. *Nationstar* holds that "the servicer of a loan owned by [an Enterprise] may argue that the Federal Foreclosure Bar preempts NRS 116.3116, and that neither [the Enterprise] nor the FHFA need be joined as a party." 396 P.3d at 758. The Nevada Supreme Court cited *Montierth*, which recognizes that when a noteholder authorizes the beneficiary of record of a deed of trust to enforce the deed of trust, the beneficiary of record may do so. *See id.* at 757 (citing *Montierth*, 354 P.3d at 651).

Nationstar and *Flagstar* are consistent with the holdings of numerous other courts recognizing that Article III standing may be conferred by contract and assignment. *E.g.*, *Sprint Comm'ns Co., L.P. v. APCC Servs., Inc.*, 554 U.S. 269, 271-72 (2008); *CWCapital Asset Mgmt., LLC v. Chicago Props.*, 610 F.3d 497, 501 (7th Cir. 2010). Indeed, courts routinely recognize that servicers like Bank of America have constitutional and prudential standing to bring an action regarding the loan. *See, e.g.*, *Greer v. O'Dell*, 305 F.3d 1297, 1299 (11th Cir. 2002) ("[A] loan servicer is a 'real party in interest' with standing to conduct, through licensed counsel, the legal affairs of the investor relating to the debt that it services.").

The evidence in this case confirms that Fannie Mae is the owner of the Loan and that Green Tree is Fannie Mae's contractually authorized servicer. Pursuant to its contract with Fannie Mae, Green Tree has the authority to represent Fannie Mae's interests in litigation with respect to the loans it services. *See, e.g.*, Guide at A2-1-04, E-1, E-1.3-01. Furthermore, the Conservator has publicly supported invocation of the Federal Foreclosure Bar by servicers in litigation such as this one. *See* **Exhibit M**. Plaintiff can present no contrary evidence to create a genuine dispute about these facts. Accordingly, Green Tree may invoke the Federal Foreclosure Bar in this litigation without joining Fannie Mae or FHFA as a party.

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IV. If the HOA Attempted to Foreclose on its Superpriority Lien, the Sale is Invalid Because it was Oppressive and Unfair.

If the HOA attempted to foreclose on the superpriority portion of its lien, then the sale of the Property was void because it was oppressive and unfair, meaning the Deed of Trust survived the HOA's foreclosure sale. The Nevada Supreme Court just confirmed that to set aside an association's foreclosure sale or hold that the sale did not extinguish a senior deed of trust, there "must [ ] be a showing of fraud, unfairness, or oppression." *Nationstar Mortgage, LLC v. Saticoy Bay LLC Series 2227 Shadow Canyon*, 133 Nev. Adv. Op. 91, Case No. 70382, at 12 (Nev. Nov. 22, 2017). But the Supreme Court made clear that the foreclosure-sale price is a highly relevant factor, explaining that only "slight" evidence of unfairness is needed to overturn a sale where the price "inadequacy is palpable and great":

> It is universally recognized that inadequacy of price is a circumstance of greater or lesser weight to be considered in connection with other circumstances impeaching the fairness of the transaction as a cause of vacating it, and that, **where the inadequacy is palpable and great, very slight additional evidence of unfairness or irregularity is sufficient** to authorize the granting of the relief sought.

Id., at 15 (emphasis added).

The Court then provided a non-exhaustive list of "irregularities that may rise to the level of fraud, unfairness, or oppression" required to set aside an association sale or hold that it did not extinguish a senior deed of trust, including: (1) "failure to mail a deed of trust beneficiary the statutorily required notices"; (2) "an HOA's representation that the foreclosure sale will not extinguish the first deed of trust"; (3) "collusion between the winning bidder and the entity selling the property"; (4) "a foreclosure trustee's refusal to accept a higher bid"; and (5) "a foreclosure trustee's misrepresentation of the sale date." *Id.*, at 16 n.11.

The HOA sold the Property for less than 8% of its fair market value. In light of this "palpabl[y] and great[ly]" inadequate sales price, only slight evidence of unfairness is needed to set aside the foreclosure sale. *See Nationstar*, 133 Nev. Adv. Op. 91, at 15. Here, the Notice of Delinquent Assessment Lien and the Foreclosure Deed, state that the HOA's lien was imposed and foreclosed "in accordance with" and "pursuant to" the HOA's CC&Rs. *See* **Exhibits D, H**. Those publicly-recorded CC&Rs state that the HOA's lien "shall be subordinate to the lien of any first Mortgage upon any Lot"

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and shall not "defeat or render invalid the lien, charges or encumbrance of any first Mortgage." **Exhibit N** at §§ 4.07, 10.05.

As the Nevada Supreme Court just explained in *Nationstar*, one "irregularit[y] that may rise to the level of fraud, unfairness, or oppression" needed to hold an association's foreclosure did not extinguish a first deed of trust is "an HOA's representation that the foreclosure sale will not extinguish the first deed of trust[.]" *See Nationstar*, 133 Nev. Adv. Op. 91, at 16 n.11. That is exactly what happened here. The HOA Trustee stated on multiple occasions in a widely disseminated letter and newsletter that the Deed of Trust would remain a first priority lien on the property following the HOA sale. *See* **Exhibits K, L**. The HOA informed the entire world of the same in its publicly-recorded foreclosure notices and CC&Rs. **Exhibit N**. Those representations, standing alone, are sufficient to hold the HOA's foreclosure sale did not extinguish the Deed of Trust. *See Nationstar*, 133 Nev. Adv. Op. 91, at 15. However, in addition to the above, the HOA and HOA Trustee purported to foreclosure on the superpriority portion of the HOA's lien despite the fact that Bank of America tendered the nine-month superpriority amount prior to the HOA Sale despite the fact that the HOA Trustee refused to provide a payoff statement or otherwise identify the superpriority amount. **Exhibit F-3**.

Finally, the HOA Trustee opened bidding at the HOA foreclosure sale at the full amount of the lien with the intent to collect portions of the proceeds that were not included in the superpriority lien prior to distributing the excess proceeds. The Nevada Supreme Court has held that such conduct can chill bidding and constitute fraud, oppression, and unfairness under *Nationstar*. *See JPMorgan Chase Bank, N.A. v. 1209 Village Walk Trust, LLC*, Case No. 69784, March 20, 2018 (Order Affirming in Part, Reversing in Part, and Remanding at pp. 6-8). NRS 116.3116(2)(b) and 116.31164(3)(c) required proceeds to be paid to Bank of America (as record beneficiary of the Deed of Trust at the time) prior to payment of the junior portion of the HOA's lien. The HOA and HOA Trustee opened bidding at the total amount owned, with intent – prior to the sale – to apply proceeds to the entirety of the HOA lien, including the sub-priority portion, before paying the first lien holder.

The HOA Trustee produced a script from the HOA Sale, which lists the opening bid as $3,052.87. **Exhibit O**. According to the HOA's Statement of Account used by Bank of America to calculate the superpriority amount, the nine month superpriority amount was $297.75. **Exhibit F-2**.

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Opening bidding at the total amount owed, with the intent to satisfy the portion of the HOA's lien that was junior to the Deed of Trust prior to distributing excess proceeds, chilled bidding.

In *1209 Village Walk*, the Nevada Supreme Court recognized that "[t]he HOA may have owed JPMorgan any amount beyond the superpriority portion of the assessment lien, as JPMorgan's interest as the holder of the fist deed of trust was superior to the subpriority portion of the assessment lien." *See Village Walk*, 2018 WL 1448805, at *6. To believe that the HOA and HOA Trustee intended to conduct a superpriority sale, while also including the entire amount of the lien, would require the Court to assume that the HOA and HOA Trustee either (1) intended to violate 116.31164(3)(c) prior to the sale by applying proceeds to the sub-priority portion before distributing excess proceeds to the first lien holder; or (2) did not intend to receive *any* money towards the sub-priority portion of the lien. In either instance, this Court should find this oppressive and unfair.[9]

CONCLUSION

For these reasons, the Court should grant Defendants' motion for summary judgment and enter a declaration that Plaintiff's interest in the Property, if any, is subject to the Deed of Trust.

DATED this 16th of July, 2018

AKERMAN LLP

/s/ Jared M. Sechrist
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Nevada Bar No. 8386
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Attorneys for The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A, as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T and Green Tree Servicing, LLC

[9] Importantly, this is not a post-sale distribution issue. The HOA and HOA Trustee cannot cure this error by paying Green Tree the portion of the sub-priority lien it erroneously collected. The error itself framed and chilled bidding and ensured that any amount distributed after the sale – then or now – would be grossly inadequate.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of AKERMAN LLP, and that on this 16th day of July, 2018, I caused to be served a true and correct copy of the foregoing **MOTION FOR SUMMARY JUDGMENT**, in the following manner:

(ELECTRONIC SERVICE) Pursuant to Administrative Order 14-2, the above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List as follows:

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EXHIBIT A

C28

20041123-0002449

Fee: $41.00
N/C Fee: $25.00

11/23/2004 13:53:41
T20040137070
Requestor:
OLD REPUBLIC TITLE COMPANY OF NEVADA

Frances Deane BGN
Clark County Recorder Pgs: 28

Assessor's Parcel Number:
178-16-215-068
After Recording Return To:
COUNTRYWIDE HOME LOANS, INC.

MS SV-79 DOCUMENT PROCESSING
P.O.Box 10423
Van Nuys, CA 91410-0423
Prepared By:
JEANETTE HUTSON
~~Recording Requested By~~:
D. DEL BALZO

COUNTRYWIDE HOME LOANS, INC.

10190 COVINGTON CROSS DR
#190
LAS VEGAS
NV 89144

34

[Space Above This Line For Recording Data]

5120003256-KLS 0008663384511004
[Escrow/Closing #] [Doc ID #]

DEED OF TRUST

MIN [redacted]

DEFINITIONS

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

(A) "Security Instrument" means this document, which is dated NOVEMBER 12, 2004, together with all Riders to this document.

DOC ID #: 0008663384511004

(B) "Borrower" is
CHARLES J WIGHT, AND TARA J WIGHT, HUSBAND AND WIFE AS JOINT TENANTS

Borrower is the trustor under this Security Instrument.
(C) "Lender" is
COUNTRYWIDE HOME LOANS, INC.

Lender is a
CORPORATION

organized and existing under the laws of NEW YORK . Lender's address is
4500 Park Granada
Calabasas, CA 91302-1613
(D) "Trustee" is
CTC REAL ESTATE SERVICES

400 COUNTRYWIDE WAY MSN SV-88
SIMI VALLEY, CA, NV 93065
(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the beneficiary under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.
(F) "Note" means the promissory note signed by Borrower and dated NOVEMBER 12, 2004 .
The Note states that Borrower owes Lender
TWO HUNDRED TWENTY THOUSAND and 00/100

Dollars (U.S. $ 220,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than DECEMBER 01, 2034 .
(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

[X] Adjustable Rate Rider	[ ] Condominium Rider	[X] Second Home Rider
[ ] Balloon Rider	[X] Planned Unit Development Rider	[ ] 1-4 Family Rider
[ ] VA Rider	[ ] Biweekly Payment Rider	[ ] Other(s) [specify]

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

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

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

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

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

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

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

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

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

TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower

DOC ID #: 0008663384511004

irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the COUNTY of

[Type of Recording Jurisdiction]

CLARK :

[Name of Recording Jurisdiction]

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

which currently has the address of

133 MCLAREN STREET, HENDERSON ,

[Street/City]

Nevada 89074-0916 ("Property Address"):

[Zip Code]

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

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

Initials: DW CLR

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

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

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

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

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

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

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

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums

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

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

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

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

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

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

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or

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defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

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

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

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

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

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be

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paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

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

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

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

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

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

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is

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reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

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

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

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

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

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

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive

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from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees,

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property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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

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

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

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Initials: _____

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

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

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

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

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

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

24. Substitute Trustee. Lender at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Assumption Fee. If there is an assumption of this loan, Lender may charge an assumption fee of U.S. $ 300.00 .

Initials: JW CHL

DOC ID #: 0008663384511004

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

Witnesses:

_____

_____

_____(Seal)
CHARLES J. WIGHT -Borrower

_____(Seal)
TARA J. WIGHT -Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

DOC ID #: 0008663384511004

STATE OF ~~NEVADA~~ New York
COUNTY OF Kings

This instrument was acknowledged before me on November 16, 2007 by Charles J. Wight and Tara J. White

FRANK ALBERGO
Commissioner of Deeds
City of New York No. 2-10432
Certificate Filed in Kings County
Commission Expires 12-01-05

Frank Albergo

Mail Tax Statements To:
TAX DEPARTMENT SV3-24

450 American Street
Simi Valley CA, 93065

Initials:_____

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

[Space Above This Line For Recording Data]

FIXED/ADJUSTABLE RATE RIDER

(LIBOR Twelve Month Index - Rate Caps)

PARCEL ID #:
178-16-215-068

Prepared By:
JEANETTE HUTSON

5120003256-KLS
[Escrow/Closing #]

0008663384511004
[Doc ID #]

CONV
● ARM Fixed Period LIBOR Rider
1U652-XX (04/01)(d)

Initials: JN CLL

23991

0866338450000001U652

DOC ID #: 0008663384511004

THIS FIXED/ADJUSTABLE RATE RIDER is made this TWELFTH day of NOVEMBER, 2004 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to COUNTRYWIDE HOME LOANS, INC.
("Lender") of the same date and covering the property described in the Security Instrument and located at:

133 MCLAREN STREET, HENDERSON, NV 89074-0916

[Property Address]

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

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 5.000 %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of DECEMBER, 2009 , and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the average of interbank offered rates for twelve month U.S. dollar-denominated deposits in the London market, as published in *The Wall Street Journal*. The most recent Index figure available as of the first business day of the month immediately preceding the month in which the Change Date occurs is called the "Current Index".

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

(C) Calculation of Changes

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

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.000 % or less than 2.250 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 10.000 %.

(E) Effective Date of Changes

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

(F) Notice of Changes

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

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

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

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

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

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

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

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

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

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

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

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

_____ (Seal)
CHARLES J. WIGHT -Borrower

_____ (Seal)
TARA J. WIGHT -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

PLANNED UNIT DEVELOPMENT RIDER

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

PARCEL ID #:
178-16-215-068

Prepared By:
JEANETTE HUTSON

5120003256-KLS 0008663384511004
[Escrow/Closing #] [Doc ID #]

THIS PLANNED UNIT DEVELOPMENT RIDER is made this TWELFTH day of NOVEMBER, 2004 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the

DOC ID #: 0008663384511004

undersigned (the "Borrower") to secure Borrower's Note to
COUNTRYWIDE HOME LOANS, INC.

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

133 MCLAREN STREET
HENDERSON, NV 89074-0916
[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in
THE COVENANTS, CONDITIONS, AND RESTRICTIONS FILED OF RECORD THAT AFFECT THE PROPERTY

(the "Declaration"). The Property is a part of a planned unit development known as
HILLPOINTE PARK MAINTENANCE

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Initials: DW CL

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

Initials: _____

DOC ID #: 0008663384511004

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

_____ (Seal)
CHARLES J. WIGHT - Borrower

_____ (Seal)
TARA J. WIGHT - Borrower

_____ (Seal)
- Borrower

_____ (Seal)
- Borrower

SECOND HOME RIDER

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

PARCEL ID #:
178-16-215-068

Prepared By:
JEANETTE HUTSON

5120003256-KLS
[Escrow/Closing #]

0008663384511004
[Doc ID #]

* 2 3 9 9 1 *

* 0 8 6 6 3 3 8 4 5 0 0 0 0 0 1 3 6 5 R *

DOC ID #: 0008663384511004

THIS SECOND HOME RIDER is made this TWELFTH day of NOVEMBER, 2004 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to
COUNTRYWIDE HOME LOANS, INC.

(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:
133 MCLAREN STREET, HENDERSON, NV 89074-0916

[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

6. Occupancy. Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

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

Initials: DW ch

DOC ID #: 0008663384511004

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Second Home Rider.

_____ (Seal)
CHARLES J. WIGHT -Borrower

_____ (Seal)
TARA J. WIGHT -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

Order No. : 5120003256-KLS

EXHIBIT "A"

The land referred to is situated in the State of Nevada, County of Clark, City of Henderson, and is described as follows:

PARCEL I:

Lot Two (2) in Block Two (2) of SKYVIEW, as shown by map thereof on file in Book 47 of Plats, Page 69, in the Office of the County Recorder of Clark County, Nevada and as amended by Certificate of Amendment recorded November 1, 1990 in Book 901101 of Official Records, Clark County, Nevada records as Document No. 00544 and as amended by Certificate of Amendment recorded February 28, 1991 in Book 910228 as Document No. 01623.

PARCEL II:

A non-exclusive easement for ingress, egress and of enjoyment in and to the Common Area set forth and defined in the Declaration of Covenants, Conditions and Restrictions and Grant of Easements for Hillpointe Park Maintenance District, recorded January 25, 1991 in Book 910125 as Document No. 00894, as the same may from time to time be amended and/or supplemented of Official Records.

EXHIBIT B

DECL
DARREN T. BRENNER, ESQ.
Nevada Bar No. 8386
KAREN A. WHELAN, ESQ.
Nevada Bar No. 10466
AKERMAN LLP
1635 Village Center Circle, Suite 200
Las Vegas, NV 89134
Telephone: (702) 634-5000
Facsimile: (702) 380-8572
Email: darren.brenner@akerman.com
Email: karen.whelan@akerman.com

Attorneys for The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A, as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T and Green Tree Servicing, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SATICOY BAY LLC SERIES 133 MCLAREN, Plaintiff, vs. GREEN TREE SERVICING LLC; THE BANK OF NEW YORK MELLON FKA THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A., AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST, REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T; NATIONAL DEFAULT SERVICING CORPORATION, CTC REAL ESTATE SERVICES; CHARLES J. WIGHT; AND TARA J. WIGHT, Defendants.	Case No.: A-14-693882-C Dept. No.: XXX **DECLARATION OF GRAHAM BABIN**
GREEN TREE SERVICING LLC, Counterclaimant, vs. SATICOY BAY LLC SERIES 133 MCLAREN; NEVADA ASSOCIATION SERVICES, INC.; HILLPOINTE PARK MAINTENANCE DISTRICT; and ROES I through X, inclusive, Counter-Defendants.	

AKERMAN LLP
1160 TOWN CENTER DRIVE, SUITE 330
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 – FAX: (702) 380-8572

I, Graham Babin, declare as follows:

1. My name is Graham Babin. I have personal knowledge of and am competent to testify as to the matters stated herein by virtue of my position as Assistant Vice President for Federal National Mortgage Association ("Fannie Mae"), a corporation organized and existing under the laws of the United States.

2. As Assistant Vice President for Fannie Mae, I am familiar with certain Fannie Mae systems that contain data regarding mortgage loans acquired and owned by Fannie Mae. I am also familiar with the Selling and Servicing Guidelines applicable to entities that service mortgage loans on behalf of Fannie Mae.

3. Attached hereto as Exhibit "A" are true and correct copies of printouts from Fannie Mae's Servicer & Investor Reporting platform ("SIR"). SIR is an electronic system of record that contains information regarding mortgage loans acquired and owned by Fannie Mae. Entries in SIR are made at or near the time of the events recorded by, or from information transmitted by, persons with knowledge. SIR is kept in the course of Fannie Mae's regularly conducted business activity, and it is the regular practice of Fannie Mae to keep and maintain information regarding mortgage loans owned by Fannie Mae. Exhibit "A" consists of records that were made and kept by Fannie Mae in the course of its regularly conducted activities pursuant to its regular business practice of creating such records. The printouts in Exhibits "A" are Fannie Mae business records.

4. Exhibit "A" reflects that in December 2004, Fannie Mae acquired ownership of a mortgage loan, which includes both the note and its associated deed of trust, secured by real property located at 133 Mclaren St., Henderson, NV 89074 (the "Loan"). Exhibit "A" also reflects that Fannie Mae remains the owner of the Loan.

5. The first page of Exhibit "A" is a printout of the SIR "Acquisition" tab relating to the Loan. The acquisition date referenced above is shown in the Acquisition tab.

6. The second page of Exhibit "A" is a printout of the SIR "Property" tab relating to the Loan. The property address referenced above is shown in the Property tab.

7. Beginning at the third page of Exhibit "A" is the SIR Loan Activity History for this Loan. The Loan Activity History reflects that Fannie Mae owned the Loan before and during the

AKERMAN LLP
1635 VILLAGE CENTER CIRCLE, SUITE 200
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 – FAX: (702) 380-8572

month of November 2013 and remains the owner of the Loan. The Loan Activity History shows that the Loan servicer reported certain information to Fannie Mae regarding the Loan (such as the unpaid principal balance) on a monthly basis. This information was reported to Fannie Mae because Fannie Mae owns this Loan. If Fannie Mae did not own this Loan, this loan activity information would not have been reported to Fannie Mae.

8. Additionally, had Fannie Mae ceased to own this Loan (if, for example, the Loan had been paid off, foreclosed, or sold to another entity), information reflecting that would appear under the "Action Code – Action Description" column on the Loan Activity History. There is no such information under the "Action Code – Action Description" column on the attached Loan Activity History, which means that the Loan is still owned by Fannie Mae as of the last reporting shown in Exhibit "A."

9. The final page of Exhibit "A" is a printout of entries in the SIR Servicing Transfer Request Detail showing that the rights to service the Loan for Fannie Mae were transferred from Bank of America, N.A. ("BANA") to Fannie Mae with Ditech Financial LLC ("Ditech") as subservicer on or about October 31, 2011. SIR reflects that Ditech was the servicer of the Loan for Fannie Mae in November 2013.

10. The banner appearing above the Acquisition Tab, Property Tab, and Loan Activity History reflects that the current servicer of the Loan for Fannie Mae is Ditech.

11. The Fannie Mae Single-Family Selling and Servicing Guides ("Guides") are publicly accessible documents which serve as central documents governing the contractual relationship between Fannie Mae and its loan sellers and servicers nationwide, including BANA and Ditech. A true and correct copy of the current Guides and archived prior versions of the Guide can be found at https://www.fanniemae.com/content/guide/selling/index.html and https://www.fanniemae.com/content/guide/servicing/index.html. Prior versions of the Guides are available at that URL by clicking "Show All" in the left hand column of those sites.

12. True and correct copies of applicable Selling and Servicing Guide sections are attached here to as Exhibit "B."

AKERMAN LLP
1635 VILLAGE CENTER CIRCLE, SUITE 200
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 – FAX: (702) 380-8572

I declare under penalty of perjury of the laws of the State of Nevada that the foregoing is true and correct.

Executed on January 23, 2018.

Graham Babin, AVP

AKERMAN LLP
1635 VILLAGE CENTER CIRCLE, SUITE 200
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 – FAX: (702) 380-8572

Exhibit A

FannieMae. Investor Reporting

Welcome! Sergio Longoria

Business Functions | Tools | Search | Print Preview / Export | OK

Loan Detail

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	Fannie Mae Loan No.	[redacted]	Converted Loan	Yes
Servicer No.	273960066	Servicer Loan No.	[redacted]	Pool No.	

Loan Activity History

Comments

Select one of the following | submit

General Loan | Origination | Acquisition | Property | Feature | Loan Balance | Schedule | ARM Feature | Cash Flow | Mortgage Insurance | Rate & Payment | Pool

Acquisition Snapshot | Pricing

Seller No	127810001	Seller Name	Bank of America, N.A.
Acquisition Date	12/01/2004	Seller Loan No.	
LPI Date	12/01/2004	Actual UPB	$220,000.00
Interest Rate	5.0000%	P&I Amt	$1,181.01
LPTR	4.4500%	Acquisition LTV Ratio	80.0000%
Excess Yield Rate	0.0000%	GFee Rate After Buyup/Buydown	0.1750%
GFee Rate after APM	0.1750%	Contract GFee Rate	0.1750%
Scheduled LPI	12/01/2004	Scheduled UPB	$220,000.00
Acquisition Loan Margin	2.2500%	Next Interest Rate Adj Date	
Next P&I Adj Date		Remaining Term	360
Acquisition Maturity Date	12/01/2034	Periods Delinquent	
No. Days Delinquent		Skipped Payment No.	
Payee ID		Submission Type Code	Whole First Mortgage
Doc Custodian Code	Document Custodian	Home Improvement Product Type	
Original Purchase Discount Book Amount	$0.00	Original Purchase Discount Tax Amount	$0.00
Original Other Yield Adjustment Book Amount	$0.00	Purchase Deduction Tax Amort Method	
Purchase Premium Tax Amort Method		Purchase Premium Book Amort Method	
Other Yield Adjustment Tax Amort Method		Financial Index Rate	
Extensions Exercised at Acquistions		Acquisition Amortization Term	360
Price Required Net Yield Rate	0.0000%		

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Loan Detail

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes	Loan Activity History
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**		Comments

Select one of the following submit

General Loan | Origination | Acquisition | Property | Feature | Loan Balance | Schedule | ARM Feature | Cash Flow | Mortgage Insurance | Rate & Payment | Pool

Property Street Address	133 MCLAREN ST	**City**	HENDERSON
Postal Code	89074	**State**	NV
Year Built		**Occupancy**	Second or Vacation Home
Appraisal Type		**Original Appraised Amount**	
Purchase Price		**Project Classification**	Type F - New Planned Unit Development
Project Total Units	1	**Category Type**	
Flood Insurance Required	No	**Appraisal Date**	
Original Appraised Value			

Dwelling Units

Expand Section All / Collapse Section All

Select one of the following submit

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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	Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date	Ot
Filter										
	4761708434		01/01/2018	01/20/2018	01/31/2018	$184,373.80	$0.00	0 - No Servicer Action Taken	01/19/2018	
	4712364412		12/01/2017	12/21/2017	12/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	12/20/2017	
	4641049367		11/01/2017	11/04/2017	11/30/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	11/03/2017	
	4612924556		10/01/2017	10/20/2017	10/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	10/19/2017	
	4563074696		09/01/2017	09/21/2017	09/30/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	09/20/2017	
	4512808152		08/01/2017	08/19/2017	08/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	08/18/2017	
	4464396229		07/01/2017	07/21/2017	07/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	07/20/2017	
	4412857689		06/01/2017	06/21/2017	06/30/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	06/20/2017	
	4365110218		05/01/2017	05/20/2017	05/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	05/19/2017	
	4315784289		04/01/2017	04/21/2017	04/30/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	04/20/2017	

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

Records Found: 109 Current Set: 109 Show 10 Per Page **Pages** « Prev 1 2 3 4 5 Next »

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date	Oth
Filter									
4261183462		03/01/2017	03/21/2017	03/31/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	03/20/2017	
4211057375		02/01/2017	02/21/2017	02/28/2017	$184,373.80	$0.00	0 - No Servicer Action Taken	02/20/2017	
4165320756		01/01/2017	02/01/2017	01/31/2017	$184,373.80	$0.00			
4134610479		12/01/2016	01/03/2017	12/31/2016	$184,373.80	$0.00			
4100588899		11/01/2016	12/01/2016	11/30/2016	$184,373.80	$0.00			
4063906311		10/01/2016	11/01/2016	10/31/2016	$184,373.80	$0.00			
4023887381		09/01/2016	10/03/2016	09/30/2016	$184,373.80	$0.00			
3991545273		08/01/2016	09/01/2016	08/31/2016	$184,373.80	$0.00			
3956142218		07/01/2016	08/01/2016	07/31/2016	$184,373.80	$0.00			
3917089617		06/01/2016	07/01/2016	06/30/2016	$184,373.80	$0.00			

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Filter

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date	Ot
3883708809		05/01/2016	06/01/2016	05/31/2016	$184,373.80	$0.00			
3845957658		04/01/2016	05/02/2016	04/30/2016	$184,373.80	$0.00			
3806293748		03/01/2016	04/01/2016	03/31/2016	$184,373.80	$0.00			
3771671809		02/01/2016	03/01/2016	02/29/2016	$184,373.80	$0.00			
3733357211		01/01/2016	02/01/2016	01/31/2016	$184,373.80	$0.00			
3696007640		12/01/2015	01/04/2016	12/31/2015	$184,373.80	$0.00			
3663354895		11/01/2015	12/01/2015	11/30/2015	$184,373.80	$0.00			
3626154501		10/01/2015	11/02/2015	10/31/2015	$184,373.80	$0.00			
3589590582		09/01/2015	10/01/2015	09/30/2015	$184,373.80	$0.00			
3556030997		08/01/2015	09/01/2015	08/31/2015	$184,373.80	$0.00			

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Filter

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
3518890128		07/01/2015	08/03/2015	07/31/2015	$184,373.80	$0.00		
3483036425		06/01/2015	07/01/2015	06/30/2015	$184,373.80	$0.00		
3445407457		05/01/2015	06/01/2015	05/31/2015	$184,373.80	$0.00		
3407740376		04/01/2015	05/01/2015	04/30/2015	$184,373.80	$0.00		
3370978807		03/01/2015	04/02/2015	03/31/2015	$184,373.80	$0.00		
3334730709		02/01/2015	03/02/2015	02/28/2015	$184,373.80	$0.00		
3293046757		01/01/2015	02/02/2015	01/31/2015	$184,373.80	$0.00		
3259247989		12/01/2014	01/02/2015	12/31/2014	$184,373.80	$0.00		
3222474639		11/01/2014	12/01/2014	11/30/2014	$184,373.80	$0.00		
3187139492		10/01/2014	11/03/2014	10/31/2014	$184,373.80	$0.00		

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
Filter								
3149917327		09/01/2014	10/01/2014	09/30/2014	$184,373.80	$0.00		
3116959711		08/01/2014	09/03/2014	08/31/2014	$184,373.80	$0.00		
3080480297		07/01/2014	08/04/2014	07/31/2014	$184,373.80	$0.00		
3039413018		06/01/2014	07/02/2014	06/30/2014	$184,373.80	$0.00		
2994931284		05/01/2014	06/02/2014	05/31/2014	$184,373.80	$0.00		
2962525393		04/01/2014	05/01/2014	04/30/2014	$184,373.80	$0.00		
2925185546		03/01/2014	04/01/2014	03/31/2014	$184,373.80	$0.00		
2890708203		02/01/2014	03/03/2014	02/28/2014	$184,373.80	$0.00		
2851520927		01/01/2014	02/03/2014	01/31/2014	$184,373.80	$0.00		
2810164106		12/01/2013	01/02/2014	12/31/2013	$184,373.80	$0.00		

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Filter

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
2773124549		11/01/2013	12/02/2013	11/30/2013	$184,373.80	$0.00		
2742477274		10/01/2013	11/01/2013	10/31/2013	$184,373.80	$0.00		
2708931073		09/01/2013	10/02/2013	09/30/2013	$184,373.80	$0.00		
2661698434		08/01/2013	09/03/2013	08/31/2013	$184,373.80	$0.00		
2635579314		07/01/2013	08/02/2013	07/31/2013	$184,373.80	$0.00		
2585511039		06/01/2013	07/01/2013	06/30/2013	$184,373.80	$0.00		
2551772296		05/01/2013	06/03/2013	05/31/2013	$184,373.80	$0.00		
2519101078		04/01/2013	05/02/2013	04/30/2013	$184,373.80	$0.00		
2475460028		03/01/2013	04/01/2013	03/31/2013	$184,373.80	$0.00		
2439701708		02/01/2013	03/01/2013	02/28/2013	$184,373.80	$0.00		

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Dtech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

Records Found: 109 Current Set: 109 Show 10 Per Page **Pages** « Prev 5 6 7 8 9 Next »

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date	O
Filter									
2399163625		01/01/2013	02/01/2013	01/31/2013	$184,864.14	$0.00			
2359768217		12/01/2012	01/02/2013	12/31/2012	$185,353.21	$0.00			
2323773055		11/01/2012	12/03/2012	11/30/2012	$185,841.32	$0.00			
2285002286		10/01/2012	11/01/2012	10/31/2012	$186,328.16	$0.00			
2245971942		09/01/2012	10/01/2012	09/30/2012	$186,813.74	$0.00			
2205126196		08/01/2012	09/04/2012	08/31/2012	$187,298.05	$0.00			
2173929053		07/01/2012	08/02/2012	07/31/2012	$187,781.11	$0.00			
2130194785		06/01/2012	07/02/2012	06/30/2012	$188,262.91	$0.00			
2094488247		05/01/2012	06/01/2012	05/31/2012	$188,743.46	$0.00			
2056370334		04/01/2012	05/01/2012	04/30/2012	$189,228.84	$0.00			

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273980066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Filter

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
2013059277		03/01/2012	04/02/2012	03/31/2012	$189,706.88	$0.00		
1977207082		02/01/2012	03/01/2012	02/29/2012	$190,187.57	$0.00		
1942039484		01/01/2012	02/01/2012	01/31/2012	$190,667.01	$0.00		
1901444761		12/01/2011	01/03/2012	12/31/2011	$191,184.48	$0.00		
1868958268		11/01/2011	12/02/2011	11/30/2011	$191,665.10	$0.00		
1834534626		10/01/2011	11/02/2011	10/31/2011	$192,144.52	$0.00		
1796498133		09/01/2011	10/04/2011	09/30/2011	$192,623.41	$0.00		
1757594209		08/01/2011	09/02/2011	08/31/2011	$193,100.44	$0.00		
1719752229		07/01/2011	08/02/2011	07/31/2011	$193,576.28	$0.00		
1681180677		06/01/2011	07/05/2011	06/30/2011	$194,050.93	$0.00		

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date	O
Filter									
1641985182		05/01/2011	06/02/2011	05/31/2011	$194,050.93	$0.00			
1604207101		04/01/2011	05/03/2011	04/30/2011	$194,524.40	$0.00			
1566150389		03/01/2011	04/04/2011	03/31/2011	$195,467.80	$0.00			
1527660831		02/01/2011	03/02/2011	02/28/2011	$196,406.50	$0.00			
1489335116		01/01/2011	02/02/2011	01/31/2011	$196,406.50	$0.00			
1450230147		12/01/2010	01/04/2011	12/31/2010	$196,874.09	$0.00			
1409232278		11/01/2010	12/02/2010	11/30/2010	$197,309.97	$0.00			
1370168470		10/01/2010	11/02/2010	10/31/2010	$197,744.58	$0.00			
1330044859		09/01/2010	10/02/2010	09/30/2010	$198,177.93	$0.00			
1292338060		08/01/2010	09/02/2010	08/31/2010	$198,610.02	$0.00			

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Filter

Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
1253068992		07/01/2010	08/03/2010	07/31/2010	$199,040.85	$0.00		
1213582616		06/01/2010	07/02/2010	06/30/2010	$199,470.43	$0.00		
1174598924		05/01/2010	06/02/2010	05/31/2010	$199,898.76	$0.00		
1135435975		04/01/2010	05/04/2010	04/30/2010	$200,751.69	$0.00		
1093413615		03/01/2010	04/02/2010	03/31/2010	$201,176.30	$0.00		
1055336694		02/01/2010	03/02/2010	02/28/2010	$201,599.67	$0.00		
1016580056		01/01/2010	02/02/2010	01/31/2010	$202,021.81	$0.00		
977813292		12/01/2009	01/05/2010	12/31/2009	$202,359.65	$0.00		
938433347		11/01/2009	12/02/2009	11/30/2009	$202,359.65	$0.00		
898603435		10/01/2009	11/03/2009	10/31/2009	$202,698.09	$0.00		

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Loan Transaction History - Loan Activity History

Servicer Name	Fannie Mae/Ditech Financial LLC subservicer	**Fannie Mae Loan No.**	[redacted]	**Converted Loan**	Yes
Servicer No.	273960066	**Servicer Loan No.**	[redacted]	**Pool No.**	

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Transaction ID	Reversal Transaction ID	Effective Date	Process Date	Activity Period	Reported UPB ($)	Interest Difference ($)	Action Code - Action Description	Action Date
Filter								
857645501		09/01/2009	10/02/2009	09/30/2009	$203,364.80	$0.00		
817891116		08/01/2009	09/02/2009	08/31/2009	$203,364.80	$0.00		
779592411		07/01/2009	08/04/2009	07/31/2009	$203,697.07	$0.00		
739739780		06/01/2009	07/02/2009	06/30/2009	$204,027.96	$0.00		
699922969		05/01/2009	06/02/2009	05/31/2009	$204,357.48	$0.00		
655448800		04/01/2009	05/02/2009	04/30/2009	$204,685.63	$0.00		
621026361		03/01/2009	04/02/2009	03/31/2009	$205,337.86	$0.00		
581828460		02/01/2009	03/03/2009	02/28/2009	$205,337.86	$0.00		
533521343		01/01/2009	02/03/2009	01/31/2009	$205,661.95	$0.00		

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Servicing Transfer Request (STR) Detail

The total number of loans found exceeds the maximum number that can be displayed.

Transferor No	24873				
STR No.	1576981	**Transferor**	Bank of America, N.A.	**Transferee**	Fannie Mae/Ditech Financial LLC subservicer
STR Status	Completed	**Transferor Contact Name**		**Transferee Contact Name**	
STR Type	Inter-Servicer	**Transferor Contact No.**		**Transferee Contact No.**	
Effective Date	10/31/2011	Audit Trail		Activity Checks	
No. of Loans to Transfer	49975	**No. of Loans Approved**	0	**No. of Loans Transferred**	49975
UPB	$1,772,150,155.28	**UPB**	$0.00	**UPB**	$8,797,255,974.98
Delinquency Ratio	712.7564%	**Delinquency Ratio**	0.0000%	**Delinquency Ratio**	712.7564%
No. of Loans Passed Validation	49975				
No. of Loans Failed Validation	0				

View All Loans

* = required fields

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Exhibit B

Chapter 2. Contractual Relationship (01/31/03)

Once Fannie Mae approves a servicer to do business with it, both parties execute the Lender Contract to establish the terms and conditions of their contractual relationship. The continuation of that relationship depends on both parties honoring the mutual promises in the Lender Contract and on the lender's satisfying the requirements of the *Selling Guide*, the *Servicing Guide*, the *Guide to Delivering eMortgage Loans to Fannie Mae*, and the *Multifamily Guide(s)* (the "Guides").

Section 201 Mortgage Selling and Servicing Contract (06/01/07)

The MSSC establishes the basic legal relationship between a lender/servicer and Fannie Mae. Details regarding contractual obligations for lenders are set forth in the *Selling Guide*. Specifically as to servicing, the MSSC:

- establishes the lender as an approved servicer of applicable mortgage loans;
- provides the general terms and conditions for servicing;
- incorporates by reference the terms of the Guides and other lender or servicing announcements, letters, and Guide changes, as well as Master Agreements, technology licensing agreements, and any other agreement entered into by Fannie Mae and the lender; and
- states the types of mortgage loans the lender may sell and service.

All types of agreements between a servicer and Fannie Mae are incorporated into the Lender Contract (the lender's and servicer's obligations under all of these agreements are referred to in the Guides in their entirety as the "Lender Contract") and form a single integrated MSSC and not a separate contract or agreement.

Notwithstanding any other provisions in the Guides, or any assignment or transfer of servicing by a lender to another entity:

- A lender/servicer's benefits and obligations with respect to its contractual rights to service mortgage loans are, and were at the time of execution of the Lender Contract, fully integrated and non-divisible

from the lender's benefits and obligations with respect to its contractual rights and obligations to sell mortgage loans under the Lender Contract.

- Absent such integration, Fannie Mae would not have entered into, or continued to be bound by, the Lender Contract and would not have entered into, or continued to be bound by, separate agreements with a lender/servicer providing for the contractual right to sell or to service mortgage loans for Fannie Mae.

- When Fannie Mae consents to a transfer of servicing by a lender or servicer, it relies on the integration and non-divisibility of the Lender Contract. Fannie Mae requires that the transferor or lender remain obligated for all selling and servicing representations and warranties and recourse obligations upon the transfer of servicing, and requires that the transferee servicer, whether the original seller or a transferee servicer, undertake and assume joint and several liability for all selling and servicing representations and warranties and recourse obligations related to the mortgage loans it services unless explicitly agreed to the contrary in writing by Fannie Mae.

All of Fannie Mae's communications—such as Guides, announcements, lender letters, and notices (regardless of the medium through which they are issued)—are incorporated into the Guides by reference, and are instructions Fannie Mae provides to enable a servicer to perform its obligations to Fannie Mae under the terms of the MSSC. No borrower or other third party is intended to be a legal beneficiary of the MSSC or to obtain any such rights or enttitlements through our lender communications.

Certain information and requirements are posted on eFannieMae.com (or successor Web site), and such information is incorporated by reference into the Guides.

Section 201.01 Contractual Representations and Warranties (06/10/11)

In order to sell mortgage loans to Fannie Mae or deliver pools of mortgage loans to Fannie Mae for mortgage-backed securities (MBS), the lender makes certain representations and warranties concerning both the lender itself as well as the mortgage loans it is selling or delivering. These representations and warranties are set forth in the *Selling Guide*. Provisions that are specific to servicing are contained herein. A lender that acquires the servicing of a mortgage loan, either concurrently with or subsequent to Fannie Mae's purchase of the mortgage loan, assumes and is responsible for the same selling warranties that the mortgage loan seller

made when the mortgage loan was sold to Fannie Mae. Lenders that acquire the servicing of Fannie Mae mortgage loans are required to service the mortgage loans in accordance with the servicing obligations of the lender that assigned or transferred the servicing of the mortgage loan.

Section 201.02 Representation and Warranty Requirements for the Servicing of All Mortgage Loans (06/10/11)

By submitting any mortgage loan to Fannie Mae under any execution, including MBS, whole mortgage loan, or a participation pool mortgage loan to Fannie Mae as a whole mortgage loan, the lender represents and warrants that there is no agreement with any other party providing for servicing the mortgage loans that continues after such date unless there is full compliance with all the Fannie Mae Guide requirements for subservicing (including but not limited to the *Selling Guide, A3-3-03*, *Subservicing*) or any prior servicing agreement is made expressly to Fannie Mae's rights as owner of the mortgage loans.

The party that was servicing for the lender prior to such date may become a servicer for Fannie Mae, if there is full compliance with all the Guide requirements that provide for assignment of servicing from the lender concurrent with conveyance of the mortgage loan to Fannie Mae. (For more information, refer to the *Selling Guide*, *A3-3-02*, *Concurrent Servicing Transfers.)*

Section 201.03 Mortgage Insurance Representation and Warranty Requirements (10/01/11)

The servicer represents and warrants that each mortgage loan it delivers is insurable and that no fraud or material misrepresentation has been committed (by any servicer employee, any agent of the servicer, or any third party including, without limitation, the borrower), by act or omission, in connection with the origination of the mortgage loan or servicing prior to the sale, regardless of the level or type of documentation, verification, or corroboration of information that may be required by the *Selling Guide* and *Servicing Guide* or any other contract with a particular servicer. A mortgage loan is insurable if a mortgage insurer would not decline to insure it by reason of any fraud, misrepresentation, negligence, or dishonest, criminal, or knowingly wrongful act in origination or servicing, and would not be entitled to deny a claim by reason of any of the foregoing.

Section 201.03.01 Rescission, Cancellation, and Claim Denial (10/01/11)

Rescission

Rescission of mortgage insurance coverage is defined as notification by the mortgage insurer that it has made the determination to rescind coverage in

other liabilities that arise in connection with the mortgage loans or the servicing of them prior to the delivery of the mortgage loans to Fannie Mae. Similarly, Fannie Mae requires a servicer to make the same indemnification for all losses, damages, judgments, claims, legal actions, and legal fees that are based on, or result from, the lender's failure or alleged failure to satisfy its duties and responsibilities for mortgage loans or MBS pools it services for Fannie Mae under the provisions of the Lender Contract, the Guides, any additional requirements that may have been imposed, or any additional obligations the lender has assumed with respect to such mortgage loans or MBS pools.

If a claim is made or a suit or other proceeding that is based on a lender's or servicer's alleged acts or omissions in originating, selling, or servicing mortgage loans or MBS pools; in trading MBS; or in disposing of acquired properties is started against Fannie Mae (or if Fannie Mae subsequently becomes a party to such a claim, suit, or proceeding or is served a subpoena for any purpose in connection with a suit to which Fannie Mae is not a party), the lender's or servicer's responsibility to indemnify Fannie Mae from losses and to hold Fannie Mae harmless must be met regardless of whether the claim, suit, or proceeding has merit. However, the lender's or servicer's obligation does not apply if Fannie Mae gives the lender or servicer written instructions during a claim, suit, or proceeding and Fannie Mae suffers a loss because the lender or servicer follows its instructions.

Fannie Mae will manage its defense for any claim, suit, or proceeding in accordance with its own judgment, keeping the option to decide whether (or when) to retain its own separate counsel. If Fannie Mae chooses its own counsel, the lender or servicer will still be obligated to pay Fannie Mae's legal fees and costs. If Fannie Mae decides that its interests and the lender's or servicer's coincide, Fannie Mae may decide to cooperate with the lender or servicer in a joint defense. (Refer to the *Selling Guide*, *A2-1-03*, *Indemnification for Losses*.)

Section 201.06 Concurrent Servicing Transfers (07/20/06)

In a concurrent servicing transfer, the servicing lender is under the same contractual obligations under the MSSC as the selling lender. (Also see *Section 205*, *Post-Delivery Transfers of Servicing (09/30/06)*.)

A concurrent servicing transfer (also known as a transfer of servicing concurrent with delivery) occurs when a selling lender transfers the servicing rights for a mortgage loan to a Fannie Mae–approved servicer at

the same time it sells the mortgage loan to Fannie Mae. This is an "automatic" transfer because Fannie Mae's prior approval of the transaction is not required.

If the selling lender is servicing the mortgage loans prior to delivery and will not be servicing the mortgage loans after delivery, the selling lender may automatically transfer servicing to a lender that is eligible to service them for Fannie Mae, and has agreed to do so, effective concurrently with delivery of the mortgage loans to Fannie Mae. The lender must notify Fannie Mae at the time of mortgage loan delivery that servicing has been transferred.

Additionally, if:

- the selling lender is not servicing the mortgage loans prior to delivery because it has contracted with another lender (the "servicing lender") to service the mortgage loans for the selling lender;
- the selling lender will not be servicing the mortgage loans after delivery;
- the servicing lender is eligible to service the mortgage loans for Fannie Mae; and
- the servicing lender agrees to service the mortgage loans for Fannie Mae, which requires the contractual servicing relationship be with Fannie Mae instead of with the seller,

the selling lender may designate the servicing lender as Fannie Mae's servicer for the mortgage loans by notifying Fannie Mae at the time of delivery.

If the servicing lender wants the contractual servicing relationship to be with the selling lender instead of with Fannie Mae, even after delivery of the mortgage loans to Fannie Mae, the selling lender must become Fannie Mae's servicer (as "master servicer"), and the servicing lender must become a "subservicer." (See *Section 206*, *Subservicing (06/24/04)*.)

After Fannie Mae has purchased or securitized a mortgage loan, it must approve all subsequent assignments of servicing related to that mortgage loan before the servicing can be transferred.

Section 201.06.01 Notification of Concurrent Servicing Transfers (06/10/11)

The lender must notify Fannie Mae of the transferee servicer by entering the nine-digit seller/servicer number that Fannie Mae has assigned to the transferee servicer on one of the following forms:

- *FRM/GEM Loan Schedule* (Form 1068)
- *ARM/GPARM Loan Schedule* (Form 1069)
- *Schedule of Mortgages* (Form 2005)

If required, the lender must also include in its delivery package mortgage loan assignments prepared in accordance with the *Selling Guide*, *B8-6-02*, *Mortgage Assignment to Fannie Mae*.

Section 201.06.02 Termination of Concurrent Servicing Transfers (06/10/11)

If a concurrent servicing transfer does not meet Fannie Mae's eligibility standards as stated in this Guide and in the *Selling Guide*, Fannie Mae is entitled to terminate the transferee's servicing with respect to the affected mortgage loans in order to transfer servicing of the mortgage loans to another servicer. The lender is obligated for all costs, expenses, and/or losses resulting from its designation of an ineligible servicer.

Section 201.07 Pledge of Servicing Rights (03/29/10)

As provided in the *Selling Guide*, *A3-3-01*, *Outsourcing of Mortgage Processing and Third-Party Originations*, a lender or servicer may pledge the servicing rights to all or part of its Fannie Mae one- to four-unit mortgage loan servicing portfolio, including mortgage loans in MBS pools, for the following purposes:

- to fund the purchase of additional servicing portfolios;
- to provide collateral for warehouse lines of credit; or
- to effect the purchase of a mortgage banking company, including a management buyout of its existing company.

The lender or servicer must request Fannie Mae's prior approval of a specific pledging transaction at least 30 days in advance of the proposed

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- to fund the purchase of additional servicing portfolios;
- to provide collateral for warehouse lines of credit; or
- to effect the purchase of a mortgage banking company, including a management buyout of its existing company.

The lender or servicer must request Fannie Mae's prior approval of a specific pledging transaction at least 30 days in advance of the proposed

effective date. The transaction between the lender or servicer and the secured creditor must be documented by a security agreement in a form determined by the lender or servicer. Both the lender or servicer and the secured creditor also must execute an acknowledgment agreement in a form approved by Fannie Mae, which sets forth the rights and responsibilities of the lender or servicer, the secured party, and Fannie Mae.

A. Security agreement. The lender or servicer pledging its servicing rights and the secured party to whom the rights are pledged must enter into a legally binding security agreement. Fannie Mae does not specify precise terms or provisions that must be included in the agreement. However, since the terms and provisions of the acknowledgment agreement (which is executed by the lender or servicer, the secured creditor, and Fannie Mae) will prevail if there are any conflicts or inconsistencies between the security agreement and the acknowledgment agreement, both parties executing the security agreement should make every effort to ensure that there are no conflicts or inconsistencies between the two agreements. Each request for approval of a proposed pledging transaction must include a copy of the related proposed security agreement. The security agreement may be amended after Fannie Mae approves the transaction (without obtaining Fannie Mae's prior consent), as long as all representations and warranties made by the lender or servicer and the secured party (or parties) will apply to such amendment.

The secured creditor must insert the following language in any financing statement it files for recordation in connection with the security agreement:

> The security interest created by this financing statement is subject and subordinate to all rights, powers, and prerogatives of Fannie Mae under, and in connection with, the Lender Contract and all applicable Pool Purchase Contracts between Fannie Mae and (**insert name of lender or servicer named in acknowledgment agreement*) and the *Selling Guide*, *Servicing Guide*, and other Guides, as each of such Guides is amended from time to time (collectively, the "Fannie Mae Contract"), which rights, powers, and prerogatives include, without limitation, the right of Fannie Mae to terminate the Fannie Mae Contract with or without cause

and the right to sell, or have transferred, the Servicing Rights as therein provided.

The secured creditor must provide a copy of any recorded financing statement to the lender's or servicer's appropriate Fannie Mae regional office. If the security interest is released or extinguished or if the servicing rights are transferred to the secured creditor as the result of the lender or servicer's default under the security agreement (or in accordance with the terms of the acknowledgment agreement), the secured creditor must file for recording a proper release of the recorded security interest within five working days after the effective date of the termination, transfer, or extinguishment, notifying the appropriate Fannie Mae regional office of the filing.

B. Acknowledgment agreement. Fannie Mae will not approve any request for the pledging of a lender or servicer's servicing rights unless the lender or servicer and the secured creditor execute a standard Fannie Mae acknowledgment agreement. (Two separate agreements—one for use when there is a single secured party and one for use when there are multiple secured parties—are available through Fannie Mae's regional offices.) Under the terms of the acknowledgment agreement, the secured creditor's security interest is subordinate to all of Fannie Mae's rights, powers, and prerogatives under the MSSC, individual commitment or pool purchase contracts, and the *Selling Guide* and *Servicing Guide*. The secured creditor has no claim or entitlement as a secured creditor against Fannie Mae, and Fannie Mae has no duty or obligation to the secured creditor, except for those specified in the acknowledgment agreement. The acknowledgment agreement does recognize that the secured party may sell one or more participation interests in portfolio mortgage loans that are subject to the security agreement and provides for the purchasers of the participation interests to be entitled to the benefits of both the security agreement and the acknowledgment agreement. Both the secured creditor and the lender and/or servicer must indemnify and hold Fannie Mae harmless against all losses, claims, lawsuits, actions, damages, judgments, costs, and expenses arising or resulting from any action they take (or do not take) in compliance with the terms of either the security agreement or the acknowledgment agreement. The secured creditor also must agree to indemnify and hold Fannie Mae harmless against all losses, claims, lawsuits, actions, damages, judgments, costs, and expenses arising from or connected with the security agreement or the secured creditor's

foreclosure, transfer, or sale of the servicing rights under the terms of the security agreement.

The secured creditor has the right to request Fannie Mae to transfer the servicing of the mortgage loans for which servicing rights have been pledged if it elects to enforce its security interest or any remedy for the lender or servicer's default under the security agreement. The secured creditor may request that the servicing be transferred to it (if it is an approved Fannie Mae servicer) or it may request that the servicing be transferred to another lender or servicer that is a Fannie Mae–approved servicer, if it has a valid power of attorney authorizing it to make the transfer request on the lender or servicer's behalf. The secured creditor must present the power of attorney to the Fannie Mae regional office with its request that Fannie Mae transfer the servicing to another lender or servicer. The transfer-of-servicing request will be evaluated, processed, and documented under Fannie Mae's general procedures for servicing transfers, unless Fannie Mae agrees to modify a specific requirement or amend a particular document. Fannie Mae will not unreasonably withhold its consent to a transfer that is proposed by the secured party. If Fannie Mae finds the proposed transferee servicer unacceptable, it will work with the secured party to find another servicer that is acceptable.

Fannie Mae has the right, under the terms of its contracts with the lender or servicer, to terminate, sell, or transfer the servicing that has been pledged and, if Fannie Mae exercises that right, it has the further right to receive all proceeds from the termination, sale, or transfer of the servicing. Under the terms of the acknowledgment agreement, the servicing rights that have been pledged can be terminated, sold, or transferred free and clear of the secured creditor's security interest when the termination, sale, or transfer takes place in accordance with Fannie Mae's contractual provisions with the lender or servicer.

When Fannie Mae exercises its right to terminate, sell, or transfer servicing that has been pledged, it may select the secured creditor or its designee to act as the new servicer (or subservicer) of the mortgage loans or it may select another Fannie Mae–approved servicer. Fannie Mae will notify the secured creditor after it terminates the lender or servicer's servicing rights that have been pledged. To the extent that Fannie Mae is fully reimbursed for all costs and expenses related to the sale or transfer and for any and all amounts it is due for unmet obligations under its

Lender Contract, Fannie Mae will notify the secured creditor of its right to claim all or part of any remaining sales proceeds or any applicable contract termination fees—if it has a valid power of attorney from the lender or servicer authorizing it to request distribution of the sales proceeds or any applicable contract termination fees. The secured creditor must present the power of attorney to the Fannie Mae regional office with its request that Fannie Mae distribute the sales proceeds or any applicable contract termination fees. A secured creditor's failure to execute the acknowledgment agreement may impair its ability to claim any portion of the sales proceeds or any applicable contract termination fees if Fannie Mae terminates the lender or servicer's contract and sells the servicing portfolio and will impair its ability to request Fannie Mae to transfer the mortgage loans for which the servicing rights are pledged to another servicer if the lender or servicer defaults under the security agreement. A lender or servicer's failure to execute the acknowledgment agreement could result in a suspension of its selling and servicing rights or in the termination of its Lender Contract, if it proceeds with an unauthorized pledging of its servicing rights.

Section 201.08 Termination of Servicing Arrangement Without Cause (04/01/09)

The servicer or Fannie Mae may terminate the servicing arrangement without cause.

Section 201.08.01 Servicer's Termination (09/30/06)

By giving Fannie Mae advance written notice, a servicer may terminate its contractual rights to the servicing of mortgage loans or participation interests in mortgage loans for all of the mortgage loans and MBS pools it is servicing without providing for a transferee servicer to assume the servicing obligations. The termination will become effective on the last business day of the third month following the month in which the notice is given. The servicer's termination of its servicing arrangement does not release it from any of its responsibilities or liabilities related to specific mortgage loans and MBS pools that Fannie Mae purchased or securitized (or contracted to purchase or securitize) before the termination, unless Fannie Mae expressly agrees in writing to release the servicer from those responsibilities or liabilities. Absent Fannie Mae's written agreement, the servicer may not terminate its servicing rights for less than all of the mortgage loans or participation interests in mortgage loans that it is servicing for Fannie Mae.

To assist Fannie Mae in complying with IRS reporting requirements, a servicer that collects prepayment premiums under the terms of a negotiated contract should report any prepayment premium it collects for a given mortgage loan (even if the premium is not remitted to Fannie Mae) as part of the monthly activity information it provides through Fannie Mae's investor reporting system.

Section 204
Changes in Servicer's Organization (04/01/09)

The servicer must send Fannie Mae written notice of any contemplated major change in its organization. The servicer must follow all requirements in the *Selling Guide*, *A4-3-01*, *Report of Changes in the Lender's Organization*.

In addition, in those situations in which a servicer either is involved in a merger or acquisition or is changing its name, undergoing a corporate reorganization, experiencing either a direct or an indirect change of control, or having a majority interest in its stock change hands, Fannie Mae will treat the action as a transfer of servicing that must be approved and processed in accordance with the requirements of *Section 205*, *Post-Delivery Transfers of Servicing (09/30/06).* If the lender fails to provide adequate notice of, or obtain approval for, such contemplated actions, Fannie Mae may impose a compensatory fee and exercise any other available remedies

Section 205
Post-Delivery Transfers of Servicing (09/30/06)

Subsequent to the delivery of mortgage loans to Fannie Mae, a servicer cannot transfer its responsibility for servicing any such mortgage loans unless Fannie Mae approves the transfer. Fannie Mae will not recognize unauthorized transfers of servicing. In fact, any such action may be the basis for terminating the contractual relationships Fannie Mae has with both the transferor and transferee servicers. Instead of terminating the contractual relationship(s), Fannie Mae may choose to impose sanctions, compensatory fees, or other available remedies when a servicer fails to give Fannie Mae adequate notice of a proposed transfer, obtain its approval for a transfer, or fulfill any conditions of Fannie Mae's approval of a given transfer of servicing. (The amount of any compensatory fee Fannie Mae imposes can vary depending on the circumstances; however, it will not be greater than 1% of Fannie Mae's share of the aggregate UPB of the mortgage loans being transferred.) Fannie Mae will hold any transferor or transferee servicer that enters into an unauthorized transfer of servicing liable for any losses, liabilities, or other expenses Fannie Mae incurs as the result of the unauthorized transfer.

The servicer must obtain Fannie Mae's prior written consent for any transfer of servicing involving Fannie Mae–owned or Fannie Mae–securitized mortgage loans. Fannie Mae generally will consider requests for transfers of either all or a portion of the mortgage loans that a lender services for it. However, if the transfer involves mortgage loans in a regular servicing option MBS pool or a shared-risk special servicing option MBS pool for which the servicer's shared-risk liability is still in effect, individual loan-level servicing transfers are not permitted; rather, the servicing of all of the mortgage loans in the pool must be transferred. The transferor servicer may use a CPU-to-CPU electronic file transfer or any other electronic means that Fannie Mae specifies to notify Fannie Mae about a full transfer of its servicing portfolio or to provide it with a list of mortgage loans that will be included in a partial transfer of servicing (see *Part X, Section 206, Transaction Type 80 (Subservicer Arrangement Record) (01/31/03)*). The servicer's electronic notification may be submitted as early as six months and as late as fifteen days before the proposed effective date for the transfer of servicing.

The proposed transferee servicer must be an approved servicer that is in good standing with Fannie Mae. The servicer also must have in place appropriate controls and adequate procedures relating to the boarding of new loans (subsequent either to origination or acquisition of servicing pursuant to a servicing transfer) to avoid any delayed application of borrower payments of principal, interest, taxes, or insurance (when applicable). In particular, servicing errors and disputes may occur as a result of servicing transfers. Accordingly, before Fannie Mae approves a transfer, it will evaluate the transferee servicer's performance in the following areas (although it may consider additional factors if it chooses to do so):

- overall servicing performance, including the servicing of special mortgage loan products, accounting, and remitting;
- capacity to service the number and types of mortgage loans that are to be included in the proposed transfer;
- overall performance of other contractual duties and obligations;
- delinquency ratios;

- foreclosure and acquired property activity;
- status of unresolved issues related to repurchase requests, claim denials or curtailments, or other outstanding claims; and
- financial condition.

Fannie Mae's contractual requirements related to transfers of servicing and the servicers' obligations to perform under them apply in all cases (unless Fannie Mae expressly waives them in writing); therefore, Fannie Mae encourages a servicer that is contemplating the purchase of another servicer's portfolio to contact its Portfolio Manager, Servicing Consultant, or the National Servicing Organization's Servicer Solutions Center early in the negotiation process. This will ensure that the servicer is aware of any objections Fannie Mae might have to its becoming a transferee servicer for the servicing portfolio it is considering purchasing, can determine whether the proposed transfer involves unusual circumstances or conditions that might require additional time for Fannie Mae to review, and ascertain whether the proposed transfer has terms that might not be readily acceptable to Fannie Mae.

Fannie Mae will make no representations or warranties about the value, condition, or any other aspects of the mortgage loans for which servicing will be transferred. Because the transferee servicer will be liable to Fannie Mae for all obligations of the transferor servicer, Fannie Mae expects that the transferee servicer will perform a due diligence review of the servicing portfolio that it is acquiring. However, the transferee servicer's obligations to Fannie Mae are not contingent on the performance of such a due diligence review. To assist the two servicers in processing and reconciling the transfer of servicing, Fannie Mae has designed a series of reports that should significantly reduce the likelihood of errors or delays in the transfer process. The information in these reports can be used to reconcile and correct loan-level information related to the mortgage loans for which servicing is to be transferred. Any information in the reports Fannie Mae provides will be compiled from data in its records (including information it received from third parties, but did not independently verify). However, Fannie Mae does not attest to the accuracy, completeness, or suitability of the information for the servicers' use for any particular purpose(s). For any given transfer of servicing, Fannie Mae will use appropriate business practices to permit both the transferor servicer and the transferee servicer

(but no other parties) to have access to the data on which the reports are based. Fannie Mae does not represent or warrant that any unauthorized party will not be able to gain access to the data (particularly when it is transmitted electronically), nor will Fannie Mae be responsible for any damages arising out of, or related to, such parties gaining access to the data and using the information it provides.

To ensure that Fannie Mae has sufficient time to review a proposed transaction and to give the two servicers time to receive Fannie Mae's consent before the proposed effective date for the transfer (and before notices of the transfer are given to borrowers), the transferor servicer must submit a *Request for Approval of Servicing Transfer* (Form 629) in an electronic format to the appropriate Fannie Mae regional office at least 30 days (and no more than 180 days) before the proposed effective date. At the same time, the transferor servicer should submit a check for a nonrefundable $500 processing fee (which should note the names of both servicers and the proposed effective date of the transfer). (The proposed effective date of the transfer must be the last business day of the last month for which the transferor servicer will be responsible for reporting loan-level detail activity to Fannie Mae.)

If any of the mortgage loans for which servicing is to be transferred are in MBS pools that are part of a Fannie Majors® multiple pool and the transferee servicer is already servicing mortgage loans in the same Majors pool, it may report the transferred mortgage loans under the same nine-digit Fannie Mae lender identification number that it currently uses, as long as the mortgage loans have the same remittance type and date as the mortgage loans that it is already reporting under that number. If the transferred mortgage loans have a different remittance type or date, the transferee servicer must contact its Portfolio Manager, Servicing Consultant, or the National Servicing Organization's Servicer Solutions Center to request a new branch lender identification number for reporting on the transferred mortgage loans.

If Fannie Mae consents to a proposed transfer of servicing, it will deliver its consent to the two servicers using the same format in which it received the Form 629. Fannie Mae's consent will state that, by implementing the related transfer of servicing, both the transferor servicer and the transferee servicer agree to the provisions of the MSSC, this Guide (and any amendments made to this Guide with respect to servicing transfers or to

the servicing of the transferred mortgage loans), and any other provisions set forth in the consent and acknowledge that all such obligations become effective as of the effective date of the transfer of servicing (although some of the obligations, such as those for notifying borrowers, will have begun or will have been completed prior to the effective date). As a condition of approving the transfer of servicing, Fannie Mae reserves its right to request and obtain (at any time) a copy of the servicing transfer agreement between the transferor servicer and the transferee servicer.

The following *Sections* discuss Fannie Mae's standard conditions for approval of a servicing transfer. Fannie Mae also may impose additional terms and conditions on its consent to a servicing transfer if it deems it to be appropriate under the particular circumstances. If it does, it will describe those conditions in its consent statement.

Section 205.01
Portfolio Definition
(01/31/03)

The transfer of the servicer's entire servicing portfolio must include all mortgage loans that are being serviced even if they no longer generate any servicing fee income. This means that delinquent mortgage loans and foreclosed mortgage loans that have been removed from an active accounting status must be transferred, unless Fannie Mae has notified the servicer that Fannie Mae's records have been closed or the servicer has repurchased a mortgage loan under the terms of the regular servicing option or a negotiated shared-risk servicing option.

Fannie Mae will approve the transfer of servicing for an FHA coinsured mortgage loan only if the proposed servicer is a HUD-approved coinsurer that is willing to assume the coinsurance obligations for the mortgage loan.

Section 205.02
Servicing Fee (01/31/03)

Generally, the transferee servicer will receive the same servicing compensation that the transferor servicer was receiving. For actual/actual and scheduled/actual remittance type mortgage loans held in Fannie Mae's portfolio, the transferee servicer will receive as its servicing fee the same amount—the base servicing fee plus any excess yield—that the transferor servicer had been receiving. For MBS mortgage loans and for scheduled/scheduled remittance type mortgage loans held in Fannie Mae's portfolio, the transferee servicer will receive compensation at the same rate that the transferor servicer had been receiving, which is the difference between the mortgage interest rate (less any applicable premium for

lender-purchased mortgage insurance) and the sum of Fannie Mae's required pass-through rate and the guaranty fee rate.

Section 205.03
Assumption of Warranties and Other Obligations
(01/31/03)

The transferee servicer must assume all of the responsibilities, duties, and selling warranties that were agreed to whether made when the mortgage loan was originally sold to Fannie Mae or subsequent to that date. This includes responsibility for the performance of obligations that predate the transfer, including "special obligations" (as that term is used in *Section 201.02*, *Representation and Warranty Requirements for the Servicing of All Mortgage Loans (06/10/11)*). However, the transferee servicer's assumption of these responsibilities, duties, and warranties will in no way release the transferor servicer from its contractual obligations related to the transferred mortgage loans. The two servicers will be jointly and severally liable to Fannie Mae for all warranties and for repurchase, all special obligations under agreements previously made by the transferor servicer or any previous seller or servicer (including actions that arose prior to the transfer).

Fannie Mae requires a servicer to provide special notification to the new servicer when it includes eMortgages in a transfer of servicing. Specifically, the transferor servicer must advise the transferee servicer that eMortgages are part of the portfolio being transferred and must confirm that the transferee servicer is not only aware of the special requirements for eMortgages required by Fannie Mae's *Guide to Delivering eMortgage Loans to Fannie Mae*, but also agrees to assume the additional responsibilities associated with servicing eMortgages.

Fannie Mae requires the servicer to provide special notification to the new servicer when mortgage loans subject to resale restrictions (whether or not the restrictions survive foreclosure or acceptance of a deed-in-lieu) are included in the portfolio being transferred. The servicer must identify each mortgage loan subject to resale restrictions on the *Request for Approval of Servicing Transfer* (Form 629). The transferee servicer must be aware of its duties and obligations related to the servicing of mortgage loans subject to resale restrictions.

The transferee servicer agrees to assume all obligations related to the servicing of MBS pools—including all duties and responsibilities under the regular servicing option or a negotiated shared-risk servicing option, bearing all costs and risks previously borne by the transferor servicer (or

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any earlier seller or servicer), as well as any additional costs and risks that arise subsequent to, or as the result of conditions imposed on, the transfer.

Fannie Mae's consent to a transfer of servicing does not release either the transferor servicer or the transferee servicer from any obligation it would otherwise have to Fannie Mae. As of the effective date for an approved transfer of servicing, the transferor servicer and the transferee servicer acknowledge their joint and several liability with respect to the transferred mortgage loans (and for any special obligations outstanding as of the effective date of the transfer, unless Fannie Mae has agreed to release one of the servicers from a specific responsibility). For the most part, Fannie Mae will look first to the transferee servicer for fulfilling any financial or other obligations related to the warranties, repurchase, and special obligations, but Fannie Mae does reserve the right to hold the transferor servicer to these obligations. In fact, both servicers also acknowledge their obligation to ensure that Fannie Mae is paid directly any proceeds of the servicing transfer that may be required to offset any claims Fannie Mae may have against the transferor servicer and agree to indemnify Fannie Mae for any loss or damage arising out of a failure to fully transfer all documents, records, and funds required by the servicing transfer agreement.

Section 205.04 Notifying Borrowers (01/31/03)

The transferor and transferee servicers must work together closely to ensure that borrowers receive not only prompt and accurate notification of a pending transfer, but also prompt and courteous responses to their inquiries about the servicing transfer. Both servicers are responsible for sending specific notices to the borrowers whose servicing is being transferred. All notices provided to borrowers must be made in accordance with applicable law, including the provisions of the Real Estate Settlement Procedures Act (RESPA) and any state law requirements.

Section 205.05 Notifying Third Parties (01/31/03)

To ensure that all servicing functions that involve third parties will continue uninterrupted (or will be discontinued if that is appropriate) after the transfer of servicing, either the transferor servicer or the transferee servicer must take the following actions:

- Fulfill all requirements of each mortgage insurance policy that insures any of the conventional mortgage loans included in the transfer—including, but not limited to, the requirements for providing timely notification or requesting prior approval—to ensure the continuation of

final monthly accounting period for all mortgage loans and MBS pools included in the servicing transfer. The two servicers should agree on how to resolve any differences and reconcile items or funds that are owed Fannie Mae or security holders. (Any questions regarding resolution of these issues should be directed to the transferor servicer's Fannie Mae investor reporting system Business Analyst.) Within 30 days after the effective date of the servicing transfer, the transferor servicer must send its Fannie Mae investor reporting system Business Analyst a copy of the completed shortage/surplus reconciliation related to the transferred mortgage loans (so it can be used to support any adjustment that may need to be made to the transferor servicer's shortage/surplus balance). The transferee servicer will be responsible for any Fannie Mae investor reporting system shortages or security balance deficiencies related to mortgage loans or pools included in the transfer that are not resolved by the transferor servicer.

Section 205.09 Preparing Mortgage Assignments (01/31/03)

The need to prepare new mortgage assignments in connection with a transfer of servicing will depend on whether Fannie Mae is the owner of record for the mortgage loan and, if Fannie Mae is not, on whether the mortgage loan is registered with MERS.

In those instances in which Fannie Mae holds the custodial documents, any required assignments that are submitted to Fannie Mae must be identified by the applicable Fannie Mae loan number and submitted under cover of a transmittal letter that includes the following information:

- the name of the transferor servicer;
- the name of the transferee servicer;
- the number of mortgage loans included in the transfer, as well as the number of mortgage loans for which recordable (but unrecorded) assignments to Fannie Mae have been executed;
- the effective date of the transfer;
- a trial balance of the transferred mortgage loans, which identifies the mortgage loans for which assignments to Fannie Mae are being provided (or, if only a few mortgage loans are being transferred, a list

of the transferred mortgage loans for which assignments are being provided);

- the transfer log number provided by the Portfolio Manager, Servicing Consultant, or the National Servicing Organization's Servicer Solutions Center when the transfer was approved; and

- the name and telephone number of a person Fannie Mae can contact if it has any questions about the documents.

Fannie Mae is the owner of record. A new mortgage assignment does not need to be prepared if the assignment to Fannie Mae has been recorded. A mortgage loan for which Fannie Mae is the owner of record would be one of the following:

- a mortgage loan that was delivered to Fannie Mae before it converted to the Fannie Mae investor reporting system in 1984 (regardless of the location of the security property);

- a mortgage loan that is secured by a property located in Mississippi or Utah, if the mortgage loan was delivered to Fannie Mae during the period that Fannie Mae required recorded assignments for a Mississippi mortgage loan (after September 1, 1988, until June 7, 1989) or for a Utah mortgage loan (after September 1, 1988, until October 31, 1991); or

- a mortgage loan for which Fannie Mae requested recordation of the assignment (for any reason) after it purchased or securitized the mortgage loan.

Fannie Mae is not the owner of record and the mortgage loan is not registered with MERS. An assignment from the transferor servicer to the transferee servicer must be prepared and recorded if an assignment to Fannie Mae has not been recorded for a mortgage loan that is not registered with MERS. (Blanket assignments may be used for the assignment, as long as the coverage for each blanket assignment is restricted to a single recording jurisdiction.) The transferee servicer has full responsibility for recording an assignment from the transferor servicer to itself, regardless of which servicer prepares and records the assignment. Then, an assignment from the transferee servicer to Fannie Mae must be

prepared (in recordable form, but not recorded) to replace the one Fannie Mae had originally received from the transferor servicer. This unrecorded assignment from the transferee servicer to Fannie Mae should be an individual assignment. The unrecorded assignment to Fannie Mae must be delivered to Fannie Mae or the applicable document custodian within ***six*** months of the effective date of the servicing transfer.

Generally, when a transferred mortgage loan is secured by a property located in Puerto Rico, neither an assignment of the mortgage loan from the transferor servicer to the transferee servicer nor an unrecorded assignment from the transferee servicer to Fannie Mae will need to be prepared and recorded. However, there are two situations in which an assignment of the mortgage loan (or a similar document) will need to be prepared and recorded:

- For a "direct" mortgage loan (one that is documented by a single instrument that combines the terms of the note and the mortgage loan), a deed of assignment of the mortgage loan must be prepared and recorded to advance the chain of title through the transferee servicer's name. (This deed of assignment can be an individual assignment or a blanket assignment, as permitted by the jurisdiction.) The transferee servicer will then need to execute an individual unrecorded assignment of the mortgage loan to Fannie Mae and submit it to Fannie Mae (or the applicable document custodian) within ***six*** months after the effective date of the servicing transfer.

- For any other mortgage loan for which Fannie Mae (or the applicable document custodian) does not have in its possession an unrecorded assignment to Fannie Mae that was executed by the lender that originated the mortgage loan, such an assignment must be obtained from the mortgage loan originator. If that is not possible, the transferee servicer must prepare an individual unrecorded assignment of the mortgage loan from itself to Fannie Mae and submit it to Fannie Mae (or the applicable document custodian) within ***six*** months of the effective date of the servicing transfer. When the transfer of servicing includes a large number of mortgage loans secured by properties in Puerto Rico, one or more blanket assignments may be used if it is not practical to execute individual assignments.

Fannie Mae is not the owner of record and the mortgage loan is registered with MERS. Generally, neither an assignment of the mortgage loan from the transferor servicer to the transferee servicer nor an unrecorded assignment from the transferee servicer to Fannie Mae will need to be prepared and recorded when the servicing of a MERS-registered mortgage loan is transferred to a servicer that is a MERS member (if the transferee servicer intends to continue the MERS registration for the mortgage loan). In some situations, Fannie Mae may indicate that it wants to obtain these assignments.

However, when the servicing of a MERS-registered mortgage loan is transferred to a servicer that is not a MERS member (or to a servicer that elects not to continue the MERS registration for the mortgage loan), Fannie Mae requires:

- the transferor servicer to prepare an assignment of the mortgage loan from MERS to the transferee servicer and have it executed,
- the transferor servicer to "deactivate" the mortgage loan in MERS,
- the transferor servicer or the transferee servicer (at their choice) to record the assignment of the mortgage loan from MERS to the transferee servicer, and
- the transferee servicer to prepare a recordable (but unrecorded) assignment of the mortgage loan from itself to Fannie Mae and to deliver it to Fannie Mae or the applicable document custodian.

When the originator of the mortgage placed the MERS Mortgage Identification Number (MIN) on the note when the mortgage was registered with MERS (and the mortgage loan is still registered with MERS), the document custodian will be able to tell whether an assignment of the mortgage loan needs to be required in connection with the transfer of servicing. When the MIN is on the note, but the mortgage loan is no longer registered with MERS, either the transferor servicer or the transferee servicer must notify the document custodian to delete the MIN from the note (with the servicer that is responsible for the deactivation providing the notice). When the MIN does not appear on the note, other actions must be taken to ensure that the custodian is aware of whether or not the mortgage loan is registered with MERS. This can be accomplished

by (1) providing the custodian with a copy of the original *Schedule of Mortgages* (Form 2005) that has been appropriately annotated to indicate that a mortgage loan originally registered with MERS is no longer registered (by deleting the MIN that was originally reported) or to indicate the subsequent registration with MERS (by inserting the applicable MIN); or (2) providing the custodian with a listing of all MERS-registered mortgage loans that are included in the transfer, along with a certification that any and all other mortgage loans included in the transfer are not currently registered with MERS. (If there are more MERS-registered mortgage loans included in the transfer than there are unregistered mortgage loans, the listing may instead identify the unregistered mortgage loans and then the certification should state that any and all other mortgage loans included in the transfer are currently registered with MERS.)

Section 205.10
Transfer of Custodial Documents (09/30/05)

When the transfer of servicing includes MBS mortgage loans, the transferee servicer may choose to use the existing document custodian (if it meets all of Fannie Mae's eligibility criteria for document custodians), to make arrangements for a different document custodian (including Fannie Mae's DDC), or to retain custody of the documents itself (if it satisfies Fannie Mae's eligibility criteria for document custodians and the additional criteria Fannie Mae imposes on lenders that act as the document custodian). If the transferee servicer chooses to use the existing document custodian, it will need to have a *Master Custodial Agreement* (Form 2003) executed—unless it already has a master custodial agreement on file for that custodian—and ask the document custodian to complete an *MBS Custodian Recertification* (Form 2002) in connection with the servicing transfer within six months of the effective date of the transfer. If Fannie Mae's DDC is already holding the custodial documents for the mortgage loans that are being transferred, Fannie Mae will update its records to reflect the new servicer and accept any new unrecorded assignment of the mortgage loan to Fannie Mae from the transferee servicer, if applicable, without charging any additional fees.

If the transferee servicer chooses to change document custodians (or decides to hold the documents itself), the transferor servicer is responsible for controlling the documents until they are released to the new document custodian. The transferee servicer and the transferor servicer must work out appropriate arrangements for paying the costs of transferring the documents and obtaining the required pool recertification in an

- protect against unauthorized access to or use of such files and records and is responsible for requiring, by contract, that any subservicers or other third parties that access mortgage files and records also implement these measures.

Fannie Mae has the right to examine, at any reasonable time, any and all records that pertain to mortgage loans it holds in its portfolio or those that have been included in an MBS pool, any and all accounting reports associated with those mortgage loans and borrower remittances, and any other reports, data, information, and documentation that it considers necessary to ensure that the servicer is in compliance with Fannie Mae's requirements.

Section 401 Ownership of Mortgage Loan Files and Records (01/31/03)

All records pertaining to mortgage loans sold to Fannie Mae—including but not limited to the following—are at all times the property of Fannie Mae and any other owner of a participation interest in the mortgage loan:

- notes,
- security instruments,
- loan applications,
- credit reports,
- property appraisals,
- tax receipts,
- payment records,
- insurance policies and insurance premium receipts,
- water stock certificates,
- ledger sheets,
- insurance claim files and correspondence,
- foreclosure files and correspondence,

- current and historical computerized data files,
- machine-readable materials, and
- all other documents, instruments and papers pertaining to the loan including, without limitation, any records, data, information, summaries, analyses, reports, or other materials representing, based on, or compiled from such records that are reasonably required to originate and subsequently service a mortgage loan properly.

These documents and records are Fannie Mae's property regardless of their physical form or characteristics or whether they are developed or originated by the mortgage loan seller or servicer or others.

The mortgage loan originator, seller, or servicer; any service bureau; or any other party providing services in connection with servicing a mortgage loan for, or delivering a mortgage loan to, Fannie Mae will have no right to possession of these documents and records except under the conditions specified by Fannie Mae.

Any of these documents and records in possession of the mortgage loan originator, seller, or servicer, any service bureau, or any other party providing services in connection with selling a mortgage loan to, or servicing a mortgage loan for, Fannie Mae are retained in a custodial capacity only.

Section 402 Electronic Records (10/31/08)

An electronic record is a contract or other record that is created, generated, sent, communicated, received, or stored by electronic means. A record is information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Servicers (and/or, as applicable, document custodians) are required to retain the foregoing records as set out below. All records in the individual mortgage loan file may be retained as electronic records, except for the promissory note and any records that modify or supplement the promissory note, in which case the original ink-signed records of such instruments should be stored in the mortgage loan files. Where a lender has an eMortgage variance in place with Fannie Mae, these requirements may not apply.

must retain with its records for the applicable MBS pool, a copy of the Form 2002 and the trial balance (or annotated Form 2005) for the MBS pool. The servicer will not need to provide any recertification documentation if the new document custodian is Fannie Mae's DDC.

Section 405 Types of Records (01/31/03)

Mortgage loan files and records that may be required to be sent to Fannie Mae include individual mortgage loan files, permanent mortgage account records, and accounting system reports. The responsibility for the physical possession of the mortgage loan documents may vary depending on whether the mortgage loan is a portfolio or MBS mortgage loan.

The lender must establish the individual mortgage loan file when it originates a mortgage. If the lender does not service the mortgage, it must transfer the file to the servicer to ensure that the servicer will have complete information about the mortgage loan in its records.

The accounting records relating to mortgage loans serviced for Fannie Mae must be maintained in accordance with sound and generally accepted accounting principles and in such a manner as will permit Fannie Mae's representatives to examine and audit such records at any time.

Specifically, Fannie Mae's examination and audit of a servicer's records will consist of:

- monitoring all monthly accounting reports submitted to Fannie Mae;
- conducting periodic procedural reviews during visits to the servicer's office or the document custodian's place of business;
- conducting, from time to time, in-depth audits of the servicer's internal records and operating procedures—including, but not limited to, the examination of financial records, borrower escrow deposit accounts, and underwriting standards; and
- performing spot-check underwriting reviews of mortgage loans in the servicer's portfolio on a random sample basis.

State and federal law now recognizes electronic records as being equivalent to paper documents for legal purposes; therefore, Fannie Mae's

requirements for record accessibility and retention apply equally to paper and electronic records.

Section 405.01 Individual Mortgage Loan Files (08/24/03)

The lender must establish an individual file for each mortgage loan it sells to Fannie Mae. Each file must be clearly identified by Fannie Mae's loan number, which can be marked on the file folder or logically associated with any file which is composed of electronic records.

Files for participation pool mortgage loans must be clearly identified by the words "Fannie Mae participation" and Fannie Mae's percentage interest.

Files for MBS mortgage loans must identify the number of the related MBS pool.

Files must include any records that will be needed to service the mortgage loan as well as records that support the validity of the mortgage loan. The servicer should use the individual mortgage loan file established at the time of origination to accumulate other pertinent servicing and liquidation information, such as:

- property inspection reports,
- copies of delinquency repayment plans,
- copies of disclosures of ARM interest rate and payment changes,
- documents related to insurance loss settlements, and
- foreclosure notices.

Among other things, the initial individual mortgage loan file must include:

- a copy of the Participation Certificate, if applicable;
- a copy of the related Schedule of Mortgages for a mortgage loan (or a participation interest in a mortgage loan) if an MBS mortgage loan;

- originals of the recorded mortgage or deed of trust, any applicable rider, and any other documents changing the mortgage loan terms or otherwise affecting Fannie Mae's legal or contractual rights;
- a copy of the mortgage or deed of trust note and any related addenda;
- a copy of either the unrecorded assignment to Fannie Mae (or the recorded assignment, when applicable), or the original assignment to MERS, if the mortgage loan is registered with MERS and MERS is not named as nominee for the beneficiary, and copies of all required intervening assignments;
- a copy of the FHA mortgage insurance certificate, VA mortgage loan guaranty certificate, RD mortgage loan note guarantee certificate, HUD Indian mortgage loan guarantee certificate, or conventional mortgage insurance certificate, if applicable;
- a copy of the underwriting documents, including any Desktop Underwriter reports;
- a copy of the title policy, hazard insurance policy, flood insurance policy (if required), and any other documents that might be of interest to a prospective purchaser or servicer of the mortgage loan or might be required to support title or insurance claims at some future date (for example, FEMA's flood hazard determination form, title evidence, or survey); and
- a copy of the final HUD-1 Settlement Statement (or HUD-1A if applicable) or other closing statement evidencing all settlement costs paid by the borrower and seller, executed by the borrower and seller (if applicable).

Note: In escrow states, if the lender is unable to have the final HUD-1 signed by the borrower and seller, the lender may supplement the final HUD-1 signed by the escrow officer with either:

- the estimated HUD-1 (or multiple matching documents) signed by the borrower and seller, or

- the final Escrow Instructions (or multiple matching documents) signed by the borrower and seller.

The servicer must retain any of these applicable documents and must ensure that they are readily accessible if needed in any bankruptcy or foreclosure proceeding, or for any other purpose in connection with the servicing of the mortgage loan. The servicer may hold copies if originals are not required, while originals have been sent for filing but have not yet been returned, or while the originals are otherwise temporarily out of the servicer's possession.

After a mortgage loan is liquidated, the servicer must keep the individual mortgage loan records for at least four years (measured from the date of payoff or the date that any applicable claim proceeds are received), unless the local jurisdiction requires longer retention or Fannie Mae specifies that the records must be retained for a longer period.

Examples of the collateral document(s) for a manufactured home that are required for mortgage loans for which an application was taken on or after August 24, 2003 include:

- in states where a manufactured home can become real property without first being titled as personal property, documentation (if it is available) indicating that no certificate of title (or similar ownership document) was ever issued;

- in states where the certificate of title (or similar ownership document) can be surrendered or retired when the home becomes real property, documentation evidencing such surrender or retirement;

- the certificate of title (or similar ownership document) if it has not been or cannot be surrendered;

- any Uniform Commercial Code (UCC) financing statement (or similar notice of lien) that was filed pursuant to applicable law; or

- a security agreement that creates a lien on the manufactured home in addition to the mortgage loan or deed of trust.

Servicers that have collateral documents for manufactured housing loans prior to August 24, 2003, must retain any such documents, but they are not required to seek these documents for such mortgage loans.

Generally, the only documents associated with the origination and servicing of a mortgage loan that the servicer needs to retain in paper format are the security instrument (and any related riders), any other document that changes the terms of the mortgage loan, the assignment for a MERS-registered mortgage loan (when MERS is not named as nominee for the beneficiary), the unrecorded assignment of the mortgage loan to Fannie Mae (if the mortgage loan is not registered with MERS and the servicer or a document custodian is holding the assignment as a custodial document), and the note and any related addenda (if the servicer or a document custodian is holding the note as a custodial document). All other documents in the individual mortgage loan file may be retained in an electronic format (as discussed in *Section 406*, *Record Retention and Data Integrity (01/31/03)*). When the servicer chooses to store these documents in a format other than paper, it must provide any prospective transferee servicer with information about the methods it uses for document and records storage. If the transferee servicer uses a different storage method, the transferor servicer must work with the transferee servicer to convert the documents and records to a format that is compatible with the transferee servicer's storage methods.

Section 405.02 Mortgage Loan Payment Records (01/31/02)

The servicer also must maintain permanent mortgage account records for each mortgage loan it services for Fannie Mae. The records must be identified by Fannie Mae's loan number (and any related participation certificate or MBS pool number) in addition to any other identification the servicer uses. The servicer may develop its own system for maintaining these records, as long as it can produce an account transcript within a reasonable time after it is requested.

The servicer's accounting system must be able to produce detailed information on:

- all transactions that affect the mortgage loan balance (the amount and due date of each payment, when the payment was received, and how the payment was applied);

they would confirm that the servicer did not take certain actions that Fannie Mae requires. If that is not the case, the servicer must provide a reasonable explanation for its failure to produce the records and, if appropriate, offer evidence that any particular requirement Fannie Mae is concerned about was satisfied. If the servicer fails to provide a reasonable explanation or any evidence showing that the requirement was satisfied, Fannie Mae can take any action that is authorized under the Lender Contract or its Guides for the servicer's breach of its requirements.

If Fannie Mae has to take legal action to obtain these records, the servicer will be liable for any legal fees, costs, and related expenses that Fannie Mae incurs in enforcing its right of access to the records unless it is determined that Fannie Mae had no legal right of access to them.

Section 408 MERS-Registered Mortgage Loans (01/31/03)

MERS is an electronic system that assists in the tracking of mortgage loans, servicing rights, and security interests. To initiate the electronic tracking, a lender assigns a special MERS MIN to the mortgage loan, registers the mortgage loan in MERS, and then either (1) originates the mortgage loan with MERS appearing in the security instrument as nominee for the beneficiary and its successors and assigns or (2) records an assignment of the mortgage loan to MERS (thus making MERS the mortgagee of record).

When a MERS-registered mortgage loan is delivered to Fannie Mae, the lender reports the MIN on the *Loan Schedule* (Form 1068 or Form 1069) or on the *Schedule of Mortgages* (Form 2005) and, after Fannie Mae purchases the mortgage loan, Fannie Mae notifies MERS to ensure that its records are updated to reflect Fannie Mae's ownership interest. If a mortgage loan is not registered with MERS until after Fannie Mae purchases it, the servicer must report Fannie Mae's ownership when it registers the mortgage loan.

A servicer that chooses to register its entire servicing portfolio with MERS may identify a few instances in which Fannie Mae is the owner of record for the mortgage loan (because an original assignment of the mortgage loan to Fannie Mae was recorded in the public records). When that is the case, the servicer will need to prepare an assignment of the mortgage loan from Fannie Mae to MERS and send it to Fannie Mae for execution (and subsequently record it in the public records) before it can complete the registration of the mortgage loan with MERS.

Registration of Fannie Mae–owned or Fannie Mae–securitized mortgage loans in MERS (as either an assignee or the nominee of the original mortgagee) does not change the lender's (or mortgage servicer's) responsibility for complying with all applicable provisions of the MSSC, Fannie Mae's Guides (as they may be amended from time to time), the lender or servicer's Master Agreement, or any negotiated contract that it has with Fannie Mae (unless Fannie Mae specifies otherwise), or other agreements that are part of the Lender Contract. MERS will have no beneficial interest in the mortgage loan, even if it is named as the nominee for the beneficiary in the security instrument. In addition, MERS' failure to perform any obligation with respect to a MERS-registered mortgage loan does not relieve the lender (or the mortgage servicer) from its responsibility for performing any obligation required by the terms of its Lender Contract.

The lender or servicer is responsible for the accurate and timely preparation and recordation of security instruments, assignments, lien releases, and other documents relating to MERS-registered mortgage loans and must take all reasonable steps to ensure that the information on MERS is updated and accurate at all times. The lender or mortgage servicer also will be solely responsible for any failure to comply with the provisions of the MERS Member Agreement, Rules, and Procedures and for any liability that it or Fannie Mae incurs as a result of the registration of mortgage loans with MERS or any specific MERS transaction.

Section 408.01 Termination of MERS Registration for Active Mortgage Loan (01/31/03)

A servicer may decide that it does not want a mortgage loan that it is actively servicing to remain registered in MERS for some reason. In such cases, the servicer will need to notify MERS to request that the mortgage loan be "deactivated" in MERS. (MERS will notify Fannie Mae about the deactivation of any mortgage loan in which it has an interest.) The servicer will need to prepare an assignment of the mortgage loan from MERS to itself and have it executed, and then record the executed assignment in the public land records. The servicer also must prepare (in recordable form) an unrecorded assignment of the mortgage loan from itself to Fannie Mae and submit the original of that assignment to Fannie Mae's DDC or the applicable document custodian.

Section 408.02
Termination of Servicer's MERS Membership
(01/31/03)

If, for any reason, a servicer's membership in MERS is terminated, the servicer must notify Fannie Mae promptly. For each MERS-registered mortgage loan that it is servicing for Fannie Mae, the servicer must prepare an assignment of the mortgage loan from MERS to itself and have it executed, and then record the executed assignment in the public land records. The servicer also must prepare (in recordable form) an unrecorded assignment of the mortgage loan from itself to Fannie Mae and submit the original of that assignment to Fannie Mae's DDC or the applicable document custodian.

Section 101 Routine vs. Nonroutine Litigation (10/01/08)

A servicer generally should not initiate routine legal proceedings in Fannie Mae's name, but in instances where it is appropriate or necessary to do so, Fannie Mae must be described in the legal proceedings as "Federal National Mortgage Association (Fannie Mae), a corporation organized and existing under the laws of the United States." The servicer, its legal counsel, and foreclosure attorneys (or trustees) should not forward papers, pleadings, and notices related to routine uncontested legal actions to Fannie Mae. If any routine legal proceeding becomes contested (e.g., the defendant in any proceeding files any appeal, motion for rehearing, or similar procedure) or a servicer receives notice of a nonroutine action that involves a Fannie Mae–owned or Fannie Mae–securitized mortgage loan or that will otherwise affect Fannie Mae's interests—regardless of whether Fannie Mae is also named as a party to the action—the servicer must immediately contact Fannie Mae's Regional Counsel via e-mail to nonroutine_litigation@fanniemae.com.

A servicer may not initiate or defend nonroutine litigation on Fannie Mae's behalf unless it obtains prior written consent from its Fannie Mae Regional Counsel via email. This will enable Fannie Mae to concur in the necessity for the action, the selection of legal counsel, development of legal strategy, and approval of legal fees and costs. One example of a nonroutine legal action is a case in which the servicer's legal counsel wants to pursue a judicial foreclosure in order to clear technical defects even though the security property is located in a state in which the usual method of foreclosure is by non-judicial foreclosure. In this situation, the servicer should not commence a judicial foreclosure for a conventional mortgage loan without first clearing the action with Fannie Mae. Nonroutine litigation also includes any claim, counterclaim, or procedure that: challenges methods in which Fannie Mae does business; involves Fannie Mae's status as a federal instrumentality; requires interpretation of Fannie Mae's Charter, such as removal to federal court based on Fannie Mae's Charter; claims punitive damages from Fannie Mae; or asserts liability against Fannie Mae based on actions of its servicers. Additional examples include "show cause orders" or proceedings and motions for sanctions.

Section 102 Prereferral to Foreclosure Review (10/01/11)

The servicer must perform a prereferral to foreclosure review of the mortgage loan at least 7 days prior to the date the servicer is required to refer the mortgage loan to foreclosure. Before the review, the breach letter

Chapter A2-1, Contractual Obligations for Sellers/Servicers

Contractual Obligations for Sellers/Servicers

Introduction

This chapter explains the basic legal relationship between a seller, servicer, or seller/servicer and Fannie Mae.

In This Chapter

This chapter contains information on the following subjects:

A2-1-01, Contractual Obligations for Sellers/Servicers (08/29/2017) 9
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A2-1-01, Contractual Obligations for Sellers/Servicers (08/29/2017)

Introduction

This topic describes some of the seller's, servicer's and seller/servicer's contractual arrangements, including:

- Role of MSSC
- Lender Contract: Integration and Non-Divisibility
- Amendments to the Guides
- General Contract Terms

Role of MSSC

After Fannie Mae approves a seller or servicer or seller/servicer, both parties execute the *Mortgage Selling and Servicing Contract* (MSSC) and any other relevant agreements. The continuation of that relationship depends on both parties honoring the mutual promises in the Lender Contract.

The MSSC establishes the basic legal relationship between a seller, servicer or seller/servicer and Fannie Mae and

- establishes the entity as an approved seller of mortgages and participation interests or an approved servicer of mortgages or both; and
- incorporates by reference the *Selling Guide*, the *Servicing Guide*, the *Requirements for Document Custodians*, Software Subscription Agreement, Manuals, Announcements, Lender Letters, Release Notes, Notices, directives and other documents which may be incorporated by reference into the Guides, all as amended or supplemented from time to time.

Lender Contract: Integration and Non-Divisibility

The MSSC and all of the documents referenced above, together with any other agreements with Fannie Mae that provide for additional obligations to Fannie Mae, such as commitments, master agreements, technology agreements, and collateral agreements, are together referred to as the "**Lender Contract**" and form a single, integrated contract.

A servicer or seller/servicer's benefits and obligations to service loans under the Lender Contract are integrated and cannot be separated from the seller's or seller/servicer's benefits and obligations to sell loans under the Lender Contract.

Fannie Mae relies on this integration and non-divisibility in entering into, and continuing to be bound by, the Lender Contract and in consenting to a servicing transfer.

Amendments to the Guides

All of Fannie Mae's communications (Guides, Manuals, Announcements, Lender Letters, Release Notes, and Notices and directives) are incorporated into the Guides by reference, and are effective on the dates specified in such documents. Certain information and requirements posted on Fannie Mae's website are also incorporated by reference into the Guides.

Fannie Mae transmits communications to sellers, servicers and seller/servicers by posting them on Fannie Mae's corporate website (or other websites as Fannie Mae may establish in the future). Fannie Mae also publishes some communications (for convenience) via AllRegs.

General Contract Terms

The following table describes some general contract terms.

GENERAL CONTRACT TERMS	
Topic	**Description**
Joint and Several Responsibility	Unless Fannie Mae otherwise agrees in writing, upon the transfer of servicing loans: • the transferor and transferee are jointly and severally responsible for all selling representations, warranties, and obligations related to the transferred loans, including those that arise before delivery of the loans to Fannie Mae; and • the transferee is jointly and severally responsible for all servicing obligations and liabilities of the transferor, including those that arise before delivery of the loans to Fannie Mae.
Terminology and General Conventions	• While the term “lender” is generally used throughout the *Selling Guide* to refer to the entity responsible for all aspects of the origination and delivery of loans to Fannie Mae and if applicable, the servicing of loans, the terms “seller”, “servicer”, “lender”, and “seller/servicer” are all used in the Guides in different contexts. The particular term used should not be viewed as an exclusion of an entity’s responsibilities in connection with a loan. • The “responsible party” means a seller, servicer, or other entity(ies) that is responsible for the selling representations and warranties or for the servicing responsibilities and liabilities on a loan.
Glossary of Defined Terms	A glossary of defined terms is included in the Guides.
Independent Contractor	The servicer services Fannie Mae loans as an independent contractor and not as an agent, assignee, or representative of Fannie Mae.
Assignment	A seller, servicer or seller/servicer may not, without Fannie Mae’s prior written consent, assign: • the Lender Contract, or any component of the Lender Contract such as master agreements, whole loan or MBS commitments or contracts, under any circumstances; or • its responsibility for servicing individual mortgages Fannie Mae owns or have a participation interest, except in accordance with the Guides. Fannie Mae may assign its participation interest in any mortgage and all rights in the mortgages owned under the Lender Contract or any other instruments.
No Third Party Beneficiaries	No borrower or other third party is a third party beneficiary of the Lender Contract or obtains any rights through the Lender Contract or any of our seller, servicer or seller/servicer communications.
Construction	• The term “including” and similar words means “including, without limitation”. • Headings and captions are for convenience only. • If any provision of the Lender Contract is held invalid, the enforceability of all remaining provisions are not affected, and the Lender Contract will be interpreted as if the invalid provision were not contained in the Lender Contract.

GENERAL CONTRACT TERMS	
Topic	**Description**
Notice of Termination	Any notice of termination of the Lender Contract or any component must be in writing and delivered by hand, electronic mail (with electronic confirmation of delivery), overnight express or similar service (fees prepaid), or first-class United States registered or certified mail with return receipt requested (postage prepaid), to the applicable party at its address specified in the MSSC (which may be changed by written notice).
Governing Law	New York state law without regard to its conflict of law rules.

Related Announcements

The table below provides references to the Announcements that have been issued that are related to this topic.

Announcement	Issue Date
Announcement SEL-2017-07	August 29, 2017
Announcement SEL-2013–03	April 9, 2013
Announcement 09-06	March 23, 2009
Announcement 08-23	September 16, 2008

A2-1-02, Nature of Mortgage Transaction (04/01/2009)

Introduction

This topic contains information on mortgage transaction requirements.

True Sale

Every delivery of mortgages and/or participation interests, whether whole loan or for securitization, is expressly intended, by both Fannie Mae and the lender, to be the lender's true, absolute, and unconditional sale to Fannie Mae of the mortgages and/or participation interests, and not the lender's pledge thereof to secure a debt or other obligation owed to Fannie Mae.

Section A2-5.1, Establishment, Ownership, and Retention of Loan Files and Records

A2-5.1-01, Establishing Loan Files (12/19/2017)

Introduction

This topic contains information on loan files, including:

- Establishing the Loan File
- Establishing the Loan File for Manufactured Homes
- Additional Information for the Loan File

Establishing the Loan File

The seller must establish the individual mortgage loan file "loan file" when it originates a loan and clearly identifies each file with Fannie Mae's loan number (and Fannie Mae's participation and participation percentage interest and MBS pool number, if applicable). The loan file consists of the loan origination file, the loan custodial file, and the loan servicing file held by the seller, servicer, or a prior servicer arising from or related to the origination, sale, securitization, or servicing of a loan or acquired property, as applicable. The loan file includes all records needed to service the loan and support the validity of the loan, and must be readily accessible in connection with the servicing of the loan.

The loan origination file consists of the following:

- all documents, records and reports used to support the underwriting decision required by the Lender Contract;
- any documentation required by Fannie Mae or by law relating to the loan arising from or related to the origination, closing, sale, securitization, or delivery of a loan; and
- documents that are required as part of the post-closing mortgage loan file documentation requirements in the *Selling Guide*.

The following tables describe the documents included in the loan origination file and whether an original or a copy is required.

✓	Original Documents
	any unrecorded documents changing the terms of the note
	the assignment to MERS®, if the loan is registered with MERS and MERS is not named as nominee for the beneficiary, and the copies of all required intervening assignments

✓	Document Copies
	the recorded mortgage or deed or trust, any applicable recorded rider or recorded modification or any other recorded document affecting Fannie Mae's right under the mortgage with the recording information from the recorder's office
	the Participation Certificate, if applicable
	the related Schedule of Mortgages if an MBS loan
	the note and any related addenda
	unrecorded assignments to Fannie Mae (or the recorded assignment, when applicable) and all required intervening assignments
	FHA mortgage insurance certificate, VA loan guaranty certificate, RD loan note guarantee certificate, HUD Indian loan guarantee certificate, or conventional mortgage insurance certificate, if applicable
	underwriting documents, including any DU reports
	property appraisal and inspection orders and reports
	title policy, property insurance policy, flood insurance policy (if required) and any other documents that might be of interest to a prospective purchaser or servicer of the loan or might be required to support title or insurance claims at some future date (for example, FEMA's flood hazard determination form, title evidence, or survey)
	final settlement statement evidencing all settlement costs paid by the borrower and seller (if applicable), • the final version of the Closing Disclosure does not have to be signed by the borrower and seller although lenders may obtain signatures, which Fannie Mae supports as a best practice; • if there are separate Closing Disclosures for the borrower and seller, the copies of the final version of each must be kept in the mortgage loan file.
	any other documents, records, and reports not specified above that are part of the loan origination file

Establishing the Loan File for Manufactured Homes

Servicers that have collateral documents for manufactured home loans with application dates prior to August 24, 2003 must retain all such documents, but they are not required to obtain these documents if they do not already have possession of them.

For a manufactured home with an application date on or after August 24, 2003, collateral documents include the following:

✓	Manufactured Home Collateral Documents
	documentation (if available) indicating that no certificate of title (or similar ownership document) was ever issued in states where a manufactured home can become real property without first being titled as personal property;

✓	Manufactured Home Collateral Documents
	documentation evidencing surrender or retirement in states where the certificate of title (or similar ownership document) can be surrendered or retired when the home becomes real property;
	the certificate of title (or similar ownership document) if it has been or cannot be surrendered;
	any UCC financing statement (or similar notice of lien) that was filed pursuant to applicable law; and
	a security agreement that creates a lien on the manufactured home in addition to the loan or deed of trust.

In order to be prepared to meet special servicing and default management requirements for loans secured by manufactured homes, the servicer must ensure that all loans secured by manufactured homes are identified on their internal systems. If it comes to the attention of the servicer that it is servicing a loan secured by a manufactured home that was delivered to Fannie Mae without notation of Special Feature Code 235 (which is required to identify that property type), the servicer must initiate a post-purchase adjustment. See Fannie Mae's *website* for additional information.

Additional Information for the Loan File

The seller/servicer must use the loan origination file to accumulate other pertinent servicing and liquidation information, including, the following:

- property inspection reports,
- copies of delinquency repayment plans,
- copies of disclosures of ARM loan interest rate and payment changes,
- documents related to insurance loss settlements, and
- foreclosure notices.

The loan custodial file consists of the custodial documents and all documents, books, records, and reports, in any format, required to be retained by the document custodian pursuant to the *Servicing Guide* or other Fannie Mae requirements.

The loan servicing file (including the file maintained with respect to an acquired property) consists of all documents, books, records, reports, and payment and escrow histories, in any format, arising from or related to the servicing of the mortgage loan or acquired property by the current servicer or any prior servicer. This includes those required at any time by the Lender Contract or an insurer and documents and records set forth in the *Servicing Guide*. The loan servicing file must also include copies of all documents or records that are used to evaluate a borrower and the property condition when determining the eligibility for a workout option.

Related Announcements

The table below provides references to the Announcements that have been issued that are related to this topic.

Announcement	Issue Date
Announcement SEL- 2017-10	December 19, 2017
Announcement SEL-2013–03	April 9, 2013

A2-5.1-02, Ownership and Retention of Loan Files and Records (12/19/2017)

Introduction

This topic contains information on individual mortgage loan files, including:

- Ownership of the Loan File
- General Requirements for Records
- Record Retention Requirements

Ownership of the Loan File

All records related to loans (including all data and materials representing, based on, or compiled from such records) sold to or serviced for Fannie Mae are Fannie Mae's property and any other owner of a participation interest in the loan regardless of their physical form or characteristics or whether they are developed or originated by the loan seller, servicer, or others.

Each of the loan originator, seller, servicer, and any service bureau or any other party providing services in connection with selling or servicing a Fannie Mae loan:

- has no right to possess these documents and records except under the conditions specified by Fannie Mae, and
- must hold these documents solely for the benefit of Fannie Mae.

The servicer must use the loan origination file to accumulate other pertinent servicing and liquidation information.

If the seller does not service the loan, it must transfer the loan file to the servicer. The servicer must document in the servicing loan file its compliance with all Fannie Mae policies and procedures, including timelines that are required by the *Servicing Guide*. The servicer and the responsible party must keep all of the individual loan records and all servicing records for the time it serviced the loan.

General Requirements for Records

The seller/servicer must:

- maintain the accounting records relating to loans in accordance with sound and generally accepted accounting principles;
- ensure that the records meet Fannie Mae's requirements;
- ensure the accuracy, security, confidentiality, integrity, completeness and legibility of the individual loan file;
- protect against any anticipated threats or hazards to the security or integrity of files and records;
- protect against unauthorized access to or use of files and records and is responsible for requiring, by contract, that any subservicers or other third parties that access mortgage files and records also implement these measures;
- periodically review changes in technology to make sure that all records continue to be obtainable and readable in the future.

The following table describes Fannie Mae's general rights related to it audit of records.

GENERAL REQUIREMENTS FOR AUDITS OF RECORDS	
Topic	Description
Right to Audit	Fannie Mae may examine and audit, at any reasonable time, all loan records and other information that Fannie Mae considers necessary to ensure that the seller/servicer is complying with Fannie Mae requirements.

GENERAL REQUIREMENTS FOR AUDITS OF RECORDS	
Topic	**Description**
Delivery of Records	• When Fannie Mae sends a written request to a seller/servicer to examine mortgage records, the seller/servicer must deliver all records to Fannie Mae or to whomever Fannie Mae designates within the time frame specified by Fannie Mae. • Fannie Mae will not execute any trust receipts for documents it requests and will not pay for their delivery. If the seller/servicer is retaining any of the records in a format other than paper, the seller/servicer must reproduce them at it own expense. • If Fannie Mae has only a participation interest in a loan, Fannie Mae will provide proof of its ownership interest upon request. • If the seller/servicer is unable to respond to Fannie Mae's request to produce records in a timely manner, the seller/servicer must provide a reasonable explanation for its failure to produce the records and, if appropriate, offer evidence that it has satisfied any requirement about which Fannie Mae is concerned. • The seller/servicer is responsible for all Fannie Mae Losses incurred by Fannie Mae in enforcing its right of access to the records, unless it is determined that Fannie Mae had no legal right of access.
Audit Activities	Fannie Mae's examination and audit of the seller/servicer's records may consist of • monitoring all monthly accounting reports submitted to Fannie Mae; • conducting periodic procedural reviews during visits to the seller/servicer's office or the document custodian's place of business; • conducting in-depth audits of the seller/servicer's internal records and operating procedures; and • performing spot-check reviews of loans in the seller/servicer's portfolio on a random sample basis.

Record Retention Requirements

The following table describes the record retention requirements for certain types of records.

RECORD RETENTION REQUIREMENTS	
Type of Record	**Requirements**
Loan payment records	The servicer must maintain permanent mortgage account records for each loan it services for Fannie Mae. The records must be identified by Fannie Mae's loan number (and any related participation certificate or MBS pool number) in addition to any other identification the servicer uses. The servicer may develop its own system for maintaining these records, as long as it can produce an account transcript within a reasonable time after it is requested. The servicer's accounting system must be able to produce detailed information for the following: • all transactions that affect the loan balance, • the financial status of the loan, and • any overdrafts in the escrow account.
Accounting reports	Unless instructed otherwise, the servicer may destroy any accounting reports 18 months after such reports are filed with Fannie Mae.
Annual Statement of Eligibility for Document Custodians (Form 2001)	A servicer that is also a Fannie Mae document custodian must maintain a copy of Form 2001 for seven years at all locations that are covered by the completed form and ensure that they are available for on-site reviews.
Records related to HAMP	The servicer must retain: • all documents and information evidencing the complete evaluation of a borrower for HAMP for seven years after document collection or four years after loan liquidation, whichever is later; and • all data, books, reports, documents, audit logs, and records, related to HAMP, and a copy of all computer systems and application software necessary to review and analyze any electronic records for at least four years, or for such longer period as may be required by applicable law.

RECORD RETENTION REQUIREMENTS	
Type of Record	**Requirements**
Records related to 2MP	The servicer must retain: • all documents and information evidencing compliance with our requirements when evaluating a borrower for 2MP, for seven years after document collection or for four years after loan liquidation, whichever is later; • all documents and information related to the monthly payments during and after any trial period, as well as incentive payment calculation and such other required documents; and • detailed records to document the reason(s) for any trial loan modification failure.
Records related to bankruptcy or foreclosure proceedings	• The servicer must retain all of the documents required to be included in the individual loan file and must ensure that they are readily accessible if needed in any bankruptcy or foreclosure proceeding, or for any other purpose in connection with the servicing of the loan. • The servicer may hold copies if originals are not required, while originals have been sent for filing but have not yet been returned, or while the originals are otherwise temporarily out of the seller/servicer's possession.
Expense reimbursement claims	The servicer must retain in the loan servicing file all supporting documentation for all requests for expense reimbursement.
Liquidation records	After a loan is liquidated, the servicer must keep the individual loan records for at least four years, unless the local jurisdiction requires longer retention or Fannie Mae specifies that the records must be retained for a longer period.
Records related to repurchase or reimbursement	If a loan or property is repurchased or a make whole payment remitted, the responsible party must keep the individual loan records for at least four years from loan liquidation unless applicable law requires longer retention or Fannie Mae specifies that the records must be retained for a longer period.

Note: The time frame from loan liquidation is measured from the date of the loan payoff or the date that any applicable claim proceeds are received, whichever is later.

For eMortgages, the seller/servicer must follow the record retention requirements for the type of record described in the table immediately above, if applicable, and the requirements for storing mortgage loan files and records as described in A2-5.1-03, Electronic Records, Signatures, and Transactions (10/31/2017)

Related Announcements

The table below provides references to the Announcements that have been issued that are related to this topic.

Announcement	Issue Date
Announcement SEL-2017-10	December 19, 2017
Announcement SEL-2017-05	May 30, 2017
Announcement SEL-2015–09	August 25, 2015
Announcement SEL-2015–07	June 30, 2015
Announcement SEL-2012–13	November 13, 2012
Announcement SEL-2011–04	May 24, 2011
Announcement SEL-2010–10	August 12, 2010
Announcement 09-19	June 8, 2009

A2-5.1-03, Electronic Records, Signatures, and Transactions (10/31/2017)

Introduction

This topic contains information on electronic records, including:

- Electronic Records
- Electronic Signatures
- Electronic Notarizations
- Electronic Transactions with Fannie Mae
- Electronic Transactions with Third Parties

Announcements	Issue Date
Announcement SVC-2017-07	August 16, 2017
Announcement SVC-2016-04	May 11, 2016

A1-1-03, Evaluating a Servicer's Performance (11/25/2015)

Introduction

This topic contains the following:

- Performance Management Framework Overview
- Servicing Performance Categories
- Evaluating Performance
- Implementing Performance Improvement Plans

Performance Management Framework Overview

In order to determine the servicer's compliance with its servicing duties under the Lender Contract, Fannie Mae measures the servicer's performance utilizing various performance metrics, which may include servicer reviews and the STAR™ Program for those servicers (also refers to a subservicer if there is a subservicing arrangement) which Fannie Mae has identified for inclusion in the Program.

Servicers selected to participate in the STAR Program will receive written notification from Fannie Mae prior to being added into the program.

The STAR Program is one of Fannie Mae's performance management frameworks designed to determine the servicer's overall performance based on operational assessments and scorecards. The STAR Reference Guide serves as implementation guidance for servicers. The STAR Reference Guide is located on Fannie Mae's website on the STAR Program page and is incorporated herein by reference. Fannie Mae may change the STAR Reference Guide from time to time.

Servicing Performance Categories

Operational assessments and servicer reviews measure the servicer's performance based on key criteria in certain servicer performance categories, which may include, but are not limited to the following:

- customer service;

- escrow administration;
- property, flood, and MI;
- collections;
- loss mitigation;
- investor relations/reporting;
- mortgage loan payment processing;
- bankruptcy, foreclosure, and REO management;
- data integrity;
- delinquency and annual financial and management reporting;
- document custody and record retention;
- remitting; and
- accounting and reporting.

Fannie Mae reserves the right, from time to time, to

- amend the performance criteria,
- modify how the results are determined, and
- revise the content of the performance metrics.

Fannie Mae may also communicate individual performance targets which may not be included in the STAR Program operational assessments and scorecards. Fannie Mae must regularly monitor each servicer's performance.

Evaluating Performance

Fannie Mae considers many factors when it evaluates whether the servicer's overall performance is acceptable, including, without limitation, the following:

- trends in performance,
- adequacy of staffing,
- compliance reviews and audits,
- STAR Program results,
- mortgage loan file reviews,
- timeliness of its payment obligations, and
- overall compliance with the requirements of the Lender Contract.

Unacceptable performance, including unacceptable STAR Program results, may result in a performance improvement plan. Fannie Mae reserves the right to terminate the servicer's Lender Contract in whole or in part, including its selling and/or servicing arrangement at any time with or without cause, in accordance with the Lender Contract.

Implementing Performance Improvement Plans

Fannie Mae expects all servicers to service all mortgage loans in full compliance with the Lender Contract. The servicer's performance may be measured by Fannie Mae through any number of servicing quality and compliance reviews, including the STAR Program, servicer reviews, as well as, timely payment of its obligations, compliance with the *Servicing Guide*, and other key performance metrics.

Servicers with unacceptable performance may be subject to a performance improvement plan issued by Fannie Mae.

Performance improvement plans may require the servicer to take actions and/or meet targets within defined time frames in order to remedy servicing deficiencies, which may include one or more of the following areas:

- customer service;
- escrow administration;
- property, flood, and MI;
- collections;
- loss mitigation;
- investor relations/reporting;
- mortgage payment processing, remitting, accounting and reporting;
- bankruptcy, foreclosure and REO management;
- data integrity;
- delinquency and annual financial and management reporting; and
- document custody and record retention.

The failure of the servicer to meet the terms of its performance improvement plan, including any timeline requirements for the performance improvement, constitutes a breach of the Lender Contract and may result in Fannie Mae terminating the servicer's selling and/or servicing approvals in whole or in part or taking other appropriate actions under its Lender Contract.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC–2015–14	November 25, 2015

A2-1-03, Execution of Legal Documents (11/12/2014)

Introduction

The servicer ordinarily appears in the land records as the mortgagee to facilitate performance of the servicer's contractual responsibilities, including, but not limited to, the receipt of legal notices that may impact Fannie Mae's lien, such as notices of foreclosure, tax, and other liens. However, Fannie Mae may take any and all action with respect to the mortgage loan it deems necessary to protect its or an MBS trust's ownership of the mortgage loan, including recording an assignment of mortgage, or its legal equivalent, from the servicer to Fannie Mae or its designee. In the event that Fannie Mae determines it necessary to record such an instrument, the servicer must assist Fannie Mae by

- preparing and recording any required documentation, such as assignments of mortgages, powers of attorney, or affidavits; and
- providing recordation information for the affected mortgage loans.

The servicer must follow the procedures in F-1-10, Obtaining and Executing Legal Documents (05/10/2017) when sending documents for Fannie Mae's execution.

The servicer is authorized to execute legal documents related to payoffs, foreclosures, releases of liability, releases of security, mortgage loan modifications, subordinations, assignments of mortgages, and conveyances (or reconveyances) for any mortgage loan for which it (or MERS®) is the owner of record. When an instrument of record requires the use of an address for Fannie Mae, including assignments of mortgages, foreclosure deeds, REO deeds, and lien releases, the servicer must follow the procedures in *Fannie Mae Contacts for Document Execution Requests* in F-1-10, Obtaining and Executing Legal Documents (05/10/2017) to locate the appropriate address.

This topic contains the following:

- Fannie Mae's Limited Power of Attorney to Execute Documents
- Correcting Conveyances to Fannie Mae

Fannie Mae's Limited Power of Attorney to Execute Documents

When Fannie Mae is the owner of record for a mortgage loan, it permits the servicer that has Fannie Mae's LPOA to execute certain types of legal documents on Fannie Mae's behalf. The servicer must have an LPOA in place to be authorized to execute the following legal documents on behalf of Fannie Mae:

- full satisfaction or release of a mortgage or the request to a trustee for a full reconveyance of a deed of trust;
- partial release or discharge of a mortgage or the request to a trustee for a partial reconveyance or discharge of a deed of trust;
- modification or extension of a mortgage or deed of trust;
- subordination of the lien of a mortgage or deed of trust;

- completion, termination, cancellation, or rescission of foreclosure relating to a mortgage or deed of trust, including, but not limited to, the following actions:
  - the appointment of a successor or substitute trustee under a deed of trust, in accordance with state law and the deed of trust;
  - the issuance or cancellation or rescission of notices of default;
  - the cancellation or rescission of notices of sale; and
  - the issuance of such other documents as may be necessary under the terms of the mortgage, deed of trust, or state law to expeditiously complete said transactions, including, but not limited to, assignments or endorsements of mortgages, deeds of trust, or promissory notes to convey title from Fannie Mae to the Attorney-in-Fact under this LPOA;
- conveyance of properties to FHA, HUD, the VA, RD, or a state or private mortgage insurer; and
- assignments or endorsements of mortgages, deeds of trust, or promissory notes to FHA, HUD, VA, RD, a state or private mortgage insurer, or MERS.

To request an LPOA, the servicer must follow the procedures in *Requesting a Limited Power of Attorney* in F-1-10, Obtaining and Executing Legal Documents (05/10/2017).

If the servicer does not have an LPOA to execute documents on Fannie Mae's behalf, or has a power of attorney that does not authorize it to execute documents for a specific type of transaction, the servicer must send the documents requiring execution in any instance in which Fannie Mae is the owner of record for the mortgage loan by email, when permitted. If, however, an original document must be executed by Fannie Mae, the servicer must send the document by regular or overnight mail. The servicer must follow the procedures in *Fannie Mae Contacts for Document Execution Requests* in F-1-10, Obtaining and Executing Legal Documents (05/10/2017) for instructions in sending documents to Fannie Mae.

Correcting Conveyances to Fannie Mae

The servicer must execute a quitclaim deed for properties that have been conveyed in error to Fannie Mae. The servicer must follow all procedures in F-1-10, Obtaining and Executing Legal Documents (05/10/2017) when preparing the reconveyance quitclaim deed. A quitclaim deed is an instrument of conveyance of real property that passes whatever title, claim, or interest that the grantor has in the property, but does not make any representations as to the validity of such title. A quitclaim deed is not a guarantee that the grantor has clear title to the property; rather it is a relinquishment of the grantor's rights, if any, in the property. The holder of a quitclaim deed receives only the interest owned by the person conveying the deed.

Fannie Mae will execute the quitclaim deed only if the servicer has prepared the document to quitclaim or assign back to the previous grantor or assignor. The servicer must send the request for quitclaim deed execution to Fannie Mae as described in *Submitting a Reconveyance Quitclaim Deed* in F-1-10, Obtaining and Executing Legal Documents (05/10/2017).

A2-1-04, Note Holder Status for Legal Proceedings Conducted in the Servicer's Name (06/21/2017)

Introduction

Fannie Mae is at all times the owner of the mortgage note, whether the mortgage loan is in Fannie Mae's portfolio or part of the MBS pool. In addition, Fannie Mae at all times has possession of and is the holder of the mortgage note, whether Fannie May has direct possession of the note or a custodian has custody of the note, except in the limited circumstances expressly described in this topic.

This topic contains the following:

- Temporary Possession by the Servicer
- Physical Possession of the Note by the Servicer
- Reversion of Possession to Fannie Mae

Temporary Possession by the Servicer

In order to ensure that a servicer is able to perform the services and duties incident to the servicing of the mortgage loan, Fannie Mae temporarily gives the servicer possession of the mortgage note whenever the servicer, acting in its own name, represents the interests of Fannie Mae in foreclosure actions, bankruptcy cases, probate proceedings, or other legal proceedings.

This temporary transfer of possession occurs automatically and immediately upon the commencement of the servicer's representation, in its name, of Fannie Mae's interests in the foreclosure, bankruptcy, probate, or other legal proceeding.

When Fannie Mae transfers possession, if the note is held by a document custodian on Fannie Mae's behalf, the custodian has possession of the note on behalf of the servicer so that the servicer has constructive possession of the note and the servicer shall be the holder of the note and is authorized and entitled to enforce the note in the name of the servicer for Fannie Mae's benefit.

If the servicer determines based on state law that it needs to be the holder of an eNote prior to representing the interests of Fannie Mae in a foreclosure, bankruptcy, or other legal proceeding, the servicer must follow the procedures in *Foreclosure, Bankruptcy and Other Legal Proceedings* in F-1-33, Servicing eMortgages (10/19/2016) to request a transfer in control and location from Fannie Mae.

Physical Possession of the Note by the Servicer

In most cases, the servicer will have a copy of the mortgage note. If the servicer determines that it needs physical possession of the original mortgage note to represent the interests of Fannie Mae in a foreclosure, bankruptcy, probate, or other legal proceeding, the servicer may obtain physical possession of the original mortgage note by submitting a request directly to the document custodian.

If Fannie Mae possesses the original note through a third-party document custodian that has custody of the note, the servicer must submit a *Request for Release/Return of Documents* (*Form 2009*) to Fannie Mae's custodian to obtain the note and any other custodial documents that are needed.

In either case, the servicer must specify whether the original note is required or whether the request is for a copy.

For eMortgages, if the eNote is not acceptable in its electronic form for a foreclosure, bankruptcy, or other legal proceeding, the servicer is authorized to use a printed Authoritative Copy of the eNote for the legal proceeding or action.

Reversion of Possession to Fannie Mae

At the conclusion of the servicer's representation of Fannie Mae's interests in the foreclosure, bankruptcy, probate, or other legal proceeding, or upon the servicer ceasing to service the loan for any reason, possession automatically reverts to Fannie Mae, and Fannie Mae resumes being the holder for itself, just as it was before the foreclosure, bankruptcy, probate, or other legal proceeding. If the servicer has obtained physical possession of the original note, it must be returned to Fannie Mae or the document custodian, as applicable.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2017-05	June 21, 2017
Announcement SVC-2016–09	October 19, 2016

A2-1-05, Use of Fannie Mae Trademarks (08/16/2017)

Introduction

For a list of trademarks currently used by Fannie Mae and requirements on how to refer to them, see Selling Guide A2-6-01, Fannie Mae and Trademarks and *Fannie Mae's website*.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcement	Date
Announcement SVC-2017-07	August 16, 2017

Chapter A2-4, Fannie Mae's Quality Control Review

Fannie Mae's Quality Control Review

Introduction

This chapter contains information on Fannie Mae's quality control review.

In This Chapter

This chapter contains the following topic:

A2-4-01, Quality Control Reviews (08/17/2016) 100

A2-4-01, Quality Control Reviews (08/17/2016)

Introduction

Fannie Mae may review mortgage loans it has purchased or securitized (including those with early payment defaults, those that have been foreclosed, as well as any other mortgage loan) to ensure that its underwriting, eligibility, and servicing requirements have been met.

When Fannie Mae's quality assurance risk assessment identifies a mortgage loan as having a higher degree of risk, Fannie Mae may perform a post-foreclosure full file QC review to evaluate the seller/servicer's initial underwriting of the mortgage loan and, if applicable, the actions the seller/servicer took in servicing the mortgage loan. In such cases, Fannie Mae will notify the seller/servicer about the type of review Fannie Mae will perform and the scope of the review.

This topic contains the following:

- Notification of a Quality Control Review
- Timely Delivery of Individual Mortgage Loan Files
- Document Submission Requirements
- Fannie Mae's Quality Control Review
- Requirements Specific for Servicing Quality Control Reviews
- Fannie Mae Quality Control Report

- Appeal of Fannie Mae QC Review Decisions
- Servicing Review File Requirements
- Underwriting or Servicing Reviews of Acquired Properties

Notification of a Quality Control Review

The seller/servicer is notified which mortgage loans Fannie Mae has selected for review via written or electronic notification. Electronic notification will be delivered via QAS if the seller/servicer has signed up for it.

Timely Delivery of Individual Mortgage Loan Files

The seller/servicer must send the requested documentation for an underwriting or servicing review so that Fannie Mae receives the review file within 30 days after Fannie Mae notifies the seller/servicer that it has selected a mortgage loan for review. Fannie Mae, in its sole discretion, may request the documentation in a shorter or longer period of time based upon circumstances at the time.

Fannie Mae will make every effort to work with the seller/servicer when extenuating circumstances prevent it from delivering documentation in a timely manner. However, if a seller/servicer delays in providing the requested information, Fannie Mae, in its sole discretion, reserves the right to require indemnification, repurchase (depending on the circumstances of the individual case) of these mortgage loans, or other alternatives. When a seller/servicer has a pattern of extensive delays or unresponsiveness, Fannie Mae may consider this a breach of contract and consider other actions against the seller/servicer, up to and including termination.

Document Submission Requirements

The seller and servicer must maintain a complete individual mortgage loan file and be able to produce copies of the complete individual mortgage loan file upon Fannie Mae's request. The servicing review file must include supporting documents for all *requests for expense reimbursement* it has submitted or intends to submit to Fannie Mae (for example, vendor invoices and third-party invoices from the vendor rendering services), in addition to other servicing and liquidation information such as

- property inspection reports,
- copies of delinquency repayment plans,
- copies of disclosures of ARM loan interest rate and payment changes,
- documents related to insurance loss settlements, and
- foreclosure records, as stated in the *Servicing Guide*.

In all instances, the servicer must document its compliance with all Fannie Mae policies and procedures, including, but not limited to, timelines that are required by the *Servicing Guide*. The servicer must maintain in the individual mortgage loan file all documents and system records that preserve Fannie Mae's ownership interest in the individual mortgage loan.

The seller/servicer must package the requested documentation requested by Fannie Mae. When Fannie Mae requests both a mortgage loan origination and a mortgage loan servicing file, the seller/servicer may package the material as a single file

(with the origination and servicing documentation separated and clearly labeled within the file) or as two separate files that are packaged together (with one file identified as the "origination" file and the other identified as the "servicing" file).

The complete mortgage loan file must include clear copies of any required paper documents, not the originals. Paper documents must be sent in a manila folder, with the credit and property documents on the right side and the legal documents on the left side.

If the seller/servicer keeps its files electronically, Fannie Mae must be able to reproduce the documents required in a manner in terms of cost and time frames acceptable to Fannie Mae.

If the seller/servicer wishes to submit files in a form other than paper, it must contact the Fannie Mae's LQC File Receipt and Assignment team (see F-4-03, List of Contacts (11/08/2017)) to ensure that the requested form is compatible with the LQC's systems and processes. The requested files must be sent to Fannie Mae's LQC File Receipt and Assignment team (see F-4-03, List of Contacts (11/08/2017)).

Fannie Mae's Quality Control Review

Fannie Mae has QC policies and procedures in place for its review of performing and non-performing mortgage loans. Fannie Mae uses a statistically valid approach in selecting a random sample of new mortgage loan deliveries for review. The random sample is augmented with targeted, discretionary sampling, which aids in the measurement of the overall quality of mortgage loan deliveries. The QC process evaluates individual mortgage loan files on a comprehensive basis with the primary focus of confirming that mortgage loans meet Fannie Mae's underwriting and eligibility requirements. Fannie Mae will continue to review any servicing files requested with the primary focus of confirming that the mortgage loan has been serviced in accordance with the Lender Contract.

The QC process also provides the seller/servicer with data and feedback about the quality of its mortgage loan origination process. The goal is to engage the seller/servicer in frequent, meaningful exchanges of information about trends in the quality of delivered mortgage loans and to inform the seller/servicer about significant underwriting deficiencies identified through the QC review process. Together, Fannie Mae and its sellers/servicers should share a commitment to improving the quality of mortgage loan originations. Fannie Mae requires that the seller/servicer implement and enforce strong underwriting processes and, if necessary, will work with the seller/servicer to develop action plans to improve origination quality.

Fannie Mae's QC policies are administered by its LQC. The selection process may change at any time to address concerns.

Requirements Specific for Servicing Quality Control Reviews

Fannie Mae will utilize delinquent mortgage loan status code data and other information collected from the servicer during other interactions to identify delays in the default management process. Fannie Mae may elect to perform a servicing review to further evaluate the actions the servicer took in servicing those mortgage loans.

Fannie Mae will notify the servicer of the intention to perform a desk review or an on-site review. The servicer must submit the requested documentation or make it available for an on-site review in the time frame specified in the notification. If the servicer fails to do so, Fannie Mae may exercise available remedies, including compensatory fees, without first reviewing the individual mortgage loan file. The list of documents that must be included in any servicing review file Fannie Mae request are outlined in *Servicing Review File Requirements*.

Fannie Mae will communicate any performance deficiencies noted to the servicer. Unless Fannie Mae elects to immediately terminate the servicer's right to service the mortgage loans, the servicer will be given an opportunity to explain any mitigating circumstances or factors that justify the servicing actions it took or did not take within the time frame specified by Fannie Mae in its communication of the performance deficiencies.

Fannie Mae's evaluation of the actions the servicer took in servicing the mortgage loan will focus primarily on determining whether the servicer took all of the appropriate steps to cure the delinquency or avoid foreclosure (through Fannie Mae's various relief provisions or foreclosure prevention alternatives) and, if a foreclosure could not be avoided, on confirming that the servicer completed the legal actions within Fannie Mae's required time frames.

For the most part, Fannie Mae will rely on various reports that are produced by its automated delinquency and foreclosure prevention management systems to evaluate the servicer's performance. However, when Fannie Mae's analysis of these reports indicates that there is a possibility that the servicer's delinquency management performance is poor or if Fannie Mae believes certain servicing files should be reviewed for other reasons, Fannie Mae may require the servicer to submit a servicing review file for a mortgage loan to Fannie Mae's SF CPM division (see F-4-03, List of Contacts (11/08/2017)).

If Fannie Mae identifies deficiencies in its evaluation of the servicing review file, it will communicate them to the servicer. The servicer, in most instances, will be given an opportunity to explain any mitigating circumstances or factors that justify the servicing actions it took (or did not take).

When the servicer's review identifies significant deficiencies, it may offer to purchase the property from Fannie Mae when it submits the complete individual mortgage loan file (rather than waiting for the results of Fannie Mae's review). Fannie Mae will entertain such offers–as long as they will make Fannie Mae whole and are permitted by the Trust Agreement, if applicable–since Fannie Mae would no longer have to be concerned about the property disposition process.

When Fannie Mae has received the origination and/or servicing review file, it will begin the process of reviewing the file(s) to determine whether the mortgage loan met Fannie Mae's origination, eligibility and/or servicing standards. If Fannie Mae concludes that a repurchase demand should be issued on a mortgage loan pursuant to the origination defect remedies framework, Fannie Mae generally will issue a request for repurchase (calling for the servicer to take title to the property and pay Fannie Mae for its full investment in it). Fannie Mae may, on occasion, give the servicer the option of having Fannie Mae dispose of the property (and agreeing to indemnify Fannie Mae for any loss Fannie Mae incurs in connection with the sale), or require the lender to fully reimburse Fannie Mae for its loss through a demand for a make whole payment in the event that Fannie Mae sells the property or accepts a purchase offer prior to notifying the servicer that the mortgage loan did not meet Fannie Mae's eligibility or underwriting requirements.

In the event the servicing defect identified by Fannie Mae also turns out to be a breach of any provision of any MI policy issued with respect to a mortgage loan, the seller/servicer is not released from any breach of the Lender Contract that may result if the MI company insuring the loan rescinds, cancels, denies, or curtails the MI benefit due to the same or similar acts or omissions that make up the defect.

Fannie Mae Quality Control Report

Fannie Mae provides the seller/servicer with ongoing feedback about their overall QC performance. The feedback identifies defect types, reporting on frequent or common defects, and describes quality trend analyses and significant underwriting deficiencies identified through the QC review process. This information is provided through a variety of methods that range from regular electronic transmissions to more formal periodic discussions.

When Fannie Mae identifies a defective mortgage loan, it may in its sole discretion, impose a condition to retaining the mortgage loan, such as requiring the seller/servicer to agree to an alternative remedy to repurchase. In some cases, as permitted by the Lender Contract, Fannie Mae will issue a repurchase or make whole payment request to the seller/servicer.

The *Servicing Guide* contains timelines by which the seller/servicer must pay Fannie Mae the funds that are due in connection with a demand for a servicing remedy in A1-3-02, Fannie Mae-Initiated Repurchases, Indemnifications, Make Whole Payment Requests and Deferred Payment Obligations (08/17/2016). If the seller/servicer delays in this or has a pattern of unresponsiveness, Fannie Mae may consider this an independent breach of contract and consider other actions against the seller/servicer, up to and including termination.

Certain servicing repurchase alternatives may be available only to certain seller/servicers that are in good standing with Fannie Mae. See *Servicer Responses to a Demand* in A1-3-02, Fannie Mae-Initiated Repurchases, Indemnifications, Make Whole Payment Requests and Deferred Payment Obligations (08/17/2016) for more information.

Appeal of Fannie Mae QC Review Decisions

Fannie Mae maintains processes for the seller/servicer to appeal a demand for a servicing remedy, including an IDR process, in certain instances. See the *Selling Guide* for more information on the origination defect remedies framework appeals process and *Servicer Responses to a Demand* in A1-3-02, Fannie Mae-Initiated Repurchases, Indemnifications, Make Whole Payment Requests and Deferred Payment Obligations (08/17/2016) for more information on the servicing defect remedies framework appeal and escalation processes. A demand for a repurchase servicing remedy or reimbursement may be rescinded or withdrawn because the seller/servicer provides documentation within the time period specified by Fannie Mae (when Fannie Mae determines that a breach of the Lender Contract may be corrected).

Servicing Review File Requirements

The following table provides a list of the documentation that must be included in the servicing review file.

✓	The servicer must include in the servicing review file...
	The collection history for the default that led to the foreclosure or mortgage release (including the reason for the default, delinquency notices sent, and copies of borrower's previous payment histories).
	A summary of all attempts to develop a workout plan or arrange a workout option, including evidence of any communication with Fannie Mae.
	A bankruptcy tracking log, or a separate report indicating the dates of any bankruptcy filings and the dates that any lifting of a bankruptcy stay was attempted and attained.
	The foreclosure tracking log, or a separate report indicating the date that the case was referred to the foreclosure attorney and the date of the foreclosure sale, as well as summarizing any communications with Fannie Mae about delays in the foreclosure process (including delays resulting from the presence of hazardous waste, natural disasters, massive layoffs, etc.) or departures from standard foreclosure procedures (such as using judicial foreclosure in a power of sale state).
	Any other type of information that is requested, given the type of review.

The outside of the servicing review file must clearly identify the case, as follows:

- servicing file for acquired property;
- mortgage remittance type (A/A, S/A, or S/S);
- servicing option (special or shared risk);
- Fannie Mae mortgage loan number;
- servicer mortgage loan number;
- borrower's name; and
- property address.

Underwriting or Servicing Reviews of Acquired Properties

When Fannie Mae receives an offer to purchase an acquired property that is also subject to an underwriting or servicing review, Fannie Mae may accept the purchase offer without first notifying the servicer, whether or not a final decision has been reached with respect to the review. If, after completion of the review, Fannie Mae determines that the mortgage loan did not meet its eligibility or underwriting requirements and Fannie Mae has incurred a loss by selling the property, the seller/servicer will be required to fully reimburse Fannie Mae for its loss.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC–2016–07	August 17, 2016
Announcement SVC–2015–15	December 16, 2015

Chapter A2-5, Individual Mortgage Loan Files and Records

Individual Mortgage Loan Files and Records

Introduction

This chapter contains information on resources for mortgage loan files and records, including electronic transactions.

In This Chapter

This chapter contains the following topics:

A2-5-01, Ownership and Retention of Individual Mortgage Loan Files and Records (12/13/2017) 106

A2-5-01, Ownership and Retention of Individual Mortgage Loan Files and Records (12/13/2017)

See the *Selling Guide* Chapter A2-5: Individual Mortgage Loan Files and Records for the following requirements:

- *Selling Guide* A2-5.1-01, Establishing Loan Files for information on documentation requirements and managing the individual loan file.
- *Selling Guide* A2-5.1-02, Ownership and Retention of Loan Files and Records for information on records retention.
- *Selling Guide* A2-5.1-03, Electronic Records, Signatures, and Transactions for information related to maintaining electronic records and data integrity.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2017-11	December 13, 2017

Chapter A2-8, Mortgage Electronic Registration System

Mortgage Electronic Registration System

Introduction

This chapter contains information on the Mortgage Electronic Registration System.

In This Chapter

This chapter contains the following topic:

A2-8-01, Mortgage Electronic Registration System (11/12/2014) 132

A2-8-01, Mortgage Electronic Registration System (11/12/2014)

Introduction

MERS is an electronic system that assists in the tracking of mortgage loans, servicing rights, and security interests. To initiate the electronic tracking, the seller/servicer assigns a special MERS MIN to the mortgage loan, registers the mortgage loan in MERS and the either

- originates the mortgage loan with MERS appearing in the security instrument as nominee for the beneficiary and its successors and assigns, or
- records an assignment of the mortgage loan to MERS (thus making MERS the mortgagee of record).

This topic contains the following:

- Registration of a Mortgage Loan to MERS
- Naming MERS as the Nominee for the Beneficiary in the Security Instrument
- Termination of the Use of MERS

Registration of a Mortgage Loan to MERS

When a MERS-registered mortgage loan is delivered to Fannie Mae, the seller/servicer reports the MIN on the Loan Schedule (*FRM/GEM Loan Schedule* (*Form 1068*) or *ARM/GPARM Loan Schedule* (*Form 1069*) or on the *Schedule of Mortgages* (*Form 2005*)

The following table outlines the steps that must be taken when a mortgage loan is registered with MERS.

If the mortgage loan is…	Then…
registered with MERS before Fannie Mae purchases it	Fannie Mae will notify MERS to ensure that its records are updated to reflect Fannie Mae's ownership interest in the mortgage loan.
not registered with MERS until after Fannie Mae purchases it	the seller/servicer must report Fannie Mae's ownership when it registers the mortgage loan.

If the seller/servicer encounters a situation where Fannie Mae is the owner of record for a mortgage loan because the original assignment of the mortgage loan to Fannie Mae was recorded in the public records, the seller/servicer must correct the error before it completes the MERS registration by

- preparing an assignment of the mortgage loan from Fannie Mae to MERS,
- sending the assignment to Fannie Mae for execution, and
- recording the assignment in the public records.

Naming MERS as the Nominee for the Beneficiary in the Security Instrument

MERS will have no beneficial interest in the mortgage loan, even if it is named as the nominee for the beneficiary in the security instrument. In addition, the failure of MERS to perform any obligation with respect to a MERS-registered mortgage loan does not relieve the seller/servicer from its responsibility for performing any obligation required by the terms of its Lender Contract.

The following table describes the requirements of the seller/servicer.

✓	The seller/servicer must…
	Accurately and timely prepare and record security instruments, assignments, lien releases, and other documents relating to MERS-registered mortgage loans.
	Take all reasonable steps to ensure that the information on MERS is updated and accurate at all times.
	Be solely responsible for any failure to comply with the provisions of the MERS Member Agreement, Rules, and Procedures and for any liability that it or Fannie Mae incurs as a result of the registration of mortgage loans with MERS or any specific MERS transaction.

Registration of Fannie Mae mortgage loans in MERS (as either assignee or the nominee of the original mortgagee) does not change the seller/servicer's responsibility for complying with all applicable provisions of

- the MSSC;
- Fannie Mae's Guides, as they may be amended from time to time;
- the seller/servicer's Master Agreement;
- any negotiated contract that it has with Fannie Mae, unless Fannie Mae specifies otherwise; or
- any other agreements that are part of the Lender Contract.

Termination of the Use of MERS

If the seller/servicer decides to discontinue the use of MERS, the seller/servicer must request from MERS that the mortgage loan be "deactivated" in MERS. MERS will notify Fannie Mae about the deactivation of any mortgage loan in which it has an interest.

If the seller/servicer's membership in MERS is terminated, the seller/servicer must promptly notify Fannie Mae.

For each MERS-registered mortgage loan that it is servicing for Fannie Mae, the seller/servicer must perform the functions outlined in the following table.

✓	The seller/servicer must…
	Prepare an assignment of the mortgage loan from MERS to itself.
	Have the assignment executed.
	Record the executed assignment in the public land records.
	Prepare in (recordable form) an unrecorded assignment of the mortgage loan from itself to Fannie Mae.
	Submit the original of that assignment to Fannie Mae's DDC or the applicable document custodian.

Section E-1.3, Handling Non-Routine Litigation

E-1.3-01, General Servicer Responsibilities for Non-Routine Matters (11/12/2014)

"Non-routine" litigation generally consists of an action that, regardless of whether Fannie Mae is a party to the proceeding

- seeks monetary damages against Fannie Mae, its officers, directors, or employees;
- challenges the validity, priority, or enforceability of a Fannie Mae mortgage loan or seeks to impair Fannie Mae's interest in an acquired property and the handling of which is not otherwise addressed in the *Servicing Guide*; or
- presents an issue that may pose a significant legal or reputational risk to Fannie Mae.

The following table describes the servicer's responsibilities related to non-routine litigation.

✓	The servicer must...
	Appropriately handle legal matters affecting Fannie Mae mortgage loans.
	Notify Fannie Mae's Legal department of any non-routine litigation by submitting a *Non-Routine Litigation Form* (*Form 20*). **Note**: Fannie Mae reserves the right to direct and control all litigation involving a Fannie Mae mortgage loan, and the servicer and any law firm handling the litigation must cooperate fully with Fannie Mae in the prosecution, defense, or handling of the matter.
	Obtain Fannie Mae's prior written approval before either • removing a case to federal court based on Fannie Mae's Charter, or • appealing or otherwise challenging judgment in any foreclosure or bankruptcy proceeding. **Note**: The servicer must also notify Fannie Mae's Legal department by submitting *Form 20* if a borrower files an appeal or seeks other post-judgment relief in a foreclosure or bankruptcy proceeding.
	Periodically update Fannie Mae on the progress of non-routine litigation as necessary and appropriate.

✓	The servicer must...
	Provide Fannie Mae with sufficient opportunity in advance of any deadline or due date to review and comment upon proposed substantive pleadings, including: • motions, • responses, • replies, and • briefs.
	Notify retained counsel of its proposal to offer any mortgage loan modification and provide counsel with sufficient opportunity in advance of the solicitation to review and provide comments in connection with any solicitation materials. See also *Determining Eligibility for a Fannie Mae Flex Modification* in D2-3.2-12, Fannie Mae Flex Modification (09/13/2017), and *Determining Eligibility for a Fannie Mae Cap and Extend Modification for Disaster Relief* in D2-3.2-10, Fannie Mae Cap and Extend Modification for Disaster Relief (10/19/2016), for eligibility requirements.

Not all contested matters constitute non-routine litigation. The following represent examples that are considered routine litigation and need not be reported to Fannie Mae:

- a contested foreclosure action in which the borrower alleges a case-specific procedural or technical defect in the foreclosure, or
- a contested foreclosure action in which the borrower alleges a case specific payment application claim.

In contrast, a contested foreclosure or bankruptcy action in which a borrower challenges the servicer's ability to conduct a foreclosure or seek relief from stay based on a legal argument that, if upheld, could have broader application to other Fannie Mae mortgage loans is non- routine litigation because of the potential for negative legal precedent to extend beyond the immediate case.

In order to assist the servicer in identifying non-routine litigation, the following table lists the categories of non-routine litigation and provides examples of matters that must be reported to Fannie Mae as non-routine litigation. Given the evolving nature of default-related litigation, it is not possible to provide an exhaustive list.

Non-Routine Category	Examples
Actions that seek monetary relief against Fannie Mae.	Any claim (including counterclaims, cross- claims, or third-party claims in foreclosure or bankruptcy actions) for damages against Fannie Mae or its officers, directors, or employees.

Non-Routine Category	Examples
Actions that challenge the validity, priority, or enforceability of a Fannie Mae mortgage loan or seek to impair Fannie Mae's interest in an acquired property.	An action seeking to demolish a property as a result of a code violation; An action seeking to avoid a lien based on a failure to comply with a law or regulation; An attempt by another lienholder to assert priority over Fannie Mae's lien or extinguish Fannie Mae's interests; A quiet title action seeking to declare Fannie Mae's lien void; or An attempt by a borrower to effect a cramdown of a mortgage loan in bankruptcy as to which Fannie Mae has not delegated authority to the servicer or law firm to address.

Non-Routine Category	Examples
Actions that present an issue that may pose significant legal or reputational risk to Fannie Mae.	Any issue involving Fannie Mae's conservatorship, its conservator FHFA, Fannie Mae's status as a federal instrumentality, or an interpretation of Fannie Mae's Charter; Any contention that Fannie Mae is a federal agency or otherwise part of the United States Government; Any "due process" or other constitutional challenge; Any challenge to the methods by which Fannie Mae does business; Any putative class action involving a Fannie Mae mortgage loan; A challenge to the standing of the servicer to conduct foreclosures or bankruptcies that, if successful, could create negative legal precedent with an impact beyond the immediate case; A challenge to the methods by which MERS does business or to its ability to act as nominee under a mortgage; Any "show cause orders" or motions for sanctions relating to a Fannie Mae mortgage loan, whether against Fannie Mae, the servicer, a law firm, or a vendor of the servicer or law firm; Any foreclosure on Native American tribal lands; Any environmental litigation relating to a Fannie Mae loan; A need to foreclose judicially in a state where non-judicial foreclosures predominate; Any claim invoking a Fannie Mae HAMP as a basis to challenge a foreclosure; Any cross-border insolvency proceeding under Chapter 15 of the Bankruptcy Code; Any claim of predatory lending or discrimination in loan origination or servicing; or Any claim implicating the interpretation of the terms of the Fannie Mae/Freddie Mac Uniform Mortgage Instruments.

E-1.3-02, Reporting Non-Routine Litigation to Fannie Mae (11/12/2014)

Non-routine litigation must be reported to Fannie Mae within two business days of the servicer receiving notice of the litigation, except with respect to the following three categories of loan-level challenges:

- a challenge to the standing of the servicer to conduct foreclosures or bankruptcies that, if successful, could create negative legal precedent with an impact beyond the immediate case;
- a challenge to the methods by which MERS does business or its ability to act as nominee under a mortgage; or
- any claim invoking HAMP as a basis to challenge a foreclosure.

With respect to these three categories of loan-level challenges, it is not necessary for the servicer to notify Fannie Mae until

- the borrower seeks summary judgment on such a challenge,
- briefing is required in response to such a challenge, or
- the issue is expected to be raised at a scheduled trial.

E-1.3-03, Reporting “Legal Filings” to MERS (11/12/2014)

Rule 14 of the MERS System Rules of Membership imposes notification requirements concerning “Legal Filings” that raise certain MERS-related challenges. The servicer is responsible for ensuring any notification required under MERS Rule 14 is provided to MERSCORP Holdings, Inc., and also immediately to Fannie Mae’s Single Family Legal department (see F-4-03, List of Contacts (11/08/2017)).

Section E-3.1, Foreclosure Proceedings in General

E-3.1-01, General Servicing Requirements Related to Foreclosure Proceedings (11/12/2014)

This chapter provides Fannie Mae's requirements and policies for conducting foreclosure proceedings for Fannie Mae mortgage loans.

Fannie Mae sets out those instances when its requirements vary for any particular

- lien type,
- amortization method,
- remittance type,
- servicing option,
- mortgage loan type, or
- ownership interest.

Absent any restrictive language, the same policy or requirement applies for all mortgage loans Fannie Mae has purchased or securitized as standard transactions.

Occasionally, Fannie Mae may address the need for a special servicing option MBS mortgage loan to be handled in a different manner than other mortgage loans serviced for Fannie Mae. Under no circumstances should the servicer of a regular servicing option MBS mortgage loan interpret the content of this chapter as relieving it of its responsibilities and obligations for conducting the foreclosure proceedings and disposing of the acquired property, including the absorption of all costs and any related losses.

E-3.1-02, Performing Due Diligence Prior to Considering Foreclosure (11/12/2014)

The servicer of a portfolio mortgage loan, a participation pool mortgage loan that Fannie Mae holds in its portfolio, or of a special servicing option MBS loan, must protect Fannie Mae's investment by making every reasonable effort to cure the delinquency through Fannie Mae's various workout options before referring a mortgage loan for foreclosure proceedings. The servicer must complete the actions shown in the following table prior to referring a mortgage loan to foreclosure.

✓	The servicer must...
	Inspect the property and analyze the individual circumstances of the delinquency.
	Diligently investigate mortgage loans originated as investment properties and attempt to determine whether or not the borrower is collecting rental income from the property. If the servicer suspects that the property or any unit(s) of the property is tenant occupied, it must take appropriate action to ascertain the actual occupancy status of the property. This includes completing detailed property inspections and conducting skip tracing.

Note: If the servicer learns of a change in mortgage loan status after referring the mortgage loan to foreclosure, the servicer must promptly notify the law firm of the change. Status changes include:

- occupancy status,
- rental income and amounts,
- tenant information, and
- lease information.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcements SVC-2017-08	September 13, 2017

E-3.1-03, Fannie Mae Address for Instruments of Record (11/12/2014)

When an instrument of record relating to a single-family property requires the use of an address for Fannie Mae, including assignments of mortgages, foreclosure deeds, REO deeds, and lien releases, see F-4-03, List of Contacts (11/08/2017) for the proper address.

E-3.1-04, Addressing a Bankruptcy Filed During Active Foreclosure (11/12/2014)

The servicer must contact the law firm within one business day after it learns of a bankruptcy filing in connection with a mortgage loan that has already been referred to a law firm for foreclosure. See *Required Referral Timelines for Mortgage Loans Previously Referred for Foreclosure* in E-1.2-01, Timing of the Bankruptcy Referral (11/12/2014) for additional requirements.

E-3.2-09, Conducting Foreclosure Proceedings (11/12/2014)

Introduction

This topic contains the following:

- Conducting Foreclosure Proceedings When Fannie Mae Is the Mortgagee of Record
- Conducting Foreclosure Proceedings When the Servicer Is the Mortgagee of Record
- Conducting Foreclosure Proceedings When MERS Is the Mortgagee of Record

Conducting Foreclosure Proceedings When Fannie Mae Is the Mortgagee of Record

The servicer must conduct the foreclosure in Fannie Mae's name when Fannie Mae is the mortgagee of record for all mortgage loans except for regular servicing option MBS mortgage loans that are secured by properties located in Utah or Mississippi. For these mortgage loans, the servicer must request that Fannie Mae reassign the mortgage loan to it so the foreclosure can be completed in the servicer's name.

The servicer must execute any required substitutions of trustees when Fannie Mae has granted the servicer its LPOA to do so on Fannie Mae's behalf. However, if state law or customary practice prohibits an attorney-in-fact from executing substitutions of trustees, the servicer must submit the substitution of trustee documents to Fannie Mae for execution before the foreclosure proceedings begin.

Conducting Foreclosure Proceedings When the Servicer Is the Mortgagee of Record

When the servicer is the mortgagee of record for a mortgage loan, the jurisdiction in which the security property is located will affect how the foreclosure proceedings are conducted or initiated.

In most states, the law firm must initiate the proceedings in the servicer's name when the servicer is the mortgagee of record or in the participating lender's name when the servicer is not the mortgagee of record for a participation pool mortgage loan. The law firm must subsequently have title vested in Fannie Mae's name in a manner that will not result in the imposition of a transfer tax.

The servicer and the law firm must determine the most appropriate method to use in each jurisdiction.

In any state or jurisdiction in which the foreclosure proceedings must be conducted in Fannie Mae's name to prevent the imposition of a transfer tax (such as Rhode Island; New Hampshire; Maine; or Orleans Parish, Louisiana), an assignment of the mortgage or deed of trust to Fannie Mae must be prepared and recorded in a timely manner to avoid any delays in the initiation of the foreclosure proceedings. If the servicer believes that a foreclosure proceeding must be conducted in Fannie Mae's name in any other jurisdiction to prevent the imposition of a transfer tax, the servicer must contact Fannie Mae's Legal department (see F-4-03, List of Contacts (11/08/2017)) for permission to do so.

When Fannie Mae's DDC or third-party document custodian has custody of an original unrecorded assignment of the mortgage to Fannie Mae, the servicer may either

- request return of that document so it can be recorded, or
- prepare a new assignment if doing so will expedite the process.

Once the assignment to Fannie Mae has been recorded, the foreclosure proceedings must be conducted in Fannie Mae's name.

Conducting Foreclosure Proceedings When MERS Is the Mortgagee of Record

The servicer must not name MERS as a plaintiff or foreclosing party in any foreclosure action on a Fannie Mae mortgage loan. When MERS is the mortgagee of record, the servicer must prepare an assignment from MERS to the servicer and bring the foreclosure in its own name unless Fannie Mae specifically allows the foreclosure to be brought in the name of Fannie Mae. In that event, the assignment must be from MERS to Fannie Mae, in care of the servicer at the servicer's address for receipt of notices. The assignment must be prepared and provided to the law firm in the referral package.

Fannie Mae will not reimburse the servicer for any expense incurred in preparing or recording an assignment of the mortgage loan from MERS to the servicer or to Fannie Mae. If the borrower reinstates the mortgage loan prior to completion of the foreclosure proceedings, re-assigning and re-registering the mortgage loan with MERS will be at the discretion and expense of the servicer.

The servicer must consult with the law firm to determine if any other legal requirements apply when conducting foreclosures of mortgage loans in which MERS is the prior mortgagee of record. See *Additional Required Foreclosure Referral Documents* in E-1.1-02, Required Referral Documents (11/12/2014) for additional information regarding MERS and proper assignments.

E-3.2-10, Paying Certain Expenses During the Foreclosure Process (11/12/2014)

The servicer must use any funds remaining in the borrower's escrow deposit account to pay T&I premiums that come due during the foreclosure process. The servicer also may use escrow funds to pay costs for the protection of the security and related foreclosure costs as long as state or local laws, government regulations, or the requirements of the mortgage insurer or guarantor do not preclude the use of escrow funds for these purposes. If the escrow balance is not sufficient to cover these expenses, the servicer must advance its own funds. See also *Advancing Funds to Cover Expenses* in B-1-01, Administering an Escrow Account and Paying Expenses (10/11/2017) for additional information.

E-3.2-11, Collecting Under an Assignment of Rents (08/12/2015)

The servicer must determine whether it is appropriate to pursue collections under the assignment of rents provision, taking into consideration mortgage insurer or guarantor requirements.

If the servicer pursues collections under an assignment of rents provision, it must ensure

- local law allows the mortgagee to collect rents under these circumstances, and
- this action will not create any new rights for the occupant that might impair Fannie Mae's ability to foreclose the mortgage loan at a later date.

Rental income that is collected on a delinquent mortgage loan must be applied in accordance with the terms of the note and security instrument.

The following table provides the servicer with instructions when the mortgage loan is in foreclosure and the servicer is already collecting rental income.

✓	The servicer must…
	Hold any rental income it receives as unapplied funds until the mortgage loan is liquidated.
	Keep a record of rental income collections and disbursements so that they can be considered when the final claim under the MI or guaranty is filed.
	Remit Fannie Mae's share of the rental income to Fannie Mae or deduct it from the amount due to reimburse the servicer for any advances it made.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC–2015–11	August 12, 2015

E-3.2-12, Performing Property Preservation During Foreclosure Proceedings (07/12/2017)

When a mortgage loan is delinquent including throughout the foreclosure process, the servicer must perform all property maintenance functions as necessary to ensure that the condition and appearance of the property are satisfactorily maintained.

The servicer must manage and protect the property until it is conveyed to the insurer or guarantor, or until Fannie Mae assigns that responsibility elsewhere, including when

- a borrower selects an immediate move Mortgage Release and the REOgram is submitted to Fannie Mae, or
- a borrower selects the three-month transition or twelve-month lease.

The servicer must take whatever action is necessary to protect the value of the property in accordance with the *Property Preservation Matrix and Reference Guide*. This includes making sure that no apparent violations of applicable law are occurring on the property (such as violations of laws relating to illegal narcotics and similar substances) and that the property is protected against vandals and the elements.

The servicer must refer to the *Property Preservation Matrix and Reference Guide* for all maintenance work when a mortgage loan is delinquent and the property is vacant or abandoned. When the cost to complete property preservation work will exceed the Fannie Mae allowable, the servicer must submit the request via HomeTracker. The servicer must follow the procedures in *Requesting Fannie Mae Approval for Property Preservation and Maintenance* in F-1-08, Managing Foreclosure Proceedings (07/12/2017), for detailed instructions for submitting a request when it does not have access to HomeTracker.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2017-06	July 12, 2017

E-3.2-13, Addressing Title Defects Generally (12/16/2015)

With respect to each first lien mortgage loan sold to Fannie Mae, the following warranties are made to Fannie Mae:

- the mortgage is a valid and subsisting lien on the property;
- the property is free and clear of all encumbrances and liens having priority over it except for liens for real estate taxes, and liens for special assessments, that are not yet due and payable; and

Document Ownership	Document Execution Submission Without LPOA or Servicer Unable to Execute	For Inquiries OR If Required Delivery Method is Email	Delivery Address when an Original is Required to be Mailed
SF CPM Division	• Quitclaim deeds for properties conveyed in error • Release of liability • Assignments of mortgage • Substitution of trustees • Conveyance or reconveyances of acquired properties • Mortgage Loan Modifications • All other documents	CPM_Servicing_Documents@fanniemae.com	Fannie Mae Attn: SF CPM, Documents P.O. Box 650043, Dallas, TX 75265 or P.O. Box 809007 Dallas, TX 75265
SF CPM, Loss Mitigation Division	Partial Release of Security	partial_releases@fanniemae.com	Fannie Mae SF CPM, Loss Mitigation Department 14221 Dallas Parkway Suite 1000 Dallas, TX 75254

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2017-04	May 10, 2017

F-1-11, Post-Delivery Servicing Transfers (05/10/2017)

Introduction

This Servicing Guide Procedure includes the following:

- Requesting Fannie Mae Approval
- Special Notifications to the Transferee Servicer

- Notifying Third Parties
- Transfer of Individual Mortgage Loan Files and Portfolio Information
- Submission of Final Accounting Reports/Remittances
- Preparing Mortgage Loan Assignments
- Transfer of Custodial Documents

Requesting Fannie Mae Approval

Transfer of Mortgage Loans

As required in *Requesting Fannie Mae Approval* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the servicer must submit the appropriate information to request Fannie Mae's approval of the transfer of servicing, including servicing transfers involving a subservicer.

When requesting approval to transfer servicing, the transferor or transferee servicer or subservicer must submit a fully completed *Request for Approval of Servicing or Subservicing Transfer* (*Form 629*) in an electronic format to the Servicing Transfers group at *servicing_transfers@fanniemae.com*. The submission is required at least 60 days before the earlier of proposed sale or transfer date for servicing transfers, and at least 30 days before the earlier of proposed sale or transfer date for subservicing transfers.

The servicer must include the transfer and sale dates on *Form 629*. The transfer date refers to the date on which the physical transfer of the servicing (or subservicing) responsibilities from the transferor servicer (or subservicer, as the case may be) to the transferee servicer (or subservicer) occurs. It may not necessarily be the same date as the sale date identified in a servicing transfer agreement. The sale date is the date on which the ownership of the servicing rights and the legal liability for the servicing of the Fannie Mae mortgage loans transfer from one servicer to another.

> **Note**: While Fannie Mae requires the transferring parties to identify the sale date associated with a servicing transfer, Fannie Mae's approval will only be issued as to the transfer date.

Special Notifications to the Transferee Servicer

As required in *Obligations of the Transferor and Transferee Servicers* and *Special Notifications to the Transferee Servicer* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the transferor servicer must provide special notification to the transferee servicer when a transfer of servicing includes the following:

- a mortgage loan modified under HAMP and/or 2MP,
- an eMortgage, or
- a mortgage loan subject to resale restrictions regardless of whether the restrictions survive foreclosure or acceptance of a Mortgage Release (deed-in-lieu of foreclosure).

The following table describes additional information that the transferor servicer must provide for a transfer of servicing that involves eMortgages.

✓	The transferor servicer must provide to the transferee servicer...
	A copy of all eNotes included in the transfer via MERS eDelivery or some other mutually agreed-upon means.
	All associated borrower attribution evidence and audit trail information detailing the eClosing event.

When a Servicing Transfer Includes a Mortgage Loan Modified Under HAMP, 2MP, or an eMortgage

For a mortgage loan modified under HAMP/2MP or an eMortgage, the transferor servicer must take the actions described in the following table.

✓	The transferor servicer must...
	Advise the transferee servicer that a mortgage loan modified under HAMP/2MP or an eMortgage is part of the portfolio being transferred.
	Confirm that the transferee servicer • is aware of the special requirements for these mortgage loans, and • agrees to assume the additional responsibilities associated with servicing these mortgage loans.

When a Servicing Transfer Includes a Mortgage Loan Subject to Resale Restrictions

For a mortgage loan subject to resale restrictions, the transferor servicer must take the actions described in the following table.

✓	The transferor servicer must...
	Identify each mortgage loan subject to resale restrictions on *Form 629*.
	Confirm that the transferee servicer is aware of its duties and obligations related to the servicing of a mortgage loan subject to resale restrictions.

Notifying Third Parties

As described in *Notifying Third Parties* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the transferor and transferee servicers must take certain actions to ensure that all servicing functions that involve third parties will continue uninterrupted (or discontinued, if appropriate) after the transfer of servicing.

The following table describes the actions the transferor or transferee servicer must take to ensure that all servicing functions that involve third parties will continue uninterrupted (or discontinued, if appropriate) after the transfer of servicing.

✓	The transferor or transferee servicer must...
	Fulfill all requirements of each MI policy that insures any conventional mortgage loans included in the transfer—including, but not limited to, the requirements for providing timely notification or requesting prior approval—to ensure the continuation of the MI coverage. If the current mortgage insurer will not provide continuing coverage following the servicing transfer, the transferee servicer must find another mortgage insurer to provide MI coverage that is equivalent to the previous coverage—at no increased cost to the borrower or Fannie Mae—and obtain that mortgage insurer's written commitment to provide the required coverage.
	Fulfill all requirements of FHA, VA, RD, or HUD—including, but not limited to, providing timely notification or requesting prior approval—to ensure the continuation of the MI or mortgage loan guaranty, if applicable.
	Notify the hazard, flood, earthquake, other property insurance carriers, as applicable, to request a policy endorsement to substitute the transferee servicer's name in the mortgagee clause and to change the premium billing address to that of the transferee servicer (unless the borrower pays the premium directly).
	Notify any tax or flood service provider and any optional insurance provider (or other products that are providing coverage) that the transferor servicer used for any of the mortgage loans that are being transferred to indicate whether the transferee servicer will continue using its services.
	Send appropriate notices of the transfer of servicing (providing the transferee servicer's name and address) to taxing authorities, holders of leaseholds, HOAs, and other lien holders. **Note**: Any public utilities that levy mandatory assessments for which funds are being escrowed also must be notified.
	Notify any law firm involved in the management of foreclosure or other legal action in connection with the mortgage loans or acquired properties.
	Notify the current document custodian of the pending transfer of servicing and make arrangements for the prompt and safe transfer of the custodial documents to the document custodian designated by the transferee servicer, in accordance with requirements in the *Servicing Guide.*

Transfer of Individual Mortgage Loan Files and Portfolio Information

As described in *Transfer of Individual Mortgage Loan Files and Portfolio Information* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the transferor servicer must deliver specific information to the transferee servicer.

The following table describes the information that must be delivered to the transferee servicer.

✓	The transferor servicer must deliver to the transferee servicer...
	Documentation evidencing each mortgage insurer's approval of the servicing transfer or its commitment to insure the transferred mortgage loans, or a copy of the mortgage insurer's master policy evidencing that it is permissible to transfer servicing of insured mortgage loans without the mortgage insurer's prior approval.
	A list of any conventional mortgage loans that have borrower-paid or lender-purchased MI (identifying the applicable premium rates and the due date of the next premium payment) and an explanation of the premium payment obligations and claim payment procedures that apply to them.
	A list of any eMortgages that are part of the portfolio being transferred.
	Copies of any tax or flood service contracts that will remain in effect, or notification that the contracts will be transferred to the transferee servicer by a tape process.
	A list of tax bills, assessments, property insurance premiums, MIPs, etc. that are due to be paid by the servicer, but that are still unpaid as of the transfer date.
	A list of the expiration dates and premium payment frequencies for property insurance, and MI policies, as applicable, related to each mortgage loan being transferred, whether or not premiums for these policies are escrowed.
	A list of mortgage loans that have optional insurance and other insurance products that will remain in effect.
	A list of mortgage loans that are subject to automatic drafting of the monthly payments.
	A list of ARM loans, showing the plan identification and parameters, the index used, the next interest rate change date, the next payment change date, the dates on which any fixed rate conversion option may be exercised, and the current status of any changes in process.
	Transaction and payment histories for the life of the mortgage loans.
	Trial balances, as of the close of business on the day immediately preceding the transfer date, showing • the remittance type for each mortgage loan (actual/actual, scheduled/actual, or scheduled/scheduled); • the remittance cycle for each MBS mortgage loan (standard, RPM, or MBS Express); • Fannie Mae's applicable ownership interest if it holds only a participation percentage in the mortgage loan; • the applicable pool number for MBS mortgage loans; • delinquencies, foreclosure, bankruptcies, and acquired properties; • transfers of ownership, payoffs, and other exception transactions that are in process, including mortgage loan modification-related transactions; • escrow balances, escrow advances, curtailments, unapplied funds, and loss drafts; and • buydown account balances for mortgage loans subject to temporary interest rate buydown plans.
	A copy of the custodial bank reconciliation for each custodial bank account maintained as of the cutoff date (if the transferor servicer is unable to complete this reconciliation by the transfer date, it should complete the reconciliation as promptly as possible and send it to the transferee servicer within five business days after the transfer date).

✓	The transferor servicer must deliver to the transferee servicer...
	Copies of all investor accounting reports that were filed with Fannie Mae for the three months that immediately precede the cutoff date.
	A reconciliation of any outstanding shortage/surplus balance, if applicable, related to the mortgage loans being transferred as of the last reporting period of Fannie Mae's investor reporting system.
	Definitions of codes used in ledger records, trial balances, or any other documents that are being forwarded to the transferee servicer.
	Escrow analyses.
	All information relating to delinquency management and default prevention.
	Copies of all documents including items held by a document custodian, and all other documents pertinent to servicing the mortgage loans including mortgage loan modification agreements.
	All customer correspondence and responses, including borrower complaints and escalated cases.
	The title policies or alternative title products.
	A list of each mortgage loan that is in the process of foreclosure or for which the borrower has filed bankruptcy, including the Fannie Mae loan number and the name and address of the law firm handling the foreclosure or bankruptcy.
	Information and records for any mortgage loans that are in foreclosure, bankruptcy, or a workout status and for any properties that Fannie Mae acquired by foreclosure or acceptance of a Mortgage Release [(deed-in-lieu of foreclosure) (if Fannie Mae has not sold them by the transfer date)]. **Note**: If the original mortgage loan custodial documents are not part of the individual mortgage loan file that is being transferred, the transferor servicer must provide a list showing the name of the party that is in possession of the original mortgage loan note.
	All pertinent information related to the status of any mortgage loan for which a workout option is being pursued.
	A list of any acquired properties for which it is performing administrative functions, such as paying taxes or performing property maintenance if the responsibilities for these functions will be transferred to the transferee servicer. The list must identify each property by the Fannie Mae loan number and include a history of the transferor servicer's actions from the date the property was acquired (including information about expenditures, receipts, and management and marketing activities) and provide the appropriate documentation.
	Information on any mortgage loan or acquired property being transferred that is the subject of litigation at the time of the transfer, including all records pertaining to such litigation (including court filings, disclosure requests and responses, and preliminary rulings).

Transfer of P&I and T&I Funds

As required in A4-1-02, Establishing Custodial Bank Accounts (04/12/2017), the servicer is responsible for the safekeeping of custodial funds at all times. The transferor servicer must forward to the transferee servicer all P&I and T&I custodial account balances including, but not limited to, the following:

- unremitted P&I collections;
- escrow funds;

- unapplied funds;
- loss drafts;
- accruals on deposit—for example, for the payment of future renewal premiums for lender-purchased MI; and
- buydown funds.

If the transferor servicer has advanced delinquent interest or scheduled P&I to Fannie Mae, the transferee servicer must reimburse the transferor servicer once it receives a final accounting of all monies from the transferor servicer.

All new amounts owed must be paid to the appropriate party promptly, as agreed by the parties.

Submission of Final Accounting Reports/Remittances

As described in *Submission of Final Accounting Reports/Remittances* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the transferor servicer must submit the monthly LAR for the month that includes the transfer date.

In the month of the transfer date, the transferor servicer will be contractually responsible for

- reporting the monthly LAR for all mortgage loan activity processed on the mortgage loans, and
- ensuring that sufficient funds to satisfy that month's remittance obligation are available for drafting on the scheduled remittance date. However, the transferor and transferee servicers may agree that the transferee servicer will make the actual remittance to Fannie Mae.

In the month following the transfer date, the transferee servicer will be responsible for reporting the monthly LAR applicable to the transferred mortgage loans.

The transferor servicer must provide the transferee servicer with copies of its Fannie Mae investor reporting system shortage/surplus reconciliations for the final monthly accounting period for all mortgage loans included in the servicing transfer. The two servicers should agree on how to resolve any differences and reconcile items or funds that are owed Fannie Mae and security holders. (Any questions regarding these issues must be directed to the transferor servicer's Fannie Mae Investor Reporting Representative.)

If, after reconciling the final shortage/surplus balance, the transferor servicer determines that Fannie Mae needs to process a shortage/surplus adjustment, the transferor servicer must send to its Fannie Mae Investor Reporting Representative (see F-4-03, List of Contacts (11/08/2017)) a copy of the final shortage/surplus reconciliation along with adequate documentation to support the requested adjustment. The adjustment must be requested within 30 days after the transfer date. The transferee servicer will be responsible for any Fannie Mae investor reporting system shortages related to mortgage loans included in the transfer that are not promptly resolved by the transferor servicer.

Preparing Mortgage Loan Assignments

As described in *Preparing Mortgage Assignments* in A2-7-03, Post-Delivery Servicing Transfers (05/10/2017), the transferee servicer must prepare and deliver a recorded mortgage assignment to the applicable document custodian for all mortgage loans subject to a transfer of servicing within six months of the transfer date.

Any required assignment that is submitted to the document custodian(s) must be identified by the applicable Fannie Mae loan number and submitted under cover of a transmittal letter that includes the following information:

- the name of the transferor servicer;
- the name of the transferee servicer;
- the number of mortgage loans included in the transfer, as well as the number of mortgage loans for which recordable (but unrecorded) assignments to Fannie Mae have been executed;
- the transfer date; and
- a trial balance of the transferred mortgage loans, which identifies the mortgage loans for which assignments to Fannie Mae are being provided (or, if only a few mortgage loans are being transferred, a list of the transferred mortgage loans for which assignments are being provided).

Fannie Mae is the Owner of Record

A new mortgage loan assignment does not need to be prepared if the assignment to Fannie Mae has been recorded. A mortgage loan for which Fannie Mae is the owner of record would be one of the following:

- a mortgage loan that was delivered to Fannie Mae before it converted to the Fannie Mae investor reporting system in 1984 (regardless of the location of the security property);
- a mortgage loan that is secured by a property located in Mississippi or Utah, if the mortgage loan was delivered to Fannie Mae during the period that Fannie Mae required recorded assignments for a Mississippi mortgage loan (after September 1, 1988, until June 7, 1989) or for a Utah mortgage loan (after September 1, 1988, until October 31, 1991); or
- a mortgage loan for which Fannie Mae requested recordation of the assignment (for any reason) after it purchased or securitized the mortgage loan.

Fannie Mae is Not the Owner of Record and the Mortgage Loan is Not Registered with MERS

An assignment from the transferor servicer to the transferee servicer must be prepared and recorded if an assignment to Fannie Mae has not been recorded for a mortgage loan that is not registered with the MERS. The transferor servicer has full responsibility for recording an assignment from the transferor servicer to the transferee servicer. (Blanket assignments may be used for the assignment, as long as the coverage for each blanket assignment is restricted to a single recording jurisdiction.) Fannie Mae will hold both the transferor servicer and the transferee servicer accountable for ensuring all assignments are prepared and recorded appropriately. An assignment from the transferee servicer to Fannie Mae must be prepared (in recordable form, but not recorded) to replace the one Fannie Mae had originally received from the transferor servicer. This unrecorded assignment from the transferee servicer to Fannie Mae must be an individual assignment. The unrecorded assignment to Fannie Mae must be delivered to the applicable document custodian within six months of the transfer date.

> **Note**: Generally, when a transferred mortgage loan is secured by a property located in Puerto Rico, neither an assignment of the mortgage loan from the transferor servicer to the transferee servicer nor an unrecorded assignment from the transferee servicer to Fannie Mae will need to be prepared and recorded.

Fannie Mae is Not the Owner of Record and the Mortgage Loan is Registered with MERS

Generally, when the servicing of a MERS-registered mortgage loan is transferred to a servicer that is not a MERS member (or to a servicer that elects not to continue the MERS registration for the mortgage loan), Fannie Mae requires

- the transferor servicer to prepare an assignment of the mortgage loan from MERS to the transferee servicer and have it executed and recorded,
- the transferor servicer to “deactivate” the Mortgage Identification Number (MIN) in the MERS system for reason: “Transfer to Non-MERS Status,” and

- the transferee servicer to prepare a recordable (but unrecorded) assignment of the mortgage loan from itself to Fannie Mae and to deliver it to the applicable document custodian.

Transfer of Custodial Documents

If the transferee servicer continues to store the custodial documents with the existing document custodian, it must execute the *Master Custodial Agreement* (*Form 2003*), in accordance with *Fannie Mae's Requirements for Document Custodians.* If the transferee servicer already has a master custodial agreement on file with that document custodian, the transferee servicer must obtain an *MBS Custodian Recertification* (*Form 2002*) in connection with the servicing transfer within six months of the transfer date.

If Fannie Mae's DDC is already holding the custodial documents for the mortgage loans that are being transferred, Fannie Mae will update its records to reflect the new servicer and accept any new unrecorded assignment of the mortgage loan to Fannie Mae from the transferee servicer, if applicable, without charging any additional fees.

The transferee servicer and the transferor servicer must work out appropriate arrangements for paying the costs of transferring the documents and obtaining the required pool recertification in an expeditious manner. MBS pool documents that will be held by a new document custodian or by the transferee servicer must be recertified, and *Form 2002* must be completed and submitted to the transferee servicer's Fannie Mae office within six months of the transfer date.

Custodial Documents for Participation Pool Mortgage Loans

For participation pool mortgage loans that Fannie Mae holds in its portfolio, any original mortgage notes that the transferor servicer has in its possession must be transferred to Fannie Mae's DDC for permanent retention no later than 30 days after the transfer date. To ensure that the transferred documents are appropriately identified, a label showing the Fannie Mae loan number must be affixed to the notes. The documents that are being turned over to Fannie Mae for custody also must be annotated on the trial balance that is submitted to Fannie Mae in connection with the servicing transfer.

Related Announcements

The following table provides references to Announcements that are related to this topic.

Announcements	Issue Date
Announcement SVC-2017-05	June 21, 2017
Announcement SVC-2017-04	May 10, 2017
Announcement SVC-2017–01	January 18, 2017
Announcement SVC–2016–09	October 19, 2016

EXHIBIT C

Inst #: 201305280000641
Fees: $18.00
N/C Fee: $0.00
05/28/2013 08:11:14 AM
Receipt #: 1630761
Requestor:
NATIONWIDE TITLE CLEARING
Recorded By: CYV Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER

I hereby affirm that this document submitted for recording does not contain a social security number.

Signed: _____
NADINE HOMAN
ASST. SECRETARY

Parcel#:178-16-215-068

When Recorded Mail To:
Green Tree Servicing LLC
C/O NTC 2100 Alt. 19 North
Palm Harbor, FL 34683

Loan #: [redacted]

CORPORATE ASSIGNMENT OF DEED OF TRUST

FOR GOOD AND VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged, the undersigned, **MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., AS NOMINEE FOR COUNTRYWIDE HOME LOANS, INC., ITS SUCCESSORS AND ASSIGNS, WHOSE ADDRESS IS PO BOX 2026, FLINT, MI, 48501, (ASSIGNOR),** by these presents does convey, grant, assign, transfer and set over the described Deed of Trust together with all interest secured thereby, all liens, and any rights due or to become due thereon to **GREEN TREE SERVICING LLC, WHOSE ADDRESS IS 7360 SOUTH KYRENE ROAD, T314, TEMPE, AZ 85283 (800)643-0202, A DELAWARE CORPORATION, ITS SUCCESSORS OR ASSIGNS, (ASSIGNEE).**

Said Deed of Trust is dated , made by **CHARLES J. WIGHT AND TARA J. WIGHT** and recorded as Instrument # 20041123-0002449, and/or Book , Page , in the Recorder's office of CLARK County, Nevada.

Dated this 16th day of May in the year 2013
MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., AS NOMINEE FOR COUNTRYWIDE HOME LOANS, INC., ITS SUCCESSORS AND ASSIGNS

By: _____
NADINE HOMAN
ASST. SECRETARY

All Authorized Signatories whose signatures appear above are employed by NTC and have reviewed this document and supporting documentation prior to signing.

GTSAV 20225711 -- FNMA MIN 100015700043943683 MERS PHONE 1-888-679-6377 DOCR T1613055309 [C] EFRMNV1

Parcel#:178-16-215-068
Loan #: [redacted]

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me on this 16th day of May in the year 2013, by Nadine Homan as ASST. SECRETARY for MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., AS NOMINEE FOR COUNTRYWIDE HOME LOANS, INC., ITS SUCCESSORS AND ASSIGNS, who, as such ASST. SECRETARY being authorized to do so, executed the foregoing instrument for the purposes therein contained. He/she/they is (are) personally known to me.

REGINA D. FARRELL- NOTARY PUBLIC
COMM EXPIRES: 3/1/2014

Regina D. Farrell
Notary Public State of Florida
My Commission # DD 966361
Expires March 1, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Document Prepared By: E.Lance/NTC, 2100 Alt. 19 North, Palm Harbor, FL 34683 (800)346-9152
GTSAV 20225711 -- FNMA MIN 100015700043943683 MERS PHONE 1-888-679-6377 DOCR T1613055309 [C] EFRMNV1

EXHIBIT D

Inst #: 201101140001247
Fees: $14.00
N/C Fee: $0.00
01/14/2011 09:05:00 AM
Receipt #: 642767
Requestor:
NORTH AMERICAN TITLE COMPAN
Recorded By: MJM Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN # 178-16-215-068
N64181
Accommodation

NOTICE OF DELINQUENT ASSESSMENT LIEN

In accordance with Nevada Revised Statutes and the Association's declaration of Covenants Conditions and Restrictions (CC&Rs), recorded on January 25, 1991, as instrument number 00894 Book 910125, of the official records of Clark County, Nevada, the Hillpointe Park Maintenance has a lien on the following legally described property.

The property against which the lien is imposed is commonly referred to as 133 Mclaren Street Henderson, NV 89074 and more particularly legally described as: SKYVIEW, PLAT BOOK 47, PAGE 69, LOT 2, BLOCK 2 in the County of Clark.

The owner(s) of record as reflected on the public record as of today's date is (are):
WIGHT, CHARLES J & TARA J

Mailing address(es):
135 Leverett Ave, Statten Island, NY 10308
135 Leverett Ave, Statten Island, NY 10308

*Total amount due through today's date is $1,286.00.

This amount includes late fees, collection fees and interest in the amount of $907.00.

* Additional monies will accrue under this claim at the rate of the claimant's regular assessments or special assessments, plus permissible late charges, costs of collection and interest, accruing after the date of the notice.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Dated: January 11, 2011

Autumn Fesel

By: Autumn Fesel, of Nevada Association Services, Inc., as agent for Hillpointe Park Maintenance.

When Recorded Mail To:
Nevada Association Services, Inc.
TS #N64181
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146
Phone: (702) 804-8885 Toll Free: (888) 627-554

EXHIBIT E

(2)

Inst #: 201109090000728
Fees: $15.00
N/C Fee: $0.00
09/09/2011 09:11:46 AM
Receipt #: 907765
Requestor:
NORTH AMERICAN TITLE COMPAN
Recorded By: GILKS Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN # 178-16-215-068
NAS # N64181
North American Title # 34157
PropertyAddress: 133 Mclaren Street

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER HOMEOWNERS ASSOCIATION LIEN

IMPORTANT NOTICE

WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION and you may have the legal right to bring your account in good standing by paying all your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account. No sale date may be set until ninety (90) days from the date this notice of default was mailed to you. The date this document was mailed to you appears on this notice.

This amount is $2,149.00 as of September 06, 2011 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property or pay other obligations as required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions, the Hillpointe Park Maintenance (the Association) may insist that you do so in order to reinstate your account in good standing. In addition, the Association may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes and hazard insurance premiums.

Upon your request, this office will mail you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your Association may mutually agree in writing prior to the foreclosure sale to, among other things, 1) provide additional time in which to cure the default by transfer of the property or otherwise; 2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your Association permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your Association.

To find out about the amount you must pay, or arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: Nevada Association Services, Inc. on behalf of Hillpointe Park Maintenance, 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146. The phone number is (702) 804-8885 or toll free at (888) 627-5544.

If you have any questions, you should contact a lawyer or the Association which maintains the right of assessment on your property.

NAS # N64181

Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE IS HEREBY GIVEN THAT NEVADA ASSOCIATION SERVICES, INC.

is the duly appointed agent under the previously mentioned Notice of Delinquent Assessment Lien, with the owner(s) as reflected on said lien being WIGHT, CHARLES J & TARA J, dated January 11, 2011, and recorded on January 14, 2011 as instrument number 0001247 Book 20110114 in the official records of Clark County, Nevada, executed by Hillpointe Park Maintenance, hereby declares that a breach of the obligation for which the Covenants Conditions and Restrictions, recorded on January 25, 1991, as instrument number 00894 Book 910125, as security has occurred in that the payments have not been made of homeowner's assessments due from November 01, 2009 and all subsequent homeowner's assessments, monthly or otherwise, less credits and offsets, plus late charges, interest, trustee's fees and costs, attorney's fees and costs and Association fees and costs.

That by reason thereof, the Association has deposited with said agent such documents as the Covenants Conditions and Restrictions and documents evidencing the obligations secured thereby, and declares all sums secured thereby due and payable and elects to cause the property to be sold to satisfy the obligations.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Nevada Associations Services, Inc., whose address is 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146 is authorized by the association to enforce the lien by sale.

Legal_Description: SKYVIEW, PLAT BOOK 47, PAGE 69, LOT 2, BLOCK 2 in the County of Clark

Dated: September 06, 2011

Autumn Fesel

By: Autumn Fesel, of Nevada Association Services, Inc.
on behalf of Hillpointe Park Maintenance

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146
(702) 804-8885
(888) 627-5544

EXHIBIT F

MILES BAUER AFFIDAVIT

State of California }
}ss.
Orange County }

Affiant being first duly sworn, deposes and says:

1. I am a paralegal with the law firm of Miles, Bauer, Bergstrom & Winters, LLP (**Miles Bauer**) in Costa Mesa, California. I am authorized to submit this affidavit on behalf of Miles Bauer.

2. I am over 18 years of age, of sound mind, and capable of making this affidavit.

3. The information in this affidavit is taken from Miles Bauer's business records. I have personal knowledge of Miles Bauer's procedures for creating these records. They are: (a) made at or near the time of the occurrence of the matters recorded by persons with personal knowledge of the information in the business record, or from information transmitted by persons with personal knowledge; (b) kept in the course of Miles Bauer's regularly conducted business activities; and (c) it is the regular practice of Miles Bauer to make such records. I have personal knowledge of Miles Bauer's procedures for creating and maintaining these business records. I personally confirmed that the information in this affidavit is accurate by reading the affidavit and attachments, and checking that the information in this affidavit matches Miles Bauer's records available to me.

4. Bank of America, N.A. (**BANA**) retained Miles Bauer to tender payments to homeowners associations (**HOA**) to satisfy super-priority liens in connection with the following loan:

Loan Number: 8[redacted]5

Borrower(s): Charles and Tara Wight

Property Address: 133 McLaren Street, Henderson, Nevada 89074

5. Miles Bauer maintains records for the loan in connection with tender payments to HOA. As part of my job responsibilities for Miles Bauer, I am familiar with the type of records maintained by Miles Bauer in connection with the loan.

6. Based on Miles Bauer's business records, attached as **Exhibit 1** is a copy of an October 25, 2011 letter from Andrew Pastwick, Esq., an attorney with Miles Bauer, to Hillpointe Park Maintenance, care of Nevada Association Services, Inc.

7. Based on Miles Bauer's business records, I've located no response to the above correspondence.

8. Based on Miles Bauer's business records, attached as **Exhibit 2** is a copy of Statement of Account from Nevada Association Services, Inc. for a different property in the Hillpointe Park Maintenance homeowners' association used by Miles Bauer to determine a good faith payoff estimate.

9. Based on Miles Bauer's business records, attached as **Exhibit 3** is a copy of a December 16, 2011 letter from Rock K. Jung, an attorney with Miles Bauer, to Nevada Association Services, Inc. enclosing a check for $276.75.

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10. Based on Miles Bauer's business records, on December 19, 2011, Nevada Association Services, Inc. refused delivery of the December 16, 2011 letter and the $276.75 check. A copy of the delivery receipt from Miles Bauer's business records is attached as **Exhibit 4**. A copy of the voided check from Miles Bauer's business records is attached as **Exhibit 5**. A copy of a screenshot containing the relevant case management note confirming the check was returned is attached as **Exhibit 6.**

FURTHER DECLARANT SAYETH NOT.

Date: 2/17/15

Declarant Adam Kendis

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached; and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on this 17th day of February, 2015, by Adam Kendis, proved to me on the basis of satisfactory evidence to be
(Name of Signer)

the person who appeared before me.

Signature (Seal)
(Signature of Notary Public)

AMANDA MARIA MENDOZA
Commission # 2078315
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2018

EXHIBIT 1

DOUGLAS E. MILES *
Also Admitted in California and Illinois
RICHARD J. BAUER, JR.*
JEREMY T. BERGSTROM
Also Admitted in Arizona
FRED TIMOTHY WINTERS*
KEENAN E. McCLENAHAN*
MARK T. DOMEYER*
Also Admitted in District of Columbia & Virginia
TAMI S. CROSBY*
L. BRYANT JAQUEZ *
GINA M. CORENA
WAYNE A. RASH *
ROCK K. JUNG
VY T. PHAM *
KRISTA J. NIELSON
HADI R. SEYED-ALI *
JORY C. GARABEDIAN
THOMAS M. MORLAN
Admitted in California
BRIAN H. TRAN *
ANNA A. GHAJAR *
CORI B. JONES *
STEVEN E. STERN
Admitted in Arizona & Illinois
ANDREW H. PASTWICK
Also Admitted in Arizona and California
CATHERINE K. MASON *
CHRISTINE A. CHUNG *
HANH T. NGUYEN *
THOMAS B. SONG *
S. SHELLY RAISZADEH *

MILES, BAUER, BERGSTROM & WINTERS, LLP
ATTORNEYS AT LAW SINCE 1985

2200 Paseo Verde Parkway, Suite 250
Henderson, NV 89052
Phone: (702) 369-5960
Fax: (702) 369-4955

* CALIFORNIA OFFICE
1231 E. DYER ROAD
SUITE 100
SANTA ANA, CA 92705
PHONE (714) 481-9100
FACSIMILE (714) 481-9141

October 25, 2011

SENT VIA FIRST CLASS MAIL

Hillpointe Park Maintenance
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146

Re: *Property Address: 133 McLaren Street, Henderson, NV 89074*
MBBW File No. 11-H1752

Dear Sirs:

This letter is in response to your Notice of Default with regard to the HOA assessments purportedly owed on the above described real property. This firm represents the interests of MERS as nominee for Bank of America, N.A., as successor by merger to BAC Home Loans Servicing, LP (hereinafter "BANA") with regard to these issues. BANA is the beneficiary/servicer of the first and second deed of trust loans secured by the property.

As you know, NRS 116.3116 governs liens against units for assessments. Pursuant to NRS 116.3116:

> The association has a lien on a unit for:
>
> . . .
>
> *any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 are enforceable as assessments under this section*

While the HOA may claim a lien under NRS 116.3102 Subsection (1), Paragraphs (j) through (n) of this Statute clearly provide that such a lien is JUNIOR to first deeds of trust to the extent the lien is for fees and charges imposed for collection and/or attorney fees, collection costs, late fees, service charges and interest. See Subsection 2(b) of NRS 116.3116, which states in pertinent part:

> 2. A lien under this section is prior to all other liens and encumbrances on a unit except:

(b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent…

The lien is also prior to all security interests described in paragraph (b) <u>to the extent of the assessments for common expenses…which would have become due in the absence of acceleration during the 9 months immediately preceding institution of an action to enforce the lien</u>.

Subsection 2b of NRS 116.3116 clearly provides that an HOA lien "is prior to all other liens and encumbrances on a unit except: a first security interest on the unit…" But such a lien is prior to a first security interest to the extent of the assessments for common expenses which would have become due during the 9 months before institution of an action to enforce the lien.

Based on Section 2(b), a portion of your HOA lien is arguably senior to BANA's first deed of trust, specifically the nine months of assessments for common expenses incurred before the date of your notice of delinquent assessment dated September 6, 2011. For purposes of calculating the nine-month period, the trigger date is the date the HOA sought to enforce its lien. It is unclear, based upon the information known to date, what amount the nine months' of common assessments pre-dating the NOD actually are. That amount, whatever it is, is the amount BANA should be required to rightfully pay to fully discharge its obligations to the HOA per NRS 116.3102 and my client hereby offers to pay that sum upon presentation of adequate proof of the same by the HOA.

Please let me know what the status of any HOA lien foreclosure sale is, if any. My client does not want these issues to become further exacerbated by a wrongful HOA sale and it is my client's goal and intent to have these issues resolved as soon as possible. Please refrain from taking further action to enforce this HOA lien until my client and the HOA have had an opportunity to speak to attempt to fully resolve all issues.

Thank you for your time and assistance with this matter. I may be reached by phone directly at (702) 942-0468. Please fax the breakdown of the HOA arrears to my attention at (702) 942-0411. I will be in touch as soon as I've reviewed the same with BANA.

Sincerely,

MILES, BAUER, BERGSTROM & WINTERS, LLP

Andrew Pastwick, Esq.

EXHIBIT 2

Langemann, Carmen
1723 Talon Ave

Hillpointe Park
Account No.: TAL1723
NAS# N 62347

Assessments, Late Fees, Interest, Attorneys Fees & Collection Costs *Dates of Delinquency:04/10-06/11*	**Amount** Present rate	**Amount** Prior rate	**Amount** Prior rate	**Amount** Prior rate	**Amount** Prior rate	**Amount** NAS FEES	**Amount** NAS COSTS
Balance forward	117.25	0.00	0.00	0.00	0.00	0.00	0.00
Quarterly Assessment Amount	92.25	0.00	0.00	0.00	0.00	0.00	0.00
No. of Quarters Delinquent	5	0	0	0	0	0	0
Total Assessments due	461.25	0.00	0.00	0.00	0.00	0.00	0.00
Late fee amount	25.00	0.00	0.00	0.00	0.00	0.00	0.00
No. of Months Late Fees Incurred	6	0	0	0	0	0	0
Total Late Fees due	150.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest due	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Assessment Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Assessment Late Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Assessment Interest Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Violations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mgmt. Co. Intent to Lien	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Management Co.Fee	175.00	0.00	0.00	0.00	0.00	0.00	0.00
Demand Letter	0.00	0.00	0.00	0.00	0.00	135.00	0.00
Notice of Delinquent Assessment Lien	0.00	0.00	0.00	0.00	0.00	325.00	0.00
Release of Notice of Delinquent Assessment Lien	0.00	0.00	0.00	0.00	0.00	30.00	0.00
Certified Mailing	0.00	0.00	0.00	0.00	0.00	72.00	87.30
Recording Costs	0.00	0.00	0.00	0.00	0.00	0.00	57.00
Intent to Notice of Default	0.00	0.00	0.00	0.00	0.00	75.00	0.00
Notice of Default Fees	0.00	0.00	0.00	0.00	0.00	400.00	0.00
Title Report	0.00	0.00	0.00	0.00	0.00	0.00	400.00
Notice of Sale Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Posting & Publication Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postponement of Sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conduct Foreclosure Sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payment Plan Fee	0.00	0.00	0.00	0.00	0.00	30.00	0.00
Payment Plan Breach Letters	0.00	0.00	0.00	0.00	0.00	25.00	0.00
NAS Attorney fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Escrow demand fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Collection on Violations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepare and Record Transfer Deed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Substitution of Agent Doc Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotals	$903.50	$0.00	$0.00	$0.00	$0.00	$1,092.00	$544.30

GRAND TOTAL: $2,163.05

"Nevada Association Services Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose."

Credits & Payments	Date	
Payments to HOA		(150.75)
		(0.00)
		(0.00)
		(0.00)
		(0.00)
		(0.00)
		(0.00)
		(0.00)
Payment to Mgmt Co		(75.00)
Misc Fees Credit		(0.00)
NAS Fees		(135.00)
NAS Costs		(16.00)

EXHIBIT 3

DOUGLAS E. MILES *
Also Admitted in California and Illinois
RICHARD J. BAUER, JR.*
JEREMY T. BERGSTROM
Also Admitted in Arizona
FRED TIMOTHY WINTERS*
KEENAN E. McCLENAHAN*
MARK T. DOMEYER*
Also Admitted in District of Columbia & Virginia
TAMI S. CROSBY*
L. BRYANT JAQUEZ *
GINA M. CORENA
WAYNE A. RASH *
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KRISTA J. NIELSON
HADI R. SEYED-ALI *
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HANH T. NGUYEN *
THOMAS B. SONG *
S. SHELLY RAISZADEH *
SHANNON C. WILLIAMS *
ABTIN SHAKOURI *
LAWRENCE R. BOIVIN *

MILES, BAUER, BERGSTROM & WINTERS, LLP
ATTORNEYS AT LAW SINCE 1985

2200 Paseo Verde Parkway, Suite 250
Henderson, NV 89052
Phone: (702) 369-5960
Fax: (702) 369-4955

* CALIFORNIA OFFICE
1231 E. DYER ROAD
SUITE 100
SANTA ANA, CA 92705
PHONE (714) 481-9100
FACSIMILE (714) 481-9141

December 16, 2011

Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146

Re: *Property Address:* 133 McLaren Street
LOAN #: 8[redacted]5
MBBW File No. 11-H1752

Dear Sir/Madame:

As you may recall, this firm represents the interests of Bank of America, N.A., as successor by merger to BAC Home Loans Servicing, LP (hereinafter "BANA") with regard to the issues set forth herein. It is our understanding that Nevada Association Services (NAS) is now unwilling to provide our office with HOA payoff ledgers due to their concern of violating the Fair Debt Collection Practices Act (FDCPA). According to NAS, the FDCPA applies to NAS and how it conducts its business. Thus, if the homeowner is still the title owner and is a consumer as defined under the FDCPA, NAS is prohibited from supplying us payoff information unless BANA has written authorization from the homeowner.

BANA is the beneficiary/servicer of the first deed of trust loan secured by the property and wishes to satisfy its obligations to the HOA. Please bear in mind that:

NRS 116.3116 governs liens against units for assessments. Pursuant to NRS 116.3116:

The association has a lien on a unit for:

any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 are enforceable as assessments under this section

While the HOA may claim a lien under NRS 116.3102 Subsection (1), Paragraphs (j) through (n) of this Statute clearly provide that such a lien is JUNIOR to first deeds of trust to the extent the lien is for fees and charges imposed for collection and/or attorney fees, collection costs, late fees, service charges and interest. See Subsection 2(b) of NRS 116.3116, which states in pertinent part:

> 2. A lien under this section is prior to all other liens and encumbrances on a unit except:
> (b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent...
> **The lien is also prior to all security interests described in paragraph (b) <u>to the extent of the assessments for common expenses...which would have become due in the absence of acceleration during the 9 months immediately preceding institution of an action to enforce the lien</u>.**

Based on Section 2(b), a portion of your HOA lien is arguably prior to BANA's first deed of trust, specifically the nine months of assessments for common expenses incurred before the date of your notice of delinquent assessment.

Despite your refusal to provide HOA payoff ledgers, our client still wishes to make a good-faith attempt to fulfill BANA's obligations as the 1st lienholder by tendering to NAS an accurate estimate of the Super Priority Amount. This good-faith estimate is based on prior payoff ledgers provided by NAS to our firm regarding the same HOA in question. Thus, assuming that the HOA assessment amounts haven't changed recently, we will be able to give an accurate estimate of the Super-Priority Amount and tender said amount to NAS. Based on the most recent HOA payoff ledger provided by NAS in regards to this particular HOA, we estimate the Super-Priority Amount to be $276.75.

Our client has authorized us to make payment to you in the amount of $276.75 to satisfy its obligations to the HOA as a holder of the first deed of trust against the property. Thus, enclosed you will find a cashier's check made out to NEVADA ASSOCIATION SERVICES in the sum of $276.75, which represents the maximum 9 months worth of delinquent assessments recoverable by an HOA. This is a non-negotiable amount and any endorsement of said cashier's check on your part, whether express or implied, will be strictly construed as an unconditional acceptance on your part of the facts stated herein and express agreement that BANA's financial obligations towards the HOA in regards to the real property located at 133 McLaren Street have now been "paid in full".

Thank you for your prompt attention to this matter. If you have any questions or concerns, I may be reached by phone directly at (702) 942-0412.

Sincerely,

MILES, BAUER, BERGSTROM & WINTERS, LLP

Rock K. Jung, Esq.

Miles, Bauer, Bergstrom & Winters, LLP Trust Acct

11-H1752

Initials: SRN

Payee: NEVADA ASSOCIATION SERVICES,

Check #: 12250

Date: 12/9/2011

Amount: 276.75

Inv. Date	Reference #	Description	Inv. Amount	Case #	Matter Description	Cost Amount
12/9/2011	133Mclaaren	To Cure HOA Deficiency	276.75			

Miles, Bauer, Bergstrom & Winters, LLP
Trust Account
1231 E. Dyer Road, #100
Santa Ana, CA 92705
Phone: (714) 481-9100

Bank of America
1100 N. Green Valley Parkway
Henderson, NV 89074
16-66/1220
1020

11-H1752

Loan # [redacted]5

12250

Date: 12/9/2011

Amount $**** 276.75

Check Void After 90 Days

Pay $******Two Hundred Seventy-Six & 75/100 Dollars
to the order of

NEVADA ASSOCIATION SERVICES, INC.
6224 W. Desert Inn Rd.,Ste. A
Las Vegas, NV 89146

Security features. Details on back.

⑈12250⑈ ⑆122400724⑆ 5010068769 73⑈

EXHIBIT 4

On this day, December 16, 2011, Nevada Association Services, Inc. received: (1) letters accompanying each of the checks listed below that address the purpose of the tender and the effect of accepting said checks *and* (2) the following checks for the following addresses:

Amount	Address	Ref#	MBBW#
$585.00	1816 Winners Cup Drive	M0423	11-H1582
$276.75	133 McLaren Street	N/A	11-H1752
$405.00	3906 Dominus Drive	N/A	11-H1897
$486.00	9110 Greek Palace Avenue	N/A	11-H1528
$780.00	9633 Rancho Palmas Drive	N/A	11-H1558
$231.00	2821 Abaca Court	N/A	11-H1941
$1,125.00	2248 Tall Pine Drive	N/A	11-H1857
$821.25	3525 Discovery Downs Court	N/A	11-H2010

By signing below you acknowledge and confirm receipt of said checks.

RUN # 907
FIRM: MILES, BAUER, BERGSTROM, WINTERS, LLP
ADDR: 8200 WARNO VERDE PKWY. * STE.#250
PH#: 702-369-5960

1118 Fremont St
Las Vegas, NV 89101

ATTN: DATE: 12/16/11

CASE NAME: NO.
DOCUMENTS: CK # $
REF# 1016.11 1145 Limit of Liability: $100.00 per form

☒ Return Copy ☐ Return Original ☐ Call When Completed/Problem (Extra Fee)

1.
2.
3.

RECEIVED
DEC 20 2011
MILES BAUER, BERGSTROM & WINTERS LLP

☐ NEXT DAY ☐ REGULAR ☐ SPECIAL (4 HRS) ☐ EXPEDITED (2 HRS)

☐ DISTRICT
☐ ARB ☐ DISC
☐ M/C ☐ D.A.
☐ JUDGE ☐ INDEX
☐ FAMILY
☐ M/C ☐ D.A.
☐ JUDGE ☐ INDEX
☐ JUSTICE
☐ CIVIL ☐ EVICT
☐ CRIM ☐ S.C.
☐ TRAF ☐ D.A.
☐ MUNI CT
☐ RECORDER
☐ CONSTABLE
☐ SHERIFF
☐ FEDERAL
☐ BANKRUPTCY
☐ SECTRY OF STATE
☐ HEARINGS OFFICER
☐ APPEALS OFFICER

Statute Expires

May be subject to an additional charge.
LAST DATE / / (SPECIFY DATE/TIME)
RETURN DATE / /

Received by
Date Time

☐ NOT COMPLETE DUE TO Per June Geiden
Not Acceptable 12-19-11 HG

EXHIBIT 5

Miles, Bauer, Bergstrom & Winters, LLP Trust Acct

11-H1752

Initials: SRN

Payee: NEVADA ASSOCIATION SERVICES,

Check #: 12250

Date: 12/9/2011 Amount: 276.75

Inv. Date	Reference #	Description	Inv. Amount	Case #	Matter Description	Cost Amount
12/9/2011	133Mclaaren	To Cure HOA Deficiency	276.75			

VOID

Miles, Bauer, Bergstrom & Winters, LLP
Trust Account
1231 E. Dyer Road, #100
Santa Ana, CA 92705
Phone: (714) 481-9100

Bank of America
1100 N. Green Valley Parkway
Henderson, NV 89074
16-66/1220
1020

11-H1752

Loan # 8[redacted]5

12250

Date: 12/9/2011

Amount $**** 276.75

Check Void After 90 Days

Pay $*****Two Hundred Seventy-Six & 75/100 Dollars
to the order of

NEVADA ASSOCIATION SERVICES, INC.
6224 W. Desert Inn Rd.,Ste. A
Las Vegas, NV 89146

RECEIVED

ACCOUNTING

VOID

⑈12250⑈ ⑆122400724⑆ 501006876973⑈

EXHIBIT 6

Matter

File Edit View Help

Matter ID: 11-H1752

Client Sort: BANK OF AMERICA, N.A. (CWF)

Desc.: Wight, Charles & Tara
BANA v. Wight HOA // 178-16-215-068

General | Notes | Billing | Contacts | Matters | Events | Inquiry | Settlement | Civil | Contract Info | Custom | Deed Info | New Invoice

Date | (all)

1/1/2004 | 1/28/2015

10/21/2011: EMF AWB re: New Referral
10/21/2011: RCVD REFERRAL; OPENED 10/21/11
10/25/2011: 10/25 EMT CLIENT WITH INITIAL LETTERS ATTACHED; FU
10/26/2011: EMF AP re: initial letters to borrower & HOA
11/1/2011: EMF Clnt re: 2nd is walk
11/8/2011: EMF AP re: status update, no payoff yet
11/15/2011: 11/8 EMT CLIENT RE HOA UPDATE BUT NO PO; FU 11/22
11/22/2011: 11/22 EMT CLIENT HOA UPDATE WITH ESTIMATED PO
11/23/2011: EMF AP re: status update, NAS file, estimated figures
11/30/2011: EMT Clnt re: attached estimated payoff
12/16/2011: EMF RKJ re: Payoff Funds, 11-H1752, 133 Mclaren St.
12/16/2011: 12/16 CHECK SENT TO HOA; FU 12/28 SEE IF CHECK WAS
12/28/2011: 12/28 CHECK RETURNED; FU 9/7 MONITOR EX PARTE
12/30/2011: EMF AP re: Status of Payoff Funds (Rejected), 11-H1752, 133 McLaren St
1/5/2012: EMT CLNT re: sent invoice
3/14/2012: EMF CLNT re: invoice submitted for payment processing
4/17/2012: EMT Mgmt Co re: check not yet cleared, requesting check be cashed (cc'
9/28/2012: 11-H1752, scanned items from physical file.PDF
1/9/2013: REJECTED FILE; FU 2/21 MONITOR
2/22/2013: REJECTED FILE; FU 3/28 MONITOR
3/28/2013: EMT Lori Garcia w/group 3 invoices
4/1/2013: EMF Clnt re: Close files
4/11/2013: EMF Matt Compton re: will work on closed monitor invoices this week

EXHIBIT G

Inst #: 201310290003584
Fees: $18.00
N/C Fee: $0.00
10/29/2013 03:32:39 PM
Receipt #: 1825707
Requestor:
TITLE SOLUTIONS, INC.
Recorded By: MSH Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER

RECORDING COVER PAGE
(Must be typed or printed clearly in BLACK ink only and avoid printing in the 1" margins of document)

APN# 178-16-215-068

(11 digit Assessor's Parcel Number may be obtained at: http://redrock.co.clark.nv.us/assrrealprop/ownr.aspx)

TITLE OF DOCUMENT
(DO NOT Abbreviate)

Notice of Foreclosure Sale

Document Title on cover page must appear EXACTLY as the first page of the document to be recorded.

RECORDING REQUESTED BY:
Nevada Association Services

RETURN TO: Name Nevada Association Services
Address 6224 W. Desert Inn Road
City/State/Zip Las Vegas, NV 89146

MAIL TAX STATEMENT TO: (Applicable to documents transferring real property)

Name
Address
City/State/Zip

This page provides additional information required by NRS 111.312 Sections 1-2.
An additional recording fee of $1.00 will apply.
To print this document properly—do not use page scaling.

APN # 178-16-215-068
Hillpointe Park Maintenance

NAS # N64181

NOTICE OF FORECLOSURE SALE

WARNING! A SALE OF YOUR PROPERTY IS IMMINENT! UNLESS YOU PAY THE AMOUNT SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE THE SALE DATE. IF YOU HAVE ANY QUESTIONS, PLEASE CALL NEVADA ASSOCIATION SERVICES, INC. AT (702) 804-8885. IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT 1-877-829-9907 IMMEDIATELY.

YOU ARE IN DEFAULT UNDER A DELINQUENT ASSESSMENT LIEN, January 11, 2011. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

NOTICE IS HEREBY GIVEN THAT on 11/22/2013 at 10:00 am at the front entrance to the Nevada Association Services, Inc. 6224 West Desert Inn Road, Las Vegas, Nevada, under the power of sale pursuant to the terms of those certain covenants conditions and restrictions recorded on January 25, 1991 as instrument number 00894 Book 910125 of official records of Clark County, Nevada Association Services, Inc., as duly appointed agent under that certain Delinquent Assessment Lien, recorded on January 14, 2011 as document number 0001247 Book 20110114 of the official records of said county, will sell at public auction to the highest bidder, for lawful money of the United States, all right, title, and interest in the following commonly known property known as: 133 Mclaren Street, Henderson, NV 89074. Said property is legally described as: SKYVIEW, PLAT BOOK 47, PAGE 69, LOT 2, BLOCK 2, official records of Clark County, Nevada.

The owner(s) of said property as of the date of the recording of said lien is purported to be: WIGHT, CHARLES J & TARA J

The undersigned agent disclaims any liability for incorrectness of the street address and other common designations, if any, shown herein. The sale will be made without covenant or warranty, expressed or implied regarding, but not limited to, title or possession, or encumbrances, or obligations to satisfy any secured or unsecured liens. The total amount of the unpaid balance of the obligation secured by the property to be sold and reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Sale is $2,667.87. Payment must be in cash or a cashier's check drawn on a state or national bank, check drawn on a state or federal savings and loan association, savings association or savings bank and authorized to do business in the State of Nevada. The Notice of Default and Election to Sell the described property was recorded on 9/9/2011 as instrument number 0000728 Book 20110909 in the official records of Clark County.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

October 25, 2013

Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146 (702) 804-8885, (888) 627-5544

Elissa Hollander

By: Elissa Hollander, Agent for Association and employee of Nevada Association Services, Inc.

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146

EXHIBIT H

Inst #: 201311260001363
Fees: $18.00 N/C Fee: $25.00
RPTT: $576.30 Ex: #
11/26/2013 10:00:11 AM
Receipt #: 1854985
Requestor:
RESOURCES GROUP
Recorded By: ANI Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

Please mail tax statement and
when recorded mail to:
Saticoy Bay LLC Series 133 McLaren
P.O. Box 36208
Las Vegas, NV 89133

FORECLOSURE DEED

APN # 178-16-215-068
North American Title #45010-11-34157 / N64181

NAS # N64181

The undersigned declares:

Nevada Association Services, Inc., herein called agent (for the Hillpointe Park Maintenance), was the duly appointed agent under that certain Notice of Delinquent Assessment Lien, recorded January 14, 2011 as instrument number 0001247 Book 20110114, in Clark County. The previous owner as reflected on said lien is WIGHT, CHARLES J & TARA J. Nevada Association Services, Inc. as agent for Hillpointe Park Maintenance does hereby grant and convey, but without warranty expressed or implied to: Saticoy Bay LLC Series 133 McLaren (herein called grantee), pursuant to NRS 116.31162, 116.31163 and 116.31164, all its right, title and interest in and to that certain property legally described as: SKYVIEW, PLAT BOOK 47, PAGE 69, LOT 2, BLOCK 2 Clark County

AGENT STATES THAT:
This conveyance is made pursuant to the powers conferred upon agent by Nevada Revised Statutes, the Hillpointe Park Maintenance governing documents (CC&R's) and that certain Notice of Delinquent Assessment Lien, described herein. Default occurred as set forth in a Notice of Default and Election to Sell, recorded on 9/9/2011 as instrument # 0000728 Book 20110909 which was recorded in the office of the recorder of said county. Nevada Association Services, Inc. has complied with all requirements of law including, but not limited to, the elapsing of 90 days, mailing of copies of Notice of Delinquent Assessment and Notice of Default and the posting and publication of the Notice of Sale. Said property was sold by said agent, on behalf of Hillpointe Park Maintenance at public auction on 11/22/2013, at the place indicated on the Notice of Sale. Grantee being the highest bidder at such sale, became the purchaser of said property and paid therefore to said agent the amount bid $10,200.00 in lawful money of the United States, or by satisfaction, pro tanto, of the obligations then secured by the Delinquent Assessment Lien.

Dated: November 25, 2013

Misty Blanchard

By Misty Blanchard, Agent for Association and Employee of Nevada Association Services

STATE OF NEVADA)
COUNTY OF CLARK)

On November 25, 2013, before me, Susana E. Puckett, personally appeared Misty Blanchard personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same in his/her authorized capacity, and that by signing his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and seal.

(Seal)

SUSANA E. PUCKETT
Notary Public, State of Nevada
Appointment No. 11-4965-1
My Appt. Expires April 21, 2015

(Signature)

Susana E Puckett

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)
   a. 178-16-215-068
   b.
   c.
   d.
2. Type of Property:
   a. ☐ Vacant Land b. ☑ Single Fam. Res.
   c. ☐ Condo/Twnhse d. ☐ 2-4 Plex
   e. ☐ Apt. Bldg f. ☐ Comm'l/Ind'l
   g. ☐ Agricultural h. ☐ Mobile Home
   ☐ Other

FOR RECORDERS OPTIONAL USE ONLY
Book_____ Page:_____
Date of Recording: _____
Notes:

3.a. Total Value/Sales Price of Property $ 10,200.00
b. Deed in Lieu of Foreclosure Only (value of property ( )
c. Transfer Tax Value: $ 112,886.00
d. Real Property Transfer Tax Due $ 576.30

4. **If Exemption Claimed:**
   a. Transfer Tax Exemption per NRS 375.090, Section_____
   b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: 100 %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Misty Blanchard Capacity: Agent for HOA/NAS Employee

Signature _____ Capacity: _____

SELLER (GRANTOR) INFORMATION (REQUIRED)
Print Name: Nevada Association Services
Address: 6224 W. Desert Inn Road
City: Las Vegas
State: Nevada Zip: 89146

BUYER (GRANTEE) INFORMATION (REQUIRED)
Print Name: Saticoy Bay LLC Series 133 McLaren
Address: P.O. Box 36208
City: Las Vegas
State: Nevada Zip: 89133

COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)
Print Name: SATICOY BAY LLC SERIES 133 MCLAREN Escrow #
Address: P.O Box 36208
City: LV State: N.V Zip: 89133

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT I

Statement

Statement on HOA Super-Priority Lien Foreclosures

FOR IMMEDIATE RELEASE

4/21/2015

Title 12 United States Code Section 4617(j)(3) states that, while the Federal Housing Finance Agency acts as Conservator, "[no] property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency." This law precludes involuntary extinguishment of Fannie Mae or Freddie Mac liens while they are operating in conservatorships and preempts any state law that purports to allow holders of homeownership association (HOA) liens to extinguish a Fannie Mae or Freddie Mac lien, security interest, or other property interest.

As noted in our December 22, 2014 statement on certain super-priority liens, FHFA has an obligation to protect Fannie Mae's and Freddie Mac's rights, and will aggressively do so by bringing or supporting actions to contest HOA foreclosures that purport to extinguish Enterprise property interests in a manner that contravenes federal law. Consequently, FHFA confirms that it has not consented, and will not consent in the future, to the foreclosure or other extinguishment of any Fannie Mae or Freddie Mac lien or other property interest in connection with HOA foreclosures of super-priority liens.

12/22/2014: **Statement of the Federal Housing Finance Agency on Certain Super-Priority Liens**

###

The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than $5.6 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at **www.FHFA.gov**, on Twitter **@FHFA**, **YouTube** and **LinkedIn**.

Contacts:

Media: Corinne Russell (202) 649-3032 / Stefanie Johnson (202) 649-3030

Consumers: **Consumer Communications** or (202) 649-3811

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EXHIBIT J

DARREN T. BRENNER, ESQ.
Nevada Bar No. 8386
KAREN A. WHELAN, ESQ.
Nevada Bar No. 10466
AKERMAN LLP
1635 Village Center Circle, Suite 200
Las Vegas, Nevada 89134
Telephone: (702) 634-5000
Facsimile: (702) 380-8572
Email: darren.brenner@akerman.com
Email: karen.whelan@akerman.com

Attorneys for The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A., as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T and Green Tree Servicing, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SATICOY BAY LLC SERIES 133 MCLAREN,

Plaintiff,

v.

GREEN TREE SERVICING LLC; THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A., AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST, REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T; NATIONAL DEFAULT SERVICING CORPORATION; CTC REAL ESTATE SERVICES; CHARLES J. WIGHT; AND TARA J. WIGHT,

Defendants,

GREEN TREE SERVICING LLC,

Counterclaimant,

v.

SATICOY BAY LLC SERIES 133 MCLAREN; NEVADA ASSOCIATION SERVICES, INC.; HILLPOINTE PARK MAINTENANCE DISTRICT; and ROE COMPANIES 1 through 10; inclusive,

Counter-Defendants.

Case No.: A-14-693882-C
Dept. No.: XXX

THE BANK OF NEW YORK MELLON FKA THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A, AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T AND GREEN TREE SERVICING LLC'S INITIAL EXPERT DISCLOSURETHE BANK OF NEW YORK MELLON FKA THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A, AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T AND GREEN TREE SERVICING LLC'S

AKERMAN LLP
1635 Village Center Circle, Suite 200
LAS VEGAS, NEVADA 89134
TEL.: (702) 634-5000 – FAX: (702) 380-8572

The Bank of New York Mellon fka The Bank of New York, as successor Trustee to JPMorgan Chase Bank, N.A, as Trustee for the Certificateholders of CWABS Master Trust Revolving Home Equity Loan Asset Backed Notes, Series 2004-T and Green Tree Servicing LLC, now known as Ditech Financial LLC, by and through their attorneys of the law firm of AKERMAN LLP, hereby designate the following expert witness pursuant to NRCP 16.1(a)(2)(A)(C)(i):

1. Valbridge Property Advisors
   Lubawy & Associates, Inc.
   3034 S. Durango Dr. #100
   Las Vegas, NV 89117
   Matthew Lubawy, MAI, CVA, CMEA
   Managing Director
   Tammy Howard, Senior Appraiser

Ms. Howard and/or Mr. Lubaway will provide expert opinion concerning the market value at the time of the HOA's foreclosure sale. The initial expert report is attached hereto as Exhibit A along with Ms. Howard's and Mr. Lubaway's curriculum vitae (A-1), list of testimony (A-2), and fee schedule (A-3).

DATED: February 21, 2018.

AKERMAN LLP

/s/ *Karen A. Whelan, Esq.*
DARREN T. BRENNER, ESQ.
Nevada Bar No. 8386
KAREN A. WHELAN, ESQ.
Nevada Bar No. 10466
1635 Village Center Circle, Suite 200
Las Vegas, Nevada 89134

Attorneys for Defendant, Bank of America, N.A.

AKERMAN LLP
1635 Village Center Circle, Suite 200
LAS VEGAS, NEVADA 89134
TEL.: (702) 634-5000 – FAX: (702) 380-8572

AKERMAN LLP
1635 Village Center Circle, Suite 200
LAS VEGAS, NEVADA 89134
TEL.: (702) 634-5000 – FAX: (702) 380-8572

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21st day of February, 2018 and pursuant to NRCP 5(b), I served via the Clark County electronic filing system a true and correct copy of the foregoing **THE BANK OF NEW YORK MELLON FKA THE BANK OF NEW YORK, AS SUCCESSOR TRUSTEE TO JPMORGAN CHASE BANK, N.A, AS TRUSTEE FOR THE CERTIFICATEHOLDERS OF CWABS MASTER TRUST REVOLVING HOME EQUITY LOAN ASSET BACKED NOTES, SERIES 2004-T AND GREEN TREE SERVICING LLC'S INITIAL EXPERT DISCLOSURE**, addressed to:

NEVADA ASSOCIATION SERVICES, INC.
Chris Yergensen, Esq. Chris@nas-inc.com
Brandon E. Wood brandon@nas-inc.com
Susan E. Moses susanm@nas-inc.com

BROOKS HUBLEY, LLP
Michael R. Brooks, Esq. MBrooks@brookshubley.com
efile Brooks Hubley efile@brookshubley.com
Jessica Perlick jperlick@brookshubley.com
Nicole Lane NLane@brookshubley.com

THE LAW OFFICES OF MICHAEL F. BOHN, ESQ. LTD.
Eserve Contact office@bohnlawfirm.com
Michael F Bohn Esq mbohn@bohnlawfirm.com

HOA LAWYERS GROUP
HOALG E-Serve eserve@nrs116.com

TIFFANY & BOSCO, P.A.
Gregory L. Wilde glw@tblaw.com

/s/Karen A. Whelan
An employee of AKERMAN LLP

44179904;1

EXHIBIT A

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 18-0063

SUBJECT

Property Address: 133 McLaren St | City: Henderson | State: NV | Zip Code: 89074
County: Clark | Legal Description: Skyview, Plat Book 47 Page 69, Lot 2 Block 2
Assessor's Parcel #: 178-16-215-068 | Tax Year: 2013-14 | R.E. Taxes: $ N/A | Special Assessments: $ 0 known
Current Owner of Record: Charles J. & Tara J. Wight * | Occupant: [X] Owner [ ] Tenant [ ] Vacant | [ ] Manufactured Housing
Project Type: [ ] PUD [ ] Condominium [ ] Cooperative [ ] Other (describe) | HOA: $ 31 [ ] per year [X] per month
Market Area Name: Southeast | Map Reference: 76-E5 Metro Maps | Census Tract: 0053.15

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: [ ] Market Value (as defined), or [X] other type of value (describe) Fair Market Value
This report reflects the following value (if not Current, see comments): [ ] Current (the Inspection Date is the Effective Date) [X] Retrospective [ ] Prospective
Approaches developed for this appraisal: [X] Sales Comparison Approach [ ] Cost Approach [ ] Income Approach (See Reconciliation Comments and Scope of Work)
Property Rights Appraised: [X] Fee Simple [ ] Leasehold [ ] Leased Fee [ ] Other (describe)
Intended Use: Litigation * as of Nov. 22, 2013
Intended User(s) (by name or type): Akerman, LLP
Client: Akerman, LLP | Address: 1635 Village Center Circle, Suite 200, Las Vegas, NV 89134
Appraiser: Tammy L. Howard | Address: 3034 S. Durango Drive, Suite 100, Las Vegas, NV 89117

MARKET AREA DESCRIPTION

Location:	[ ] Urban	[X] Suburban	[ ] Rural
Built up:	[X] Over 75%	[ ] 25-75%	[ ] Under 25%
Growth rate:	[ ] Rapid	[X] Stable	[ ] Slow
Property values:	[X] Increasing	[ ] Stable	[ ] Declining
Demand/supply:	[ ] Shortage	[X] In Balance	[ ] Over Supply
Marketing time:	[X] Under 3 Mos.	[ ] 3-6 Mos.	[ ] Over 6 Mos.

Predominant Occupancy: [X] Owner [ ] Tenant [X] Vacant (0-5%) [ ] Vacant (>5%)

One-Unit Housing	PRICE $(000)	AGE (yrs)
Low	65	New
High	3.3 mil	50
Pred	210	20

Present Land Use	
One-Unit	65 %
2-4 Unit	%
Multi-Unit	10 %
Comm'l	10 %
Vacant	15 %

Change in Land Use: [X] Not Likely [ ] Likely * [ ] In Process * * To:

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): The subject is located in the SE ptn. of Las Vegas Valley, +/- 12-17 miles from the Las Vegas Strip & downtown areas. It is bound on the north by Warm Springs Rd, the east by Gibson Rd, the south by Sunridge Heights Pkwy, the west by Pecos Rd. This area includes a compatible mix of tract style SFR's with most new development occurring in the southern ptn of the nbhd. Pockets of low density, custom estates are located in the nbhd. Industrial uses are noted in the east ptn. The area has an adequate mix of public schools, parks, shops, & general conveniences. Access is good via I-215 & local streets. Prices over the past 12 months show fluctuations in both directions with an overall upward trend; GLVAR data indicates a median price of $245,000 in this nbhd. in Aug. 2013, up from $183,000 in Aug. 2012. The average list price to sale price ratio during the prior year within the neighborhood is 99%. The reasonable exposure time for the subject property at the opinion of market value stated in this report is 30-60 days. Average overall appeal and marketability. The price range noted above is based on actual sales; the value range could potentially be higher.

SITE DESCRIPTION

Dimensions: 45 x 100 | Site Area: 4,500 sf | [ ] Corner Lot [ ] Cul de Sac
Zoning Classification: RS-6 | Description: Low Density Single Family Residential, 6 du/ac
Zoning Compliance: [X] Legal [ ] Legal nonconforming (grandfathered) [ ] Illegal [ ] No zoning

Utilities	Public	Other	Description
Electricity	[X]	[ ]	
Gas	[X]	[ ]	
Water	[X]	[ ]	
Sanitary Sewer	[X]	[ ]	
Storm Sewer	[ ]	[ ]	Unknown

Off-site Improvements	Type	Public	Private
Street	Asphalt	[X]	[ ]
Curb/Gutter	Concrete	[X]	[ ]
Sidewalk	Concrete	[X]	[ ]
Street Lights	Electric	[X]	[ ]
Alley	None	[ ]	[ ]

Topography	Level
Size	Typical for neighborhood
Shape	Rectangular
Drainage	Assume adequate
View	Street
Landscaping	Front/partial rear

FEMA Spec'l Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 32003C 2595F | FEMA Map Date 11/16/2011
Highest & Best Use as improved: [X] Present use, or [ ] Other use (explain)
Actual Use as of Effective Date: Single family residential | Use as appraised in this report: Single family residential
Summary of Highest & Best Use: The highest and best use is as it exists, a single family residence.

Site Comments: No apparent adverse easements, encroachment, environmental conditions, illegal or legal nonconforming zoning uses noted at the time of the inspection; however, inspection was made without the benefit of a title report or survey. The subject lot backs to Arroyo Grande Blvd, major street in the area; some market resistance could be expected due to the increased potential for noise and activity.

DESCRIPTION OF THE IMPROVEMENTS

General Description	
# of Units	1 [ ] Acc.Unit
# of Stories	2
Type	[X] Det. [ ] Att. [ ]
Design (Style)	Standard
[X] Existing	[ ] Proposed [ ] Und.Cons.
Actual Age (Yrs.)	23
Effective Age (Yrs.)	15

Exterior Description	
Foundation	Concrete
Exterior Walls	Stucco
Roof Surface	Concrete tiles
Gutters & Dwnspts.	None
Window Type	Fixed/Sliding
Storm/Screens	WovenMesh

Foundation	
Slab	Concrete
Crawl Space	None
Basement	None
Sump Pump	[ ] N/A
Dampness	[ ] NoneNoted
Settlement	NoneNoted
Infestation	NoneNoted

Basement	[X] None
Area Sq. Ft.	
% Finished	N/A
Ceiling	
Walls	
Floor	
Outside Entry	

Heating	
Type	FAU
Fuel	Gas

Cooling	
Central	Yes
Other	

Interior Description	
Floors	Tile/carpet
Walls	Drywall/paint
Trim/Finish	Wood/paint
Bath Floor	Tile
Bath Wainscot	1-piece fiberglass/tile
Doors	Raised panel/hollow
Countertops	Ceramic tile

Appliances	
Refrigerator	[ ]
Range/Oven	[X]
Disposal	[X]
Dishwasher	[X]
Fan/Hood	[X]
Microwave	[X]
Washer/Dryer	[ ]

Attic	
None	[ ]
Stairs	[ ]
Drop Stair	[ ]
Scuttle	[X]
Floor	[ ]
Heated	[ ]
Finished	[ ]

Amenities		
Fireplace(s) # 1	Woodstove(s) #	
Patio	Covered	
Deck	None	
Porch	Covered	
Fence	Masonry Block	
Pool	None	
Balcony		

Car Storage	[ ] None
Garage	# of cars (2 Tot.)
Attach.	2
Detach.	
Blt.-In	
Carport	
Driveway	
Surface	Concrete

Finished area **above** grade contains: 5 Rooms 3 Bedrooms 3 Bath(s) 1,562 Square Feet of Gross Living Area Above Grade
Additional features: Assume tile/carpet flooring, standard cabinets and vanities with ceramic tile countertops in kitchen and bathrooms, overhead lights/fans, private yard with drought tolerant landscaping, covered patio

Describe the condition of the property (including physical, functional and external obsolescence): As of the effective date of this appraisal, the subject property is assumed to be in average- condition with some mold remediation in the master bedroom. The effective age and overall condition is based on the appraiser's exterior inspection of the property and review of MLS #1349906. **An exterior inspection of the property was performed from the street. An extraordinary assumption is made that the interior is in less than average condition with mold remediation required in the master bedroom as of the effective date of this appraisal. We have deducted $15,000 for this, however, we are not qualified experts in mold remediation and this estimate is subjective. The use of the extraordinary assumption may have affected the assignment results.**
*Personal property items are not included herein. The interior description has been based on public records and MLS records.

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RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 18-0063

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): County Records/MLS

1st Prior Subject Sale/Transfer	
Date:	None/Prior three years
Price:	N/A
Source(s):	County Records
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

Analysis of Sale/Transfer History: County Records did not reveal a transfer of the subject in 3 years preceding the date of value, Nov. 22, 2013. It had been under the ownership of Charles J. &B Tara J. Wight since Nov. 23, 2004. It was listed for sale in May 2013 for $130,000 as a short sale; although a contingent offer was reported, the listing was withdrawn with no sale consummated. The value estimated herein is higher than the list price; this is reasonable considering the favorable market conditions that were experienced at the time & the short sale status; short sales were oftentimes listed below market in order to initiate a quick sale. We are not aware of any other listing, sale or offer for the subject in the 3-year period preceding the effective date of value.

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH TO VALUE (if developed) ☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	133 McLaren St Henderson, NV 89074	132 McLaren St Henderson, NV 89074		1740 Blanchard Dr Henderson, NV 89074		1707 Talon Ave Henderson, NV 89074	
Proximity to Subject		0.03 miles E		0.13 miles W		0.07 miles S	
Sale Price	$ 0.00		$ 152,000		$ 149,900		$ 155,000
Sale Price/GLA	$ /sq.ft.	$ 97.31 /sq.ft.		$ 98.04 /sq.ft.		$ 99.23 /sq.ft.	
Data Source(s)	Exterior Inspection	MLS#1301012		MLS#1326609		MLS#1351660	
Verification Source(s)	County Rcrds	Clark County Records		Clark County Records		Clark County Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.	DESCRIPTION	+(-) $ Adjust.
Sales or Financing Concessions	N/A 0.00	FHA Traditional Sale		Conv. Traditional Sale		Cash Traditional Sale	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Leased fee	
Date of Sale/Time	N/A	1/6/2013 COE		3/29/2013 COE		7/3/2013 COE	
Location	Average	Average		Average		Average	
Site	4,500 sf/interior	3,920 sf/interior		3,920 sf/interior		3,920 sf/interior	
View	Residential	Street	+2,500	None		Street	+2,500
Design (Style)	Standard	Standard		Standard		Standard	
Quality of Construction	Average, typical	Average		Average		Average	
Actual Age	23	23 years		21 years		22 years	
Condition	Assm. average-	Average	-15,000	Average	-15,000	Average	-15,000
Above Grade Room Count (Total / Bdrms. / Baths)	5 / 3 / 3	6 / 3 / 3		6 / 3 / 2	+3,500	6 / 3 / 3	
Gross Living Area	1,562 sq.ft.	1,562 sq.ft.		1,529 sq.ft.		1,562 sq.ft.	
Basement & Finished Rooms Below Grade	0 N/A	0 N/A		0 N/A		0 N/A	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FAU/Central	FAU/Central		FAU/Central		FAU/Central	
Energy Efficient Items	Standard	Standard		Standard		Standard	
Garage/Carport	2 car garage	2 car garage		2 car garage		2 car garage	
Porch/Patio/Deck	Cov. patio	Similar patio		Similar patio		Similar patio	
Fireplace/Upgrades	1 FP/standard	1 FP/similar		1 FP/similar		1 FP/similar	
Pool	None	None		None		None	
Site Improvements	L/S, block walls	Similar		Similar		Similar	
Contract Date	N/A	11/24/2012		3/4/2013		6/7/2013	
Day on Market	N/A	10		0		4	
Net Adjustment (Total)		☐ + ☒ -	$ -12,500	☐ + ☒ -	$ -11,500	☐ + ☒ -	$ -12,500
Adjusted Sale Price of Comparables			$ 139,500		$ 138,400		$ 142,500

Summary of Sales Comparison Approach COE, close of escrow, indicates the date the transaction was recorded. The contract date is the date the contract for sale was signed. Information for the COE and contract sales dates was obtained from MLS and county records and have been provided to give the Client additional understanding of the market conditions as of the effective date of this appraisal.

For the purpose of this appraisal, when conflict between County Records and appraiser inspection were noted, appraiser inspection was used. For the purpose of this appraisal, when conflict between MLS and county records were noted, MLS was used.

The sales comparables were viewed from the exterior on February 5, 2018, however, GLVAR MLS photos were used from the time of the sale as they are more reflective of the condition at the time of sale and the retrospective effective date of this appraisal.

Sales 1 and 3 are model matches from the subject subdivision; sale 3 is a larger residence from the subject subdivision. All 3 have been adjusted downward $15,000 for superior condition. We are not qualified experts in the remediation of mold and this condition adjustment is subjective.

Sale 1 was on the market for 10 days before selling $2,000 below list as a traditional sale; the buyer obtained FHA financing. It was owner occupied at the time of sale. Like the subject, this lot backs to Arroyo Grande Parkway. Prior to the sale noted herein, this property had been owned by the seller since 2005.

Sale 2 sold the same day it was listed at full list price as a traditional sale; the buyer obtained Conventional financing. It was vacant at the time of sale. In history, it had been owned by the seller since 2007.

Sale 3 was on the market for 4 days before selling $1,100 above list as an all cash traditional sale. The lot backs to Wigwam Parkway which is similar to the subject's location. It was tenant occupied at the time of sale; no adjustment is necessary for property rights given the relatively short term associated with leases for SFR's. In history, this property had been owned by the seller since 1991.

See page 3 for continuation

Indicated Value by Sales Comparison Approach $ 140,000

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RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 18-0063

COST APPROACH

COST APPROACH TO VALUE (if developed) ☒ The Cost Approach was not developed for this appraisal.

Provide adequate information for replication of the following cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): The cost approach is not considered an accurate reflection of current market value for the subject property, and has not been developed.

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE =$
Source of cost data:	DWELLING Sq.Ft. @ $ =$
Quality rating from cost service: Effective date of cost data:	Sq.Ft. @ $ =$
Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ $ =$
	Sq.Ft. @ $ =$
	Sq.Ft. @ $ =$
	=$
	Garage/Carport Sq.Ft. @ $ =$
	Total Estimate of Cost-New =$
	Less Physical / Functional / External
	Depreciation =$( )
	Depreciated Cost of Improvements =$
	"As-is" Value of Site Improvements =$
	=$
	=$
Estimated Remaining Economic Life (if required): Years	**INDICATED VALUE BY COST APPROACH =$**

INCOME APPROACH

INCOME APPROACH TO VALUE (if developed) ☒ The Income Approach was not developed for this appraisal.

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ **Indicated Value by Income Approach**

Summary of Income Approach (including support for market rent and GRM): Single family homes are not typically sold on an income basis. The income approach is not required for credible results.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities: An association fee of approximately $31 per month is reportedly charged for maintenance of common area landscaping.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 140,000 **Cost Approach (if developed) $** N/A **Income Approach (if developed) $** N/A

Final Reconciliation The sales comparison approach is considered the most reliable indicator of value, as it best reflects the actions of buyers & sellers in the market. The cost and income approaches were considered but not utilized herein for the reasons previously mentioned. The adjusted range of the improved sales is $138,400 to $142,500. Considering all 3 sales, a retrospective value of $140,000 is estimated for the subject property; this equates to $89.63/sf which falls below the unadjusted range of the sales; this is reasonable considering the differences noted.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, ☐ subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: The subject property is being appraised with a retrospective date of value as of November 22, 2013. We assume the condition noted in MLS #91349906 is similar to the property's retrospective date.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 140,000 **, as of:** November 22, 2013 **, which is the effective date of this appraisal.**
If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACHMENTS

A true and complete copy of this report contains 19 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:

☒ Scope of Work	☒ Limiting Cond./Certifications	☐ Hypothetical Conditions	☒ Extraordinary Assumptions	☒ Narrative Addendum
☐ Sketch Addendum	☒ Location Map(s)	☐ Flood Addendum	☐ Additional Sales	☐ Cost Addendum
☐ Manuf. House Addendum	☒ Supplemental Addendum	☐ GLB Privacy Act	☐	☐

SIGNATURES

Client Contact: Brieanne Siriwan Client Name: Akerman, LLP

E-Mail: brieanne.siriwan@akerman.com Address: 1635 Village Center Circle, Suite 200, Las Vegas, NV 89134

APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
Appraiser Name: Tammy L. Howard	Supervisory or Co-Appraiser Name: Matthew J. Lubawy, MAI
Company: Valbridge Property Advisors	Company: Valbridge Property Advisors
Phone: (702) 242-9369 Fax: (702) 242-6391	Phone: (702) 242-9369 Fax: (702) 242-6391
E-Mail: tlhoward@valbridge.com	E-Mail: mlubawy@valbridge.com
Date of Report (Signature): 2/7/2018	Date of Report (Signature): 2/7/2018
License or Certification #: A.0000253-CG State: NV	License or Certification #: A.0000044-CG State: NV
Expiration Date of License or Certification: 06/30/2019	Expiration Date of License or Certification: 04/30/2019
Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None	Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None
Date of Inspection: February 5, 2018	Date of Inspection:

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Supplemental Addendum

File No. 18-0063

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

Purpose: The purpose of this appraisal is to form an opinion of the fair market value for the subject property as of the effective date which is a retrospective date of November 22, 2013.

Intended User: Akerman, LLP. No other users are intended by the Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

Intended Use: Litigation. No other use is intended by the Appraiser. The intended use as stated shall be used by the Appraiser in determining the appropriate Scope of Work for the assignment.

Scope of Appraisal:

Upon receiving this assignment from the client we identified the intended users of the report, confirmed that the effective date of the appraisal is to be consistent with a retrospective date provided by the client. Next the real property being appraised was identified and available property-specific data was collected through public records, various data services and or MLS database.

An exterior inspection of the property was completed as described herein; a visual observation of the unobstructed, exposed surfaces of accessible areas from standing height was performed on the exterior areas of the subject property for valuation purposes only. The appraiser is NOT a "home inspector" and can only report conditions based on the visual observation noted above. The appraiser DOES NOT warrant any part/whole of the subject property environmental conditions or other conditions that would require a licensed professional such as; identifying the existence of Lead Based paint, Mold, Soil Slippage, Hazardous Waste, Radon Gas etc. We did not test the subject's mechanical systems; the appraiser is not an expert with regard to mechanical issues or electrical, plumbing, roof, foundation systems, or State, City, County, Building Code compliance etc.

The appraiser's inspection included noting the apparent condition, quality, utility, amenities and architectural style. Measurements and room counts used in this report came from county records. Zoning data was obtained from public records, office files, and or city/county planning offices. The collected data was then used to develop a profile of the subject property and analyze the highest and best use of the subject property.

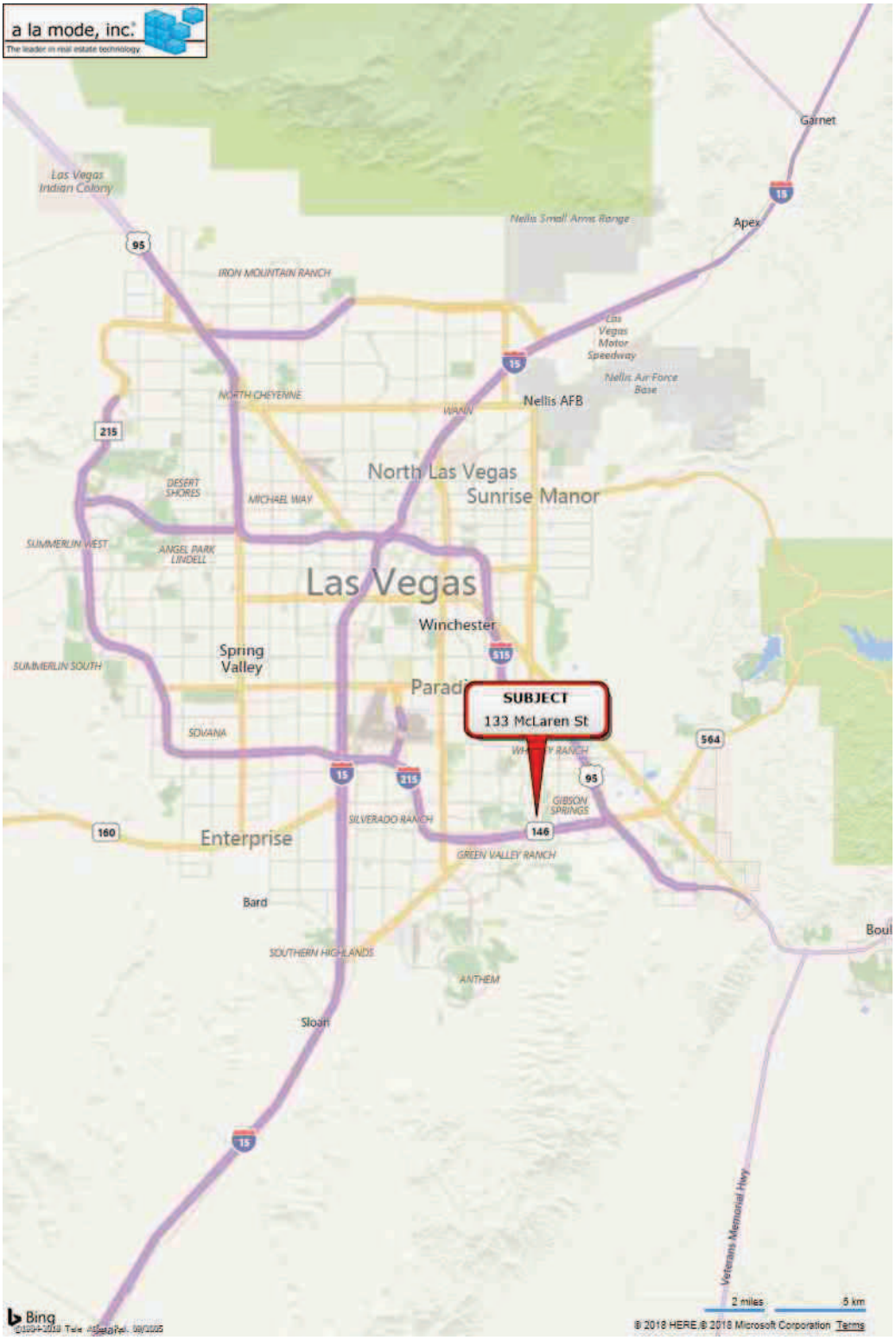
The appraiser performed a search of the local market area for the most similar closed comparable sales, pending/contingent sales and active listings. The accessible sales were viewed from the street; MLS photos may be used when there is; obstruction, people are outside, when there is no access to the property, or when the MLS photo is considered a more accurate depiction of the properties condition at the time of sale. The sales were confirmed and verified from public records, various data services, MLS and when necessary with an agent, the owner, or the title company. Interior/exterior upgrade adjustments may be made to one or more of the comparables due to information obtained from the appraiser's exterior inspection of the property and/or information obtained from the multiple listing service (MLS). Where available, the appraiser has reviewed interior photographs provided by listing agents on the comparables to obtain a better understanding of these properties. The sales data was then analyzed and a value opinion derived.

In the preparation of this report, we have relied on data from county records, multiple listing service, title companies, etc. We believe this report to be complete and accurate, however, should any error or omission be subsequently discovered, we reserve the right to correct it.

Sales Comparison Analysis:
For the purpose of this appraisal, when conflict between County Records and appraiser inspection were noted, appraiser inspection was used. For the purpose of this appraisal, when conflict between MLS and county records were noted, MLS was used.

Location Map

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						



Neighborhood Map

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

Aerial View

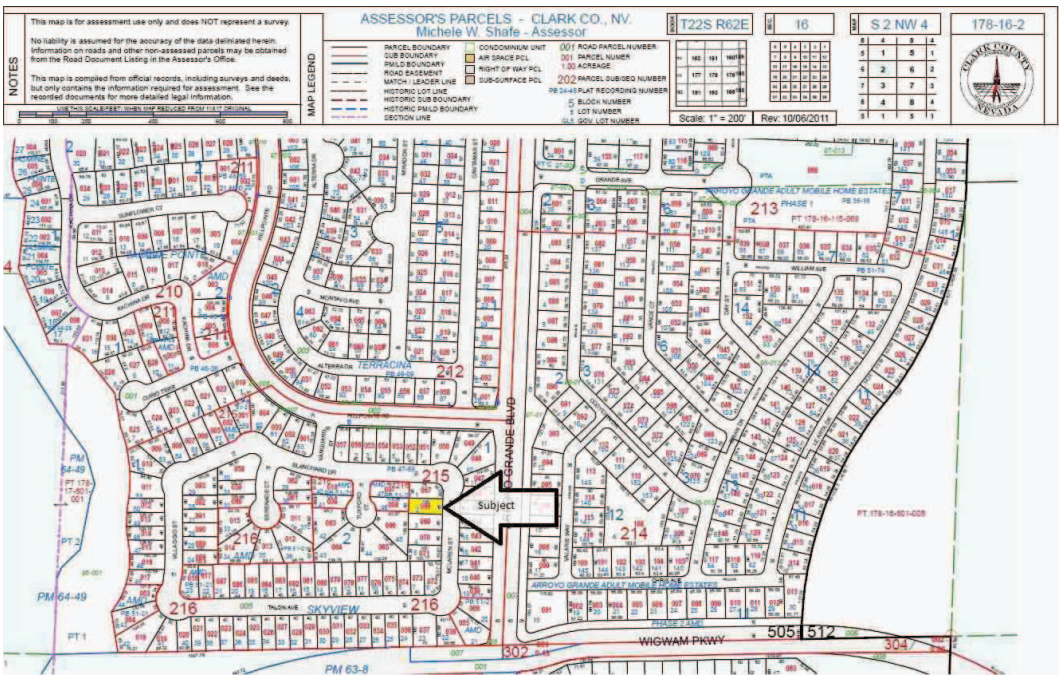
Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

Aerial View Close Up

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

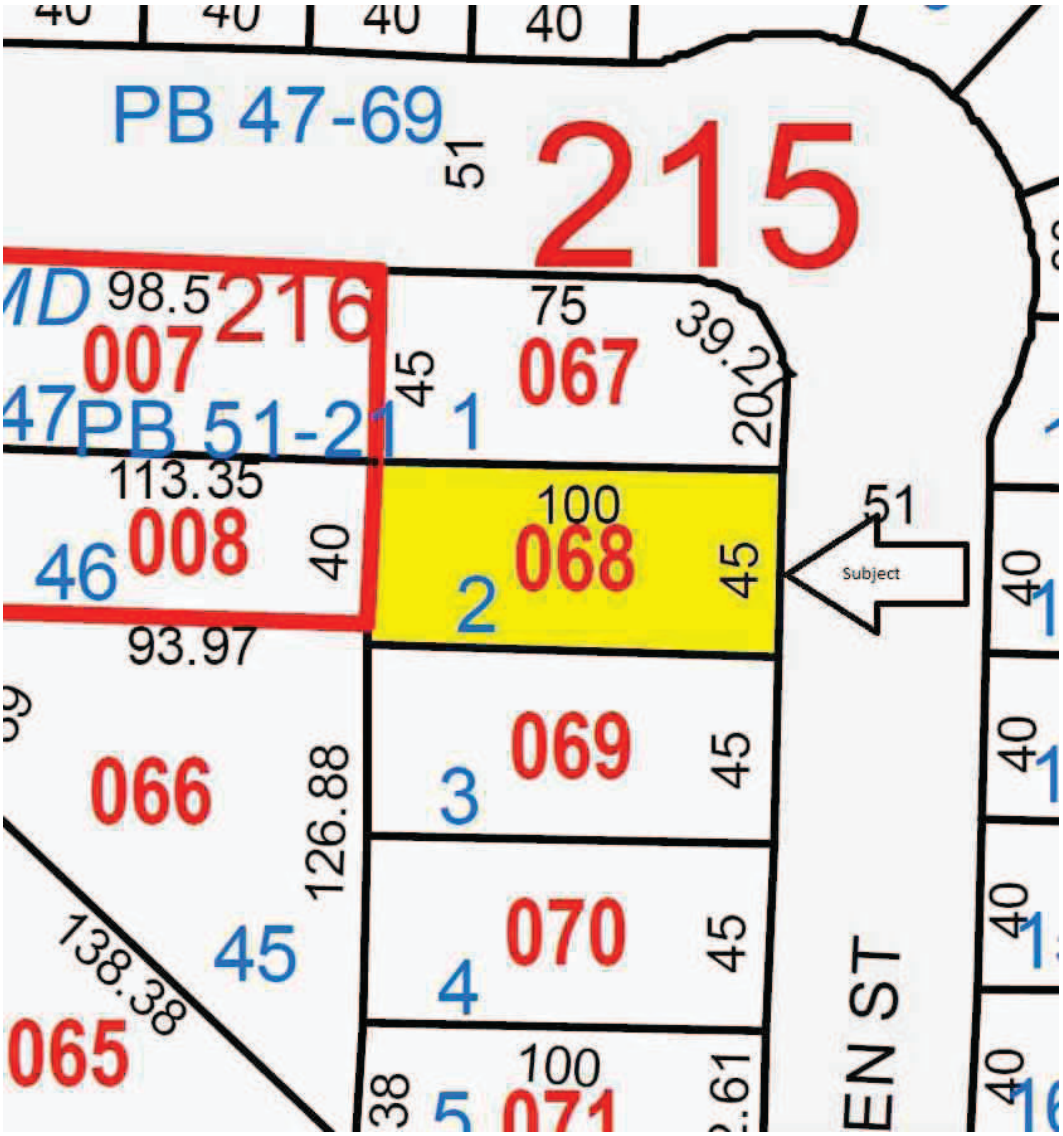
Assessor's Parcel Map

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						



Assessor's Parcel Map Close Up

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						



Subject Photo Page

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

Front view

133 McLaren St

Sales Price	0.00
Gross Living Area	1,562
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	3
Location	Average
View	Residential
Site	4,500 sf/interior
Quality	Average, typical
Age	23

Photos taken 2/5/2018
by Tammy Howard

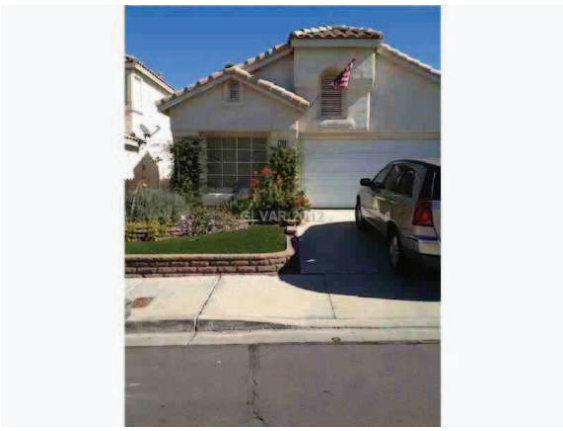
Additional front view

Comparable Sales Map

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						

Comparable Photo Page

Owner	Charles J. & Tara J. Wight *						
Property Address	133 McLaren St						
City	Henderson	County	Clark	State	NV	Zip Code	89074
Client	Akerman, LLP						



Comparable 1

132 McLaren St

Prox. to Subject	0.03 miles E
Sales Price	152,000
Gross Living Area	1,562
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	3
Location	Average
View	Street
Site	3,920 sf/interior
Quality	Average
Age	23 years

Photo from MLS

Comparable 2

1740 Blanchard Dr

Prox. to Subject	0.13 miles W
Sales Price	149,900
Gross Living Area	1,529
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2
Location	Average
View	None
Site	3,920 sf/interior
Quality	Average
Age	21 years

Photo from MLS

Comparable 3

1707 Talon Ave

Prox. to Subject	0.07 miles S
Sales Price	155,000
Gross Living Area	1,562
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	3
Location	Average
View	Street
Site	3,920 sf/interior
Quality	Average
Age	22 years

Photo from MLS

Assumptions, Limiting Conditions & Scope of Work

File No.: 18-0063

Property Address:	133 McLaren St	City:	Henderson	State: NV	Zip Code: 89074
Client:	Akerman, LLP	Address:	1635 Village Center Circle, Suite 200, Las Vegas, NV 89134		
Appraiser:	Tammy L. Howard	Address:	3034 S. Durango Drive, Suite 100, Las Vegas, NV 89117		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):
An exterior inspection of the property was performed from the street and MLS data was reviewed, #1349906. The subject is reported to have needed mold remediation in the master bedroom. While we are not mold remediation experts, we have deducted $15,000 for repairs which is a subjective figure. An extraordinary assumption is made the remediation cost is $15,000 and the rest of the property was in average overall condition with no repairs needed as of the retrospective date of value. The use of the extraordinary assumption may have affected the assignment results.

The purpose of this appraisal is for a "non lender" appraisal. It should be noted that the appraisers's data and comparables utilized were retrieved as of the inspection date noted within the body of the report. This report is intended for use by the Client that is named on page 1 of this report.

Living area and room counts used in this report come from Clark County records and MLS data.

The sales were confirmed and verified from public records, various data services, MLS and when necessary with an agent, the owner or the title company.

In the preparation of this report, we have relied on data from county records, multiple listing service, title companies, etc. We believe this report to be complete and accurate, however, should any error or omission be subsequently discovered, we reserve the right to correct it.

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Certifications

File No.: 18-0063

Property Address: 133 McLaren St | City: Henderson | State: NV | Zip Code: 89074
Client: Akerman, LLP | Address: 1635 Village Center Circle, Suite 200, Las Vegas, NV 89134
Appraiser: Tammy L. Howard | Address: 3034 S. Durango Drive, Suite 100, Las Vegas, NV 89117

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

-The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-As of the date of this report, Matthew Lubawy, MAI has completed the continuing education program of the Appraisal Institute.

-The appraisers' state registration/certification has not been revoked, suspended, canceled or restricted.

Disclosure of Prior Appraisal and/or Other Services:

I certify that, to the best of my knowledge and belief:
I have not performed a prior appraisal or other service regarding the subject property within the 3 year period immediately preceding acceptance of this appraisal assignment.

DEFINITION OF FAIR MARKET VALUE *:

"The price which a purchaser, willing but not obliged to buy, would pay an owner willing but not obliged to sell, taking into consideration all the uses to which the property is adapted and might in reason be applied."

Source: Unruh v. Streight, 96 Nev. 684, 686, 615 P.2d 247 (1980)

This definition of market value was obtained from the 1980 Nevada Supreme Court decision of Unruh v. Streight. In this case, the court required the determination of market value in order to ascertain the amount of the deficiency judgment as of the foreclosure date. Although components of the fair market value definition were not specifically stated, existing debt, liens, duress and distress were not included in appraising the property. Therefore, our conclusion of fair market value is based on the subject property being free and clear of liens, encumbrances and debt. Furthermore, it is based on sales that were purchased with cash or terms equivalent to cash, without any duress or distress of any parties to the transaction.

Since the subject property involves the foreclosure of real estate, this definition was agreed to by the appraiser and the client as being reasonable and appropriate for their intended use.

SIGNATURES

Client Contact: Brieanne Siriwan | Client Name: Akerman, LLP
E-Mail: brieanne.siriwan@akerman.com | Address: 1635 Village Center Circle, Suite 200, Las Vegas, NV 89134

APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
Appraiser Name: Tammy L. Howard	Supervisory or Co-Appraiser Name: Matthew J. Lubawy, MAI
Company: Valbridge Property Advisors	Company: Valbridge Property Advisors
Phone: (702) 242-9369 Fax: (702) 242-6391	Phone: (702) 242-9369 Fax: (702) 242-6391
E-Mail: tlhoward@valbridge.com	E-Mail: mlubawy@valbridge.com
Date Report Signed: 2/7/2018	Date Report Signed: 2/7/2018
License or Certification #: A.0000253-CG State: NV	License or Certification #: A.0000044-CG State: NV
Designation:	Designation:
Expiration Date of License or Certification: 06/30/2019	Expiration Date of License or Certification: 04/30/2019
Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None	Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None
Date of Inspection: February 5, 2018	Date of Inspection:

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Form GPRES2AD - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE 3/2007

EXHIBIT A-1

Qualifications of Tammy L. Howard

Senior Appraiser
Valbridge Property Advisors | Lubawy & Associates, Inc.

Independent Valuations for a Variable World

State Certifications

State of Nevada
License #A.0000253-CG

Education

Attended University of Nevada, Las Vegas, 1988-89
Graduated Plainwell High School, MI, 1980

Contact Details

702-242-9369 (p)
702-242-6391 (f)

Valbridge Property Advisors | Lubawy & Associates
3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117

www.valbridge.com
thoward@valbridge.com

Related Courses/Seminars:

Real Estate Appraisal Principles
Residential Valuation
Uniform Standards of Professional Appraisal Practice
Basic Valuation Procedures
Residential Case Studies
Case Studies in Law & Ethics
Forensic Real Property Appraising
FHA Appraisal Inspections from the Ground Up
Litigation Appraisal & Expert Testimony
Real Estate Law I and II
Income Property Analysis
Market Extraction
Factory Built Housing
Income Capitalization

Experience:

Senior Appraiser
Valbridge Property Advisors | Lubawy & Associates (2013-Present)

Senior Appraiser
Lubawy & Associates (June 2012-2013)

Senior Appraiser
Grubb & Ellis-Landauer Valuation (Oct 2010-May 2012)

Associate Appraiser
Integra Realty Resources | Shelli Lowe & Associates (1985-2010)

Appraisal/valuation and consulting assignments include: single-family residences (tract, custom), apartment buildings; retail buildings and shopping centers; office buildings; industrial buildings; religious and special purpose properties including schools and houses of worship; residential subdivisions; and vacant industrial, commercial and residential land. Assignments have been concentrated in Nevada.

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** **NOT TRANSFERABLE**

This is to Certify That : TAMMY L HOWARD **Certificate Number:** A.0000253-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: June 29, 2017 **Expire Date:** June 30, 2019

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: VALBRIDGE PROPERTY ADVISORS
3034 S DURANGO DR #100
LAS VEGAS, NV 89117

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator

Qualifications of Matthew Lubawy, MAI, CVA, CMEA
Senior Managing Director
Valbridge Property Advisors | Las Vegas | Reno

Independent Valuations for a Variable World

State Certifications

Nevada License
A.0000044-CG

Arizona License
#32072

California License
#3029734

Education

Bachelor of Science
Business Administration
University of Nevada, Las Vegas

Contact Details

702-242-9369 (p)
702-242-6391 (f)

Valbridge Property Advisors | Las Vegas | Reno
3034 S. Durango Dr. #100
Las Vegas, NV 89117
www.valbridge.com
mlubawy@valbridge.com

Membership/Affiliations:

Member:	Appraisal Institute - MAI Designation #10653 Director - (2008 – 2011) President of Las Vegas Chapter (1998 - 1999) 1st V.P. of Las Vegas Chapter (1997 – 1998) 2nd V.P. of Las Vegas Chapter (1996 – 1997)
Member:	NACVA – CVA Designation (Certified Valuation Analyst for business valuation)
Member:	NEBB Institute – CMEA Designation for Machinery and Equipment
Board Member:	Valbridge Property Advisors - Vice-Chairman of the Board of Directors (2011 – Present)
Member:	International Right of Way Association
Member:	National Association of Realtors
Member:	GLVAR
Board Member:	Nevada State Development Corporation Chairman of the Board (2008-Present)

Experience:

Senior Managing Director
Valbridge Property Advisors (2013 to Present)

Principal
Lubawy & Associates (1994-2013)

Independent Fee Appraiser and Real Estate Consultant
Timothy R. Morse and Associates (1992 – 1994)

Staff Appraiser/Assistant Vice President
First Interstate Bank (1988 - 1992)

Independent Fee Appraiser and Real Estate Consultant
The Clark Companies (1987 - 1988)

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** **NOT TRANSFERABLE**

This is to Certify That : MATTHEW J LUBAWY **Certificate Number:** A.0000044-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: March 7, 2017 **Expire Date:** April 30, 2019

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: VALBRIDGE PROPERTY ADVISORS
3034 S DURANGO DR #100
LAS VEGAS, NV 89117

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator

EXHIBIT A-2

MATTHEW LUBAWY, MAI
DEPOSITIONS/TRIAL TESTIMONY

DEPOSITIONS

NEVADA STATE DISTRICT COURT

- **Branch Banking and Trust Company, et al., vs. Joe D. Thomas, et al.,** (Case #A-12-670622-B)
  Date: August 9, 2013
  Attorneys: Gabriel Blumberg, Gordon Silver– Attorneys for Defendant; Allison Noto, Sylvester & Polednak, Attorneys for Plaintiff
  Our File No: 13-0108-000

- **Richard & Bie-Shia K. Chu, et al. vs. Alan Schachtman, et al.,** (Case #A572474)
  Date: November 19, 2014
  Attorneys: Scott Coston, Burdman & Coston – Attorneys for Plaintiff; Jeff Garofalo, Lee, Hernandez, Landrum & Garofalo, Attorneys for Defendant
  Our File No: 14-0195-001

- **SFR Investment Pool 1, LLC. vs. Nationstar Mortgage, LLC., Sandra Salas, Does 1 through X and ROE Corporations I through X** (Case #A-13-684596-C)
  Date: July 1, 2015
  Attorneys: Karen L. Hanks, Howard Kim & Associates - Attorneys for Plaintiff; Melanie D. Morgan, Akerman, LLP - Attorneys for Defendant
  Our File No: 15-1013

- **Ignacio Gutierrez vs. SFR Investments Pool 1, LLC; Nevada Association Services, Inc., Horizon Heights Homeowners Association; KB Home Mortgage Company, , DOE Individuals I through X, ROE Corporations and Organization I through X.**

  SFR Investments Pool 1, LLC. vs. Ignacio Gutierrez; Nationstar Mortgage, LLC, Countrywide Home Loans, Inc., Does I-X; and Roes 1-10, inclusive (Case #A-13-684715-C)
  Date: August 5, 2015
  Attorneys: Karen L. Hanks, Howard Kim & Associates – Attorneys for Plaintiff; Akerman, LLP, Attorneys for Defendant
  Our File No: 15-1021

Hodgepodge, LLC. vs. Blood Family Trust U/A/D 10/25/90, by and through its Trustees, John R. Blood and Paula Blood, Does I-X; and ROE Entities I-X, inclusive (Case #A-15-719153-B)
Date: November 10, 2015
Attorneys: Erika Pike Turner with Garman, Turner, Gordon – Attorneys for Plaintiff; Jeff Sylvester with Sylvester & Polednak, LTD, Attorneys for Defendant
Our File No: 15-0131-001 & 002

Federal Deposit Insurance Corporation as Receiver for Washington Mutual Bank. vs. Nevada Title Company (Case #2:14-cv-01567-GMN-GWF)
Date: December 21, 2015
Attorneys: Emilia P.E. Morris, Mortgage Recovery Law Group LLP. – Attorneys for Plaintiff;
Scott Burris with Wilson Elser Moskowitz Edelman & Dicker, LLP, Attorneys for Defendant
Our File No: 15-1070

Carrington Mortgage Services, LLC vs Saticoy Bay LLC Series 6709 Brick House; Cactus Springs at Fairfax Village Homeowners Association; Hampton & Hampton Collections, LLC (Case #2:15-cv-01852 APG-PAL)
Date: June 3, 2016
Attorneys: Maximiliano D. Couvillier, III, Black & Lobello – Attorneys for Plaintiff;
Robert S. Larsen and David T. Gluth, Gordon & Rees LLP - Attorneys for Defendant
Our File No: 16-0057

U.S. DISTRICT COURT

- **George F. Tibsherany, Inc. vs. The Midby Companies, LLC** (Case #CV-S-05-0613-LDG-GWF
  Date: December 11, 2006
  Attorneys: Nicholas M. Wieczorek (Morris, Polich, and Purdy, LLPO), William L. Coulthard (Harrison, Kemp & Jones), John Wendland (Weil & Drage, APC), Scott R. Cook (Gordon & Rees), Aviva Gordon (Ellis & Gordon)
  Judge: Lloyd D. George
  Our File No: 06-301

FEDERAL BANKRUPTCY COURT

- **Whitton Corporation** (Case #BK-S-10-32680-BAM)
  Date: April 13, 2011
  Attorneys: Rodney M. Jean and Mohamed A. Iqbal, Jr., (Lionel Sawyer Collins)

- **Marion Manor, LLC** (Case No. BK-S-11-28020-BAM)
  Date: February 24, 2012
  Attorneys: Chris Kaup and Lars Evensen with Holland & Hart; David J. Winterton & Associates, Ltd.

- **Desert Inn Management Company, LTD.** (Case No. BK-S-12-16719-LBR)
  Date: January 29, 2013
  Attorneys: Eric T. Gjerdingen, Gordon Silver & Jefrey Willis, Snell & Wilmer

TRIAL TESTIMONY

NEVADA STATE DISTRICT COURT

- **Bank of Nevada vs. Monterey Industrial, LLC; and Maria Guadalupe De Tostado,** (Case #A-10-623435-C)
  Date: March 15, 2011
  Attorney: Michael D. Mazur, ESQ
  Judge: Jessie Walsh

- **Alliance Homes LLC (Bank of NV) vs. N. Las Vegas II, LLC; Frank T. Ferraro, Jr.; Christopher Paskvan; Tom Fehrman,** (Case #A-10-610698-C)
  Date: April 15, 2011
  Attorneys: H. Stanley Johnson, CJD Law Group LLC; James B. Ball, Poli and Ball, PLC
  Judge: Nancy L. Allf

- **Bank of Nevada vs. Pebble Pines, LLC and Quiet Moon, LLC,** (Case #A-11-637410-C)
  Date: June 3, 2011
  Attorney: Stephanie Hardie Allen – Kaempfer Crowell Penshaw Gronauer & Fiorentino
  Judge: Jerry A. Wiese
  Our File No: 10-468

- **NV Energy v. Copperfield Investment & Development Co.**
  (Case # A-09-604760-C) testified on behalf of Plaintiff
  Date: October 27, 2011
  Attorneys: Plaintiff attorney: Kirby Gruchow (Leach, Johnson, Song & Gruchow)
  Defendant attorney: John M. Netzorg
  Judge: Susan Johnson

- **Bank of Nevada v. Classic Productions, LLC**
  (Case # A-10-626894-C) testified on behalf of Plaintiff
  Date: August 27, 2012
  Attorneys: Plaintiff attorney: Michael D. Mazur
  Defendant attorney: Lucas M. Gjovig
  Judge: Jerry A. Wiese

- **Taylor Emanuel v. Richard Jones, et al.**
  (Case # A-10-611339-B) testified on behalf Defendant/Counter Claimant – Bank of Las Vegas
  Date: August 28, 2012
  Attorneys: Defendant/Counter Claimant attorney: Nicole Lovelock (Holland & Hart, LLP)
  Plaintiff attorney: David J. Winterton
  Judge: Elizabeth Gonzalez

- **November 2005 Land Investors, LLC, et al. vs. Nevada Power Co.**
  (Case # A-10-611150-C – testified on behalf of Defendant – Nevada Power Company
  Date: June 28 & July 1, 2013
  Attorneys: Defendant: William E. Peterson & Janine C. Prupas, Snell & Wilmer (Snell & Wilmer, LLP)
  Plaintiff attorney: J. Randall Jones & Eric M. Pepperman (Kemp, Jones & Coulthard, LLP) & Mark E. Ferrario (Greenberg Traurig)
  Judge: Gloria Sturman

- **Branch Banking and Trust Company, et al., vs. Joe D. Thomas, et al.,** (Case #A-12-670622-B)
  Date: September 9, 2013
  Attorneys: Gabriel Blumberg, Gordon Silver– Attorneys for Defendant; Allison Noto, Sylvester & Polednak, Attorneys for Plaintiff
  Our File No: 13-0108-000
  Judge: Elizabeth Gonzalez

- **Branch Banking and Trust Company, et al., vs. Joe D. Thomas, et al.,** (Case #A-12-670622-B)
  Date: September 9, 2013
  Attorneys: Gabriel Blumberg, Gordon Silver– Attorneys for Defendant; Allison Noto, Sylvester & Polednak, Attorneys for Plaintiff
  Our File No: 13-0108-000
  Judge: Elizabeth Gonzalez

- **Nevada State Bank vs. David Fandel,** (Case #A-14-697643-B)
  Date: August 24, 2015
  Attorneys: Erika Pike Turner, Garman Turner Gordon, LLP– Attorney for Plaintiff, John Gutke, Attorney for Defendants;
  Our File No: 134-0254-000 and 13-0255-000
  Judge: Mark Denton

- **2010-1 CRE Venture LLC vs. OHDB, LLC., Lawrence Doyle, Joseph Lamarca, Stan Wasserkrug, John Hessling, Keith Lyon and Bonnie Chu** (Case #A-13-680017-B)
  Date: November 30, 2015
  Attorneys: Alina Shell, McLetchie Shell, LLC– Attorney for Defendant, Leslie S. Godfrey, Greenberg Traurig, LLP, Attorney for Plaintiff;
  Our File No: 15-0004-001
  Judge: Susan W. Scann

U.S. DISTRICT COURT

- **FDIC as receiver for Community Bank of Nevada vs. Glen Smith & Glen Development Company LLC** (Case #A575592)
  Date: January 10, 2011
  Attorneys: Spencer H. Gunnerson, Kemp, Jones & Coulthard; Aaron Shipley, McDonald Carano Wilson
  Judge: Elizabeth Gonzales
  Our File No: 09-251

FEDERAL BANKRUPTCY COURT

- **Francis K. Poirier vs. Sean R. Harron and Elise M. Harron** (Bankruptcy Case #09-22463-mkn)
  Date: November 9, 2010
  Attorneys: Michael Stein and Erica J. Stutman of Snell & Wilmer
  Chief Judge: Mike K. Nakagawa
  Our File No: 1007-001C (Residential)

- **Francis K. Poirier vs. Sean R. Harron and Elise M. Harron** (Bankruptcy Case #09-22463-mkn)
  Date: January 13, 2011
  Attorneys: Michael Stein and Erica J. Stutman of Snell & Wilmer
  Chief Judge: Mike K. Nakagawa
  Our File No: 1007-001C (Residential)

- **Whitton Corporation** (Case #BK-S-10-32680-BAM)
  Date: June 3, 2011
  Attorneys: Rodney M. Jean and Mohamed A. Iqbal, Jr., (Lionel Sawyer Collins); David Snyder and Brett Axelrod (Fox Rothschild)
  Judge: Bruce A. Markell

- **Marion Manor, LLC** (Bankruptcy Case No. BK-S-11-28020-BAM)
  Date: February 28-29, 2011 and March 9, 2011
  Attorneys: Tenille Pereira, (David J. Winterton & Associates, Ltd.) Debtor's Attorneys; Lars K. Evensen, (Holland & Hart, LLP) Creditor's Attorney
  Judge: Bruce A. Markell
  Our File No: 11-272

EXHIBIT A-3

Valbridge
PROPERTY ADVISORS
Lubawy & Associates, Inc.

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9369 phone
702-242-6391 fax
valbridge.com

Fee Schedule

Expert Witness Testimony	$400/hr.
Deposition and Court Testimony	$400/hr.
Supplemental Work, Research, Trial Preparation	$400/hr.

Three-hour minimum for deposition and testimony.

If deposition or Court Testimony is cancelled within 24 hours of scheduled appearance, client will be billed for 50% of the three-hour minimum, in addition to any preparation time.

EXHIBIT K

Nevada Association Services, Inc

6224 W. Desert Inn Rd., Suite A
Las Vegas, Nevada 89146
Tel: 702.804.8885
Fax: 702.804.8887
www.nas-inc.com

March, 2008

Dear Valued Client:

Over the last few months I have been asked to provide a brief review of possible outcomes should the association decide to proceed with an actual foreclosure sale. While the following does not cover all possible scenarios, it should provide a basic understanding and, hopefully, a comfort level which will empower the association to make a reasonable and informed decision.

There are 3 possible outcomes to an association foreclosure sale:

1) The owner reinstates the property immediately prior to the foreclosure sale. If that happens, the association is paid and all foreclosure fees and costs are paid.

2) The property is sold to an investor at the foreclosure sale. With the proceeds from the sale the association and NAS are paid in full. This outcome is common if there is equity in the property, making the purchase to the investor worthwhile.

3) In today's current real estate economy, the most common scenario is that the property reverts back to the association. This happens when there are no investors at the sale to purchase the property. The association basically "buys" the property for what the owner owes the association. For example, the owner owes the association $2,500.00 in assessments, late fees etc., including collection fees and costs. The property is sold at auction to the association for that amount. The association is responsible for paying the foreclosure fees and costs, which total approximately $1,700.00, not including the real property transfer fee. The association then owns the property and can try to sell or rent the property. The most common option is to notify the lender of the association's ownership and the intent of the association not to make payments to the first. It is often believed that the association must make payments to the lender if the association takes title to the property. This is incorrect. The association has no legal obligation to pay the lender. The obligation to pay the lender was made by the previous owner, not the association. So while the lender may commence a foreclosure action while the association owns the property, the foreclosure documents will reflect the previous owner, not the association. The association may wish to make payments to the first only if the association wants to keep the property for rental or sale purposes. It is important to remember, however, that the association owns the property. With ownership comes responsibility and liability. So, please be sure to contact the association's insurance agent to make sure the property is properly insured while it remains the property of the association.

Please keep something in mind: Despite the dramatic downturn in the real estate industry, the number of properties actually sold at association foreclosure is few. In the past few months, a few sold back to the association. In some cases, the previous owner "woke up" after the sale wanting his/her property back. I then made arrangements with the association to have the property deeded back to the owner. I am always pleased in those situations because the owner keeps what he/she wants, the property, and the association gets what it wants, its money.

I trust this information is helpful. Often, the best way to fully explore these outcomes is a one-on-one conversation as the specifics are often too lengthy and complex to fully explain in writing. Therefore, please feel free to call me or have a Board member call me so we may further discuss this matter.

Sincerely,
David Stone
President / Owner

EXHIBIT L

AKERMAN LLP
1160 Town Center Drive, Suite 330
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 – FAX: (702) 380-8572

EXHIBIT C
AFFIDAVIT OF CUSTODIAN OF RECORDS

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

Affiant being first duly sworn, deposes and says:

1. That the Affiant is the Custodian of Records for Nevada Association Services, Inc. and in such capacity, is the Custodian of Records of the documents produced.
2. That Affiant received a *Subpoena Duces Tecum* in the matter *Rick Salomon vs. Tam A. Dao, et al.* calling for the production of records as listed in Exhibit A.
3. That the Custodian of Records has examined the originals of those records and has made or caused to be made a true and exact copy of them and that the reproduction of them attached hereto is true and complete.
4. That the original of these records supplied are and were maintained and duly relied upon in the normal course and scope of the business.
5. Affiant declares under penalty of perjury that the foregoing is true and correct.

IF NO RECORDS, INITIAL NO. 1 BELOW AND SIGN:

1. _____ I hereby declare under penalty of perjury that a thorough search of our records has been conducted and to the best of my knowledge there are no records for the above referenced person.

SUBSCRIBED AND SWORN to before me
this 25th day of May, 2016

Notary Public of and for said County and State

Susan Moses
Custodian of Records *[~~Print~~ Name]*

Custodian of Records *[Signature]*

ELISSA HOLLANDER
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 11-5-2017
Certificate No: 05-101835-1

NAS
NEVADA ASSOCIATION SERVICES, INC.

6224 W. Desert Inn Rd.
Las Vegas, NV 89146
Phone: 702-804-8885
Phone: 775-322-8005
www.nas-inc.com

E: Media Contact: Ruth Furman/Image Words
(702) 255-8288, (702) 355-8288 (mobile)
ruth@ruthfurman.com

HOA Seminar Advises On Foreclosures, Warns of Fraud

Las Vegas, Nev. (November 19, 2010) – Nearly 50 homeowner association board members attended "Foreclosures and Collections in the Common Interest Community," a seminar hosted by Nevada Association Services, Inc. Nov. 18 on how to collect delinquent assessments stemming from foreclosures.

NAS, Inc. President David Stone and Elisabeth Daniels, chairperson of the Nevada Fight Fraud Taskforce, a statewide consumer protection group , discussed strategies on collecting debt and avoiding fraud.

Also in attendance was Nevada State Assemblyman Richard McArthur, who was instrumental in creating AB204, a bill in the 2009 Legislature that has empowered HOAs to deal with foreclosures in their communities. He credited the industry's input for the bill's success and encouraged attendees to keep the lines of communication open.

"Homeowner association bills are complicated–even if you think you understand them, chances are you don't," said McArthur. "You are the ones with the hands-on, technical expertise, so please, come tell us whether you like a bill or not."

Stone said HOAs are tasked with protecting their community's interests, yet many community associations have been afraid to take action against homeowners. That fear often stems from the newness of the HOA, as well as misinformation.

In addition, Stone said that many boards are worried about the long-term implications of foreclosing on homeowners, as well as other issues such as foreclosure moratoriums, which hinder the ability to collect assessments and maintain the communities.

Lawrence Lutz, a Dedicated Community Association Leader (DCAL), sits on the board of Cinnamon Ridge Community Association. He estimated that about 10 percent of the homes in his 300-home community in Henderson have been affected by foreclosure. Lutz said he attended the seminar to learn how to better carry out his board duties.

"We have a slight excess, so we're not suffering like a lot of communities out there," said Lutz. "We were lucky enough to collect a lot of fines before the foreclosures started."

Stone recommended the first step for any HOA is to clearly spell out their collection policy. While this is now required under state law, some audience members complained that drafting such a policy becomes convoluted once attorneys are involved.

"The purpose of a collection policy is to be clear, not to impress the membership," said Stone. "More language means more hoops for people to jump through, so you really want to keep it simple." Stone directed attendees to a sample collection policy on his company's website, www.nas-inc.com.

Another commonly misunderstood issue among HOA boards, Stone said, is the fear the HOA will own a property if they foreclose on a homeowner for not paying assessments and will have to make payments to the lender. Stone said that's simply not the case. When HOAs foreclose on a property it is then transferred back to the lender, forcing the lender to pay the assessments, Stone explained. Under Nevada state law, lenders are responsible for up to nine months of overdue assessments.

Stone encouraged HOAs to foster open lines of communication with delinquent homeowners to avoid litigation. Between legal fees and some judges' disdain for HOAs, he said going to court is a risky scenario.

"If you can avoid court, avoid it," said Stone. "But just know that if you do go to court, you're stepping into a lion's den."

Stone went on to say that HOAs should also be open to short sales, which are often a best-case scenario for all involved parties. While a short sale brings in only a portion of the assessments owed on a property, it also avoids time in court, and ensures a new buyer will take over the property and pay assessments going forward.

"The short sale should always be considered. Don't summarily dismiss it," said Stone. "Talk to your collection agency. Make sure your demand is submitted to escrow, and that it is spelled out in the short sale agreement."

Elisabeth Daniels warned board members to be aware of potential fraud. She said that the Nevada Fight Fraud Taskforce has discovered many scams targeting homeowners facing foreclosure. Some even cite federal stimulus measures to instill confidence in unsuspecting homeowners, she said.

"Many scammers will tell you, 'I can save your home from foreclosure. I have an 'in' with the bank.'" said Daniels. "It's sort of like the latest weight-loss pill. But then you think 'Wait, if it's so easy why isn't everyone skinny?'"

Daniels recommended that homeowners visit her agency's website, www.FightFraud.nv.gov, for information on known foreclosure scams and red flags, as well as advice for homeowners who have been ripped off.

To learn more about common interest community issues and collections visit www.nas-inc.com

Nevada Association Services, Inc. www.nas-inc.com which serves HOAs and community managers state-wide, is headquartered at 6224 W. Desert Inn Road in Las Vegas.

Contact: Andrea Behrens
(702) 804-8885
andrea@nas-inc.com

EXHIBIT M

FannieMae

Lender Letter LL-2015-04

September 16, 2015

To: All Fannie Mae Single-Family Servicers

Nevada HOA Litigation

Servicer Reliance on HERA: Nevada Properties

On September 18, 2014, the Nevada Supreme Court held that a homeowners association's non-judicial foreclosure of a "super-priority" lien could extinguish an existing first deed of trust. *See SFR Investments v. U.S. Bank* (Nev. 2014). In response, the Federal Housing Finance Agency (FHFA), Fannie Mae, Freddie Mac, and various GSE servicers have asserted in litigation that the Housing and Economic Recovery Act of 2008 (HERA), prohibits the extinguishment of GSE liens absent FHFA's consent as conservator of the GSEs.

FHFA's Statement on Servicer Reliance on HERA

For reference, attached is the Servicer Reliance on HERA in Foreclosures Involving Homeownership Associations statement issued by FHFA on August 28, 2015, regarding servicers' reliance on HERA in connection with Nevada "super-priority" lien foreclosures and related HOA litigation.

Servicer Obligation to Escalate All Non-Routine Litigation

Fannie Mae reminds the servicer to escalate via submission of the *Non-Routine Litigation Form* (Form 20) as specified in *Servicing Guide* E-1.3-01, General Servicer Responsibilities for Non-Routine Matters all non-routine litigation involving actions that challenge the validity, priority, or enforceability of a Fannie Mae mortgage loan or that seek to impair Fannie Mae's interest in an acquired property.

Additionally, *Servicing Guide* E-1.3-02, Reporting Non-Routine Litigation to Fannie Mae specifies servicers must report non-routine litigation to Fannie Mae within two business days of the servicer receiving notice of the litigation.

*****

The servicer should contact its Servicing Consultant, Portfolio Manager, or Fannie Mae's Credit Portfolio Management's Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Lender Letter.

Malloy Evans
Vice President
Credit Portfolio Management

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Federal Housing Finance Agency

August 28, 2015

Servicer Reliance on the Housing and Economic Recovery Act of 2008 in Foreclosures Involving Homeownership Associations

As noted in the December 22, 2014 and April 21, 2015 statements on certain super-priority liens, the Federal Housing Finance Agency has an obligation to protect Fannie Mae's and Freddie Mac's property rights. FHFA will aggressively do so by bringing or supporting actions to contest common ownership association (commonly known as HOAs) foreclosures that purport to extinguish Enterprise property interests in a manner that contravenes federal law.

This statement confirms that FHFA supports the reliance on Title 12 United States Code Section 4617(j)(3) in litigation by authorized servicers of the Enterprises to preclude the purported involuntary extinguishment of an Enterprise's property interest by an HOA foreclosure sale.

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency

EXHIBIT N

9 1 0 1 2 5 0 0 3 9 4

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Mark Lemmons, Esq.
LIONEL SAWYER & COLLINS
1600 Valley Bank Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR

HILLPOINTE PARK MAINTENANCE DISTRICT

ML/6363-147
010991/01/4

HILLPOINTE PARK MAINTENANCE DISTRICT

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND
GRANT OF EASEMENTS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS is made and entered into by and among Pacific-Hillsboro Limited Partnership, a Nevada limited partnership ("Pacific-Hillsboro"), Pacific-Hillsboro Limited Partnership II, a Nevada limited partnership ("Pacific-Hillsboro II") and Covington Technologies, a California corporation ("Covington"), with reference to the following facts:

a) Covington is the owner of the real property located in Clark County, Nevada, more particularly described in Exhibit A attached hereto and incorporated herein ("Parcel 2").

b) Pacific-Hillsboro II is the owner of the real property located in Clark County, Nevada, more particularly described in Exhibit B attached hereto and incorporated herein ("Parcel 3").

c) Pacific-Hillsboro is the owner of the real property located in Clark County, Nevada, more particularly described in Exhibit C attached hereto and incorporated herein ("Parcel 4").

d) Parcel 2, Parcel 3 and Parcel 4 are hereinafter collectively referred to as the "Development".

e) Covington intends to develop and improve Parcel 2 and offer single family residences constructed thereon for sale to the public ("Jasmine Point").

f) Pacific-Hillsboro II intends to develop and improve Parcel 3 and offer single family residences constructed thereon for sale to the public ("Terracina").

g) Pacific-Hillsboro intends to develop and improve Parcel 4 and offer single residences constructed thereon for sale to the public ("Skyview").

h) Within six months from the date hereof, Covington will cause the property described in Exhibit D attached hereto and incorporated herein to be conveyed to the Hillpointe Park Maintenance District, a Nevada non-profit corporation (the "District"), Declarants will cause the property described in Exhibit D-1 attached hereto and incorporated herein to be conveyed to the District, Pacific-Hillsboro will cause the property described in Exhibit E attached hereto and incorporated herein to be conveyed to the District and Pacific-Hillsboro II will cause the property described in Exhibit F attached hereto and incorporated herein to be conveyed to the District.

i) The property described in Exhibits D, D-1, E and F will be held as District Property (hereinbelow defined in Section 1.07) for the use and enjoyment of owners and residents of Jasmine Point, Terracina and Skyview.

j) Before conveying any interest in the Development, Declarants (hereinbelow defined in Section 1.02) desire to subject

the Development to certain covenants, conditions and restrictions for the benefit of Declarants and any and all present and future owners of portions of the Development, in accordance with a common plan and scheme of improvement and development.

NOW, THEREFORE, Declarants hereby declare and establish the following general plan for the protection and benefit of the Development, and have fixed and do hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in the Development under and pursuant to which covenants, conditions and restrictions each such ownership interest shall hereafter be held, used, occupied, leased, sold, encumbered, conveyed or transferred. Each and all of the covenants, conditions and restrictions set forth herein are for the purpose of protecting the value and desirability of the Development, and each and every Lot (hereinbelow defined in Section 1.10), and inure to the benefit of, run with, and shall be binding upon and pass with each and every ownership interest therein and shall inure to the benefit of and apply to and bind respective successors in interest of Declarants.

ARTICLE I

DEFINITIONS

Section 1.01. "Bylaws" shall mean and refer to the Bylaws of the District as they may from time to time be amended.

Section 1.02. "Declarants" shall mean and refer to Covington, Pacific-Hillsboro, Pacific-Hillsboro II, and their respective successors if the rights and obligations of Declarants or any of