ABOUT YOUR AUDIT REPORT

1. How to Read The Audit Report

The Letter(s)

Depending on the results of your audit report, the letter(s) will express 5 - 7 issues to the lender/servicer.

1. Notification of Identified Audit Violations (and request to have them addressed)
2. Notification of the Debt the Lender Owes You Due to Audit Violations (if any)
3. Request for Validation of Your Debt
4. Request For Your Origination Documents
5. Request For Loan Modification
6. Rescission (if applicable)
7. Request for a Certified Copy of the Promissory Note for the Subject Property

If you have a purchase loan or a loan that was refinanced more than 3 years ago, you will receive a QWR (Qualified Written Request) and/or Debt Dispute letter. This letter will include all the applicable issues above (except rescission).

If your loan was refinanced in the last 3 years and your audit report included serious TILA and/or UDAP violations, you will receive 2 letters.

You will receive a Rescission Letter and a QWR and/or Debt Dispute Letter.

The Rescission Letter is different from the other letters in that it asks for rescission (cancellation) first and other remedies are secondary. It also must be responded to in full within 20 days of the lender/servicer receiving the cancellation request. If the lender does not accept a legitimate cancellation request, they are exposing themselves to triple damages plus covering your attorney fees.

For the QWR letter, the lender is required to acknowledge receipt of the request in writing within 20 business days or less. And they have 60 business days to address the issues in the request.

The QWR letter asks for loan modification first and rescission is secondary (if applicable). It has more of a tone of compromise than the rescission letter.

The Debt dispute letter requests that the lender validate the debt.

Which Letter To Send

If you have a recession letter, you are advised to send it first. However, you need to determine what would best meet your needs because when you do an outright rescission outside of bankruptcy, you still have to make an offer to the lender to purchase the property. The “tender” offer is usually lower than what is owed, but you must be prepared to make this offer if you are going to request an outright rescission.

For example, you would need the cash or another loan approved to payoff the existing lender for the amount of the tender offer.

If rescission is granted while you are in bankruptcy you may be entitled to receive the property free and clear. If your loan was a refinance in the last 3 years, you will have received additional case law in the audit report package that explains the benefits of bankruptcy and rescission.

If you received both a Debt validation and QWR letter, you can send both of them. Some of the content is redundant, but each letter was created based on specific laws governing a type of communication to servicers/lenders.

Please seek legal counsel if you are in foreclosure or in default by more than 60 days.

Summary of Audit Findings

A tabular summary of the major consumer protection/lending laws that were reviewed. It indicates whether or not any violations were discovered by category with a PASS or FAIL designation.

Compliance Violations

Includes a description of the findings for each violation identified. These violations can be grouped in 3 key definitional categories:

1. The lender was found to be negligent in informing the homeowner of certain rights or required disclosures

2. Mathematical computations prove that the lender incorrectly disclosed key financial metrics to the borrower (i.e., APR, finance charge, escrow amounts, etc.).

3. The lender took advantage of the borrower by providing a loan that was NOT repayable and/or committed other form of Unfair or Deceptive Acts or Practices.

Closing Costs (Settlement Statement Summary)

Includes a summary of all the costs identified on the HUD1. If no HUD1 was in the file a GFE or Itemization of Finance Charge documents would have been referenced.

This schedule determines what charges **should** have been included in the APR, finance charge, and HOEPA calculations.

Data Input & Test Results

Includes borrower information, specifics about the subject loan, and test results for escrow cushion check, APR, Finance Charges, and HOEPA.

Finally, it summarizes all the documents that were reviewed and customer responses to audit questions.

Loan Payments Summary

This a re-engineered version of the most important aspects of the Truth and Lending Statement.

Amortization Schedule

This a re-engineered version of the full payment schedule for the loan at the time of closing.

2. Key Laws Overview/Other Attachments

A brief description of the key laws that were reviewed in the audit. It provides some details about the application of each law and potential remedies available to borrowers' should some of the laws be violated. It also may include certain foreclosure defense tips and other relevant case law.

3. Instructions for Sending to Lender

Please see your Full Audit results attached. Also provided is the letter that you should send.

You only need to send the letters, not the report. If you received more than one letter (as explained above), please send as instructed above.

Remember to send all the pages in a "certified" envelope (with signature confirmation). The letter should be made attention to CUSTOMER SERVICE. You should call your lender to obtain the "Qualified Written Request" mailing address.

If the lender has a foreclosure attorney, please send a copy of the letter(s) to the attorney as well.

NOTE: If you are unsuccessful getting a mailing address from the lender, label the certified envelope "Attention: Qualified Written Request", and mail it to the same mailing address where you send your payment. Only use this address if you are NOT able to get an address from the lender.

The lender is supposed to cease reporting to credit reporting agencies upon acknowledgment of receipt of the qualified written request.

You should receive an application for a loan modification within a few weeks or so after they acknowledge the request. If the lender does not follow the RESPA 6 guidelines, they will be adding to their violations, and you will have grounds to escalate the matter to the proper authorities and/or bring forth a lawsuit.

You should also send a copy of the letter to the lender's foreclosure attorney (if applicable). Their contact information should be in your collection notices.

NOTE: In addition to the instructions above, you should also call your lender and ask them for the fax number to send correspondence material or Qualified Written Requests. You can then also fax the information to them for a quicker delivery. However, DO still send the letter certified mail for your records.

Contact the lender to verify that they have received your letter and that it has been routed to the correct department (typically Research, Executive offices, or something similar).

Special Note: If you are in foreclosure, you should provide these documents to your attorney immediately. If you do not have an attorney,

you should consider obtaining one. Check with your distributor about getting a free consultation.

Whether you decide to obtain an attorney or represent yourself, you should make sure that the court understands you are contesting the foreclosure.

Court filings should be done ASAP!

10/24/2013

To: Nationstar
Foreclosure Attorney
From: Elijah Ale & Ester Ale
Re: Nationstar Loan Number: 052549697, Property Address: 7 True Path Lane, Richmond, VA, 09827

Subject: Request for a Rescission Due to Federal Law Violations for the Subject Loan

Attention Customer Service:

I am writing this letter on behalf of myself, concerning the loan transaction that took place with The First Mortgage Corporation I am at this time requesting that this transaction be rescinded, and hereby exercise that right pursuant to the Federal Truth in Lending Act, 15 U.S.C. § 1635, Regulation Z § 226.23.

As discovered by a 3rd party audit (enclosed), the disclosure statement failed to provide all the required material disclosures correctly, including, but not limited to:

- The finance charge is $375,589.10. For purposes of rescission (in foreclosure), the disclosed finance charge of $354,290.10 is not considered accurate because it is understated by more than $35.

- The annual percentage rate (APR) is 8.3502%. The disclosed APR of 7.6610% is not considered accurate.

- Total payments were incorrect due to an in accurate disclosure of mortgage insurance payments according to 12 CFR § 226.18(g), 5. Mortgage Insurance.

The security interest held by the note holder is void upon my rescission. See 15 U.S.C. § 1635; Regulation Z § 226.23. Pursuant to the Regulation, you have twenty days after receipt of this notice of rescission to return to me all monies paid and to take action necessary or appropriate to reflect termination of the security interest.

I am hereby making a commitment of limited duration which will allow me to tender an amount due after appropriate credits are made by you to my account. Please be advised that if you do not cancel the security interest and return all consideration paid by me prior to the expiration of the loan commitment, you will be responsible for actual and statutory damages pursuant to 15 U.S.C. § 1640(a).

I am prepared to discuss a tender obligation, should it arise, and satisfactory ways in which I may meet this obligation. Please be advised that if you do not cancel the security interest and return all consideration paid by me within 20 days of receipt of this letter, you will be responsible for actual and statutory damages pursuant to 15 U.S.C. § 1640(a).

Additionally, please produce for my inspection a 'true certified' copy of the original executed Promissory Note for the subject property.

Until the expiry of twenty days, I would still like to hear any proposals of loan modification including a reduction in my principal consistent with the current appraised price.

Sincerely,

Elijah Ale

State of ___________ County of _______________
_______________, personally appeared before me, and being first duly sworn declared that he/she signed this letter in the capacity designated.

____
(Personalized Seal) Notary Pub

10/24/2013

To: Nationstar
From: Elijah Ale & Ester Ale
Re: Nationstar Loan Number: 052549697, Property Address: 7 True Path Lane, Richmond, VA, 09827

Subject: Qualified Written Request under Section 6 of RESPA

Attention Customer Service:

I am writing this letter on behalf of myself, to assert certain rights afforded to me under Section 6 of RESPA. While this letter is written in part for purposes of settlement and compromise it is also a request to confirm the outstanding obligation of the underlying security instrument in question. This is also a demand letter which can and will be used as necessary. It is therefore not a confidential communication protected under the rules of settlement disclosures and correspondence.

To independently validate my debt, I have engaged a 3rd party Auditor that is conducting a complete exam, audit, of my mortgage loan.

I have reason to believe that I have been a victim of predatory lending practices, and I therefore dispute the debt for the subject obligation until such time my auditor has been provided with the information required to complete their forensic review, and is then able to render a final opinion regarding the validity of this debt obligation.

To facilitate the review of this obligation, the auditor and I require the following documentation:

(1) copies of all documents pertaining to the origination of the alleged mortgage and note including my loan application(s), Right to cancel, deed of trust, note, adjustable rate note, addendum to the note for the interest only payment period, truth in lending statements, good faith estimate (GFE), HUD 1, appraisal, and all required disclosures and rate sheets associated with this transaction for the above referenced loan. The copies should be legible and all documents shall be copied in their entirety.

(2) A copy of the loan history including all payments made, all fees incurred, what has been paid out of the escrow account, and how all payments were applied. This information should cover the entire life of the loan.

I also request that you kindly conduct your own investigation and audit of my account since its inception to validate the debt you currently claim I owe.

Please do not rely on previous or current servicers or originators records, assurances or indemnity agreements and refuse to conduct a full audit and investigation of my account.

I understand that potential abuses by you or a previous servicer could have deceptively, wrongfully, unlawfully and/or illegally:

1. Increased the amounts of my monthly payments
2. Increased the principal balance I owe;
3. Increased my escrow payments;
4. Increased the amounts applied and attributed toward interest on my account;
5. Decreased the proper amounts applied and attributed toward principal on my account; and/or
6. Assessed, charged and/or collected fees, expenses and misc. charges I am not legally obligated to pay under my mortgage, note and/or deed of trust.

As such, please send to me, at my address above, copies of the documents requested below as soon as possible. Please provide me copies of:

1. All data, information, notations, text, figures and information contained in your mortgage servicing and accounting computer systems including, but not limited to Alltel or Fidelity CPI system, or any other similar mortgage servicing software used by you, any servicers, or sub-servicer of my mortgage account from the inception of my loan to the date written above.

2. All descriptions and legends of all Codes used in your mortgage servicing and accounting system so that the examiners, auditors and experts retained to audit and review my mortgage account may properly conduct their work.

3. All assignments, transfers, allonges, or other document evidencing a transfer, sale or assignment of my mortgage, deed of trust, promissory note or other document that secures payment by me to my obligation in this account from the inception of my loan to the present date including any such assignments on MERS.

4. All records, electronic or otherwise, of assignments of my mortgage, promissory note or servicing rights to my mortgage including any such assignments on MERS.

5. All deeds in lieu, modifications to my mortgage, promissory note or deed of trust from the inception of my loan to the present date.

6. The front and back of each and every canceled check, money order, draft, debit or credit notice issued to any servicer of my account for payment of any monthly payment, other payment, escrow charge, fee or expense on my account.

7. All escrow analyses conducted on my account from the inception of my loan until the date of this letter.

8. The front and back of each and every canceled check, draft or debit notice issued for payment of closing costs, fees and expenses listed on my disclosure statement including, but not limited to, appraisal fees, inspection fees, title searches, title insurance fees, credit life insurance premiums, hazard insurance premiums, commissions, attorney fees, points, etc.

9. Front and back copies of all payment receipts, checks, money orders, drafts, automatic debits and written evidence of payments made by others or me on my account.

10. All letters, statements and documents sent to me by your company.

11. All letters, statements and documents sent to me by agents, attorneys or representatives of your company.

12. All letters, statements and documents sent to me by previous servicers, sub-servicers or others in your loan file or in your control or possession or in the control or possession of any affiliate, parent company, agent, sub-servicer, servicer, attorney or other representative of your company.

13. All letters, statements and documents contained in my loan file or imaged by you, any servicer or sub-servicers of my mortgage from the inception of my loan to present date.

14. All electronic transfers, assignments, sales of my note, mortgage, deed of trust or other security instrument.

15. All copies of property inspection reports, appraisals, BPOs and reports done on my property.

16. All invoices for each charge such as inspection fees, BPOs, appraisal fees, attorney fees, insurance, taxes, assessments or any expense, which has been charged to my mortgage account from the inception of my loan to the present date.

17. All checks used to pay invoices for each charged such as inspection fees, BPOs, appraisal fees, attorney fees, insurance, taxes, assessments or any expense which has been charged to my mortgage account from the inception of my loan to the present date.

18. All agreements, contracts and understandings with vendors that have been paid for any charge on my account from the inception of my loan to the present date.

19. All loan servicing records, payment payoffs, payoff calculations, ARM audits, interest rate adjustments, payment records, transaction histories, loan histories, accounting records ledgers (as provided for and in compliance with **Financial Accounting Standards Board (FASB) Statement 140 and UCC Article 9, 210**), and documents that relate to the accounting of my loan from the inception of my loan until present date.

20. All loan servicing transaction records, ledgers, registers and similar items detailing how my loan has been serviced from the from the inception of my loan until present date.

In specific regards to Servicing:
For each of the following questions listed below, please provide me with a detailed explanation in writing that answers each question. In addition, I need the following answers to questions concerning the servicing of this account from its inception to the present date.

1. Did the originator or previous servicers of this account have any financing agreements or contracts with your company or an affiliate of your company?

2. Did the originator or previous servicers of this account receive any compensation, fee, commission, payment, rebate or other financial consideration from your company or affiliate of your company for handling, processing, originating or administering this loan? If yes, please describe and itemize each and every form of compensation, fee, commission, payment, rebate or other financial consideration paid to the originator of this account by your company or any affiliate.

3. Please identify for me where the originals of this entire account file are currently located and how they are being stored, kept and protected.

4. Where is the original monetary instrument or mortgage I signed located? Please describe its physical location and anyone holding this note as a custodian or trustee if applicable.

5. Where is the original deed of trust or mortgage and note I signed located? Please describe its physical location and anyone holding this note as a custodian or trustee if applicable.

6. Since the inception of this account, has there been any assignment of my monetary instrument/asset to any other party? If the answer is yes, identify the names and addresses of each and every individual, party, bank, trust or entity that has received such assignments.

7. Since the inception of this account, has there been any assignment of the deed of trust or mortgage and note to any other party? If the answer is yes, identify the names and addresses of each and every individual, party, bank, trust or entity that has received such assignments.

8. Since the inception of this account, has there been any sale or assignment of the servicing rights to this mortgage account to any other party? If the answer is yes, identify the names and addresses of each and every individual, party, bank, trust or entity that has received such assignments or sale.

9. Since the inception of this account, have any sub-servicers serviced any portion of this mortgage account? If the answer is yes, identify the names and addresses of each and every individual, party, bank, trust or entity that has sub-serviced this mortgage account.

10. Has this mortgage account been made a part of any mortgage pool since the inception of this loan? If yes, please identify for me each and every account mortgage pool that this mortgage has been a part of from the inception of this account to the present date.

11. Has each and every assignment of my asset/monetary instrument been recorded in the county land records where the property associated with this mortgage account is located?

12. Has there been any electronic assignment of this mortgage with MERS (Mortgage Electronic Registration System) or any other computer mortgage registry service or computer program? If yes, identify the name and address of each and every individual, entity, party, bank, trust or organization or servicers that have been assigned to mortgage servicing rights to this account as well as the beneficial interest to the payments of principal and interest on this loan.

13. Have there been any investors (as defined by your industry) who have participated in any mortgage-backed security, collateral mortgage obligation or other mortgage security instrument that this mortgage account has ever been a part of from the inception of this account to the present date? If yes, identify the name and address of each and every individual, entity, organization and/or trust.

14. Please identify for me the parties and their addresses to all sales contracts, servicing agreements, assignments, alonges, transfers, indemnification agreements, recourse agreements and any agreement related to this account from the inception of this account to the present date.

15. Please provide me with copies of all sales contracts, servicing agreements, assignments, alonges, transfers, indemnification agreements, recourse agreements and any agreement related to this account from the inception of this account to the present date.

16. How much was paid for this individual mortgage account by you?

17. If part of a mortgage pool, what was the principal balance used by you to determine payment for this individual mortgage loan?

18. If part of a mortgage pool, what was the percentage paid by you of the principal balance above used to determine purchase of this individual mortgage loan?

19. Who did you issue a check or payment to for this mortgage loan?

20. Please provide me with copies of the front and back of the canceled check.

21. Did any investor approve of the foreclosure of my property? Yes or No?

22. Has HUD assigned or transferred foreclosure rights to you as required by 12 USC 3754?

23. Provide any and all due diligence reports by a separate due diligence firm in regards to any pooling agreements that have been generated.

24. Please identify all persons who approved the foreclosure of my property.

Please provide me, with the documents and information I have requested within the required lawful time frame. Upon receipt of the documents and answers, the auditor may require further document requests and answers to questions under an additional QWR letter.

Also, below are severe violations of the federal and state standards that has been identified for the subject security instrument(s).

- The principal balance on my last account statement was overstated by at least $2,589.00. My audit report shows a reconciliation schedule. The statement balance should be closer to $265,000.00 not $267,589.00. As stated on your last account statement dated 7/18/2012.

- Appraisal is outside of the Federal Housing Price Index's 95% confidence range for price changes.

- The finance charge is $375,589.10. For purposes of rescission (in foreclosure), the disclosed finance charge of $354,290.10 is not considered accurate because it is understated by more than $35.

- Repayment Ability - 129(h), 15 U.S.C. § 1639(h), and 226.32(e)(1) of Reg. Z, 12 CFR § 226.32(e)(1)

- Borrower did not appear to have the ability to repay this loan. The lender may have violated the requirements of Regulation Z by engaging in a pattern or practice of extending credit to a borrower without sufficient assurance of the ability to repay.

- Breach of Broker/Lender Underwriting Fiduciary Responsibility.

- The finance charge is $375,589.10. The disclosed finance charge of $354,290.10 is not considered accurate because it is understated by more than $100.

- The Privacy Policy Notice was not in the file. The GLB Act requires brokers/lenders to provide this notice to all applicants at the time a relationship is established with the consumer, or in this case, at time of Initial Application.

- Lenders are required to provide borrowers with a Good Faith Estimate within three business days of Initial Application and the estimated fees included on the GFE must be a reasonable estimate of the actual fees charged to the borrower per the HUD-1.

-The annual percentage rate (APR) is 8.3502%. The disclosed APR of 7.6610% is not considered accurate.

- The ECOA Statement was not in the file. Regulation B which implements the Equal Credit Opportunity Act requires lenders to provide this disclosure document to all borrowers.

- Total payments were incorrect due to an in accurate disclosure of mortgage insurance payments according to 12 CFR § 226.18(g), 5. Mortgage Insurance.

- Truth & Lending Statement does not reflect an automatic termination date at 78% LTV as required by Regulation Z. The attached audit has the corrected payment schedule and total payments which are used to calculate the finance charge.

Every effort should be made by your organization to investigate the contents of this letter, and to provide a satisfactory response to all requests for information and all assertions of fact, including the myriad of violations identified that were associated with the origination, servicing, and collection process for the subject loan.

I also reserve my rights for any recoupment and/or set-off that I may be entitled to relating to this matter.

As of the writing of this letter, the recoupment and/or set-off amount due to the audit violations may be at least $94,641.31.

Additionally, if you do not respond with a loan modification proposal, the damages could increase (as much as three-fold), and include punitive assessments plus attorney's fees.

Additionally, please produce for my inspection a 'true certified' copy of the original executed Promissory Note for the subject property.

IF YOU ARE NOT ABLE TO INVESTIGATE MY LOAN ORIGINATION VIOLATIONS, PLEASE SEND ME THE MAILING ADDRESS OR CONTACT INFORMATION OF THE ENTITY THAT CAN ADDRESS THESE MATTERS. THESE VIOLATIONS IMPACT SERVICING OF THE LOAN BECAUSE THE DEBT OBLIGATION COULD BE MISSTATED AND THIS CONSEQUENTLY IMPACTS THE MONTHLY PAYMENT AMOUNT WHICH I AM DISPUTING.

Finally, until all inquiries have been addressed as it relates to a general and legal interpretation of all applicable federal laws, I request that all collection activities immediately cease per RESPA Section 6,
and that no further reporting of this account be made to any credit bureau or collection agency.

Sincerely,

Elijah Ale & Ester Ale

State of ___________ County of _______________
_______________, personally appeared before me, and being first duly sworn declared that he/she signed this letter in the capacity designated.

____
(Personalized Seal) Notary Pub

Homeowner(s) Name: Elijah Ale & Ester Ale
Client Contact: info@thenewearthfoundation.org
Present Lender: Nationstar / Loan # 052549697
Loan Status: In Default

To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004

SUMMARY OF AUDIT FINDINGS

Federal Disclosure Laws

		No Violations Found	Violations Found
ECOA - Equal Credit Opportunity Act	Reviewed		FAIL
FCRA - Fair Credit Reporting Act	Reviewed		FAIL
FACTA (Fair and Accurate Credit Transactions Act)	Reviewed		FAIL
FDCPA (Fair Debt Collection Practices Act)	Reviewed	PASS	
HIPAA (Health Insurance Portability and Accountability Act)	Reviewed	PASS	
HOEPA (Home Ownership and Equity Protection Act)	Not HOEPA Loan		
HOEPA - Prohibited Practices	Not HOEPA Loan		
RESPA (Real Estate Settlement Procedures Act)	Reviewed		FAIL
RESPA Initial Escrow Account Cushion Check	Reviewed	PASS	
TILA (Truth and Lending Act) - Document Disclosures	Reviewed		FAIL
TILA APR Check - Above	Reviewed		FAIL
TILA APR Check - Below	Reviewed	PASS	
TILA Rescission Finance Charge Check - Normal	Reviewed		FAIL
TILA Non-Rescission Finance Charge Check - Normal	Reviewed		FAIL
TILA/Common Law Repayment Ability	Reviewed		FAIL
UCC / FASB (Financial Accounting Standards Board)	Reviewed		FAIL
Underwriting/Appraisal	Reviewed		FAIL
UDAP (Unfair & Deceptive Acts or Practices)	Reviewed		FAIL

Calculation Checks

			No Error Found	Error Found
Mortgage Statement Check	Reviewed			FAIL
Refund Amount $		2,589.00		Refund or Credit Due

A Full Mortgage Audit can help you challenge your lender, and get you the remedies you deserve.
Please see contact information above on how to have this audit explained to you, and have your violations addressed.

COMPLIANCE VIOLATIONS

TILA -Truth and Lending Act

FAIL - Repayment Ability - Section 129(h), 15 U.S.C. § 1639(h), and Section 226.32(e)(1) of Reg. Z, 12 CFR § 226.32(e)(1))

Borrower did not appear to have the ability to repay this loan. The lender may have violated the requirements of Regulation Z by engaging in a pattern or practice of extending such credit to a borrower based on the borrower's collateral or credit rather than considering the borrower's current or expected income, current obligations, and employment status to determine whether the borrower is able to make the scheduled payments to repay the obligation.

Specific detail of this violation is provided in the Underwriting/Breach of Fiduciary Responsibility section.

Homeowner(s) Name: Elijah Ale & Ester Ale
Client Contact: info@thenewearthfoundation.org
Present Lender: Nationstar / Loan # 052549697
Loan Status: In Default

To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004

SUMMARY OF AUDIT FINDINGS

FAIL - APR Test - (12 CFR § 226.22(a)(2),(4))

The annual percentage rate (APR) is 8.3502%. The disclosed APR of 7.6610% is not considered accurate because it is more than 1/8 of 1% point (or 1/4 of 1% point for ARM) above or below the APR as determined in accordance with the actuarial method.

The violation also allows the borrower to rescind the loan for refinances that occurred within the last 3 years. Check with a state attorney to determine if your state extends the period for greater than 3 years (for example, Massachussets has a 4 year extension).

FAIL - Payment Schedule- Mortgage Insurance Reflected Through Automatic Term. at 78% LTV (12 CFR § 226.18(g) 5)

Regulation Z (Truth in Lending), Mortgage insurance. The payment schedule should reflect the consumer's mortgage insurance payments until the date on which the creditor must automatically terminate coverage under applicable law, even though the consumer may have a right to request that the insurance be cancelled earlier. The payment schedule must reflect the legal obligation, as determined by applicable state or other law. For example, assume that under applicable law, mortgage insurance must terminate after the 130th scheduled monthly payment, and the creditor collects at closing and places in escrow two months of premiums. If, under the legal obligation, the creditor will include mortgage insurance premiums in 130 payments and refund the escrowed payments when the insurance is terminated, the payment schedule should reflect 130 premium payments. If, under the legal obligation, the creditor will apply the amount escrowed to the two final insurance payments, the payment schedule should reflect 128 monthly premium payments. (For assumptions in calculating a payment schedule that includes mortgage insurance that must be automatically terminated, see comments 17(c)(1)–8 and 17(c)(1)–10.

FAIL - Finance Charge Test - (12 CFR § 226.18(d)(1))

The finance charge is $375,589.10. The disclosed finance charge of $354,290.10 is not considered accurate because it is understated by more than $100.

FAIL - Finance Charge Test (Foreclosure) - (12 CFR § 226.23(h)

The finance charge is $375,589.10. For purposes of rescission (in foreclosure), the disclosed finance charge of $354,290.10 is not considered accurate because it is understated by more than $35.

The violation above is typically only enforceable with refinances that occurred within the last 3 years. Check with a state attorney to determine if your state extends the period for greater than 3 years (for example, Massachussets has a 4 year extension).

12 CFR § 226.4 (a) Definition. The finance charge is the cost of consumer credit as a dollar amount. It includes any charge payable

directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the extension

(1) Charges by third parties. The finance charge includes fees and amounts charged by someone other than the creditor, unless otherwise excluded
(i) requires the use of a third party as a condition of or an incident to the extension of credit, even if the consumer can choose the third party; or
(ii) retains a portion of the third-party charge, to the extent of the portion retained.
(2) Special rule; closing agent charges. Fees charged by a third party that conducts the loan closing (such as a settlement agent, attorney, or escrow or

SUMMARY OF AUDIT FINDINGS

(i) Requires the particular services for which the consumer is charged;
(ii) Requires the imposition of the charge; or
(iii) Retains a portion of the third-party charge, to the extent of the portion retained.

(3) Special rule; mortgage broker fees. Fees charged by a mortgage broker (including fees paid by the consumer directly to the broker or to the creditor for delivery to the broker) are finance charges even if the creditor does not require the consumer to use a mortgage broker and even if the creditor does not retain any portion of the charge.

UCC - Uniform Commercial Code Article 9, 210
NOTICE - Requested in QWR
The Uniform Commercial Code Article 9, 210 Request For Accounting

UCC - Uniform Commercial Code Article 9, 210, a, 2
'Request for an accounting' means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

UCC § 9-604. Procedure If Security Agreement Covers Real Property Or Fixtures.
The Uniform Commercial Code has jurisdiction over security instruments associated with 'real property' when the real property is entangled with personal property or fixtures. Our experience is that most residential property purchase and sale agreements include a clause including personal property and fixtures as a part of the real estate transaction. Consequently, the related personal property and/or fixtures and real property are secured by the same security instrument.

FASB - Financial Accouting Standards Board Statement 140 (Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities)
NOTICE - Requested in QWR
This Statement requires an entity that has securitized financial assets to disclose information about accounting policies, volume, cash flows, key assumptions made in determining fair values of retained interests, and sensitivity of those fair values to changes in key assumptions. It also requires that entities that securitize assets disclose for the securitized assets and any other financial assets it manages together with them (a) the total principal amount outstanding, the portion that has been derecognized, and the portion that continues to be recognized in each category reported in the statement of financial position, at the end of the period; (b) delinquencies at the end of the period; and (c) credit losses during the period.

UDAP -- Violations of Federal Statutes
The FTC has specifically held that certain violations of Federal Reserve Board Regulation Z (mortgage transactions subject to RESPA) and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

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Present Lender: Nationstar / Loan # 052549697
Loan Status: In Default

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Phone Number: 813-445-5004

SUMMARY OF AUDIT FINDINGS

The omission or failing to provide each of the following documents constitute a separate Compliance Violation under the applicable federal regulation. Initial closing-related disclosures must be issued within three (3) business days of receipt of the initial completed Loan Application/1003; and re-issued in the event of any changes in program or loan terms prior to closing. If the borrower was not provided with these disclosures within three business days from the date of the original loan application, the borrower will need to complete a sworn statement testifying to that effect. NOTE: Some of these items may be cleared if proper documentation is later provided.

Per RESPA (Real Estate Settlement Procedures Act – 12 USC 2601 et seq.):
Initial Signed & Dated Good Faith Estimate (Within 3-Days of Application)
Lenders are required to provide borrowers with a Good Faith Estimate within three business days of Initial Application and the estimated fees included on the GFE must be a reasonable estimate of the actual fees charged to the borrower per the HUD-1 Settlement Statement.

Annual Escrow Statement

Per TILA (Truth in Lending Act – Reg Z – 15 USC 1601 et seq, 12 CFR 226):
Initial Truth in Lending Statement & Itemization of Amount Financed (signed & dated)
Final Truth in Lending Statement & Itemization of Amount Financed (signed & dated)

TILA 226.19(a) residential mortgage transactions subject to RESPA. (1) time of disclosures. In a residential mortgage transaction subject to RESPA (12 USC 2601 et seq.) the creditor shall make good faith estimates of the disclosures required by CFR 226.18 before consummation, or shall deliver or place them in the mail not later than 3 business days after the creditor receives the written application, whichever is earlier.

This loan is outside of the 3-Year federal window, but if your lender has intentionally delayed requests for work-out, you may be able to have the window extended. Please contact an experienced attorney for advice regarding the use of state law.

TILA § 1635(i)(3) states, "Nothing in this subsection [concerning rescission rights in foreclosure proceedings] affects a consumer's right of rescission in recoupment under State law." Extension of rescission rights in recoupment beyond the three years provided by TILA thus depends on state law.

Additionally, improper disclosure of the TIL can be grounds for a Federal case under TIL for finance charge understatement.
Per ECOA (Equal Credit Opportunity Act – Reg B – 12 CFR 202):
Initial signed & dated Uniform Residential Loan Application (1003)

SUMMARY OF AUDIT FINDINGS

ECOA Statement
The ECOA Statement was not in the file. Regulation B which implements the Equal Credit Opportunity Act requires lenders to provide this disclosure document to all borrowers.

Right to a Copy of the Appraisal Disclosure
The Right to a Copy of the Appraisal was not in the file. Regulation B which implements the Equal Credit Opportunity Act requires lenders to provide this disclosure document to all borrowers.

Per FCRA (Fair Credit Reporting Act – 15 USC 1681) and FACTA (Fair and Accurate Credit Transactions Act)
Disclosure of Credit Scores
Notice to Home Loan Applicant
Opt-Out Notices
Investigative Consumer Report Disclosure

GRAMM, LEACH, BLILEY ACT (GLB)
Privacy Policy Notice
The Privacy Policy Notice was not in the file. The GLB Act requires brokers/lenders to provide this notice to all applicants "at the time a relationship is established with the consumer", or in this case, at time of Initial Application.

UNDERWRITING/BREACH OF FIDUCIARY RESPONSIBILITY
The purpose of an underwriter is to determine whether the borrower can qualify for a loan and if the borrower has the ability to repay the loan. If an underwriter has evaluated the loan properly, then there should be no question of the ability of the borrower to repay the loan. Debt ratios will have been evaluated, credit reviewed and a proper determination of risk made in relation to the loan amount. Approvals and denials would be made based upon a realistic likelihood of repayment.

Borrower and co-borrower's income as reflected on their 1003 application was approx. $5,271.31.

Borrower's total debt payments including the initial housing payments for the subject loan reported on the application and Truth and Lending Statement was approximately $2,923.16.

UNDERWRITING VIOLATION - EXCESSIVE DTI RATIO
The borrower's total debt-to-income ratio is approximately 55%!

This is significantly higher than what general underwriting guidelines would typically allow (of 38 - 41%). With the borrower paying an estimated 24% of their gross monthly income in Federal, State, FICA, and local taxes, coupled with 55% for debt retirement, this leaves only 21% left for other or $1,086.94 for food, utilities, transportation, housing maintenance, clothing, utilities, auto insurance, savings, and discretionary spending.

SUMMARY OF AUDIT FINDINGS

In the above scenario, the borrower's DTI ratio far exceeds the maximum allowed DTI ratio per all usual and customary underwriting guidelines for ALT-A and/or Subprime lending. The lenders underwriter has a responsibility to not only follow the lenders underwriting guidelines but to insure that a thorough analysis of the borrowers income, liabilities and credit report is performed to determine the borrowers ability to repay the loan.

While we do not have access to the lender's actual underwriting documents, based on the lenders income calculations, we can determine that the Total Debt to Income Ratios for this loan were approximately 55% - 55% which exceeds the traditional debt ratio of 45% – 50%. This ratio, which is computed by dividing the borrower's gross monthly income into the borrower's total debt payments, including the proposed mortgage that is being underwritten, is a key factor used by underwriters to assess the borrower's ability to repay the debt. It is our opinion that an argument could be made, that the lender should not have made this loan and put the borrower in a position where there was a high probability of failure, especially when taking future interest rate increases into account.

From the documentation provided in the file, it appears that this loan might have been processed as a 'Full Documentation' loan. The underwriter has apparently approved this loan based upon credit score and a belief that the property would continue to increase in value. No consideration of the ability of the borrower to repay this loan with a realistic means test appears to have been made.

DUTY OF LENDER AND BROKER

The duty of the broker is to deal with the consumer in good faith. If the broker knew or should have known that the borrower will or had a likelihood of defaulting on this loan they have a fiduciary duty to the borrower to NOT place them in that loan (in harms way). Additionally, broker has a contractual duty of good faith and fair dealings with the lender which would be breached if they knowingly placed a loan with the lender failing to disclose the material fact that the borrower will likely default or file bankruptcy.

The duty of the lender is a responsibility to perform their own diligence to determine if a customer is being placed in a loan that is legal, properly disclosed, is the best loan for the consumer given their financial circumstance and affordable over the life of the loan if present financial positions hold steady.

If the lender is aware that the borrower would be better off with another type of loan that the lender offers, they have violated their duty to the consumer and such act of deception would likely be considered fraud on the consumer and a predatory lending practice. It is the opinion of the examiner that the lender may have violated their duty to the borrower by:

1. Placing the borrowers into their current loan product without regard for other products that might have suited the borrower(s) better,

SUMMARY OF AUDIT FINDINGS

2. Placing the borrower(s) into a loan whereby it was likely the borrowers would default or incur bankruptcy as a result of the loan and it was reasonably foreseeable that such would occur,

3. Placing borrower(s) into a loan, not bothering to verify employment or to verify income,

4. Placing the borrower(s) into a loan when the real estate market was in a free fall, and it was easy to foresee that such would continue, endangering the borrowers financial stake in the home.

UNDERWRITING VIOLATION: PREDATORY LENDING PRACTICES

Practices widely identified as predatory include:

- fraudulent practices that conceal the facts of the borrower's obligation and/or income;
- steering a borrower to a high-cost loan when they could qualify for a lower-cost loan;
- making a loan that the borrower cannot afford to repay;
- making a loan to a borrower that provides no actual benefit for the borrower;
- imposing a prepayment penalty on a loan without providing benefit to the borrower;
- unfairly stripping borrower equity through excessive points and fees or imposing overpriced, unnecessary add-ons such as lump-sum credit life insurance as a condition of a loan;
- flipping loans by inducing repeated refinancing, without benefit to the borrower, in order to generate fees.

UNDERWRITING VIOLATION – LENDER NEGLIGENCE

It appears the lender processed and approved this loan under a Stated Income program that requires employment verification but does not require income verification. However, the lender has a responsibility to determine the reasonableness of the stated income. The lenders underwriter failed to follow generally accepted underwriting practices by qualifying the borrower's based on the stated income without determining the reasonableness of the income. Had the underwriter investigated the borrower's occupations on web sites such as salary.com, indeed.com or payscale.com it could have been determined that the borrowers stated income was overstated.

Based on the borrower's total monthly liabilities of $2,923, the borrower would have had to earn approximately $58,751 annually or $4,896 monthly to qualify under most mortgage lending guidelines (i.e., DTI of 45%).

UNDERWRITING VIOLATION: UNREASONABLE STATED INCOME

Auditor is of the opinion the Stated Income reflected on loan application (1003) in file is overstated and misrepresents borrower's actual income. The 1003 reflects Income of $5,271.31 per month. Origination underwriter violated his/her

SUMMARY OF AUDIT FINDINGS

fiduciary responsibility to origination lender and the investors/subsequent purchasers of this Note and underlying security instrument. The underwriter has primary responsibility to assess the borrower's ability to repay the proposed mortgage debt and determine whether Stated Income on 1003 is reasonable for the job description, employment history, assets and credit profile presented by the borrower through information on the 1003.

The lenders underwriter failed to follow generally accepted underwriting practices by qualifying the borrower based on the stated income without determining the reasonableness of the income. Had the underwriter investigated the borrower's occupation on web sites such as salary.com, indeed.com or payscale.com it could have been determined that the borrower's stated income was overstated.

The auditor conducted an internet search of payscale.com for the borrower's Buyer position in the same geographic region and determined that this position could expect to earn $ annualy at the 75th percentile (Total income of $ including rental/other).

Had the underwriter conducted this investigation, the 1st payment DTI ratio, at qualification, would have been N/A, and the fully indexed payment DTI would have been N/A neither of which would have been sufficient to qualify for this loan.

SUMMARY OF AUDIT FINDINGS

Notary Presence:

Examiner had no information regarding the signing of this loan. He recommends further investigation to determine if the notary was present and other related issues.

The auditor notes that often on refinances, signings are done in the home with only a Notary present. If questions arose, the Notary would "induce" the borrower to sign the loan documents by making the suggestion that the borrower had three days to cancel the loan, if a refinance. During that time, the borrower could contact the broker to have his questioned. If the answers were not sufficient, the borrower could always cancel the loan. (A Notary could not answer specific questions about the loan, other than the interest rate, payment amount or loan amount. Anything else could change the Notary into a "Signing Agent" whereby the Notary could now have a greater liability.)

Most purchases were signed in the Escrow Office, so issues of no one to explain the loan documents were not as common, though the broker or realtor would often not attend the signings.

It should also be determined as to if the Notary was also an employee of the broker or realtor. If so, a conflict of interest allegation might be possible, and dependent upon the circumstance, other issues related to Notary law may be applicable.

Risk Layering:

Risk layering is the concept of borrowers having multiple elements of risk in any one loan. Risk would be greater as the different factors that lenders should be concerned about were found in each loan. The more layers of risk, the greater the likelihood of default. Layers of risk in this loan include…

- Debt Ratios above Guidelines
- High Loan to Value (Exceeded Limit of 80%)
- Mortgage Insurance

This loan has an increased level of risk as reflected by the above factors. These factors necessarily should lead to increased scrutiny of the approval process, including more extensive documentation of income.

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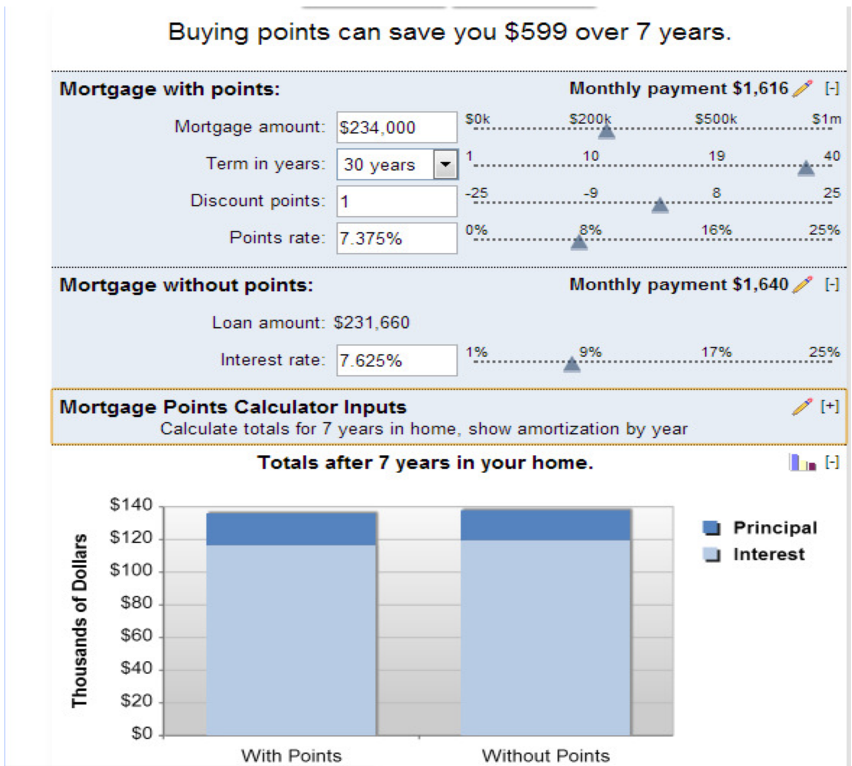
SUMMARY OF AUDIT FINDINGS

Phony Discount Points:

The Loan Discount Fee was not a fee used to “buy-down” the Interest Rate. In fact, it was a Loan Origination Fee in disguise. As a result, this could be actionable under UDAP and Fraud Statutes.

Example and Commentary Assumes that 1 Discount Point Lowers the rate by .25%



Discount points are not found to be unreasonable.

SUMMARY OF AUDIT FINDINGS

Unnecessary Fee Review

FHA Loan Limits
No issues found.

Unnecessary mortgage Insurance
No issues found.

FHA Private Mortgage Insurance – Upfront Fee
No issues found.

FHA Private Mortgage Insurance – Lender Premium
No issues found.

Unnecessary Prepayment Penalty
No issues found.

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SUMMARY OF AUDIT FINDINGS

Deed Of Trust (Chain of Title and Note Recorded Events on the Loan Including Foreclosure Issues and Securitization):

The note on this loan may have been sold. A Securitization Audit could help you to learn more about what happened to the note and deed for this loan.

Separation of Note and Deed (Also see MERS in Summary Of Key Laws Section)

If the Note and the Deed have been separated during the sale transaction, there is no ability to foreclose on the property until the Note

When the note is split from the deed of trust, "the note becomes, as a practical matter, unsecured."RESTATEMENT (THIRD) OF

A person holding only a note lacks the power to foreclose because it lacks the security, and a person holding only a deed of trust suffers
RESTATEMENT (THIRD) OF PROPERTY (MORTGAGES) § 5.4 cmt. e (1997).

"Where the mortgagee has 'transferred' only the mortgage, the transaction is a nullity and his 'assignee,' having received no interest in
RICHARD R. POWELL, POWELL ON REAL PROPERTY, § 37.27[2] (2000).

In re Vargas, 396 B.R. 511, 517 (Bankr. C.D. Cal. 2008) ("[I]f FHM has transferred the note, MERS is no longer an authorized agent of
"MERS presents no evidence as to who owns the note, or of any authorization to act on behalf of the present owner.");"

Saxon Mortgage Services, Inc. v. Hillery, 2008 WL 5170180 (N.D. Cal. 2008) (unpublished opinion) ("[F]or there to be a valid assignment,
MERS purportedly assigned both the deed of trust and the promissory note. . . . However, there is no evidence of record that establishes

LaSalle Bank Nat. Ass'n v. Lamy, 2006 WL 2251721, at *2 (N.Y. Sup. 2006) (unpublished opinion) ("A nominee of the owner of a note
mortgage by the nominee.")

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SUMMARY OF AUDIT FINDINGS

Borrower Benefit Review

Summary of Loan Changes

		Previous		New (Highest)
Mortgage Payment (All Liens)	$	1,598.78		1,793.63
Taxes and Insurance and HOA		409.53		409.53
PMI				
Total Payments	$	2,008.31	$	2,203.16
Total Payment Increase/(Decrease)		**N/A**	**$**	**194.85**
Cashout Benefit to Borrower		N/A	$	2,903.15
Payoffs (Non-Previous Home Loan Related -- i.e., credit cards, car notes, etc.)		N/A		10,565.47
Total Closing Costs Rolled into the Loan (plus prepayment penalties)		N/A		(8,290.25)
Total Net Cashout Benefit to Borrowers		**N/A**	**$**	**5,178.37**

Refinance Cashout vs. HELOC Test

Annual Dollar Costs of the Borrower Benefit (Payment Increase * 12)	$	2,338.20
Annual Percentage Cost for Borrower Benefit (Annual Dollar Cost / Total Cashout Benefit To Borrowers)		17.36%
Average Line Of Credit (HELOC) Annual Rate was (Assuming Prime + 0% margin)		5.66%
Average Line Of Credit (HELOC) Annual Rate was (Assuming Prime + 4% margin)		9.66%
Estimated HELOC (30Y Amort.) Monthly (PI) Payment on Total Cashout Benefit To Borrower		**$77.83**
Estimated HELOC (30Y Amort.) Monthly (PI) Payment on Total Cashout Benefit To Borrower		**$114.83**
How many years will it take for borrower to recover closing costs with lower interest payment and cash benefit?		N/A
Closing Costs Assessment. Can closing costs be recovered in 7 years or less considering new PI payment and Cash-out?		N/A
Was refinance w/ cashout in the best interest of the borrower(s)?	**Results =**	**FAIL. Better program options available.**

Comments: The borrower should have been advised to obtain a HELOC. Incurring $8,290 dollars in closing costs was not in their best interest considering that they could have obtained a HELOC with lower monthly payments and minimal to no closing costs. The HELOC payment would have likely been only $78 - $115 per month. This is with a prime rate of 5.66% plus a margin as high as 4%. The borrower's payment increase for this loan was $194.85.

SUMMARY OF AUDIT FINDINGS

APPRAISAL REVIEW

The subject property was purchased in 2007, and at the time appraised at $555,000. The audit review used the data provided by the Federal Housing Finance Agency (FHFA) as a tool to assess changes in home price appreciation.

The auditor used Physical Appraisal (dated: 4/25/2012) to obtain an estimate of what the property is worth today. The Physical Appraisal (dated: 4/25/2012) estimate came in at $240,000. A second valuation using a Tax Assessment (dated: 3/31/2012) estimate came in at $195,000.

Several factors have been uncovered that would suggest the original appraisal may have been done outside of Uniform Standards of Professional Appraisal Practices. The evaluation findings are as follows:

- Based on the evaluation methods noted above, it appears that the value of the property changed by -56.76% & -64.86% since the appraisal of $555,000 in 1Q 2007.
- The FHFA Home Price Index shows a change of -14.49% change for the state of VA and a -18.4% change for Richmond, VA
- Based on the HPI indices, a more appropriate original appraisal at the time of purchase would have been approximately, $284,169 - $230,887 (using both valuations of $240,000 & $195,000 and VA HPI rate change of -14.49%).
- Based on the analysis above, if the original appraised value should have been less than $234,000 ($234,000 * 100%), then this loan would not have been approved because the max cap of 100% of loan amount would have exceeded the FMV at the time of the loan origination.
- Only 4 comparables were included in the report, while there is an expectation of 6 because comparables are lacking recent sales data.
- There was no explanation of the reasons the recent sales were not available for the comparables.
- Loan exceeded $500,000, however only 4 comparables were used.
- At least 2 of the comparable sales were NOT within 1 mile (urban/metro) or within 3 miles (rural).
- Gross adjustments and/or net adjustments exceeded to 25% and/or 15%, respectively, and/or a single adjustment exceeded 10%.

Charges of appraisal fraud can result from any of the following actions:

- failure to consider the market values of comparable property
- failure to consider outside variables in addition to market values
- failure to account for the condition of the property
- failure to ensure that all relevant data has been collected for use in the appraisal
- failure to use standard and accepted practices of research and value assessment

An inflated appraisal may also be the result of appraiser negligence. Unlike an intentional act of fraud, appraiser negligence occurs when an appraiser fails to exercise the degree of care and skill that an ordinary appraiser would exercise. For example, an appraiser might fail to adequately research comparables when establishing a property's value or fail to use methods generally recognized and accepted by other appraisers. A breach of this standard of care in the appraiser's performance may give rise to charges of professional negligence and malpractice.

Based on the findings, it is believed that the borrower may have cause to bring forth a complaint against the original appraiser and potentially the lender.

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SUMMARY OF AUDIT FINDINGS

HPI Index All Transactions Data (Refinance AND Purchase)

Home Price Index Assessment State of VA

Initial Price or Value	$ 555,000.00
Index for: 1Q 2007	211.17
Index for: 1Q 2012	180.58
Estimated Value Today	$ 474,602.93
Index Change	-14.49%
Estimated Original Appraisal Using Physical Appraisal (dated: 4/25/2012)	$ 274,766.30
Estimated Original Appraisal Using a Tax Assessment (dated: 3/31/2012)	223,247.62

Home Price Index Assessment Metro Area of Richmond, VA

Initial Price or Value	$ 555,000.00
Index for: 2Q 2007	219.63
Index for: 1Q 2012	179.21
Estimated Value Today	$ 452,859.58
Index Change	-18.40%
Estimated Original Appraisal Using Physical Appraisal (dated: 4/25/2012)	$ 284,168.83
Estimated Original Appraisal Using a Tax Assessment (dated: 3/31/2012)	230,887.17

Statistical Assessment at a Confidence Interval of 95%*

Based on the evaluation methods noted above, it appears that the value of the property changed by -56.76% & -64.86% since 1Q 2007.

There is a 95% confidence that the change in property prices for the subject periods in the MSA should range between -19.8% & -16.98%.

Does the property's price change fall within the 95% confidence interval for MSA? **No, because both valuations show that the price changes fall outside.**

There is a 95% confidence that the change in property prices for the subject periods in non-MSA should range between -18.82% & -9.93%.

Does the property's price change fall within the 95% confidence interval for non-MSA? **No, because both valuations show that the price changes fall outside.**

*HPI defines MSA as a Metropolitan Statistical Area. If the property falls outside of an MSA, the non-MSA values are more meaningful.

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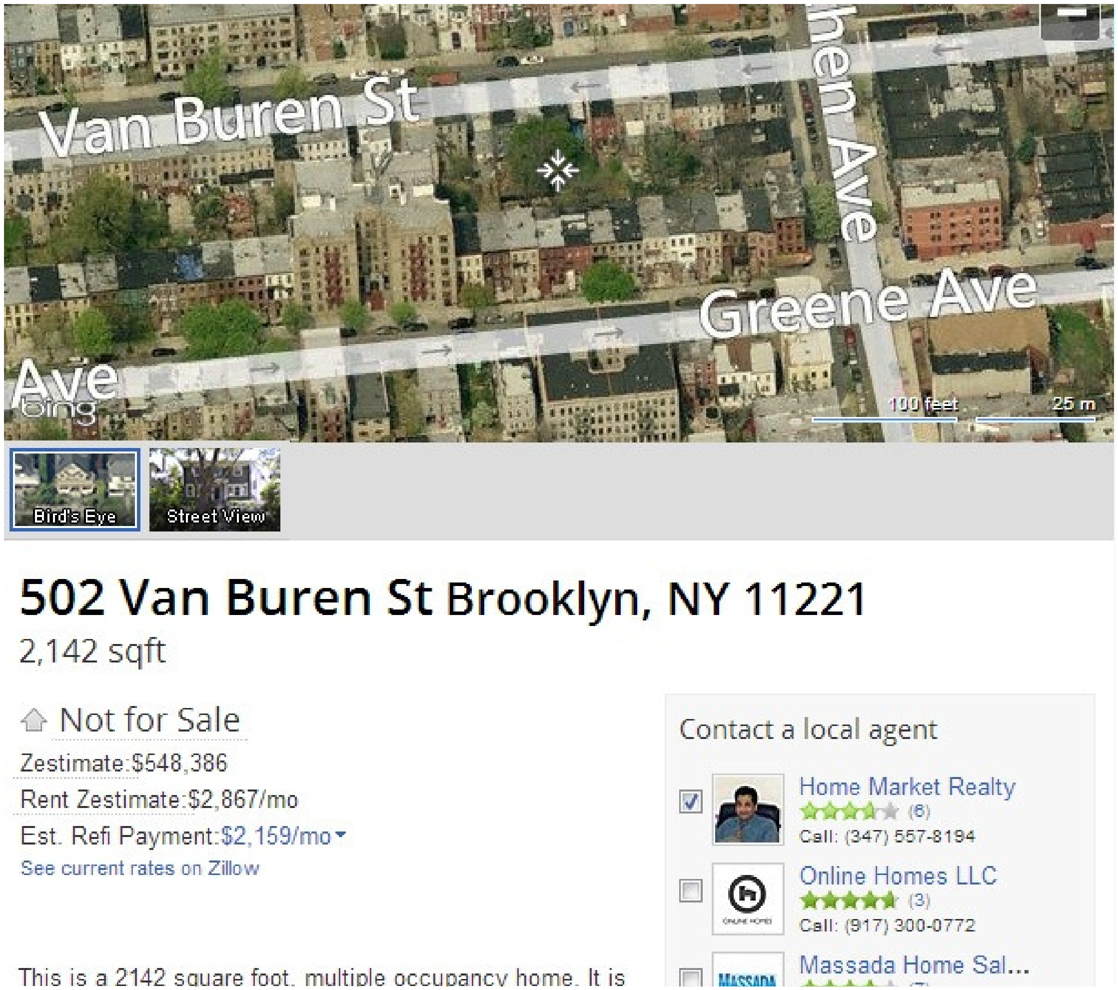
SUMMARY OF AUDIT FINDINGS

Physical Appraisal (dated: 4/25/2012)

SCREEN SHOT ONLY DISPLAYED FOR SAMPLE PURPOSES (ACTUAL APPRAISAL WAS USED)



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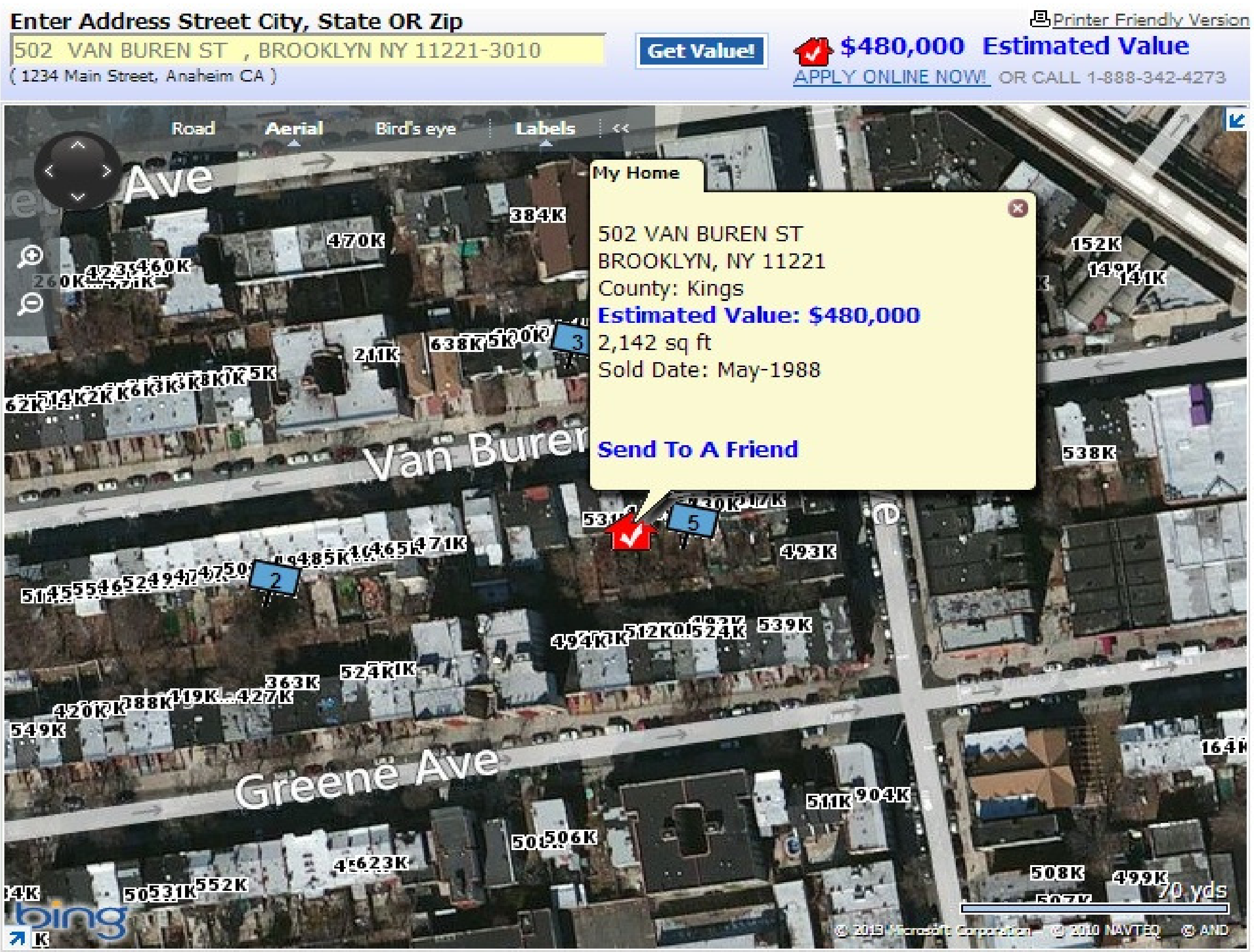
SUMMARY OF AUDIT FINDINGS

a Tax Assessment (dated: 3/31/2012)

SCREEN SHOT ONLY DISPLAYED FOR SAMPLE PURPOSES (ACTUAL APPRAISAL WAS USED)



SUMMARY OF AUDIT FINDINGS

Predatory Loan Indicators (Also See Predatory Loan Analysis in Summary of Key Laws Section)

"Predatory lending" is a general term used to describe unfair, deceptive, or fraudulent practices of lenders during the loan origination process. Predatory lending is often a combination of several factors that can only be evaluated in the context of the overall lending transaction. Typically, no single factor can be relied upon to consider it a predatory loan.

A large number of agencies and consumer organizations recognize predatory lending, including, for example, the Department of Housing and Urban Development, Federal Deposit Insurance Corporation, National Consumer Law Center, California Department of Real Estate, Fannie Mae, National Association of Consumer Advocates, Association of Community Organizations for Reform Now, National Home Equity Mortgage Association, and Center for Responsible Lending.

	No Violations Found	Violations Found
Mortgage broker and corresponding lender involved.	X	
Borrower was a minority and/or the transaction was conducted in a foreign language.	X	
Loan-to-value ratio above 80%.		X
Total Debt-to-income ratio above 45/50%.		X
Teaser rate involved.	X	
Excessive Closing Costs/Fees.	X	
Prepayment Penalty.	X	
Interest-Only Payments.	X	
Negative Amortization Payments	X	
Broker Compensation >2% (including yield spread premium).	X	
Loan Flipping – refinance within 3 years of previous loan.		X
Balloon Payments.	X	
Unnecessary insurance and other products offered in closing.	X	
Mandatory arbitration clause in Note.	X	
Bait & Switch – e.g., borrower initially offered lower rate than final Note.	X	
Other unfair, deceptive, or fraudulent practices in transaction.		X

Total Predatory Loan Factors 4

SUMMARY OF AUDIT FINDINGS

State Disclosures Violations and Other Findings

None of the following required disclosures for the state of VA were provided to the borrower.

	Virginia
Borrower Information Sheet	http://ww3.remnwholesale.com/documents/State_Disclosures_2010/VA/VA_borrower_information.pdf
Mortgage Escrow Account	http://ww3.remnwholesale.com/documents/State_Disclosures_2010/VA/mortgage_escrow_account.pdf
Tangible Net Benefits	http://ww3.remnwholesale.com/documents/State_Disclosures_2010/VA/tangible%20net%20benefits.pdf.pdf
Title Insurance	http://ww3.remnwholesale.com/documents/State_Disclosures_2010/VA/title%20insurance.pdf

VA disclosures are REQUIRED by VA statutes. Significant penalties may apply for these lack of disclosures. Please consult a state licensed attorney for more information.

SUMMARY OF AUDIT FINDINGS

Final Review:

This loan has key factors of risk, and potentially serious violations and errors may have been uncovered.

The borrower had problems with this loan less than 2 years from closing. In the auditor's opinion, this is primarily due to the fact that the loan was non-repayable at the time of origination. The total DTI level of 55% exceeds normal underwriting limits.

The appraisal review (detailed above) found potential issues with the original appraisal that if verified could have caused the original loan to not have been approved. From a statistical standpoint, assuming reliable present day valuations, the price change on this property is outside of a 95% confidence range. This range suggests that 95% of the population should fall within the price range. This property falls outside of this range. This along with other issues found, raises concerns about the original appraisal and may warrant principal reduction concessions and/or other remedies. For more information on this section, please see section Appraisal Review.

The finance charge also exceeded TILA tolerance for a refinance loan. This was primarily caused by the lender improperly disclosing the correct payment for scheduled payments on the TIL. The finance charge was understated by over almost $21,000 due to this disclosure error. The error was significant enough to cause the Truth and Lending Statement to be outside of the allowed federal tolerance.

The borrower's TIL did not properly disclose PMI payments. Mortgage insurance is required to be disclosed as a finance charge on the TIL. This caused both the APR and Finance charge disclosed to be significantly below the allowed federal tolerance outlined in TILA.

The file also did not include important federal and state disclosures (cited above). If the borrower actually did not receive the required disclosure documents as prescribed, an affidavit can be submitted to the court attesting to that fact.

Finally, the HUD1 included a fee for Tax Service that far exceeds any reasonable charge for this service. This service usually costs about $70 to $90. However, the borrowers were charged almost $500 for this service. This over charge should be investigated, as at a minimum, it requires a refund.

The borrower with a competent attorney should be able to obtain concessions from the lender considering the outcome of the audit results.

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CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)

								BUYER	APR	HOEPA
800.	**ITEMS PAYABLE IN CONNECTION WITH LOAN**									
801.	Loan Origination Fee	%	to							
802.	Loan Discount	%	to	Lender				2,340.00	✓	✓
803.	Appraisal		to							
804.	Credit Report		to							
805.	Flood Fees		to	Lender				30.00	✓	✓
806.	Tax Service Fee		to	Lender				495.00	✓	✓
807.	Funding Fee		to	Lender				100.00	✓	✓
808.	Processing Fee		to	Lender				950.00	✓	✓
809.	Commitment Feee		to	Lender				945.00	✓	✓
810.	Document Preparation / MERs		to	Lender				39.95	✓	✓
811.	Application Fee		to	Lender			POC	350.00	✓	✓
900.	**ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE**									
901.	Interest From	4/9/2008	to	5/1/2008	$ 47.28	22 days		1,040.18	✓	
902.	Mortgage Insurance Premium for	months to					POC	569.00		
903.	Hazard Insurance Premium for	years to								
904.	MIP Credit									
905.	County Taxes									
1000.	**RESERVES DEPOSITED WITH LENDER**									
1000.	Hazard Insurance		@	$	per			426.78		
1001.	Mortgage Insurance		@	$	per					
1002.	City/Summer Taxes		@	$	per					
1003.	County Taxes		@	$	per			1,448.44		
1004.	Assessments		@	$	per					
1005.	Flood Insurance		@	$	per					
1006.	School Taxes		@	$	per					
1007.	Aggregate Adjustment		@	$	per			(237.10)		
1008.	**Payoffs**		@	$	per			10,565.47		

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Present Lender: Nationstar / Loan # 052549697

CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)

1100.	TITLE CHARGES				APR	HOEPA
1101.	Settlement or Closing Fee	to		150.00	✓	✓
1102.	Title Search	to	Other			
1103.	Title Examination	to	Other			
1104.	Title Insurance Binder	to	Other			
1105.	Document Preparation	to	Other			
1106.	Notary Fee	to	Other			
1107.	Attorney's Fees	to	Other			
	(includes above item numbers:		Other)			
1108.	Title Insurance	to	Other	400.00		
	(includes above item numbers:		Other)			
1109.	Lender's Coverage	$	Other			
1110.	Owner's Coverage	$	Other			
1111.	Endorsements		Other			
1112.	Record Service Fee	to	Other			
1113.	Alta Forms	to	Other			
1114.	Tax & Assessments Exam Fee	to	Other			
1115.	Title Plus Services	to	Other			
1116.	Courier/Wire/Shipping/Email Fee	to	Other	30.00	✓	✓
1117.	Escrow Service Fee	to	Other			
1118.	Closing Agent Reg Z Fees	to	Other			

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CLOSING COSTS (SETTLEMENT STATEMENT SUMMARY)

1200.	**GOVERNMENT RECORDING AND TRANSFER CHARGES**		**APR**	**HOEPA**
1201.	Recording Fees: Deed $; Mortgage $; Releases $	129.00		
1202.	City/County Tax/Stamps: Revenue Stamps ; Mortgage			
1203.	State Tax/Stamps: Revenue Stamps ; Mortgage			
1204.	Intangibles			
1205.	IL Registration Fee	3.00		
1300.	**ADDITIONAL SETTLEMENT CHARGES**			
1301.	Survey to Other			
1302.	Inspections to Other			
1303	Courier/Wire/Shipping/Email Fee to Other			
1304.	Warranty to Other			
1305.	Taxes and Lien to Other			
1400.	**TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)**	$ 19,774.72	**$ 6,470.13**	**$ 5,429.95**
	Check (POC, 3rd Party, Addendums, Reg Zs)	$ 18,855.72		
	Closing Costs (incl. any prepayment pen.)	18,855.72		

DATA INPUT & TEST RESULTS

Basic File Information	
Borrower:	Elijah Ale
Co-Borrower Name:	Ester Ale
Primary Residence:	Yes
Client Phone Number:	info@thenewearthfoundation.org
Property Address:	7 True Path Lane
City:	Richmond
State:	VA
Zip Code:	09827
Origination Lender:	The First Mortgage Corporation
Origination Loan#:	165548
Present Lender:	Nationstar
Present Loan #:	052549697
Closing Date	4/4/2008
Closing Period	5.56
Is loan in default?	Yes

Loan Info	
Loan Amount:	$234,000.00
Loan Type:	Fixed
Payment Type:	PI
Term:	360
Initial Interest Rate:	7.38
Present Interest Rate (From Statement):	-
Annual Taxes:	-
Annual Insurance:	-
Mortgage Insurance (Monthly):	177.45
Late Fees/Back Escrow Payments/Shortages	-
Expected Principal Balance (Refund Check)	265,000.00
Mortgage Payment on Statement	$0.00
Disclosed APR:	7.6610%
Date of First Payment:	8/1/2008
Principal Balance On Statement	$267,589.00
Periodic Adjust. Cap:	-
1st Change Cap:	-
Life Time Rate Floor:	-
Life Time Rate Cap:	-
Initial Years (interest only period):	-
Initial Months (fixed rate period):	360
Adjustment Period (months):	-
Index Value %:	-
Margin %:	-

DATA INPUT & TEST RESULTS

RESPA, TILA and HOEPA Checks		
RESPA Escrow Cushion/Initial Deposit		819.06
Total Annual Escrow Obligation		4,914.36
Calculated Initial Cushion		819.06
Cushion Check		**PASS**
Most Recent Escrow Statement Cushion	$	-
Total Annual Actual Escrow Obligation		-
Calculated Cushion		-
Cushion Check		**N/A**
TILA Calculated APR		**8.3502%**
TILA APR Threshold Test (Above)		**FAIL**
TILA APR Threshold Test (Below)		**PASS**
Right to Cancel Sign Date		4/4/2008
Right to Cancel Expire Date		4/8/2008
Disbursement Date		4/8/2008
Was a Right To Cancel Waiver in file?		N/A
Rescission Disbursement Date Check		**PASS**
Rescission Date Check		**FAIL**
Is this a purchase, refinance, or land?		Refinance
HOEPA (Comparable T-Bill Rate)		4.350%
HOPEA APR Threshold (1st Mortgage)		Not HOEPA Loan
HOPEA APR Threshold (2nd Mortgage)		Not HOEPA Loan
HOPEA Closing Costs Check		Not HOPEA Loan
HOPEA Disclosures		N/A
HOEPA Prohibited Practices		N/A
Late Charge		5.000%

Disclosed Loan Costs/Payments	
Total Costs Included in APR	$6,470.13
Total Closing Costs	19,774.72
HOEPA Points and Fees	5,429.95
HOEPA Points and Fees (8% of Amount Financed Cap)	18,202.39
Check Total APR Costs	**PASS**
Check Total Closing Costs	**PASS**
Check Total Points and Fees -- State Specific	**PASS**
Calculated Finance Charge - Fixed and ARM Loans	**$375,589.10**
Disclosed Finance Charge	354,290.10
Variance	**$21,299.00**
Rescission - Finance Charge	
Test Results (No Foreclosure) - Fixed and ARM Loans	**FAIL**
Test Results (In Foreclosure) - Fixed and ARM Loans	**FAIL**
Non-Rescission - Finance Charge	
Test Results - Fixed and ARM Loans	**FAIL**
Amount Financed - Fixed and ARM Loans	$227,529.87
Total Calculated Payments - Fixed and ARM Loans	$603,118.97
Total Disclosed Payments	581,824.97

DATA INPUT & TEST RESULTS

Document Checklist	
Mortgage Application (1003)	**Provided**
Initial **signed** & **dated** Uniform Residential Loan Application (1003)	**Not Provided**
Final **signed** & **dated** Uniform Residential Loan Application (1003)	**Provided**
HUD1 and Addendums from Closing (Complete)	**Provided**
GFE (**signed and dated**)	**Not Provided**
Mortgage Note	**Provided**
Note Addendum and Modification	**Provided**
Mortgage / Deed of Trust / Security Instrument	**Provided**
Customer Agreement	**Provided**
Truth-In-Lending Disclosures	**Provided**
Initial T&L Statement & Itemization of Amount Financed **(signed & dated)**	**Not Provided**
Final T&L Statement & Itemization of Amount Financed **(signed & dated)**	**Not Provided**
Name and address of creditor	**Provided**
Amount financed	**Provided**
Itemization of amount financed (optional, if Good Faith Estimate is provided)	**Provided**
Finance charge	**Provided**
Annual percentage rate (APR)	**Provided**
Variable rate information	**N/A**
Payment schedule	**Provided**
Total of payments	**Provided**
Demand feature	**Provided**
Total sales price	**N/A**
Prepayment policy	**Provided**
Late payment policy	**Provided**
Security interest	**Provided**
Insurance requirements	**Provided**
Certain security interest charges	**Provided**
Contract reference	**Provided**
Assumption policy	**Provided**
Required deposit information	**Provided**
Affiliated Business Arrangement Disclosure	**Provided**
Appraisal (and or Appraisal Right To Copy Disclosure)	**Not Provided**
CHARM Disclosure	**N/A**
Collection Notice(s)	**N/A**
Credit Score Disclosures	**Not Provided**
ECOA Statement - Equal Credit Opportunity	**Not Provided**
Escrow Analysis (Initial Escrow Disclosure)	**Provided**
High Cost Mortgage Disclosures (if Applicable)	**N/A**
Investigative Consumer Report Disclosure	**Not Provided**
Last Escrow Annual Statement	**Not Provided**
Most Recent Mortgage Statement	**Provided**
Notice of Default In Proper Form	**N/A**
Notice to Home Loan Applicant	**Not Provided**
Opt-Out Notices	**Not Provided**
Privacy Policy Notice	**Not Provided**
RESPA Servicing Disclosure	**Provided**
Right of Rescission or Right to Cancel (signed and dated)	**Provided**
Risk-Based Pricing Notice	**N/A**
Survey or platt	**Not Provided**
Title Policy or Title Commitment	**N/A**

DATA INPUT & TEST RESULTS

Audit Questions	
Do you have a prepayment penalty?	**No**
How many Right to Cancel copies were included?	**4**
How many were required?	**4**
Did you ever try to cancel your loan before or after closing within 3-Days?	**No**
Is the lender listed on your closing papers the same as the lender you pay today?	**No**
Did you receive notification that your loan was being transferred to another servicer within 30 days of it being transferred?	**Yes**
If you have an escrow account, have you received your annual escrow statement each year?	**Yes**
Have you been notified that you can get written Confirmation of your obligation?	**N/A**
Are you receiving disability income now?	**No**
Did lender transfer disability related medical information without borrower (s) permission?	**N/A**
Are you receiving workmen's compensation now?	**No**
Did you provide documentation about your workmen's compensation income during the application process for your loan?	**N/A**
Were any RESPA formal requests sent?	**No**
Did lender respond within 20 days of receiving request?	**N/A**
Were there ECOA violations found?	**Yes**
Were there TILA violations found?	**Yes**
Were there FCRA/FACTA violations found?	**Yes**
Were there RESPA violations found?	**Yes**
Were there UCC violations found?	**Yes**
Were there underwriting or appraisal issues found?	**Yes**

DATA INPUT & TEST RESULTS

Application Analysis	
Wages or Estimated Stated Income On Application	$5,271.31
Total Debt Payments	2,923.16
Total Initial Housing Payments	2,203.16
1st Change Housing Payment	2,025.71
Ceiling Housing Payment	2,203.16
Highest Housing Payment on the Schedule	2,203.16
Housing DTI	
DTI on Initial Interest rate	42%
DTI on 1st Change Date	38%
DTI at Ceiling rate	42%
DTI at Highest Payment on Schedule	42%
Total DTI	
DTI on Initial Interest rate	55.0%
DTI on 1st Change Date	52.0%
DTI at Ceiling rate	55.0%
DTI at Highest Payment on Schedule	55.0%
Estimated Tax Rate	24.4%
Discretionary %	20.6%
Discretionary Spending Amount	$1,086.94
ARM	
Discretionary %	23.6%
Discretionary Spending Amount	$1,245.08
Median Credit Score	N/A
LTV	90.00%
Fed Tax Rate	13.7%
Social Security	6.20%
Medicare	1.45%
State Income Tax	3.0%
Stated Income	
Required Monthly Income for 45% DTI (highest payment on schedule)	$4,895.91
Annual Income	58,750.93
Occupation	Buyer
Salary.com	-
Rental/Other Income	-
Salary.com DTI	N/A
Salary DTI Highest Payment	N/A
Appraisal Value	$260,000.00
Liquid Assets	-
Change in Housing Expense	-
Negative Amortization Cap	100%
Closing Costs/Down payment	-

DATA INPUT & TEST RESULTS

Application Analysis continued…

Estimated Audit Violation Amounts		
Total Payments Made		63.81
Total Costs Included in APR		$6,470.13
Total Interest Payments in Schedule	$	88,171.18
Total Minimum Non-Punitive TIL Damages		94,641.31
Total Minimum TIL w/ Punitive Damages		283,923.93
YSP Damages for Non-Disclosure	$	-
YSP Damages for Non-disclosure w/ Punitive Damages		-
Schedule of Payments		
Payment 1	$	1,793.63
Payment 2		1,616.18
Payment 3		1,616.35
Payment 4		-
Payment 5		-
Payment 6		-
Payment 7		-
Payment 8		-
Payment 9		-
Payment 10		-
Payment 11		-
Payment 12		-
Percentage Increase		
Payment 1		-
Payment 2		-9.9%
Payment 3		-9.9%
Payment 4		
Payment 5		
Payment 6		
Payment 7		
Payment 8		
Payment 9		
Payment 10		
Payment 11		
Payment 12		
Max Increase		0.00%

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LOAN PAYMENTS SUMMARY

8.3502% APR

Summary of Payment Streams

# of Payments	Payment	Total	Loan Amount
120	$ 1,793.63	$ 215,235.60	$234,000.00
239	1,616.18	386,267.02	
1	1,616.35	1,616.35	

# of Payments	Finance Charge	Amount Financed	Total Payments
360	$375,589.10	$ 227,529.87	$603,118.97

Loan Setup Data

Loan Amount:	$234,000.00	
Initial Interest Rate:	7.375	%
Amortization Period:	360	months
Start Date:	08/01/08	
Interest Rate Caps		
Periodic Adjust. Cap:	0.00	%
1st Change Cap:	0.00	%
Life Time Rate Floor:	0	%
Life Time Rate Cap:	0.00	%
Interest Only Period:	0	years
Initial Months (fixed rate period):	360	months
Adjustment Period (months):	0	months
Current Index Value %:	0.000	%
Margin %:	0.000	%
Fully Indexed Rate (FIR) %:	7.375%	%
Amount Financed:	$227,529.87	
Total Costs used for APR Calculation:	$6,470.13	

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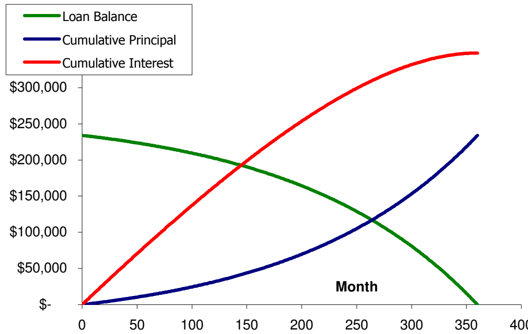
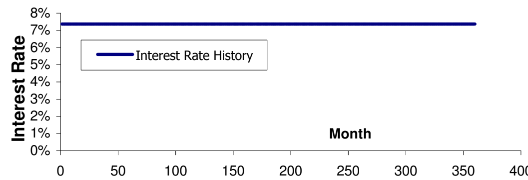
AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00
Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**





No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
			$ (227,530)				$ 234,000				$ (227,530)
1	8/1/2008	7.375%	1,616.18		1,438.13	178.05	233,821.95	1,438.13	178.05	177.45	1,793.63
2	9/1/2008	7.375%	1,616.18		1,437.03	179.15	233,642.80	2,875.16	357.20	177.45	1,793.63
3	10/1/2008	7.375%	1,616.18		1,435.93	180.25	233,462.55	4,311.09	537.45	177.45	1,793.63
4	11/1/2008	7.375%	1,616.18		1,434.82	181.36	233,281.19	5,745.91	718.81	177.45	1,793.63
5	12/1/2008	7.375%	1,616.18		1,433.71	182.47	233,098.72	7,179.62	901.28	177.45	1,793.63
6	1/1/2009	7.375%	1,616.18		1,432.59	183.59	232,915.13	8,612.21	1,084.87	177.45	1,793.63
7	2/1/2009	7.375%	1,616.18		1,431.46	184.72	232,730.41	10,043.67	1,269.59	177.45	1,793.63
8	3/1/2009	7.375%	1,616.18		1,430.32	185.86	232,544.55	11,473.99	1,455.45	177.45	1,793.63
9	4/1/2009	7.375%	1,616.18		1,429.18	187.00	232,357.55	12,903.17	1,642.45	177.45	1,793.63
10	5/1/2009	7.375%	1,616.18		1,428.03	188.15	232,169.40	14,331.20	1,830.60	177.45	1,793.63
11	6/1/2009	7.375%	1,616.18		1,426.87	189.31	231,980.09	15,758.07	2,019.91	177.45	1,793.63
12	7/1/2009	7.375%	1,616.18		1,425.71	190.47	231,789.62	17,183.78	2,210.38	177.45	1,793.63
13	8/1/2009	7.375%	1,616.18		1,424.54	191.64	231,597.98	18,608.32	2,402.02	177.45	1,793.63
14	9/1/2009	7.375%	1,616.18		1,423.36	192.82	231,405.16	20,031.68	2,594.84	177.45	1,793.63
15	10/1/2009	7.375%	1,616.18		1,422.18	194.00	231,211.16	21,453.86	2,788.84	177.45	1,793.63
16	11/1/2009	7.375%	1,616.18		1,420.99	195.19	231,015.97	22,874.85	2,984.03	177.45	1,793.63
17	12/1/2009	7.375%	1,616.18		1,419.79	196.39	230,819.58	24,294.64	3,180.42	177.45	1,793.63
18	1/1/2010	7.375%	1,616.18		1,418.58	197.60	230,621.98	25,713.22	3,378.02	177.45	1,793.63
19	2/1/2010	7.375%	1,616.18		1,417.36	198.82	230,423.16	27,130.58	3,576.84	177.45	1,793.63
20	3/1/2010	7.375%	1,616.18		1,416.14	200.04	230,223.12	28,546.72	3,776.88	177.45	1,793.63
21	4/1/2010	7.375%	1,616.18		1,414.91	201.27	230,021.85	29,961.63	3,978.15	177.45	1,793.63
22	5/1/2010	7.375%	1,616.18		1,413.68	202.50	229,819.35	31,375.31	4,180.65	177.45	1,793.63
23	6/1/2010	7.375%	1,616.18		1,412.43	203.75	229,615.60	32,787.74	4,384.40	177.45	1,793.63
24	7/1/2010	7.375%	1,616.18		1,411.18	205.00	229,410.60	34,198.92	4,589.40	177.45	1,793.63
25	8/1/2010	7.375%	1,616.18		1,409.92	206.26	229,204.34	35,608.84	4,795.66	177.45	1,793.63
26	9/1/2010	7.375%	1,616.18		1,408.65	207.53	228,996.81	37,017.49	5,003.19	177.45	1,793.63
27	10/1/2010	7.375%	1,616.18		1,407.38	208.80	228,788.01	38,424.87	5,211.99	177.45	1,793.63
28	11/1/2010	7.375%	1,616.18		1,406.09	210.09	228,577.92	39,830.96	5,422.08	177.45	1,793.63
29	12/1/2010	7.375%	1,616.18		1,404.80	211.38	228,366.54	41,235.76	5,633.46	177.45	1,793.63
30	1/1/2011	7.375%	1,616.18		1,403.50	212.68	228,153.86	42,639.26	5,846.14	177.45	1,793.63
31	2/1/2011	7.375%	1,616.18		1,402.20	213.98	227,939.88	44,041.46	6,060.12	177.45	1,793.63
32	3/1/2011	7.375%	1,616.18		1,400.88	215.30	227,724.58	45,442.34	6,275.42	177.45	1,793.63
33	4/1/2011	7.375%	1,616.18		1,399.56	216.62	227,507.96	46,841.90	6,492.04	177.45	1,793.63
34	5/1/2011	7.375%	1,616.18		1,398.23	217.95	227,290.01	48,240.13	6,709.99	177.45	1,793.63
35	6/1/2011	7.375%	1,616.18		1,396.89	219.29	227,070.72	49,637.02	6,929.28	177.45	1,793.63
36	7/1/2011	7.375%	1,616.18		1,395.54	220.64	226,850.08	51,032.56	7,149.92	177.45	1,793.63
37	8/1/2011	7.375%	1,616.18		1,394.18	222.00	226,628.08	52,426.74	7,371.92	177.45	1,793.63
38	9/1/2011	7.375%	1,616.18		1,392.82	223.36	226,404.72	53,819.56	7,595.28	177.45	1,793.63
39	10/1/2011	7.375%	1,616.18		1,391.45	224.73	226,179.99	55,211.01	7,820.01	177.45	1,793.63
40	11/1/2011	7.375%	1,616.18		1,390.06	226.12	225,953.87	56,601.07	8,046.13	177.45	1,793.63
41	12/1/2011	7.375%	1,616.18		1,388.67	227.51	225,726.36	57,989.74	8,273.64	177.45	1,793.63
42	1/1/2012	7.375%	1,616.18		1,387.28	228.90	225,497.46	59,377.02	8,502.54	177.45	1,793.63
43	2/1/2012	7.375%	1,616.18		1,385.87	230.31	225,267.15	60,762.89	8,732.85	177.45	1,793.63
44	3/1/2012	7.375%	1,616.18		1,384.45	231.73	225,035.42	62,147.34	8,964.58	177.45	1,793.63
45	4/1/2012	7.375%	1,616.18		1,383.03	233.15	224,802.27	63,530.37	9,197.73	177.45	1,793.63

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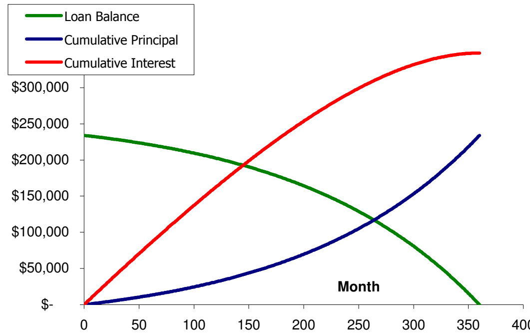
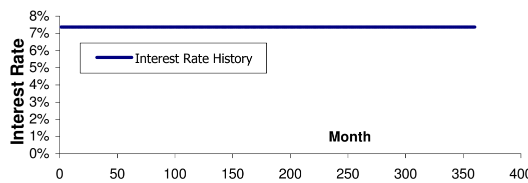
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004
Present Lender: Nationstar / Loan # 052549697

AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00
Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**





No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
46	5/1/2012	7.375%	1,616.18		1,381.60	234.58	224,567.69	64,911.97	9,432.31	177.45	1,793.63
47	6/1/2012	7.375%	1,616.18		1,380.16	236.02	224,331.67	66,292.13	9,668.33	177.45	1,793.63
48	7/1/2012	7.375%	1,616.18		1,378.71	237.47	224,094.20	67,670.84	9,905.80	177.45	1,793.63
49	8/1/2012	7.375%	1,616.18		1,377.25	238.93	223,855.27	69,048.09	10,144.73	177.45	1,793.63
50	9/1/2012	7.375%	1,616.18		1,375.78	240.40	223,614.87	70,423.87	10,385.13	177.45	1,793.63
51	10/1/2012	7.375%	1,616.18		1,374.30	241.88	223,372.99	71,798.17	10,627.01	177.45	1,793.63
52	11/1/2012	7.375%	1,616.18		1,372.81	243.37	223,129.62	73,170.98	10,870.38	177.45	1,793.63
53	12/1/2012	7.375%	1,616.18		1,371.32	244.86	222,884.76	74,542.30	11,115.24	177.45	1,793.63
54	1/1/2013	7.375%	1,616.18		1,369.81	246.37	222,638.39	75,912.11	11,361.61	177.45	1,793.63
55	2/1/2013	7.375%	1,616.18		1,368.30	247.88	222,390.51	77,280.41	11,609.49	177.45	1,793.63
56	3/1/2013	7.375%	1,616.18		1,366.78	249.40	222,141.11	78,647.19	11,858.89	177.45	1,793.63
57	4/1/2013	7.375%	1,616.18		1,365.24	250.94	221,890.17	80,012.43	12,109.83	177.45	1,793.63
58	5/1/2013	7.375%	1,616.18		1,363.70	252.48	221,637.69	81,376.13	12,362.31	177.45	1,793.63
59	6/1/2013	7.375%	1,616.18		1,362.15	254.03	221,383.66	82,738.28	12,616.34	177.45	1,793.63
60	7/1/2013	7.375%	1,616.18		1,360.59	255.59	221,128.07	84,098.87	12,871.93	177.45	1,793.63
61	8/1/2013	7.375%	1,616.18		1,359.02	257.16	220,870.91	85,457.89	13,129.09	177.45	1,793.63
62	9/1/2013	7.375%	1,616.18		1,357.44	258.74	220,612.17	86,815.33	13,387.83	177.45	1,793.63
63	10/1/2013	7.375%	1,616.18		1,355.85	260.33	220,351.84	88,171.18	13,648.16	177.45	1,793.63
64	11/1/2013	7.375%	1,616.18		1,354.25	261.93	220,089.91	89,525.43	13,910.09	177.45	1,793.63
65	12/1/2013	7.375%	1,616.18		1,352.64	263.54	219,826.37	90,878.07	14,173.63	177.45	1,793.63
66	1/1/2014	7.375%	1,616.18		1,351.02	265.16	219,561.21	92,229.09	14,438.79	177.45	1,793.63
67	2/1/2014	7.375%	1,616.18		1,349.39	266.79	219,294.42	93,578.48	14,705.58	177.45	1,793.63
68	3/1/2014	7.375%	1,616.18		1,347.75	268.43	219,025.99	94,926.23	14,974.01	177.45	1,793.63
69	4/1/2014	7.375%	1,616.18		1,346.10	270.08	218,755.91	96,272.33	15,244.09	177.45	1,793.63
70	5/1/2014	7.375%	1,616.18		1,344.44	271.74	218,484.17	97,616.77	15,515.83	177.45	1,793.63
71	6/1/2014	7.375%	1,616.18		1,342.77	273.41	218,210.76	98,959.54	15,789.24	177.45	1,793.63
72	7/1/2014	7.375%	1,616.18		1,341.09	275.09	217,935.67	100,300.63	16,064.33	177.45	1,793.63
73	8/1/2014	7.375%	1,616.18		1,339.40	276.78	217,658.89	101,640.03	16,341.11	177.45	1,793.63
74	9/1/2014	7.375%	1,616.18		1,337.70	278.48	217,380.41	102,977.73	16,619.59	177.45	1,793.63
75	10/1/2014	7.375%	1,616.18		1,335.98	280.20	217,100.21	104,313.71	16,899.79	177.45	1,793.63
76	11/1/2014	7.375%	1,616.18		1,334.26	281.92	216,818.29	105,647.97	17,181.71	177.45	1,793.63
77	12/1/2014	7.375%	1,616.18		1,332.53	283.65	216,534.64	106,980.50	17,465.36	177.45	1,793.63
78	1/1/2015	7.375%	1,616.18		1,330.79	285.39	216,249.25	108,311.29	17,750.75	177.45	1,793.63
79	2/1/2015	7.375%	1,616.18		1,329.03	287.15	215,962.10	109,640.32	18,037.90	177.45	1,793.63
80	3/1/2015	7.375%	1,616.18		1,327.27	288.91	215,673.19	110,967.59	18,326.81	177.45	1,793.63
81	4/1/2015	7.375%	1,616.18		1,325.49	290.69	215,382.50	112,293.08	18,617.50	177.45	1,793.63
82	5/1/2015	7.375%	1,616.18		1,323.70	292.48	215,090.02	113,616.78	18,909.98	177.45	1,793.63
83	6/1/2015	7.375%	1,616.18		1,321.91	294.27	214,795.75	114,938.69	19,204.25	177.45	1,793.63
84	7/1/2015	7.375%	1,616.18		1,320.10	296.08	214,499.67	116,258.79	19,500.33	177.45	1,793.63
85	8/1/2015	7.375%	1,616.18		1,318.28	297.90	214,201.77	117,577.07	19,798.23	177.45	1,793.63
86	9/1/2015	7.375%	1,616.18		1,316.45	299.73	213,902.04	118,893.52	20,097.96	177.45	1,793.63
87	10/1/2015	7.375%	1,616.18		1,314.61	301.57	213,600.47	120,208.13	20,399.53	177.45	1,793.63
88	11/1/2015	7.375%	1,616.18		1,312.75	303.43	213,297.04	121,520.88	20,702.96	177.45	1,793.63
89	12/1/2015	7.375%	1,616.18		1,310.89	305.29	212,991.75	122,831.77	21,008.25	177.45	1,793.63
90	1/1/2016	7.375%	1,616.18		1,309.01	307.17	212,684.58	124,140.78	21,315.42	177.45	1,793.63
91	2/1/2016	7.375%	1,616.18		1,307.12	309.06	212,375.52	125,447.90	21,624.48	177.45	1,793.63

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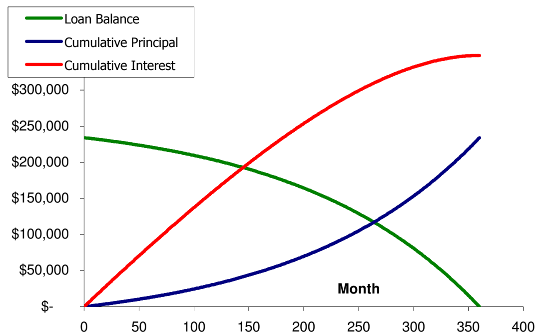
Present Lender: Nationstar / Loan # 052549697

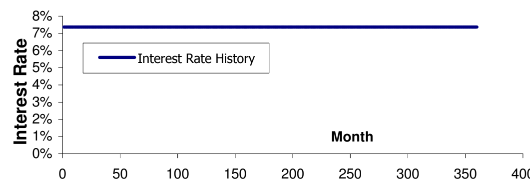
AMORTIZATION SCHEDULE

Loan Information

Loan amount	$	234,000
Costs For APR Calc	$	6,470
Term (years)		30
Starting interest rate		7.375%
First payment date		8/1/2008
Interest-Only Period		0
Starting monthly payment (PI)		**$1,616.18**
Mortgage Insurance (MI)		177.45
Sales Price/Apprais		260,000.00
Max Principal	$	234,000.00



Rate remains fixed for		30.00
Months between adjustments		-
Expected adjustment		0.000%
1st Change Cap		0.000%
Fully Indexed Rate		0.000%
Max. Limit	$	269,100.00
Est. Max rate		7.38%
Total payments (no MI)		$581,824.97
Total interest		$347,824.97
Total payments with MI		$603,118.97
APR (no MI)		**7.662%**
APR (w/MI)		**8.350%**



No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
92	3/1/2016	7.375%	1,616.18		1,305.22	310.96	212,064.56	126,753.12	21,935.44	177.45	1,793.63
93	4/1/2016	7.375%	1,616.18		1,303.31	312.87	211,751.69	128,056.43	22,248.31	177.45	1,793.63
94	5/1/2016	7.375%	1,616.18		1,301.39	314.79	211,436.90	129,357.82	22,563.10	177.45	1,793.63
95	6/1/2016	7.375%	1,616.18		1,299.46	316.72	211,120.18	130,657.28	22,879.82	177.45	1,793.63
96	7/1/2016	7.375%	1,616.18		1,297.51	318.67	210,801.51	131,954.79	23,198.49	177.45	1,793.63
97	8/1/2016	7.375%	1,616.18		1,295.55	320.63	210,480.88	133,250.34	23,519.12	177.45	1,793.63
98	9/1/2016	7.375%	1,616.18		1,293.58	322.60	210,158.28	134,543.92	23,841.72	177.45	1,793.63
99	10/1/2016	7.375%	1,616.18		1,291.60	324.58	209,833.70	135,835.52	24,166.30	177.45	1,793.63
100	11/1/2016	7.375%	1,616.18		1,289.60	326.58	209,507.12	137,125.12	24,492.88	177.45	1,793.63
101	12/1/2016	7.375%	1,616.18		1,287.60	328.58	209,178.54	138,412.72	24,821.46	177.45	1,793.63
102	1/1/2017	7.375%	1,616.18		1,285.58	330.60	208,847.94	139,698.30	25,152.06	177.45	1,793.63
103	2/1/2017	7.375%	1,616.18		1,283.54	332.64	208,515.30	140,981.84	25,484.70	177.45	1,793.63
104	3/1/2017	7.375%	1,616.18		1,281.50	334.68	208,180.62	142,263.34	25,819.38	177.45	1,793.63
105	4/1/2017	7.375%	1,616.18		1,279.44	336.74	207,843.88	143,542.78	26,156.12	177.45	1,793.63
106	5/1/2017	7.375%	1,616.18		1,277.37	338.81	207,505.07	144,820.15	26,494.93	177.45	1,793.63
107	6/1/2017	7.375%	1,616.18		1,275.29	340.89	207,164.18	146,095.44	26,835.82	177.45	1,793.63
108	7/1/2017	7.375%	1,616.18		1,273.20	342.98	206,821.20	147,368.64	27,178.80	177.45	1,793.63
109	8/1/2017	7.375%	1,616.18		1,271.09	345.09	206,476.11	148,639.73	27,523.89	177.45	1,793.63
110	9/1/2017	7.375%	1,616.18		1,268.97	347.21	206,128.90	149,908.70	27,871.10	177.45	1,793.63
111	10/1/2017	7.375%	1,616.18		1,266.83	349.35	205,779.55	151,175.53	28,220.45	177.45	1,793.63
112	11/1/2017	7.375%	1,616.18		1,264.69	351.49	205,428.06	152,440.22	28,571.94	177.45	1,793.63
113	12/1/2017	7.375%	1,616.18		1,262.53	353.65	205,074.41	153,702.75	28,925.59	177.45	1,793.63
114	1/1/2018	7.375%	1,616.18		1,260.35	355.83	204,718.58	154,963.10	29,281.42	177.45	1,793.63
115	2/1/2018	7.375%	1,616.18		1,258.17	358.01	204,360.57	156,221.27	29,639.43	177.45	1,793.63
116	3/1/2018	7.375%	1,616.18		1,255.97	360.21	204,000.36	157,477.24	29,999.64	177.45	1,793.63
117	4/1/2018	7.375%	1,616.18		1,253.75	362.43	203,637.93	158,730.99	30,362.07	177.45	1,793.63
118	5/1/2018	7.375%	1,616.18		1,251.52	364.66	203,273.27	159,982.51	30,726.73	177.45	1,793.63
119	6/1/2018	7.375%	1,616.18		1,249.28	366.90	202,906.37	161,231.79	31,093.63	177.45	1,793.63
120	7/1/2018	7.375%	1,616.18		1,247.03	369.15	202,537.22	162,478.82	31,462.78	177.45	1,793.63
121	8/1/2018	7.375%	1,616.18		1,244.76	371.42	202,165.80	163,723.58	31,834.20	0.00	1,616.18
122	9/1/2018	7.375%	1,616.18		1,242.48	373.70	201,792.10	164,966.06	32,207.90	0.00	1,616.18
123	10/1/2018	7.375%	1,616.18		1,240.18	376.00	201,416.10	166,206.24	32,583.90	0.00	1,616.18
124	11/1/2018	7.375%	1,616.18		1,237.87	378.31	201,037.79	167,444.11	32,962.21	0.00	1,616.18
125	12/1/2018	7.375%	1,616.18		1,235.54	380.64	200,657.15	168,679.65	33,342.85	0.00	1,616.18
126	1/1/2019	7.375%	1,616.18		1,233.21	382.97	200,274.18	169,912.86	33,725.82	0.00	1,616.18
127	2/1/2019	7.375%	1,616.18		1,230.85	385.33	199,888.85	171,143.71	34,111.15	0.00	1,616.18
128	3/1/2019	7.375%	1,616.18		1,228.48	387.70	199,501.15	172,372.19	34,498.85	0.00	1,616.18
129	4/1/2019	7.375%	1,616.18		1,226.10	390.08	199,111.07	173,598.29	34,888.93	0.00	1,616.18
130	5/1/2019	7.375%	1,616.18		1,223.70	392.48	198,718.59	174,821.99	35,281.41	0.00	1,616.18
131	6/1/2019	7.375%	1,616.18		1,221.29	394.89	198,323.70	176,043.28	35,676.30	0.00	1,616.18
132	7/1/2019	7.375%	1,616.18		1,218.86	397.32	197,926.38	177,262.14	36,073.62	0.00	1,616.18
133	8/1/2019	7.375%	1,616.18		1,216.42	399.76	197,526.62	178,478.56	36,473.38	0.00	1,616.18
134	9/1/2019	7.375%	1,616.18		1,213.97	402.21	197,124.41	179,692.53	36,875.59	0.00	1,616.18
135	10/1/2019	7.375%	1,616.18		1,211.49	404.69	196,719.72	180,904.02	37,280.28	0.00	1,616.18
136	11/1/2019	7.375%	1,616.18		1,209.01	407.17	196,312.55	182,113.03	37,687.45	0.00	1,616.18
137	12/1/2019	7.375%	1,616.18		1,206.50	409.68	195,902.87	183,319.53	38,097.13	0.00	1,616.18

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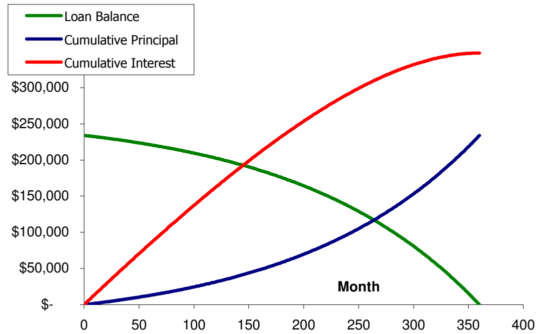
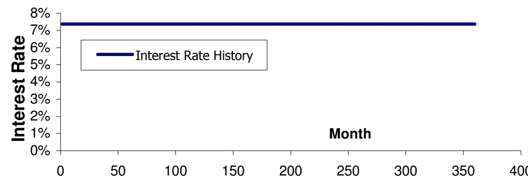
Present Lender: Nationstar / Loan # 052549697

AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00
Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**





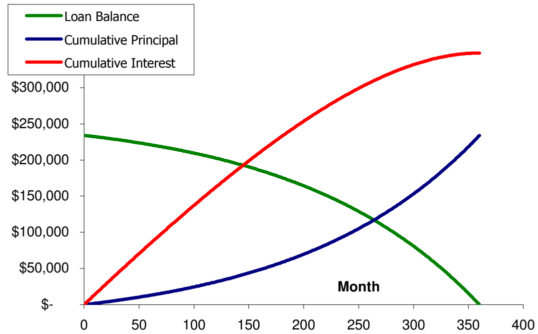
No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
138	1/1/2020	7.375%	1,616.18		1,203.99	412.19	195,490.68	184,523.52	38,509.32	0.00	1,616.18
139	2/1/2020	7.375%	1,616.18		1,201.45	414.73	195,075.95	185,724.97	38,924.05	0.00	1,616.18
140	3/1/2020	7.375%	1,616.18		1,198.90	417.28	194,658.67	186,923.87	39,341.33	0.00	1,616.18
141	4/1/2020	7.375%	1,616.18		1,196.34	419.84	194,238.83	188,120.21	39,761.17	0.00	1,616.18
142	5/1/2020	7.375%	1,616.18		1,193.76	422.42	193,816.41	189,313.97	40,183.59	0.00	1,616.18
143	6/1/2020	7.375%	1,616.18		1,191.16	425.02	193,391.39	190,505.13	40,608.61	0.00	1,616.18
144	7/1/2020	7.375%	1,616.18		1,188.55	427.63	192,963.76	191,693.68	41,036.24	0.00	1,616.18
145	8/1/2020	7.375%	1,616.18		1,185.92	430.26	192,533.50	192,879.60	41,466.50	0.00	1,616.18
146	9/1/2020	7.375%	1,616.18		1,183.28	432.90	192,100.60	194,062.88	41,899.40	0.00	1,616.18
147	10/1/2020	7.375%	1,616.18		1,180.62	435.56	191,665.04	195,243.50	42,334.96	0.00	1,616.18
148	11/1/2020	7.375%	1,616.18		1,177.94	438.24	191,226.80	196,421.44	42,773.20	0.00	1,616.18
149	12/1/2020	7.375%	1,616.18		1,175.25	440.93	190,785.87	197,596.69	43,214.13	0.00	1,616.18
150	1/1/2021	7.375%	1,616.18		1,172.54	443.64	190,342.23	198,769.23	43,657.77	0.00	1,616.18
151	2/1/2021	7.375%	1,616.18		1,169.81	446.37	189,895.86	199,939.04	44,104.14	0.00	1,616.18
152	3/1/2021	7.375%	1,616.18		1,167.07	449.11	189,446.75	201,106.11	44,553.25	0.00	1,616.18
153	4/1/2021	7.375%	1,616.18		1,164.31	451.87	188,994.88	202,270.42	45,005.12	0.00	1,616.18
154	5/1/2021	7.375%	1,616.18		1,161.53	454.65	188,540.23	203,431.95	45,459.77	0.00	1,616.18
155	6/1/2021	7.375%	1,616.18		1,158.74	457.44	188,082.79	204,590.69	45,917.21	0.00	1,616.18
156	7/1/2021	7.375%	1,616.18		1,155.93	460.25	187,622.54	205,746.62	46,377.46	0.00	1,616.18
157	8/1/2021	7.375%	1,616.18		1,153.10	463.08	187,159.46	206,899.72	46,840.54	0.00	1,616.18
158	9/1/2021	7.375%	1,616.18		1,150.25	465.93	186,693.53	208,049.97	47,306.47	0.00	1,616.18
159	10/1/2021	7.375%	1,616.18		1,147.39	468.79	186,224.74	209,197.36	47,775.26	0.00	1,616.18
160	11/1/2021	7.375%	1,616.18		1,144.51	471.67	185,753.07	210,341.87	48,246.93	0.00	1,616.18
161	12/1/2021	7.375%	1,616.18		1,141.61	474.57	185,278.50	211,483.48	48,721.50	0.00	1,616.18
162	1/1/2022	7.375%	1,616.18		1,138.69	477.49	184,801.01	212,622.17	49,198.99	0.00	1,616.18
163	2/1/2022	7.375%	1,616.18		1,135.76	480.42	184,320.59	213,757.93	49,679.41	0.00	1,616.18
164	3/1/2022	7.375%	1,616.18		1,132.80	483.38	183,837.21	214,890.73	50,162.79	0.00	1,616.18
165	4/1/2022	7.375%	1,616.18		1,129.83	486.35	183,350.86	216,020.56	50,649.14	0.00	1,616.18
166	5/1/2022	7.375%	1,616.18		1,126.84	489.34	182,861.52	217,147.40	51,138.48	0.00	1,616.18
167	6/1/2022	7.375%	1,616.18		1,123.84	492.34	182,369.18	218,271.24	51,630.82	0.00	1,616.18
168	7/1/2022	7.375%	1,616.18		1,120.81	495.37	181,873.81	219,392.05	52,126.19	0.00	1,616.18
169	8/1/2022	7.375%	1,616.18		1,117.77	498.41	181,375.40	220,509.82	52,624.60	0.00	1,616.18
170	9/1/2022	7.375%	1,616.18		1,114.70	501.48	180,873.92	221,624.52	53,126.08	0.00	1,616.18
171	10/1/2022	7.375%	1,616.18		1,111.62	504.56	180,369.36	222,736.14	53,630.64	0.00	1,616.18
172	11/1/2022	7.375%	1,616.18		1,108.52	507.66	179,861.70	223,844.66	54,138.30	0.00	1,616.18
173	12/1/2022	7.375%	1,616.18		1,105.40	510.78	179,350.92	224,950.06	54,649.08	0.00	1,616.18
174	1/1/2023	7.375%	1,616.18		1,102.26	513.92	178,837.00	226,052.32	55,163.00	0.00	1,616.18
175	2/1/2023	7.375%	1,616.18		1,099.10	517.08	178,319.92	227,151.42	55,680.08	0.00	1,616.18
176	3/1/2023	7.375%	1,616.18		1,095.92	520.26	177,799.66	228,247.34	56,200.34	0.00	1,616.18
177	4/1/2023	7.375%	1,616.18		1,092.73	523.45	177,276.21	229,340.07	56,723.79	0.00	1,616.18
178	5/1/2023	7.375%	1,616.18		1,089.51	526.67	176,749.54	230,429.58	57,250.46	0.00	1,616.18
179	6/1/2023	7.375%	1,616.18		1,086.27	529.91	176,219.63	231,515.85	57,780.37	0.00	1,616.18
180	7/1/2023	7.375%	1,616.18		1,083.02	533.16	175,686.47	232,598.87	58,313.53	0.00	1,616.18
181	8/1/2023	7.375%	1,616.18		1,079.74	536.44	175,150.03	233,678.61	58,849.97	0.00	1,616.18
182	9/1/2023	7.375%	1,616.18		1,076.44	539.74	174,610.29	234,755.05	59,389.71	0.00	1,616.18
183	10/1/2023	7.375%	1,616.18		1,073.13	543.05	174,067.24	235,828.18	59,932.76	0.00	1,616.18

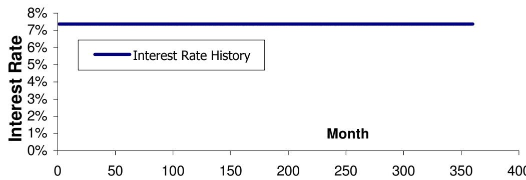
To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004
Present Lender: Nationstar / Loan # 052549697

AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00
Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**





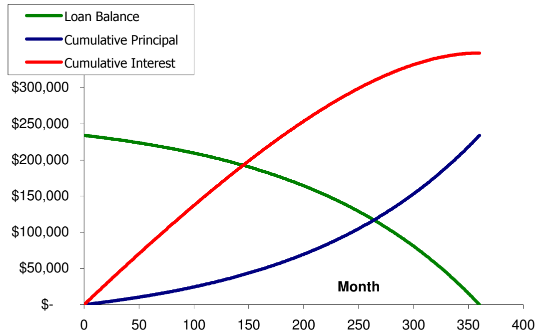
No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
184	11/1/2023	7.375%	1,616.18		1,069.79	546.39	173,520.85	236,897.97	60,479.15	0.00	1,616.18
185	12/1/2023	7.375%	1,616.18		1,066.43	549.75	172,971.10	237,964.40	61,028.90	0.00	1,616.18
186	1/1/2024	7.375%	1,616.18		1,063.05	553.13	172,417.97	239,027.45	61,582.03	0.00	1,616.18
187	2/1/2024	7.375%	1,616.18		1,059.65	556.53	171,861.44	240,087.10	62,138.56	0.00	1,616.18
188	3/1/2024	7.375%	1,616.18		1,056.23	559.95	171,301.49	241,143.33	62,698.51	0.00	1,616.18
189	4/1/2024	7.375%	1,616.18		1,052.79	563.39	170,738.10	242,196.12	63,261.90	0.00	1,616.18
190	5/1/2024	7.375%	1,616.18		1,049.33	566.85	170,171.25	243,245.45	63,828.75	0.00	1,616.18
191	6/1/2024	7.375%	1,616.18		1,045.84	570.34	169,600.91	244,291.29	64,399.09	0.00	1,616.18
192	7/1/2024	7.375%	1,616.18		1,042.34	573.84	169,027.07	245,333.63	64,972.93	0.00	1,616.18
193	8/1/2024	7.375%	1,616.18		1,038.81	577.37	168,449.70	246,372.44	65,550.30	0.00	1,616.18
194	9/1/2024	7.375%	1,616.18		1,035.26	580.92	167,868.78	247,407.70	66,131.22	0.00	1,616.18
195	10/1/2024	7.375%	1,616.18		1,031.69	584.49	167,284.29	248,439.39	66,715.71	0.00	1,616.18
196	11/1/2024	7.375%	1,616.18		1,028.10	588.08	166,696.21	249,467.49	67,303.79	0.00	1,616.18
197	12/1/2024	7.375%	1,616.18		1,024.49	591.69	166,104.52	250,491.98	67,895.48	0.00	1,616.18
198	1/1/2025	7.375%	1,616.18		1,020.85	595.33	165,509.19	251,512.83	68,490.81	0.00	1,616.18
199	2/1/2025	7.375%	1,616.18		1,017.19	598.99	164,910.20	252,530.02	69,089.80	0.00	1,616.18
200	3/1/2025	7.375%	1,616.18		1,013.51	602.67	164,307.53	253,543.53	69,692.47	0.00	1,616.18
201	4/1/2025	7.375%	1,616.18		1,009.81	606.37	163,701.16	254,553.34	70,298.84	0.00	1,616.18
202	5/1/2025	7.375%	1,616.18		1,006.08	610.10	163,091.06	255,559.42	70,908.94	0.00	1,616.18
203	6/1/2025	7.375%	1,616.18		1,002.33	613.85	162,477.21	256,561.75	71,522.79	0.00	1,616.18
204	7/1/2025	7.375%	1,616.18		998.56	617.62	161,859.59	257,560.31	72,140.41	0.00	1,616.18
205	8/1/2025	7.375%	1,616.18		994.76	621.42	161,238.17	258,555.07	72,761.83	0.00	1,616.18
206	9/1/2025	7.375%	1,616.18		990.94	625.24	160,612.93	259,546.01	73,387.07	0.00	1,616.18
207	10/1/2025	7.375%	1,616.18		987.10	629.08	159,983.85	260,533.11	74,016.15	0.00	1,616.18
208	11/1/2025	7.375%	1,616.18		983.23	632.95	159,350.90	261,516.34	74,649.10	0.00	1,616.18
209	12/1/2025	7.375%	1,616.18		979.34	636.84	158,714.06	262,495.68	75,285.94	0.00	1,616.18
210	1/1/2026	7.375%	1,616.18		975.43	640.75	158,073.31	263,471.11	75,926.69	0.00	1,616.18
211	2/1/2026	7.375%	1,616.18		971.49	644.69	157,428.62	264,442.60	76,571.38	0.00	1,616.18
212	3/1/2026	7.375%	1,616.18		967.53	648.65	156,779.97	265,410.13	77,220.03	0.00	1,616.18
213	4/1/2026	7.375%	1,616.18		963.54	652.64	156,127.33	266,373.67	77,872.67	0.00	1,616.18
214	5/1/2026	7.375%	1,616.18		959.53	656.65	155,470.68	267,333.20	78,529.32	0.00	1,616.18
215	6/1/2026	7.375%	1,616.18		955.50	660.68	154,810.00	268,288.70	79,190.00	0.00	1,616.18
216	7/1/2026	7.375%	1,616.18		951.44	664.74	154,145.26	269,240.14	79,854.74	0.00	1,616.18
217	8/1/2026	7.375%	1,616.18		947.35	668.83	153,476.43	270,187.49	80,523.57	0.00	1,616.18
218	9/1/2026	7.375%	1,616.18		943.24	672.94	152,803.49	271,130.73	81,196.51	0.00	1,616.18
219	10/1/2026	7.375%	1,616.18		939.10	677.08	152,126.41	272,069.83	81,873.59	0.00	1,616.18
220	11/1/2026	7.375%	1,616.18		934.94	681.24	151,445.17	273,004.77	82,554.83	0.00	1,616.18
221	12/1/2026	7.375%	1,616.18		930.76	685.42	150,759.75	273,935.53	83,240.25	0.00	1,616.18
222	1/1/2027	7.375%	1,616.18		926.54	689.64	150,070.11	274,862.07	83,929.89	0.00	1,616.18
223	2/1/2027	7.375%	1,616.18		922.31	693.87	149,376.24	275,784.38	84,623.76	0.00	1,616.18
224	3/1/2027	7.375%	1,616.18		918.04	698.14	148,678.10	276,702.42	85,321.90	0.00	1,616.18
225	4/1/2027	7.375%	1,616.18		913.75	702.43	147,975.67	277,616.17	86,024.33	0.00	1,616.18
226	5/1/2027	7.375%	1,616.18		909.43	706.75	147,268.92	278,525.60	86,731.08	0.00	1,616.18
227	6/1/2027	7.375%	1,616.18		905.09	711.09	146,557.83	279,430.69	87,442.17	0.00	1,616.18
228	7/1/2027	7.375%	1,616.18		900.72	715.46	145,842.37	280,331.41	88,157.63	0.00	1,616.18
229	8/1/2027	7.375%	1,616.18		896.32	719.86	145,122.51	281,227.73	88,877.49	0.00	1,616.18

To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004
Present Lender: Nationstar / Loan # 052549697

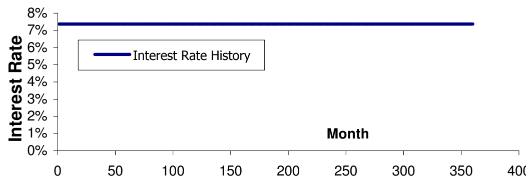
AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00



Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**



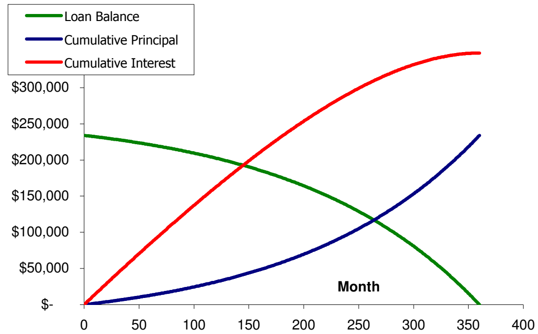
No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
230	9/1/2027	7.375%	1,616.18		891.90	724.28	144,398.23	282,119.63	89,601.77	0.00	1,616.18
231	10/1/2027	7.375%	1,616.18		887.45	728.73	143,669.50	283,007.08	90,330.50	0.00	1,616.18
232	11/1/2027	7.375%	1,616.18		882.97	733.21	142,936.29	283,890.05	91,063.71	0.00	1,616.18
233	12/1/2027	7.375%	1,616.18		878.46	737.72	142,198.57	284,768.51	91,801.43	0.00	1,616.18
234	1/1/2028	7.375%	1,616.18		873.93	742.25	141,456.32	285,642.44	92,543.68	0.00	1,616.18
235	2/1/2028	7.375%	1,616.18		869.37	746.81	140,709.51	286,511.81	93,290.49	0.00	1,616.18
236	3/1/2028	7.375%	1,616.18		864.78	751.40	139,958.11	287,376.59	94,041.89	0.00	1,616.18
237	4/1/2028	7.375%	1,616.18		860.16	756.02	139,202.09	288,236.75	94,797.91	0.00	1,616.18
238	5/1/2028	7.375%	1,616.18		855.51	760.67	138,441.42	289,092.26	95,558.58	0.00	1,616.18
239	6/1/2028	7.375%	1,616.18		850.84	765.34	137,676.08	289,943.10	96,323.92	0.00	1,616.18
240	7/1/2028	7.375%	1,616.18		846.13	770.05	136,906.03	290,789.23	97,093.97	0.00	1,616.18
241	8/1/2028	7.375%	1,616.18		841.40	774.78	136,131.25	291,630.63	97,868.75	0.00	1,616.18
242	9/1/2028	7.375%	1,616.18		836.64	779.54	135,351.71	292,467.27	98,648.29	0.00	1,616.18
243	10/1/2028	7.375%	1,616.18		831.85	784.33	134,567.38	293,299.12	99,432.62	0.00	1,616.18
244	11/1/2028	7.375%	1,616.18		827.03	789.15	133,778.23	294,126.15	100,221.77	0.00	1,616.18
245	12/1/2028	7.375%	1,616.18		822.18	794.00	132,984.23	294,948.33	101,015.77	0.00	1,616.18
246	1/1/2029	7.375%	1,616.18		817.30	798.88	132,185.35	295,765.63	101,814.65	0.00	1,616.18
247	2/1/2029	7.375%	1,616.18		812.39	803.79	131,381.56	296,578.02	102,618.44	0.00	1,616.18
248	3/1/2029	7.375%	1,616.18		807.45	808.73	130,572.83	297,385.47	103,427.17	0.00	1,616.18
249	4/1/2029	7.375%	1,616.18		802.48	813.70	129,759.13	298,187.95	104,240.87	0.00	1,616.18
250	5/1/2029	7.375%	1,616.18		797.48	818.70	128,940.43	298,985.43	105,059.57	0.00	1,616.18
251	6/1/2029	7.375%	1,616.18		792.45	823.73	128,116.70	299,777.88	105,883.30	0.00	1,616.18
252	7/1/2029	7.375%	1,616.18		787.38	828.80	127,287.90	300,565.26	106,712.10	0.00	1,616.18
253	8/1/2029	7.375%	1,616.18		782.29	833.89	126,454.01	301,347.55	107,545.99	0.00	1,616.18
254	9/1/2029	7.375%	1,616.18		777.17	839.01	125,615.00	302,124.72	108,385.00	0.00	1,616.18
255	10/1/2029	7.375%	1,616.18		772.01	844.17	124,770.83	302,896.73	109,229.17	0.00	1,616.18
256	11/1/2029	7.375%	1,616.18		766.82	849.36	123,921.47	303,663.55	110,078.53	0.00	1,616.18
257	12/1/2029	7.375%	1,616.18		761.60	854.58	123,066.89	304,425.15	110,933.11	0.00	1,616.18
258	1/1/2030	7.375%	1,616.18		756.35	859.83	122,207.06	305,181.50	111,792.94	0.00	1,616.18
259	2/1/2030	7.375%	1,616.18		751.06	865.12	121,341.94	305,932.56	112,658.06	0.00	1,616.18
260	3/1/2030	7.375%	1,616.18		745.75	870.43	120,471.51	306,678.31	113,528.49	0.00	1,616.18
261	4/1/2030	7.375%	1,616.18		740.40	875.78	119,595.73	307,418.71	114,404.27	0.00	1,616.18
262	5/1/2030	7.375%	1,616.18		735.02	881.16	118,714.57	308,153.73	115,285.43	0.00	1,616.18
263	6/1/2030	7.375%	1,616.18		729.60	886.58	117,827.99	308,883.33	116,172.01	0.00	1,616.18
264	7/1/2030	7.375%	1,616.18		724.15	892.03	116,935.96	309,607.48	117,064.04	0.00	1,616.18
265	8/1/2030	7.375%	1,616.18		718.67	897.51	116,038.45	310,326.15	117,961.55	0.00	1,616.18
266	9/1/2030	7.375%	1,616.18		713.15	903.03	115,135.42	311,039.30	118,864.58	0.00	1,616.18
267	10/1/2030	7.375%	1,616.18		707.60	908.58	114,226.84	311,746.90	119,773.16	0.00	1,616.18
268	11/1/2030	7.375%	1,616.18		702.02	914.16	113,312.68	312,448.92	120,687.32	0.00	1,616.18
269	12/1/2030	7.375%	1,616.18		696.40	919.78	112,392.90	313,145.32	121,607.10	0.00	1,616.18
270	1/1/2031	7.375%	1,616.18		690.75	925.43	111,467.47	313,836.07	122,532.53	0.00	1,616.18
271	2/1/2031	7.375%	1,616.18		685.06	931.12	110,536.35	314,521.13	123,463.65	0.00	1,616.18
272	3/1/2031	7.375%	1,616.18		679.34	936.84	109,599.51	315,200.47	124,400.49	0.00	1,616.18
273	4/1/2031	7.375%	1,616.18		673.58	942.60	108,656.91	315,874.05	125,343.09	0.00	1,616.18
274	5/1/2031	7.375%	1,616.18		667.79	948.39	107,708.52	316,541.84	126,291.48	0.00	1,616.18
275	6/1/2031	7.375%	1,616.18		661.96	954.22	106,754.30	317,203.80	127,245.70	0.00	1,616.18

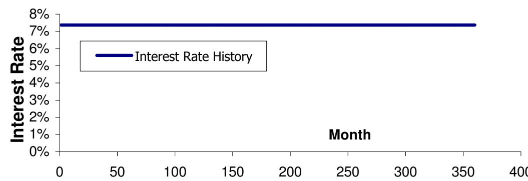
To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004
Present Lender: Nationstar / Loan # 052549697

AMORTIZATION SCHEDULE

Loan Information

Loan amount	$	234,000
Costs For APR Calc	$	6,470
Term (years)		30
Starting interest rate		7.375%
First payment date		8/1/2008
Interest-Only Period		0
Starting monthly payment (PI)		**$1,616.18**
Mortgage Insurance (MI)		177.45
Sales Price/Apprais		260,000.00
Max Principal	$	234,000.00
Rate remains fixed for		30.00
Months between adjustments		-
Expected adjustment		0.000%
1st Change Cap		0.000%
Fully Indexed Rate		0.000%
Max. Limit	$	269,100.00
Est. Max rate		7.38%
Total payments (no MI)		$581,824.97
Total interest		$347,824.97
Total payments with MI		$603,118.97
APR (no MI)		**7.662%**
APR (w/MI)		**8.350%**





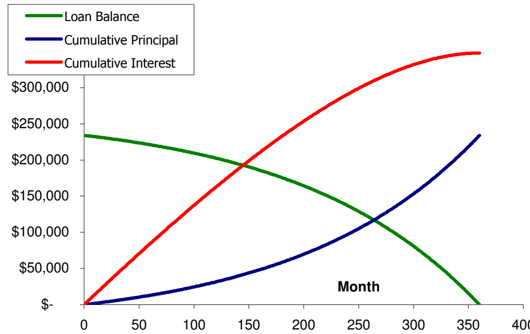
No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
276	7/1/2031	7.375%	1,616.18		656.09	960.09	105,794.21	317,859.89	128,205.79	0.00	1,616.18
277	8/1/2031	7.375%	1,616.18		650.19	965.99	104,828.22	318,510.08	129,171.78	0.00	1,616.18
278	9/1/2031	7.375%	1,616.18		644.26	971.92	103,856.30	319,154.34	130,143.70	0.00	1,616.18
279	10/1/2031	7.375%	1,616.18		638.28	977.90	102,878.40	319,792.62	131,121.60	0.00	1,616.18
280	11/1/2031	7.375%	1,616.18		632.27	983.91	101,894.49	320,424.89	132,105.51	0.00	1,616.18
281	12/1/2031	7.375%	1,616.18		626.23	989.95	100,904.54	321,051.12	133,095.46	0.00	1,616.18
282	1/1/2032	7.375%	1,616.18		620.14	996.04	99,908.50	321,671.26	134,091.50	0.00	1,616.18
283	2/1/2032	7.375%	1,616.18		614.02	1,002.16	98,906.34	322,285.28	135,093.66	0.00	1,616.18
284	3/1/2032	7.375%	1,616.18		607.86	1,008.32	97,898.02	322,893.14	136,101.98	0.00	1,616.18
285	4/1/2032	7.375%	1,616.18		601.66	1,014.52	96,883.50	323,494.80	137,116.50	0.00	1,616.18
286	5/1/2032	7.375%	1,616.18		595.43	1,020.75	95,862.75	324,090.23	138,137.25	0.00	1,616.18
287	6/1/2032	7.375%	1,616.18		589.16	1,027.02	94,835.73	324,679.39	139,164.27	0.00	1,616.18
288	7/1/2032	7.375%	1,616.18		582.84	1,033.34	93,802.39	325,262.23	140,197.61	0.00	1,616.18
289	8/1/2032	7.375%	1,616.18		576.49	1,039.69	92,762.70	325,838.72	141,237.30	0.00	1,616.18
290	9/1/2032	7.375%	1,616.18		570.10	1,046.08	91,716.62	326,408.82	142,283.38	0.00	1,616.18
291	10/1/2032	7.375%	1,616.18		563.68	1,052.50	90,664.12	326,972.50	143,335.88	0.00	1,616.18
292	11/1/2032	7.375%	1,616.18		557.21	1,058.97	89,605.15	327,529.71	144,394.85	0.00	1,616.18
293	12/1/2032	7.375%	1,616.18		550.70	1,065.48	88,539.67	328,080.41	145,460.33	0.00	1,616.18
294	1/1/2033	7.375%	1,616.18		544.15	1,072.03	87,467.64	328,624.56	146,532.36	0.00	1,616.18
295	2/1/2033	7.375%	1,616.18		537.56	1,078.62	86,389.02	329,162.12	147,610.98	0.00	1,616.18
296	3/1/2033	7.375%	1,616.18		530.93	1,085.25	85,303.77	329,693.05	148,696.23	0.00	1,616.18
297	4/1/2033	7.375%	1,616.18		524.26	1,091.92	84,211.85	330,217.31	149,788.15	0.00	1,616.18
298	5/1/2033	7.375%	1,616.18		517.55	1,098.63	83,113.22	330,734.86	150,886.78	0.00	1,616.18
299	6/1/2033	7.375%	1,616.18		510.80	1,105.38	82,007.84	331,245.66	151,992.16	0.00	1,616.18
300	7/1/2033	7.375%	1,616.18		504.01	1,112.17	80,895.67	331,749.67	153,104.33	0.00	1,616.18
301	8/1/2033	7.375%	1,616.18		497.17	1,119.01	79,776.66	332,246.84	154,223.34	0.00	1,616.18
302	9/1/2033	7.375%	1,616.18		490.29	1,125.89	78,650.77	332,737.13	155,349.23	0.00	1,616.18
303	10/1/2033	7.375%	1,616.18		483.37	1,132.81	77,517.96	333,220.50	156,482.04	0.00	1,616.18
304	11/1/2033	7.375%	1,616.18		476.41	1,139.77	76,378.19	333,696.91	157,621.81	0.00	1,616.18
305	12/1/2033	7.375%	1,616.18		469.41	1,146.77	75,231.42	334,166.32	158,768.58	0.00	1,616.18
306	1/1/2034	7.375%	1,616.18		462.36	1,153.82	74,077.60	334,628.68	159,922.40	0.00	1,616.18
307	2/1/2034	7.375%	1,616.18		455.27	1,160.91	72,916.69	335,083.95	161,083.31	0.00	1,616.18
308	3/1/2034	7.375%	1,616.18		448.13	1,168.05	71,748.64	335,532.08	162,251.36	0.00	1,616.18
309	4/1/2034	7.375%	1,616.18		440.96	1,175.22	70,573.42	335,973.04	163,426.58	0.00	1,616.18
310	5/1/2034	7.375%	1,616.18		433.73	1,182.45	69,390.97	336,406.77	164,609.03	0.00	1,616.18
311	6/1/2034	7.375%	1,616.18		426.47	1,189.71	68,201.26	336,833.24	165,798.74	0.00	1,616.18
312	7/1/2034	7.375%	1,616.18		419.15	1,197.03	67,004.23	337,252.39	166,995.77	0.00	1,616.18
313	8/1/2034	7.375%	1,616.18		411.80	1,204.38	65,799.85	337,664.19	168,200.15	0.00	1,616.18
314	9/1/2034	7.375%	1,616.18		404.39	1,211.79	64,588.06	338,068.58	169,411.94	0.00	1,616.18
315	10/1/2034	7.375%	1,616.18		396.95	1,219.23	63,368.83	338,465.53	170,631.17	0.00	1,616.18
316	11/1/2034	7.375%	1,616.18		389.45	1,226.73	62,142.10	338,854.98	171,857.90	0.00	1,616.18
317	12/1/2034	7.375%	1,616.18		381.91	1,234.27	60,907.83	339,236.89	173,092.17	0.00	1,616.18
318	1/1/2035	7.375%	1,616.18		374.33	1,241.85	59,665.98	339,611.22	174,334.02	0.00	1,616.18
319	2/1/2035	7.375%	1,616.18		366.70	1,249.48	58,416.50	339,977.92	175,583.50	0.00	1,616.18
320	3/1/2035	7.375%	1,616.18		359.02	1,257.16	57,159.34	340,336.94	176,840.66	0.00	1,616.18
321	4/1/2035	7.375%	1,616.18		351.29	1,264.89	55,894.45	340,688.23	178,105.55	0.00	1,616.18

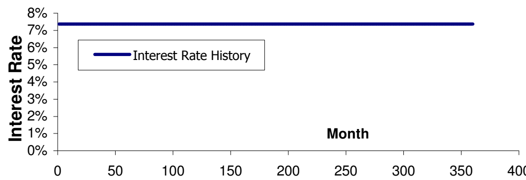
To review your audit, call: The New Earth Foundation, Inc.
Email: info@thenewearthfoundation.org
Phone Number: 813-445-5004
Present Lender: Nationstar / Loan # 052549697

AMORTIZATION SCHEDULE

Loan Information

Loan amount	$ 234,000
Costs For APR Calc	$ 6,470
Term (years)	30
Starting interest rate	7.375%
First payment date	8/1/2008
Interest-Only Period	0
Starting monthly payment (PI)	**$1,616.18**
Mortgage Insurance (MI)	177.45
Sales Price/Apprais	260,000.00
Max Principal	$ 234,000.00
Rate remains fixed for	30.00
Months between adjustments	-
Expected adjustment	0.000%
1st Change Cap	0.000%
Fully Indexed Rate	0.000%
Max. Limit	$ 269,100.00
Est. Max rate	7.38%
Total payments (no MI)	$581,824.97
Total interest	$347,824.97
Total payments with MI	$603,118.97
APR (no MI)	**7.662%**
APR (w/MI)	**8.350%**





No.	Payment Date	Interest Rate	Payment Due	Additional Payment	Interest	Principal	Balance	Cumulative Interest	Cumulative Principal	MI	Total Payments
322	5/1/2035	7.375%	1,616.18		343.52	1,272.66	54,621.79	341,031.75	179,378.21	0.00	1,616.18
323	6/1/2035	7.375%	1,616.18		335.70	1,280.48	53,341.31	341,367.45	180,658.69	0.00	1,616.18
324	7/1/2035	7.375%	1,616.18		327.83	1,288.35	52,052.96	341,695.28	181,947.04	0.00	1,616.18
325	8/1/2035	7.375%	1,616.18		319.91	1,296.27	50,756.69	342,015.19	183,243.31	0.00	1,616.18
326	9/1/2035	7.375%	1,616.18		311.94	1,304.24	49,452.45	342,327.13	184,547.55	0.00	1,616.18
327	10/1/2035	7.375%	1,616.18		303.93	1,312.25	48,140.20	342,631.06	185,859.80	0.00	1,616.18
328	11/1/2035	7.375%	1,616.18		295.86	1,320.32	46,819.88	342,926.92	187,180.12	0.00	1,616.18
329	12/1/2035	7.375%	1,616.18		287.75	1,328.43	45,491.45	343,214.67	188,508.55	0.00	1,616.18
330	1/1/2036	7.375%	1,616.18		279.58	1,336.60	44,154.85	343,494.25	189,845.15	0.00	1,616.18
331	2/1/2036	7.375%	1,616.18		271.37	1,344.81	42,810.04	343,765.62	191,189.96	0.00	1,616.18
332	3/1/2036	7.375%	1,616.18		263.10	1,353.08	41,456.96	344,028.72	192,543.04	0.00	1,616.18
333	4/1/2036	7.375%	1,616.18		254.79	1,361.39	40,095.57	344,283.51	193,904.43	0.00	1,616.18
334	5/1/2036	7.375%	1,616.18		246.42	1,369.76	38,725.81	344,529.93	195,274.19	0.00	1,616.18
335	6/1/2036	7.375%	1,616.18		238.00	1,378.18	37,347.63	344,767.93	196,652.37	0.00	1,616.18
336	7/1/2036	7.375%	1,616.18		229.53	1,386.65	35,960.98	344,997.46	198,039.02	0.00	1,616.18
337	8/1/2036	7.375%	1,616.18		221.01	1,395.17	34,565.81	345,218.47	199,434.19	0.00	1,616.18
338	9/1/2036	7.375%	1,616.18		212.44	1,403.74	33,162.07	345,430.91	200,837.93	0.00	1,616.18
339	10/1/2036	7.375%	1,616.18		203.81	1,412.37	31,749.70	345,634.72	202,250.30	0.00	1,616.18
340	11/1/2036	7.375%	1,616.18		195.13	1,421.05	30,328.65	345,829.85	203,671.35	0.00	1,616.18
341	12/1/2036	7.375%	1,616.18		186.39	1,429.79	28,898.86	346,016.24	205,101.14	0.00	1,616.18
342	1/1/2037	7.375%	1,616.18		177.61	1,438.57	27,460.29	346,193.85	206,539.71	0.00	1,616.18
343	2/1/2037	7.375%	1,616.18		168.77	1,447.41	26,012.88	346,362.62	207,987.12	0.00	1,616.18
344	3/1/2037	7.375%	1,616.18		159.87	1,456.31	24,556.57	346,522.49	209,443.43	0.00	1,616.18
345	4/1/2037	7.375%	1,616.18		150.92	1,465.26	23,091.31	346,673.41	210,908.69	0.00	1,616.18
346	5/1/2037	7.375%	1,616.18		141.92	1,474.26	21,617.05	346,815.33	212,382.95	0.00	1,616.18
347	6/1/2037	7.375%	1,616.18		132.85	1,483.33	20,133.72	346,948.18	213,866.28	0.00	1,616.18
348	7/1/2037	7.375%	1,616.18		123.74	1,492.44	18,641.28	347,071.92	215,358.72	0.00	1,616.18
349	8/1/2037	7.375%	1,616.18		114.57	1,501.61	17,139.67	347,186.49	216,860.33	0.00	1,616.18
350	9/1/2037	7.375%	1,616.18		105.34	1,510.84	15,628.83	347,291.83	218,371.17	0.00	1,616.18
351	10/1/2037	7.375%	1,616.18		96.05	1,520.13	14,108.70	347,387.88	219,891.30	0.00	1,616.18
352	11/1/2037	7.375%	1,616.18		86.71	1,529.47	12,579.23	347,474.59	221,420.77	0.00	1,616.18
353	12/1/2037	7.375%	1,616.18		77.31	1,538.87	11,040.36	347,551.90	222,959.64	0.00	1,616.18
354	1/1/2038	7.375%	1,616.18		67.85	1,548.33	9,492.03	347,619.75	224,507.97	0.00	1,616.18
355	2/1/2038	7.375%	1,616.18		58.34	1,557.84	7,934.19	347,678.09	226,065.81	0.00	1,616.18
356	3/1/2038	7.375%	1,616.18		48.76	1,567.42	6,366.77	347,726.85	227,633.23	0.00	1,616.18
357	4/1/2038	7.375%	1,616.18		39.13	1,577.05	4,789.72	347,765.98	229,210.28	0.00	1,616.18
358	5/1/2038	7.375%	1,616.18		29.44	1,586.74	3,202.98	347,795.42	230,797.02	0.00	1,616.18
359	6/1/2038	7.375%	1,616.18		19.68	1,596.50	1,606.48	347,815.10	232,393.52	0.00	1,616.18
360	7/1/2038	7.375%	1,616.35		9.87	1,606.48	0.00	347,824.97	234,000.00	0.00	1,616.35
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KEY LAWS OVERVIEW

RESPA LAW

Sec. 3500.6 Special information booklet at time of loan application

(a) Lender to provide special information booklet. Subject to the exceptions set forth in this paragraph, the lender shall provide a copy of the special information booklet to a person from whom the lender receives, or for whom the lender prepares a written application for a federally related mortgage loan. When two or more persons apply together for a loan, the lender is in compliance if the lender provides a copy of the booklet to one of the persons applying.

(1) The Lender shall provide the special information booklet by delivering it or placing it in the mail to the applicant not later than three business days (as that term is defined in 3500.2 after the application is received or prepared. However, if the lender denies the borrower's application or credit before the end of the three-business day period, then the lender need not provide the booklet to the borrower. If a borrower uses a mortgage broker, the mortgage broker shall distribute the special information booklet and the lender need not do so.

(2) In the case of a federally related mortgage loan involving an open-ended credit plan, as defined in 226.2(a) (20) of Regulation Z (12 CFR), a lender or mortgage broker that provides the borrower with a copy of the brochure entitled "When Your Home is On the Line: What You Should Know About Home Equity Lines of Credit", or any successor brochure issued by the Board of Governors of the Federal Reserve System, is deemed to be in compliance with this section.

(3) In the categories of transactions set forth at the end of this paragraph, the lender or mortgage broker does not have to provide the booklet to the borrower. Under the authority of section 19(a) of RESPA (12 U.S.C. 2617(a)), the Secretary may choose to endorse the forms or booklets of other Federal agencies. In such an event, the requirements for delivery by lenders and the availability of the booklet or alternate materials for these transactions will be set forth in a Notice in the Federal Register. This paragraph shall apply to the following transactions:

(i) Refinancing transactions;
(ii) Closed-end loans, as defined in 12 CFR 226.2(a)(10) of Regulation Z, when the lender takes a subordinate lien;
(iii) Reverse mortgages; and
(iv) Any other federally related mortgage loan whose purpose is not the purchase of a 1-to-4 family residential property.

(b) Revision. The Secretary may from time to time revise the special information booklet by publishing a notice in the Federal Register.

(c) Reproduction. The special information booklet may be reproduced in any form, provided that no change is made other than as provided under paragraph (d) of this section. The special information booklet may not be made a part of a larger document for purposes of distribution under RESPA and this section. Any color, size and quality of paper, type of print, and method of reproduction may be used so long as the booklet is clearly legible.

(d) Permissible Changes.
(1) No changes to, deletions from, or additions to the special information booklet currently prescribed by the Secretary shall be make other than those specified in this paragraph (d) or any others approved in writing by the Secretary. A request of the Secretary for approval of any changes shall be submitted in writing to the address indicated in 3500.3, stating the reasons why the applicant believes such changes, deletions or additions are necessary.
(2) The cover of the booklet may be in any form and may contain any drawings, pictures or artwork, provided that the words “settlement costs” are used in the title.

Names, addresses and telephone numbers of the lender or others and similar information may appear on the cover, but no discussion of the matters covered in the booklet shall appear on the cover.

(3)The special information booklet may be translated into languages other than English.

Section 2605 (b), (1)
The servicer shall not have more than 30 days to notify borrower of any transfer of the servicing of their loan.

2605 (b), (3), (F)
Any information concerning the effect the transfer may have, if any, on the terms of or the continued availability of mortgage life or disability insurance or any other type of optional insurance and what action, if any, the borrower must take to maintain coverage.

2605 (b), (3), (G)
Also, a statement must be included that the assignment, sale, or transfer of the servicing of the mortgage loan does not affect any term or condition of the security instruments other than terms directly related to the servicing of such loan.

TILA LAW

Regulation Z
Regulation Z (12 CFR 226) implements the Truth in Lending Act (TILA) (15 USC 1601 et seq), which was enacted in 1968 as title I of the Consumer Credit Protection Act. Since its implementation, the regulation has been amended many times to incorporate changes to the TILA or to address changes in the consumer credit marketplace.

In the 1990's, Regulation Z was amended to implement the Home Ownership and Equity Protection Act of 1994, which imposed new disclosure requirements and substantive limitations on certain higher-cost closed-end mortgage loans and included new disclosure requirements for reverse mortgage transactions.

The Truth in Lending Act is intended to ensure that credit terms are disclosed in a meaningful way so that consumers can compare credit terms more readily and more knowledgeably.

Determination of the Finance Charge and the APR
A. The finance charge (226.4) is a measure of the cost of consumer credit represented in dollars and cents. Along with the APR disclosures, the disclosure of the finance charge is central to the uniform credit cost disclosure envisioned by the TILA. One of the more complex tasks under Regulation Z is determining whether a charge associated with an extension of credit must be included in or excluded from the disclosed finance charge. The finance charge initially includes any charge that is, or will be, connected with a specific loan. Charges imposed by third parties are finance charges if the institution requires use of the third party. Charges imposed by settlement or closing agents are finance charges if the institution requires the specific service that gave rise to the charge and the charge is not otherwise excluded.

B. A prepaid finance charge (226.18(b)) is any finance charge that (1) is paid separately to the financial institution or to a third party, in cash or by check, before or at closing, settlement, or consummation of a transaction or (2) is withheld from the proceeds of the credit at any time. Prepaid finance charges effectively reduce the amount of funds available for the consumer's use, usually before or at the time the transaction is consummated.

C. For certain transactions consummated on or after September 30, 1995, the finance charge tolerances are as noted below:

1. Credit secured by real property or a dwelling, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than $100.00. Also overstatements are not violations.

CASE: N.D. Illinois, Eastern Division. Willie C. MURRY and Wylodean Murry, Plaintiffs, v. AMERICA'S MORTGAGE BANC, Inc., Defendants

The statutory tolerance for error for statutory damages claims does not require a case-by-case analysis. 15 U.S.C. § 1605 f 1 A states that if the amount disclosed as the finance charge does not vary from the actual finance charge by more than $100.00, it shall be treated as accurate under TILA. Based on the particular facts of the cases before the Court, it is clear that the amounts disclosed as the finance charge varied from the actual finance charge by much more than $100.00.

The post-1995 TILA statutory damage provision provided as follows:
"(2)(A)(i) in the case of an individual action twice the amount of any finance charge in connection with the transaction, (ii) in the case of an individual action relating to a consumer lease … 25 per centum of the total amount of monthly payments under the lease, except that the liability under this subparagraph shall not be less than $100 nor greater that $1,000, or (iii) in the case of an individual action relating to a credit transaction not under an open end credit plan that is secured by real property or a dwelling, not less than $200 or greater than $2,000 …."

2. Rescission rights after the three-business-day rescission period, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than one-half of 1 percent of the credit extended.

3. Rescission rights in foreclosure, the disclosed finance charge is considered accurate if it does not vary from the actual finance charge by more than $35.00. Also Overstatements are not considered violations and the consumer is entitled to rescind if a mortgage broker fee is not included as a finance charge.

D. Credit costs may vary depending on the interest rate, the amount of the loan and other charges, the timing and amounts of advances, and the repayment schedule (226.22). The Annual Percentage Rate (APR), which must be disclosed in nearly all consumer credit transactions, is designed to take into account all relevant factors and to provide a uniform measure for comparing the costs of various credit transactions

E. The APR is a measure of the total cost of credit, expressed as a nominal yearly rate. It relates the amount and timing of value received by the consumer to the amount and timing of payments made by the consumer. The disclosure of the APR is central to the uniform credit cost disclosure envisioned by the TILA.

F. The disclosed annual percentage rate (APR) on a closed-end transaction is considered accurate if for regular transactions (including any single-advance transaction with equal payments and equal payment periods or transaction with an irregular first or last payment and/or an irregular first payment period), the APR is within one-eighth of 1 percentage point of the APR calculated under Regulation Z (section 226.22(a)(2).

G. If for irregular transactions (i.e. ARM), the APR is within one-quarter of 1 percentage point of the APR calculated under Regulation Z (section 226.22(a)(3).

H. If for mortgage transactions, the APR is within one-eighth of 1 percentage point for regular transactions or one-quarter of 1 percentage point for irregular transactions and the rate results from the disclosed finance charge and the disclosed finance charge would be considered accurate under section 226.18(d)(1) or section 226.23(g) or (h) of Regulation Z (section 226.22(a)(4).

Variable-Rate Loans (226.18(f))
If the terms of the legal obligation allow the financial institution, after consummation of the transaction, to increase the APR, the financial institution must furnish the consumer with certain information on variable rates. Some of the more important transaction specific variable-rate disclosure requirements under section 226.18 are:

A. Disclosures for variable-rate loans must cover the full term of the transaction and must be based on the terms in effect at the time of consummation.
B. IF the variable-rate transaction includes either a seller buydown that is reflected in a contract or a consumer buydown, the disclosed APR should be a composite rate based on the lower rate for the buydown period and the rate that is the basis for the variable-rate feature for the remainder of the term.
C. If the initial rate is not determined by the index or formula used to make later interest rate adjustments, as in a discounted APR must reflect a composite rate based on the initial rate for as long as it is applied and, for the remainder of the term, the index or formula at the time of consummation (that is, the fully indexed rate).

D. If a loan contains a rate or payment cap that would prevent the initial rate or payment, at the time of the adjustment, from changing to the fully indexed rate, the effect of that rate or payment cap needs to be reflected in the disclosure.

E. For the TILA to be in compliance for a variable rate mortgage loan, the current index must be used and that is the index available at time of consummation. This will also be used to calculate the current APR for all TILA testing and disclosure purposes.

§ 226.19(2), If the annual percentage rate at the time of consummation varies from the annual percentage rate disclosed earlier as defined in §226.22, the creditor shall disclose all the changed terms no later than consummation or settlement.

Rescission

The rescission right is absolute for 3 days, but it is extended for up to 3 years if certain material TILA disclosures were not provided correctly at the time of the original credit transaction or a proper notice of the right to cancel was not given. The creditor must give each consumer 2 copies of a notice of the right to rescind. The Federal Reserve Board's regulations specify the content of this notice. Many courts have held that errors of omissions in the notice, or failure to provide the proper number of copies, extends the right to rescind. Once notice of rescission is given, the lien on the consumer's home becomes void, taking away the creditor's foreclosure remedy, and its leverage. The homeowner is entitled to a return, or a credit against the balance of the debt, of all finance, interest, and other charges, such as closing costs and broker fees.

Recoupment

Although, the a borrower cannot rescind after the 3 year window has closed, they may still be able to sue for damages (via a debt recovery/recoupment suit or counter-claim). This recoupment damage amount could be equivalent to all finance, interest, and other charges, such as closing costs and broker fees paid to the lender to-date.

Case: Beach v. Ocwen Fed. Bank, 523 U.S. 410 (1998) "And the distinction thus indicated makes perfectly good sense. Since a statutory right of rescission could cloud a bank's title on foreclosure, Congress may well have chosen to circumscribe that risk, **while permitting recoupment damages regardless of the date a collection action may be brought**."

Special Rules for Certain Home Mortgage Transactions

The requirements of section 226.32 apply to a consumer credit transaction secured by the consumer's principal dwelling in which either:

A. The APR at consummation will exceed by more than 8 percentage points for first lien mortgage loans, or by more than 10 percentage points for subordinate-lien mortgage loans, the yield on Treasury securities having periods of maturity comparable to the loan's maturity (as of the 15th day of the month immediately preceding the month in which the application of the extension of credit is received by the creditor).

B. The total points and fees payable by the consumer at or before loan closing will exceed the greater of 8 percent of the total loan amount or a dollar amount that is adjusted annually on the basis of changes in the consumer price index.

The following are exempt from section 226.32:
A. Residential mortgage transactions (generally purchase money mortgages)

B. Reverse mortgage transactions subject to section 226.33 of Regulation Z

C. Open-end credit plans subject to subpart B of the regulation.

TILA LAW
Regulation B
Sec. 202.9 Notifications

(g) Disclosure of Credit Scores by Certain Mortgage Lenders

(1) In general. Any person who makes or arranges loans and who uses a consumer credit score, as defined in subsection (f), in connection with an application initiated or sought by a consumer for a closed end loan or the establishment of an open end loan for a consumer purpose that is secured by 1 to 4 units of residential real property (hereafter in this subsection referred to as the 'lender') shall provide the following to the consumer as soon as reasonably practicable:

(A) Information Required under Subsection (f)
(i) In General. A copy of the information identified in subsection (f) that was obtained from a consumer reporting agency or was developed and used by the user of the information.

(ii) Notice under subparagraph (D). In addition to the information provided to it by a third party that provided the credit score or scores, a lender is only required to provide the notice contained in subparagraph (D)

(B) Disclosures in Case of Automated Underwriting System

(i) In general. If a person that is subject to this subsection uses an automated underwriting system to underwrite a loan, that person may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

(ii) Numerical credit score. However, if a numerical credit score is generated by an automated underwriting system used by an enterprise, and that score is disclosed to the person, the score shall be disclosed to the consumer consistent with subparagraph (C).

(iii) Enterprise defined. For purposes of this subparagraph, the term "enterprise" has the same meaning as in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

(C) Disclosures of credit scores not obtained from a consumer reporting agency. A person that is subject to the provisions of this subsection and that uses a credit score, other than a credit score provided by a consumer reporting agency, may satisfy the obligation to provide a credit score by disclosing a credit score and associated key factors supplied by a consumer reporting agency.

(D) Notice to home loan applicants. A copy of the following notice, which shall include the name, address, and telephone number of each consumer reporting agency providing a credit score that was used:

"Notice To The Home Loan Applicant"
"In connection with your application for a home loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores.
"The credit score is a computer generated summary calculated at the time of the request and based on information that a consumer reporting agency or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.
"Because the score is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another.
"If you have questions about your credit score or the credit information that is furnished to you, contact the consumer reporting agency at the address and

telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score.

The consumer reporting agency plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application.

“If you have questions concerning the terms of the loan, contact the lender.”

(E) Actions not required under this subsection. This subsection shall not require any person to-
(i) explain the information provided pursuant to subsection (f);

(ii) disclose any information other than a credit score or key factors, as defined in subsection (f);

(iii) disclose any credit score or related information obtained by the user after a loan has closed;

(iv) provide more than 1 disclosure per loan transaction;

(v) or provide the disclosure required by this subsection when another person has made the disclosure to the consumer for that loan transaction

(F) No Obligation for Content

(i) In general. The obligation of any person pursuant to this subsection shall be limited solely to providing a copy of the information that was received from the consumer reporting agency.

(ii) Limit on liability. No person has liability under this subsection for the content of that information or for the omission or any information within the report provided by the consumer reporting agency.

(G) Person defined as excluding enterprise. As used in this subsection, the term “person” does not include an enterprise (as defined in paragraph (6) of section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992).

(2) Prohibition on Disclosure Clauses Null and Void

(A) In general. Any provision in a contract that prohibits the disclosure of a credit score by a person who makes or arranges loans or a consumer reporting agency is void.

(B) No liability for disclosure under this subsection- A lender shall not have liability under any contractual provision for disclosure of a credit score pursuant to this subsection.

GLB LAW (Gramm, Leach, Bliley Act)

IV. Consumers and Customers

A. Consumers
Definition: A ‘consumer’ is an individual who obtains or has obtained a financial product or service from a financial institution that is to be used primarily for personal, family, or household purposes, or that individual’s legal representative.

Examples of Consumer Relationships:
• Applying for a loan
• Obtaining a cash from a foreign ATM, even if it occurs on a regular basis
• Cashing a check with a check-cashing company
• Arranging for a wire transfer

General Obligations to Consumers
Provide an initial (or “short-form”) notice about the availability of the privacy policy if the financial institution shares information outside the permitted exceptions.

Provide an opt-out notice, with the initial notice or separately, prior to a financial institution sharing nonpublic personal information with nonaffiliated third parties. Provide consumers with a ‘reasonable opportunity” to opt out before disclosing nonpublic personal information about them to nonaffiliated third parties, such as 30 days from the date the notice is mailed.

If a consumer elects to opt out of all or certain disclosures, a financial institution must honor the opt-out direction as soon as is reasonably practicable after the opt-out is received.

If you change your privacy practices such that the most recent privacy notice you provided to a consumer is no longer accurate (e.g., you disclose a new category of NPI to a new nonaffiliated third party outside of specific exceptions and those changes are not adequately described in your prior notice), you must provide new revised privacy and opt-out notices.

Uniform Commercial Code (UCC)

UCC § 9-210

The UCC allows for a request for accounting (not amortization) for a security instrument once every 6 months. A borrower may potentially use this request to compel the lender to produce an accounting (as it applies to generally accepted accounting principles) to validate the outstanding obligation. In order for a proper audit of a borrower’s account, an auditor will need the accounting ledger only as it applies to the borrower’s subaccount. This ledger would then be reconciled against any payment reports the lender has internally generated to track the borrower’s account.

Because many mortgages have been routinely sold, most lenders are not able to produce a “true” accounting of the borrower’s account (i.e., debits and credits). Consequently, the borrower may successfully use this request to delay foreclosure indefinitely because the lender as not met its obligation to allow the borrower to validate the outstanding debt obligation so the obligation remains in dispute or unverified.

UCC § 9-604. Procedure If Security Agreement Covers Real Property Or Fixtures.

The Uniform Commercial Code has jurisdiction over security instruments associated with 'real property' when the real property is entangled with personal property or fixtures. This is usually the case with most real estate transactions.

This portion of the UCC provides the foundation for how a mortgage backed real estate transaction can be considered a security instrument covered under the UCC.

Mortgage Deed of Trust Section 17 or 22 Violations

MOST mortgage deeds have a clause 17 or 22 that gives specific instructions/directions on how the lender should notify the borrower that they are in default. Additionally, the lender also must inform the borrower of certain rights they have as it relates to curing the default and disputing the default.

This clause has been grossly ignored by many lenders and with a little due diligence most borrowers are able to file an affidavit with the court indicating that the lender did not provide a “proper notice of default”. This simple but very effective affidavit can derail the foreclosure proceedings for an indefinite time period.Mortgage Deed of Trust Section 17 or 22 Violations

MERS

Mortgage Electronic Registration System (MERS) has been named the beneficiary for this loan. MERS was created to eliminate the need for the executing and recording of assignment of mortgages, with the idea that MERS would be the mortgagee of record. This would allow "MERS" to foreclose on the property, and at the same time, assist the lenders in avoiding the recording of the Assignments of Beneficiary on loans sold. This saved the lenders money in manpower and the costs of recording these notes. It was also designed to "shield" investors from liability as a result of lender misconduct regarding the process of mortgage lending.

MERS is simply an "artificial" entity designed to circumvent certain laws and other legal requirements dealing with mortgage loans. By designating certain member employees to be MERS corporate officers, MERS has created a situation whereby the foreclosing agency and MERS "designated officer" has a conflict of interest.

Since neither MERS nor the servicer have a beneficial interest in the note, nor do they receive the income from the payments, and since it is actually an employee of the servicer signing the Assignment in the name of MERS, the Assignment executed by the MERS employee is illegal. The actual owner of the note has not executed the Assignment to the new party. An assignment of a mortgage in the absences of the assignment and physical delivery of the note will result in a nullity.

It must also be noted that the lender or other holder of the note registers the loan on MERS. Thereafter, all sales or assignments of the mortgage loan are accomplished electronically under the MERS system. MERS never acquires actual physical possession of the mortgage note, nor do they acquire any beneficial interest in the Note.

The existence of MERS indicated numerous violations of the Business and Professions Code as well as Unfair and Deceptive Acts and Practices due to the conflicting nature and identity of the servicer and the beneficiary. Each of these practices were intentionally designed to mislead the borrower and benefit the lenders.

So the question becomes, is MERS the foreclosing party or the Servicer? Since the Servicer is the party initiating the foreclosure and they take the documents to their own employee who has also been designated as a "Corporate Officer of MERS", and who conveniently signs the document for MERS, aren't they the "foreclosing party"?

MERS does not record the assignment of beneficiary as required by law, until the foreclosure process starts and the Notice of Default has been filed, and apparently, only when it appears that the borrower will not be able to reinstate the loan and then foreclosure is inevitable. It maintains itself as the beneficiary throughout the entire process up to foreclosure.

MERS has represented in Courts that its sole purpose is as a system to track mortgages. It has stated that it does not do the entries itself, but the lenders and servicers do. When an Assignment of Beneficiary is executed, it is the member servicer or lender that goes to the website, downloads the necessary forms, completes the forms and then takes it to the designated “MERS officer” to sign.

MERS agreements state that MERS and the Member agree that: (i) the MERS System is not a vehicle for creating or transferring beneficial interest in mortgage loans, (ii) transfer of servicing interests reflecting on MERS System are subject to the consent of the beneficial owner.

Since neither MERS nor the servicer have a beneficial interest in the note, nor do they receive the income from the payments, and since it is actually an employee of the servicer signing the Assignment in the name of MERS, this begs the question:

Is the assignment executed by the MERS employee even legal, since the actual owner of the note has not executed the assignment to the new party?

Case Law

In Saxon vs. Hillery, CA, Dec 2008, Contra Costa County Superior Court, an action by Saxon to foreclose on a property by lawsuit was dismissed due to lack of legal standing. This was because the Note and the Deed of Trust were “owned” by separate entities. The Court ruled that when the Note and Deed of Trust were separated, the enforceability of the Note was negated until rejoined. This can be an effective defense in foreclosure actions.

If the mortgage (or the deed of trust) is not a legally enforceable instrument then there can be no valid foreclosure. In re Hudson, 642 S.E. 2d 485 (N.C. Ct. App. 2007). A deed or mortgage that is forged is presumptively invalid. Ex Parte Floyd, 796 So. 2d 303 (Ala. 2001). As a result, forgery of a mortgage is generally an absolute defense to foreclosure. Similarly, where a deed has been forged and the new title holder then encumbers the property, courts have held both the deed and the mortgages are null. Flagstar v. Gibbons, 367 Ark. 225 (2006).

The validity of security instruments in some community property states may require both spouses to execute instruments encumbering a homestead. For example, under Wisconsin law, a court found that a mortgage on a married couple’s homestead that was not signed by both spouses was void as to both spouses, regardless of their respective ownership interests. In re Larson, 346 B.R. 486 (Bankr. E.D. Wis. 2006). The failure to follow the formal requisites in acknowledging deeds and mortgages may also result in a void instrument. Many deed and mortgage fraud cases involve situations in which the person whom the notary certified as having appeared did not, in fact, appear.

In re Fisher, 320 B.R. 52 (E.D. Pa. 2005). In fraudulent mortgage cases, borrowers are often instructed to sign a stack of documents that are then taken elsewhere for notarization. Goldone Credit Corp. v. Hardy, 503 So. 2d 1227 (Ala. Civ. App. 1987). Alternatively, improper notarization may result from the taking of an actual acknowledgment from an imposter, incompetent person, or over the telephone. Regardless, of the reason for the defective acknowledgment, practitioners should investigate whether such defects may render the instrument invalid.

Unfair & Deceptive Acts or Practices

The FTC has specifically held that certain violations of Federal Reserve Board Regulation Z (mortgage transactions subject to RESPA) and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

Citation: The FTC has specifically held that violations of Federal Reserve Board Regulation Z and the Truth in Lending Act are Unfair and Deceptive Practices under the FTC Act.

CASES: 2004 WL 5010145 (N.D.Ill.) Only the Westlaw citation is currently available. United States District Court, N.D. Illinois, Eastern Division. Willie C. MURRY and Wylodean Murry, Plaintiffs, v. AMERICA'S MORTGAGE BANC, INC.; the Loan Arranger, Inc.; Clearwater Title Company; Paragon Home Lending, LLC; Homecomings Financial Network, Inc., Michael Robins; and John Does 1-5, Defendants. No. 03 C 5811. July 6, 2004

However, even if there may have not been any technical violations found in your loan through the audit process, there may still be a cause of action against the lender. There are a number of areas of law that address the predatory lending and unfair trade practices. The availability of these subsequent causes of action will depend greatly on the specific facts of your case.

Breach of Fiduciary Duty - Reid v. Key Bank, 821 F.2d 9, 18 (1st Cir. 1987).

Traditionally, a credit transaction has been considered an arm's length transaction in which there has been no special duty read into the creditor-debtor relationship. Most courts, however, have held that the presence of certain factors in the creditor-debtor relationship may give rise to a fiduciary duty.
Borrower can allege a cause of action for breach of fiduciary duty, if they can prove that they relied upon the lender's superior position and skills and placed their trust and confidence in the lender to act in a fair and reasonable manner for their best interests. For this to be a valid cause of action borrower must also show that they had a confidential relationship with the lender. The essential element of a confidential relationship is there be actual placing of trust or confidence in fact, by one party in another and a great disparity of position and influence between the parties to the relation. Such a "duty of confidence" arguably can arise if a lender acts in the role of advisor and knows or should have known the borrower tested him. When such a relationship exists it creates a duty to disclose. A plaintiff bears a heavy burden in establishing such a relation. A creditor-debtor relationship, by itself, does not create a fiduciary duty. Such a

relationship may be created, however, by circumstances such as a “diminished emotional or physical capacity or of the letting down of all guards and bars that defines disparity of position in the context of a confidential relation.”

If established, the existence of a fiduciary duty gives rise to a duty of fair and honest disclosure of all facts which might be presumed to influence the consumer to act. Barrett v. Bank of Am. 229 Cal. Rptr. 16 (Ct. App. 1986). When there is a duty to disclose, failure to do so should give rise to a tort cause of action for nondisclosure, or the silence may be deemed a misrepresentation. Such claims can be used to invalidate the underlying mortgage transaction or to recover money damages to offset any delinquency.

Fraud/Misrepresentation

The traditional elements of fraud are frequently more difficult to establish than a deception claim under an Unfair Deceptive Acts and Practices (UDAP) statute. However, in some instances fraud causes of action can be used quite effectively. People Trust & Saving Bank v. Humphrey, 451 N.E. 2d 1104 (Ind. Ct. App. 1983).

In this case, the consumers went to their own bank for a home construction loan. The bank promised them a “good loan” at a 9.5% rate. That was merely the initial rate. The permanent financing was actually a variable rate loan and included a clause that allowed the bank to demand full payment at their discretion. The court held that “when parties to a contract have prior understanding about the contract terms, and the party responsible for drafting the contract includes contrary terms and then allows the other party to sign it without informing him of the changes, the drafter’s conduct is fraudulent.” The court in Humphrey dismissed the lender’s foreclosure, reformed the contract by deleting the demand and variable rate clauses, and awarded $1000 actual and $40,000 punitive damages.
Greene v. Gibraltar Mortgage Investment Corp, 488 F. Supp. 177 (D.D.C. 1980), 839 F.2d 680 (D.C. Cir. 1980).

This was another misrepresentation case. The court found the failure to disclose an unconscionably high broker fee and the lender’s charging of interest on that fee to be a misrepresentation. The lender also falsely represented the loan amount and claimed to offer a market interest rate. Accordingly, the court voided the promissory note and deed of trust and permanently enjoined foreclosure proceedings.

Mahaffe v. Investors National Security, 747 P.2d 890 (Nev. 1987).
This case involved a common home improvement fraud. The borrowers were promised home insulation which would cut fuel consumption in half, the borrower’s home would be used for promotional purposes, and the total cost would be $5300. work was begun before the 3 day cooling off period, but never completed; what was done was done improperly. The contractors induced the borrowers to sign a completion certificate despite the incomplete work by

threatening them with “skyrocketing interest rates” and “troubles.” The assignee tried to foreclose but the Nevada Supreme Court found the contract to be null and void because of the fraudulent inducement and failure of consideration on the contractor’s part.

First Charter National Bank v. Ross, 29 Conn. App. 667, 617 A.2d 909 (1992). Fraud may also be available as a defense when a borrower is tricked by a family member into signing mortgage documents. In this case a wife was allowed to assert fraud as a special defense to foreclosure action when her husband had given her loan documents to sign with the signature page on top, had discouraged her from looking at the documents, and had told her that the documents had nothing to do with their home. The court ruled that the defense of fraud was not barred by the general rule that a person has a duty to read what they sign and that notice of the content of signed documents is imputed. The court said the official rule does not apply when there is fraud and only applies if nothing is said to mislead the person signing. It should be noted, however, that some courts have refused to invalidate a mortgage when the fraud was committed by a party other than the lender and the lender was not involved in or aware of the fraud. Family First Fed. Sav. Bank v. De Vincentis, 284 N.J. Super. 503, 665 A.2d 1119 (1995).

Invalid Security Instruments

If the mortgage (or the deed of trust) is not a legally enforceable instrument then there can be no valid foreclosure. In re Hudson, 642 S.E. 2d 485 (N.C. Ct. App. 2007). A deed or mortgage that is forged is presumptively invalid. Ex Parte Floyd, 796 So. 2d 303 (Ala. 2001). As a result, forgery of a mortgage is generally an absolute defense to foreclosure. Similarly, where a deed has been forged and the new title holder then encumbers the property, courts have held both the deed and the mortgages are null. Flagstar v. Gibbons, 367 Ark. 225 (2006).

The validity of security instruments in some community property states may require both spouses to execute instruments encumbering a homestead. For example, under Wisconsin law, a court found that a mortgage on a married couple’s homestead that was not signed by both spouses was void as to both spouses, regardless of their respective ownership interests. In re Larson, 346 B.R. 486 (Bankr. E.D. Wis. 2006).

The failure to follow the formal requisites in acknowledging deeds and mortgages may also result in a void instrument. Many deed and mortgage fraud cases involve situations in which the person whom the notary certified as having appeared did not, in fact, appear. In re Fisher, 320 B.R. 52 (E.D. Pa. 2005). In fraudulent mortgage cases, borrowers are often instructed to sign a stack of documents that are then taken elsewhere for notarization. Goldone Credit Corp. v. Hardy, 503 So. 2d 1227 (Ala. Civ. App. 1987). Alternatively, improper notarization may result from the taking of an actual acknowledgment from an imposter, incompetent person, or over the telephone. Regardless, of the reason for the defective acknowledgment, practitioners should investigate whether such defects may render the instrument invalid.

Unconscionability

The common law contract defense of unconscionability may be applied to stop a foreclosure, when either the mortgage terms are unreasonable favorable to the lender or certain aspects of the transaction render it unconscionable. In re Maxwell, 281 B.R. 101 (Bankr. D. Mass. 2002); Hager v. American Gen. Fin. Inc., 37 F.Supp. 2d 778 (1999).

For example, a Connecticut court found a second mortgage contract to be unconscionable based on the facts that:

The defendant had limited knowledge of English, was uneducated and did not read very well.

The defendant's financial situation made it apparent she could not reasonably expect to repay the mortgage.

At the closing, the defendant was not represented by an attorney and was rushed by plaintiff's attorney to sign the loan documents.

The defendant was not informed until the last minute that, as a condition of credit, she was required to pay one year's interest in advance.

And there was an absence of meaningful choice on the part of the defendant. In addition, the court found that the contract was substantively unconscionable, because it contained a large balloon payment that the borrower had no means of paying, and that the borrower had no reasonable opportunity to understand the terms of the contract. Family Fin. Servc. V. Pencer, 677 A.2d 479, (Conn. Ct. App. 1996); Emigrant Mortg., Co., Inc., v. D'Angostino, 896 A.2d 814 (Conn. App. Ct. 2006).

Estoppel

When various and conflicting promises in the loan origination process were made by a lender, a court may find that the effect of some of the promises is to estop the lender from enforcing others. In First State Bank v. Phillips, 13 Ark. App. 157, 681 S.W.2d 408 (1984), the court held that a bank was estopped from enforcing a balloon payment clause in a note and dismissed the foreclosure.

The consumer in Phillips had assumed a mortgage extended by the bank to the person from whom the consumer bought the house. The mortgage indicated it would be fully paid with monthly payments. A separate promissory note provided that after a period of regular monthly payments, the balance of the note would be due in a single lump-sum balloon payment. The mortgage which the consumer saw did not contain the balloon payment. When the consumer talked to bank employees about assuming the mortgage, the balloon payment was not disclosed. In dismissing the foreclosure, the court found that the nondisclosure of the balloon payment forfeited the bank's right to enforce it.

Predatory Loan Analysis

Predatory Lending

The terms "abusive lending" or "predatory lending" are most frequently defined by reference to a variety of lending practices. Although it is generally necessary to consider the totality of the circumstances to assess whether a loan is predatory, a fundamental characteristic of predatory lending is the aggressive marketing of credit to prospective borrowers who simply cannot afford the credit on the terms being offered.

While such disregard of basic principles of loan underwriting lies at the heart of predatory lending, a variety of other practices may also accompany the marketing of such credit.

Example Predatory Lending practices:

Yield Spread Premium/Broker Premium

Does not plainly and prominently disclose on the good faith estimate of closing costs the size of any yield spread premium paid directly or indirectly, in whole or in part, to a mortgage loan officer.

Contractual Interference

By paying the broker a Par Premium or YSP to bring a loan to a lender, and the loan having an interest rate higher than what the borrower could have qualified for, the lender has engaged in a practice of interfering with the Fiduciary Duty of the broker to the borrower.

Excessive Fees and Rates

Requires borrowers to pay interest rates, fees and/or charges not justified by marketplace economics in place at the time the lien was originated.

Loan Flipping & Equity Stripping

Repeated refinancing of borrowers into loans that have no tangible benefit to the borrower. Can be the same lender or different ones. Loans and refinances whereby equity is removed from the home through repeated refinances, consolidation of short term debt into long term debt, negative amortization or interest only loans whereby payments are not reducing principle, high fees and interest rates. Eventually, borrower cannot refinance due to lack of equity.

High Debt Ratios

This is the practice of approving loans with high debt ratios, usually 50% or more, without determining the true ability of the borrower to repay the loan. Can often be seen with Prime borrowers approved through the Automated Underwriting Systems.

High Loan to Value loans
Loans offered to a borrower having little or no equity in the home. Usually adjustable rate mortgages that the borrower will not be able to refinance out of when the rate adjusts due to lack of equity.

Fraudulently Caused to Execute Loan Documents
Adjustable rate mortgage loan was an inter-temporal transaction on which Plaintiffs had only qualified at the initial teaser fixed rate, and could not qualify for the loan once the interest rate terms changed in two years.

Deception, Fraud, Unconscionable
Is marketed in a way that fails to fully disclose all material terms. Includes any terms or provisions which are unfair, fraudulent or unconscionable. Is marketed in whole or in part on the basis of fraud, exaggeration, misrepresentation or the concealment of a material fact. Includes interest only loans, adjustable rate loans, negative amortization and HOEPA loans.

Stated or No Income/No Assets
Is based on a loan application that is inappropriate for the borrower. For instance, the use of a stated-income loan application from an employed individual who has or can obtain pay stubs, W-2 forms and tax returns.

Lack of Due Diligence in Underwriting
Is underwritten without due diligence by the party originating the loan. No realistic means test for determining the ability to repay the loan. Lack of documentation of income or assets, job verification. Usually with Stated Income or No documentation loans, but can apply to full documentation loans.

Inappropriate Loan Programs
Is materially more expensive in terms of fees, charges and/or interest rates than alternative financing for which the borrower qualifies. Can include prime borrowers who are placed into subprime loans, negative or interest only loans. Loan terms whereby the borrower can never realistically repay the loan.