

June 20, 2011

VIA FEDERAL EXPRESS

Hon. Walter R. Barisonek (Special Master)
Union County Courthouse
2 Broad Street
Courtroom 101
Elizabeth, New Jersey 07207

Re Docket No. F-238-11
Administrative Order No. 01-2010
In the Matter of Residential Mortgage Foreclosure Pleading
and Document Irregularities

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Dear Judge Barisonek

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This firm represents Hudson City Savings Bank. In connection with Your Honor's written request for information at our second meeting with Your Honor on June 6, 2011, we enclose the Supplemental Affidavit of V. Barry Corridon in response to the Request for Information Dated April 25, 2011 from the Honorable Walter R. Barisonek (the "Affidavit"). If Your Honor should need anything further, please do not hesitate to contact us.

Thank you for your time and consideration.

Respectfully Submitted,



Michael M. Horn

MMH\ebk

Enclosures

cc Superior Court Clerk (w/ encls via email to
SCCOForeclosure Mailbox@judiciary.state.nj.us and by regular mail)

BOSTON

HARTFORD

NEW YORK

NEWARK

PHILADELPHIA

STAMFORD

WILMINGTON

2. Loan Data System. As previously stated, the Bank does not utilize LPS to maintain loan payment records. The Bank uses MISER[®] software, a product produced by Fidelity National Information Services, Inc. to keep track of its loan data. We have used this system since October 1993 and have never had a security breach.

3. Redundancy and System Security. The Court inquired as to whether the process for booking loans described in paragraph 2(a) of the Prior Affidavit was followed for all loans. The Bank's process of having the loan data recorded by the Bank's "Mortgage Accounting" section, and then having that data audited and checked in detail by the Bank's "New Loan" section, is followed for all loans. With respect to paragraph 2(b) of the Prior Affidavit, the Court asked whether the Bank's computer systems created a record of the identity and changes made when those with "monetary access" to the system made changes to the computer system. The Bank's computer system does create a record of who made the changes and what was changed. In addition, the computer system creates a report which outlines all changes and the identity of the person that made the changes. That report is reviewed daily by a Bank officer, different than the officer that made the changes, to verify the accuracy of the changes.

4. Verification of Information in the Complaint. Paragraph 2(d) of the Prior Affidavit is supplemented to state that, prior to filing the Complaint in Foreclosure with the Court, the accuracy of the following information in the Complaint is verified by the Bank's Default Mortgage Servicing Manager or another senior Bank officer (Assistant Vice President or higher) in the Default Management Department by reviewing business records maintained in the regular course of the Bank's business:

- (a) the name of the obligor, mortgagor, obligee and mortgagee;
- (b) the amount of the debt secured by the mortgage;
- (c) the dates of execution of the debt instrument (note) and the mortgage;

- (d) the recording date, county recording office, and book and page recording reference of the mortgage securing the debt;
- (e) whether the mortgage is a purchase money mortgage;
- (f) a description of the pertinent terms or conditions of the debt instrument or mortgage and the facts establishing the default;
- (g) the default date;
- (h) if applicable, the acceleration of the debt's maturity date;
- (i) if applicable, any prepayment fee;
- (j) if the Bank is not the original mortgagee or original nominee mortgagee, the names of the original mortgagee and a recital of all assignments in the chain of title;
- (k) the description of the subject property by street address, block and lot as shown on the municipal tax map and a metes and bounds description stating whether the recorded mortgage instrument includes that description; and
- (l) whether the Bank has complied with the pre-filing notice requirements of the Fair Foreclosure Act or other notices required by law.

The Bank then confirms to its attorney that the information has been so verified. The Bank has amended its Policies and Procedures (as defined in the Prior Affidavit), to reflect its current practice. See Exhibit A (Amended Policies and Procedures), paragraph 8 of the "Transmittal to Attorney" section of Chapter V.

The attached "Amended Policies and Procedures" have been "black lined" to show the amendments.

5 . Post-Default Payments. The Bank treats post-default payments differently depending on when they are received. In addition, some cases may warrant special treatment. In general, however, the Bank's treatment of post-default payments can be summarized as follows:

- (a) If the Bank receives a payment from a borrower after the Bank's attorneys have commenced a foreclosure, which payment is less than the amount due to cure the default, the Bank will return the payment to the borrower.
- (b) If the Bank reaches an agreement with its borrower regarding the payments in default after a foreclosure has been commenced, it immediately notifies its attorneys, provides them with a copy of the

agreement and instructs them to forbear from prosecution of the foreclosure.

The Bank has amended its Policies and Procedures to reflect its existing practice. See, Exhibit A, paragraph 12 of the "Transmittal to Attorney" section of Chapter V.

6. "Training" of Foreclosure Counsel. Two of the Bank's foreclosure firms have handled the Bank's foreclosures for many years and are familiar with the Bank's Policies and Procedures. As mentioned in paragraph 2(e) of my Prior Affidavit, the Bank recently engaged a third firm to handle some of the Bank's foreclosure cases. Regarding the Court's inquiry as to the manner in which the Bank familiarized this new law with the Bank's Policies and Procedures, a number of Bank officers met in person with a partner, an associate and the office manager of the firm prior to engagement. At this meeting, we discussed, among other things, the Bank's Policies and Procedures. In addition, the Bank is sending all of its foreclosure firms a copy of the Prior Affidavit and this Affidavit.

7. Verification of Amount Due To supplement paragraph 2(f) of the Prior Affidavit, the information sent to the Bank's attorneys in connection with the preparation of the Affidavit or Certification of Amount Due (the "Certification") is prepared by an employee in the Bank's Default Management Department. That employee prepares the information by reviewing business records maintained in the regular course of the Bank's business. The information includes the principal balance of the loan, interest due, escrow balances, advances made, the interest rate, and the per diem interest amount. The Bank's attorneys prepare the Certification using the information received from the Bank. A Bank officer in the Default Management Department holding the rank of Assistant Vice President or higher (the "Senior Bank Officer") then reviews the Certification and signs it if accurate based on his or her personal knowledge of

the Bank's business records maintained in the regular course of the Bank's business. In the Certification, the Senior Bank Officer confirms:

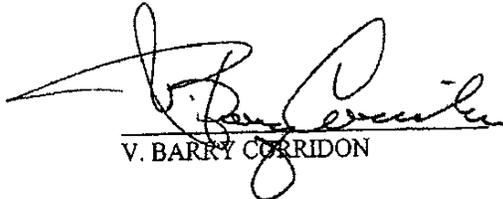
- (a) that he or she is authorized to make the Certification on behalf of the Bank;
- (b) that the Certification is based on his or her personal review of the business records of the Bank, which records are maintained in the regular course of business;
- (c) that the financial information contained in the Certification is accurate; and
- (d) that the default remains uncured.

The accuracy of the financial information in the Certification is also verified by the Bank's Default Mortgage Servicing Manager who does so by reviewing business records maintained in the regular course of the Bank's business, including the subject loan documents. The Bank has amended its Policies and Procedures to reflect its current practice. See Exhibit A, Chapter VI.

8. Training. The Bank's Default Mortgage Servicing Manager is responsible for training any new Senior Bank Officer who may be authorized to sign affidavits or certifications like the Certification at issue in this proceeding on behalf of the Bank. Training shall take place for as long as the Bank's Default Mortgage Servicing Manager deems necessary. In any event, the new Senior Bank Officer shall be required to "shadow" the Bank's Default Mortgage Servicing Manager for at least a period of two weeks. The new Senior Bank Officer is also required to read and to know the Bank's Policies and Procedures. The new Senior Bank Officer will only be permitted to sign affidavits and certifications on behalf of the Bank after the Default Mortgage Servicing Manager confirms, in writing, that he or she is confident that the new Senior Bank Officer fully understands the Bank's Policies and Procedures and the gravity of signing an affidavit or certification on behalf of the Bank. See Exhibit A, Chapter VI, paragraph 8.

9. Again, I have complete confidence in the accuracy and reliability of information contained in certifications and affidavits made by the Bank in New Jersey foreclosures given the reliability of the Bank's business records, the Bank's Policies and Procedures, the size and structure of the Bank, and the very limited number of employees authorized to sign certifications and affidavits on the Bank's behalf in foreclosure proceedings.

10. The Bank remains committed to full and voluntary compliance with this process. We will fully and expeditiously provide the Court with any additional information that may be requested.



V. BARRY CORRIDON

Sworn and subscribed to
before me this 17 day of
June 2011.



CATRINA MARIA BARGHOUT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 4, 2013

Exhibit A

DEFAULT MANAGEMENT

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CHAPTER I
15-DAY DELINQUENT – BLITZ CALL

Background

Monthly payments are due the 1st day of each month other than the bi-weekly payments and due the 15th loan types. Borrowers are given a 15-day grace period to pay their monthly bills. If payment is not received by the 16th of the month, the Collector will perform a Blitz or Reminder call upon receipt of the delinquency report.

1. The Computer Center will print and mail Late Notices to Borrowers that did not make their payments on or before the grace period (16th of the month).
2. A Delinquent Loan Report – 15 Day (LMN 202) will be printed by the Computer Center and send to Mortgage Servicing around the 20th of each month. This report contains list of accounts that are 15-day delinquent.
3. Collectors will call all Borrowers on the report other than those in Bankruptcy immediately. Account status information should be obtained if calls could not be made the same day the report is received. This is to verify if payment was made before calling.

Note: Do not leave any customer information to a stranger other than to ask if Borrower(s) could call the Bank. Leave message to voice mail.

4. If telephone number on record is invalid, i.e. disconnected or wrong number, the assigned Collector will send a "Phone Card" (Form M07-75).
5. If 1st payment of a new loan account is not paid during the grace period, the Collection Manager will call Borrower(s) at home or business phone, will leave message to voice mail. If home or business phone numbers is not available on Miser, order loan file and search for contact information. First payment defaults require enhanced due diligence. The collector should verify home or business phone numbers. The loan file should be pulled if no answer is received. Further investigation is required including but not limited to occupancy and property inspection.

CHAPTER II

30-DAY DELINQUENT

Background

The *Housing and Urban Development Act of 1968* contains a provision that requires borrowers to receive a home ownership counseling notice for loans secure by 1-4 family real estate when they become due. This requirement applies to anyone that services a home loan on its own or on behalf of another person or entity. ***The notice must be made within 45 days from the date the payment was due, unless the homeowner pays the amount before the expiration of the 45-day period.***

Effective June 5, 2006, *Servicemembers Civil Relief Act (SCRA)* requires lenders to provide notice when a servicemember (or a servicemember's dependent) becomes 45 days delinquent on a mortgage loan. This notice must be sent each time a delinquency occurs. If a borrower becomes delinquent, is provided the notice, cures the delinquency and subsequently becomes delinquent again, the notice must be provided again. The notice must be provided once for every covered delinquency.

1. Letters are generated from the computer center and sent to Mortgage Servicing Department.
2. Upon receipt, collectors will mail these letters with list of approved HUD Counseling Agencies and Servicemembers Civil Relief Act Notice.

CHAPTER III
60-DAY DELINQUENT

Background

The Computer Center will print and send Demand Letters demanding loan to be brought current. Collectors will continue to call and demand payment.

Note: If the customer does not respond to telephone calls or Demand Letter, order a property inspection to determine if property is occupied. If not, property has to be secured and if necessary, winterized. Charges should be posted against the mortgage account as "Other Charges" and use reason code "67" (Property Maintenance). Prior to securing and/or winterization of the property, notice to confirm occupancy status must be sent to the homeowner(s) by certified and first class mail.

1. On the 1ST week of the month proceeding 60th day of delinquency, identify which are PMI loans from the list maintained by the Collector.
2. If any, order the legal file and determine what PMI company insures the mortgage. Notify the company in writing.

8. Transmittal Letters are postdated 30 days after the Notice of Intent to Foreclose and should be kept in the loan file. Miscellaneous information known at the time of processing, i.e. interest rate, job status, self-employed, house for sale, etc, should be stated on the letter to assist foreclosure proceedings. (See procedures under 120+ Day Delinquency - Refer to Attorney).

CHAPTER V

120+ DAY DELINQUENT - REFER TO ATTORNEY

Background

The Bank will refer default to Attorney if account is not brought current 30 days after Notice of Intent to Foreclose was sent. The following stages of foreclosure will follow:

1. Search will be performed to determine all liens on the property. (30 days)
2. Complaint in Foreclosure & Lis Penden filed in court to cut off any further liens. (30 days)
3. Summon all involved parties. (45 days)
4. After time to answer, default will expire. (35 days)
5. Prepare and request for final judgment. The Bank will prepare total figures due for final judgment. (60 days)
6. Request Sheriff of County to conduct sale. (60-75 days)
7. Sheriff will advise Bank of sale date.
8. Mortgagor(s) notified of sale.

Lis Penden is a written notice that a lawsuit has been filed which concerns the title to real property or some interest in that real property. The Lis Penden is filed with the clerk of the court certified that it has been filed, and then recorded with the County Recorder. This gives notice to the defendant who owns real estate that there is a claim on the property, and the recording informs the general public that there is this potential claim against it.

Transmittal to Attorney

1. Make two (2) copies of the following:
 - a. Transmittal Letter printed automatically from the Computer Center (please confirm by reviewing the Bank's business records that the information in the transmittal letter is correct including the amount of the unpaid principal balance of the loan, the date of non-payment, the lot and block of the property and the borrower's name and address).
 - b. Mortgage
 - c. Bond or Note
 - d. Assignment where applicable
 - e. Title Policy
 - f. Affidavit of Title
 - g. Survey
 - h. Loan Application
 - i. Notice of Intent to Foreclose
 - j. Statement of Payoff as of transmittal date (NY loans only)
 - k. HUD-1 (NY loans only)

1. Final Truth-in-Lending Disclosure (NY loans only)
2. Create a working file and maintain copies of above documents, original Appraisal Report and correspondence folder. Original loan file should be sent back to the vault for safekeeping.
3. Original loan file and working file should be marked with red stickers to notify users that two (2) files exist for this account.
4. Send the original Transmittal Letter to the Attorney with copies of all documents in paragraph (1); and a retaining check representing part of the legal fees & costs. The transmittal to the Attorney should include copies of the following documents certified as true copies by a New Jersey Attorney: recorded mortgage, evidence of indebtedness (the note), assignments, and any other original document upon which the Bank's claim is based. To issue manual check, prepare a debit ticket using Transaction Code "66" and reason "Other Charges".

Note: HUD & TIL disclosures will be used to determine if loan is a high interest loan.

5. Change account lock from "03" (suspect) to "04" (foreclosure).
6. Foreclosures & Bankruptcies in New Jersey are generally referred to Dieffenbach, Witt & Birchby, Parker McKay or Zucker Goldberg & Ackerman; New York to Cohn & Roth
7. The attorney Attorney will order search to determine all liens on the property and will prepare the Complaint in Foreclosure.
8. The Bank's Attorney must send the draft Complaint in Foreclosure to the Bank for review. Prior to filing the Complaint with the Court, the Bank's Default Mortgage Servicing Manager or another senior Bank officer (Assistant Vice President or higher) must review the Complaint and verify the accuracy of the following information in the Complaint based on the Bank's business records maintained in the regular course of its business:
 - (a) the name of the obligor, mortgagor, obligee and mortgagee;
 - (b) the amount of the debt secured by the mortgage;
 - (c) the dates of execution of the debt instrument and the mortgage;
 - (d) the recording date, county recording office, and book and page recording reference of the mortgage securing the debt;
 - (e) whether the mortgage is a purchase money mortgage;
 - (f) a description of the pertinent terms or conditions of the debt instrument or mortgage and the facts establishing the default;
 - (g) the default date;
 - (h) if applicable, the acceleration of the debt's maturity date;
 - (i) if applicable, any prepayment penalty;
 - (j) if the plaintiff is not the original mortgagee or original nominee mortgagee, the names of the original mortgagee and a recital of all assignments in the chain of title;

- (k) the description of the subject property by street address, block and lot as shown on the municipal tax map and a metes and bounds description stating whether the recorded mortgage instrument includes that description; and
- (l) whether the plaintiff has complied with the pre-filing notice requirements of the Fair Foreclosure Act or other notices required by law.

When that information has been verified, the Bank must so advise its Attorney.

- 9. 8--A Complaint in Foreclosure is filed in court and about 30 days later, a Lis Pendens is recorded to cut off further liens.
- 9. The court will serve summons to all parties about 45 days after the filing of Lis Pendens.
- 10. A summons and the Complaint in Foreclosure will be served on the defendants after the Complaint is filed.
- 11. 10--If necessary, order new appraisal from the Appraisal Department. Follow procedures under New Appraisal of when and how to order new appraisal.
- 12. Payments received after commencement of a foreclosure in an amount less than the full amount due to cure the default, should be returned to the borrower. If the Bank reaches an agreement with its borrower regarding the payments in default after a foreclosure has been commenced, the Bank should immediately notify its attorneys, provide them with a copy of the agreement and instructs them to forbear from prosecution of the foreclosure. In any event, a payoff or reinstatement should be in accordance with Chapter VIII herein.

CHAPTER VI
FORECLOSURE - FINAL JUDGMENT

Background

Final Judgment is the written determination of a lawsuit by the judge who presided at trial, which renders rulings on all issues and completes the case unless it is appealed to a higher court. It is also called a final decree or final decision

After time to answer defaults expire (about 35 days), the attorney will prepare and request for Final Judgment. (Each State is checked for different requirements)

Note: Prior to Final Judgment, the Fair Foreclosure Act allows the Mortgagor(s) to show good prospects of reinstatement. If they do, the Bank has to wait 45 days for Final Judgment. Otherwise, we may proceed with Final Judgment.

A. PROOF OF AMOUNT DUE

1. The attorney will request Proof of Amount Due figures.
2. Print following queries from Miser:
 - a. Payoff Inquiry (POF) using the effective date on the request
 - b. Amount Due Inquiry (DUE)
3. Prepare Proof of Amount Due figures as follows:
 - a. Open file Proof of Amount Due in Drive J:HCSB Template/Foreclosure
 - b. Principal Balance (POF Query)
 - c. Escrow Balance should be sum of figures broken down under Advances below.
 - d. Interest due from date last interest was paid thru and the effective date on the request (POF Query).
 - e. Advances comprised of Escrow Balance (POF Query), Other Charges Due (Excluding Legal Fees – POF Query), and Late Charges due before the Complaint was filed. Breakdown of Late Charges should include the date and amount.
Note: Legal Fees should not be included in this request.
 - f. Date Paid To should be the 1st day of the proceeding month after the last interest was paid (POF Query)
 - g. Per Diem Amount should be calculated manually by dividing the total interest due on the POF Query by the number of days of unpaid interest. Do not use Per Diem Amount on the POF Query. They were calculated using 365-Day method.
 - h. Interest Rate (POF Query)

Note: Print status and attach with file copy of Proof of Amount.

4. ~~Send form with copies of Mortgage, Note or Bond and Assignment if applicable, to Dieffenbach, Witt & Birchby (DWB)~~ Check the accuracy of the information on the form by reviewing the business records maintained in the regular course of the Bank's business and

confirm that the Attorney has received copies of the following documents certified as true copies by a New Jersey Attorney: recorded mortgage, evidence of indebtedness (the note), assignments, and any other original document upon which the Bank's claim is based. In most instances, DWBthe Attorney was provided with certified true copies of legal documents during earlyan earlier stage of the proceedings and need not be sent again.

Note: New York foreclosures will require Sums Due Affidavit to be signed by the Manager and a payoff Statement.

5. Send a memo to Tax Department requesting to pull Tax Card and place lock "not to pay property taxes" and write "Hold". By writing "Hold" on the memo, the Tax Department will not pay taxes and will send all bills to the Collection Department. The Tax Card will be delivered and should be kept in a box maintain by the Collection Manager.
6. The Certification of Amount Due will be prepared by the Bank's attorneys. A Bank officer in the Default Management Department holding the rank of Assistant Vice President or higher (the "Senior Bank Officer") then reviews the Certification and signs it if accurate based on his or her personal knowledge of the Bank's business records maintained in the regular course of the Bank's business. In the Certification, the Senior Bank Officer shall confirm:
 - (a) that he or she is authorized to make the Certification on behalf of the Bank;
 - (b) that the Certification is based on a personal review of the business records of the Bank, which records are maintained in the regular course of business;
 - (c) that the financial information contained in the Certification is accurate; and
 - (d) that the default remains uncured.
7. The accuracy of the information in the Certification of Amount Due should also be verified by the Bank's Default Mortgage Servicing Manager who will do so by reviewing business records maintained in the regular course of the Bank's business, including the subject loan documents.
8. The Bank's Default Mortgage Servicing Manager is responsible for training any new Senior Bank Officer who may be authorized to sign affidavits or certifications such as the Certification of Amount Due on behalf of the Bank in mortgage foreclosure proceedings. Training shall take place for as long as the Bank's Default Mortgage Servicing Manager deems necessary, but the new Senior Bank Officer shall be required to "shadow" the Bank's Default Mortgage Servicing Manager for at least a period of two weeks. The new Senior Bank Officer is also required to read and to know the Bank's Policies and Procedures. The new Senior Bank Officer will only be permitted to sign affidavits and certifications on behalf of the Bank after the Default Mortgage Servicing Manager confirms, in writing, that he or she is confident that the new Senior Bank Officer fully understands the Bank's Policies and Procedures and the gravity of signing an affidavit or certification on behalf of the Bank.
9. 6-The attorney will file for Final Judgment.

Note: The attorney will at times, ask for any advances during a certain period. Include advances such as taxes and insurances. Do not include legal costs and sheriff's fees.

CHAPTER VII
FORECLOSURE - SHERIFF SALE

Background

Sheriff's Sale is an auction sale of property held by the Sheriff pursuant to a writ (court order) of execution (to seize and sell the property) to satisfy a judgment, after notice to the general public.

In Connecticut, properties are sold at a foreclosure auction by a "committee of sale" or "committee", which is generally a local attorney appointed by the court. All must be careful not to have the committee close within the appeal period, and to have any motion to open that is filed inside the appeal period decided rapidly.

1. After the court issued a Final Judgment in favor of the foreclosure, Bank's attorney will request the County's Sheriff to conduct a sale (60-75 days).
2. Attorney will request for a check payable to the Sheriff's Office conducting the sale. The attorney will send the request with the following information:
 - a. Date Requested
 - b. Requesting Party
 - c. Mortgage Number
 - d. File Name
 - e. Amount Requested
 - f. Payee
 - g. Purpose
3. Using procedures for manual checks, issue a check payable to the sheriff's office mentioned on the request.
4. Prepare a Debit Ticket using reason code "66" (Other Charges).
5. Retain copies of the request and check on file. Check and request should be sent interoffice to attorney.

Note: Sheriff's Office will collect fees and commissions and attorney will provide these figures to the Bank.

6. Sheriff's Office will advertise and advise Bank of the sale date.
7. Mortgagors are notified of the sale.

Note: In the State of New Jersey, Debtors are allowed to postpone Sheriff Sale twice.
8. Unapplied Balance after the Sheriff's Sale should be reclassified to escrow. Debit unapplied using a Debit Ticket (Reason: Unapplied) and credit escrow using Credit Ticket (Reason: Escrow). No transaction code is used in this process.

Note: Unapplied Balance is used to credit mortgage payments after payoff figure has been provided for Sheriff's Sale.

9. If a third party outbid the Bank, a 10% deposit is required by the Sheriff and balance within 30 days thereafter.

CHAPTER VIII
FORECLOSURE - PAYOFF & REINSTATEMENT

Background

At times, Borrowers, lien holders or their representatives will request for statement of payoff through the Bank's attorney or directly to the Bank.

A. STATEMENT OF PAYOFF

1. Attorney will provide legal fees due Attorney and Sheriff's fees and commission, if property is on Sheriff's sale. If request was sent directly to the Bank, call Attorney and ask for this information.
2. Print following queries from Miser:
 - a. Payoff Inquiry (POF) – Effective date should be the date on the request or month end.
 - b. Credit Inquiry – Freeform (CRI)
 - c. Escrow Inquiry (EIQ)
3. Prepare Statement of Payoff as follows:
 - a. Open template Statement of Payoff
 - b. Enter loan and requesting party information
 - c. Principal Balance Due (POF)
 - d. Interest Due from last interest paid thru the payoff date on the request (POF)
 - e. Escrow Shortage (POF)
Note: Pull tax card and check for pending disbursements
 - f. Other Charges (POF)
 - g. Cost of Mailing Documents is the Total Fee Amt on the (POF)
 - h. Mortgage Payment L/C Due is the Total Chg Due on the (POF)
 - i. Legal Fees is the legal fee due DWB
 - j. Sheriff's Fees & Commission also provided by DWB
 - k. Last Payment Date is the month/year before the Due Date (POF)
 - l. Last Tax Disbursed is the quarter and year the property tax was paid
4. Send Statement of Payoff interoffice to DWB.

B. LOAN PAYOFF IN FORECLOSURE

1. Upon receipt, reconcile the check and figures on the most current Payoff Statement on the working file.
2. Order the loan file from the vault and pull the working file.
3. From Miser, print Payoff Inquiry (POF) and Amount Due Inquiry (DUE). Effective date should be the date the bank received the payoff check.

4. Fill-up Form No. M07-33 as follows:

Section I

- a. Detail of check to Bank's Attorney with reason code 66
- b. Detail of refund to Borrower (FT Code 4)

Section II

- a. Mortgage Principal from PR-BAL (POF)
- b. Accrued Interest (+) from TOTAL INT DUE (POF)
Note: Leave (-) blank for now and will populate later
- c. Late Charges from LATE CHG DUE (POF)
Note: If outbid at Sheriff Sale, should only include late charges up to filing of complaint date.
- d. Other Charges:
 - Mailing Fee from TOTAL FEE AMT (POF)
 - Update Figures (Fee for updated Statement of Payoff) from Statement of Payoff
 - Cancel of Mortgage Record from Statement of Record
- e. Other Charges Due from OTHER CHG DUE (POF)
- f. Escrow:
 - Balance from L-ESC-BAL (POF)
 - Refund is the variance between Payoff Check and sum of all other entries in this section.
 - Retain & Pay are funds that has to be paid i.e. by the Insurance Department
 - Legal Fees by DWB or Sheriff
- g. Payment:
 - Write in the box total amount paid. If paid through other method, i.e. wire transfer, describe payment method and the GL number where payment was initially posted.

Section III

- a. Other Charges Disbursed
 - Check for County Clerk (if mortgagor paid to cancel of record)
5. Change Lock to 65 before handling transaction to cashier, 94 if outbid at Sheriff Sale, 89 if Deed in Lieu of Foreclosure or 97 if a short Sale. ***Advise cashier to wipe out interest paid year-to-date that was not paid by the borrower..***
6. Cut manual checks to the foreclosing attorney, refund to Borrower and/or County Clerk for cancellation of records.
7. Prepare memo to Tax Department advising them to pull Tax Card, and that the loan is being paid off and if applicable, Retain & Pay amount that has to be paid i.e. insurance. On the

upper left corner of the memo, write the property tax payee code, which could be obtained from Escrow Inquiry screen. Yellow and pink copy of the memo will go to Tax Department, white will go with Form M07-33, and copy to Insurance Department (Josephine Romeo) if necessary.

8. The cashier will get White of Form M07-33, payoff check, green copies of manual checks, and POF screen.
9. The Collection Manager will get the pink copy of Form M07-33.
10. The Payoff Department will get checks for canceling of record; refund check, payoff letter from paying Bank or Agent, POF screen, yellow copy of Form M07-33 and original and working files
11. Send check(s) to Bank's Attorney and notify them that the account was paid off and further legal proceedings should be discontinued.